

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - August 2017

The month in review

For the month of August 2017 we generated a gross return of **-1.00%** with trading volumes very thin. The thin volumes are not unexpected given that we are “in between” seasons with respect to horse racing & football (see From The Trading Desk). Early moves against our Futures Trades (see Beyond September & Futures Trades) conspired against us meaning that for the first time in the Fund’s history we had three consecutive losing months, despite generating a profit from the actual monthly trades.

Global financial markets posted mixed performance in August owing in part to the geopolitical tensions regarding the “Rocket Man” in North Korea as well as the effects on energy & commodity prices of Hurricane Harvey in the USA. The ASX200 was relatively flat generating a return of **-0.11%**, stretching its losing run to four consecutive months. The FTSE100 returned **+0.80%** whilst the HFRX global hedge fund index returned **+0.29%**.

For the month of July we traded just **45 events**, well below our long term average. The reason for such few trades are articulated below. The trades were split between football, cricket & horse racing.

Results

	Month	FY18 [#]	One Year	Three Years	Since Inception
CLONEY Fund	-1.00%*	-2.49%	1.64%	24.86%	220.92%
FTSE100	0.80%	1.61%	9.45%	8.84%	37.19%
ASX200	-0.11%	-0.13%	5.14%	1.51%	16.46%
HFRX	0.29%	1.22%	5.58%	-0.03%	7.95%

*AUGUST 2017 includes losses of circa 3.00% on Futures trades

[#]FY – Financial Year; July 1st through to June 30th

From the Trading Desk

The month of August 2017 was a quiet one for the Fund with much of the activity focussed on managing our long term positions. We managed to scrape a profit for the month but this was dragged down by adverse movements in our Futures Trades.

- **Cricket:** our cricket desk was going along swimmingly until the Windies managed the impossible by securing victory in the 2nd Test, after England’s captain, Joe Root declared on the 4th evening. The final day was all about damage limitation as the Windies pushed for victory. We were long on the DRAW but their win meant we had to take a loss. Cricket was a losing part of our portfolio for the month.

From the Trading Desk (continued)

- **Football:** We started trading the Premier League in August. We should not have. Chelsea’s defeat at the hands of Burnley had a big impact on the Fund (See also below). We took a position against Burnley when they went 1-0 in front. Our data had Chelsea as the most likely to score next. Two red cards & 3-0 down at HT our trade was in a world of pain. Chelsea rebounded but a 2-3 loss was not what we needed. Football was a losing part of our portfolio for the month.
- **Australian Horse Racing:** Despite trading lightly we managed a solid profit for the month. Horse racing is starting to gather momentum again so we will be trading heavily in September/October/November. Look for Winx to go through the Spring undefeated, culminating in her third successive Cox Plate.

September Outlook

Australian horse racing & European Football will be the focus in September. The Spring Carnival will wrap up in Sydney & move to Melbourne. Liquidity will be much higher than at any other time of the year. With this, opportunities will present themselves.

We will have enough data to start trading the European Football markets aggressively.

Beyond September & Futures Markets

- **European Football Futures:** The aforementioned loss by Chelsea against Burnley is posing the Fund some problems re our long term BACK of the defending champions at \$4.50. They have double their price & consequently we are “out of the money” and sustaining losses here. We will monitor this position closely with a view to potentially taking an early loss. Similarly, Manchester United have firmed to sub \$4.00 from our LAY price of \$5.10. Whilst the damage is less than the Chelsea trade it is still posing some issues.

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