

## Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
December 2016	-0.73%	9.60%	88.84%

## Performance Record (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	2.63	2.08	-1.04	-0.18	0.20	0.76	0.98	-0.25	-2.90	3.32	4.57	-0.73	<b>9.60</b>
2015	5.05	2.36	4.15	1.17	2.75	-3.98	-0.17	0.14	-2.08	2.93	0.09	1.12	<b>13.98</b>
2014	-1.43	-1.69	-1.42	-1.43	-1.02	-0.34	-0.46	0.88	5.68	3.67	5.47	0.30	<b>8.09</b>
2013	2.85	0.14	-1.16	0.55	0.45	1.84	-0.80	1.41	-0.69	-1.36	2.19	0.68	<b>6.15</b>
2012	1.36	2.07	1.99	-1.12	1.91	-0.61	1.98	0.98	0.30	-1.92	1.82	0.02	<b>9.03</b>
2011	-4.33	-1.06	2.20	4.25	-3.75	-3.22	1.18	0.43	-0.78	2.79	0.01	2.96	<b>0.24</b>
2010	-0.76	3.97	4.79	2.51	1.81	-3.01	0.27	2.33	6.30	2.73	2.52	2.96	<b>29.44</b>
2009	-4.32	4.36	3.68	-3.14	8.00	-7.19	-1.53	-7.42	-0.20	3.34	1.14	-2.54	<b>-6.85</b>

From January 2009 to November 2012 Three Rock Capital Management traded as Anark Capital Ltd. The firm has been regulated by the Central Bank of Ireland since December 2012 and has been registered with the CFTC and a member of the NFA since January 2013. The performance record from January 2009 to December 2014 has been reviewed by KPMG. The performance record from January 2015 to December 2015 has been reviewed by Arthur Bell. Performance data is net of management and incentive fees. The current fee structure is 1% management fee & 20% incentive fee. Past Performance is not necessarily indicative of future results.

## Commentary

Going into the new year policy uncertainty is in focus ahead of the US presidential inauguration on January 20<sup>th</sup>. Larry Summers this week observed:

*"This is probably the largest transition ideologically and in terms of substantive policy that we've seen in the U.S. in the last three quarters of a century," Summers told Tom Keene in a Bloomberg Television interview. "Those kinds of transitions have to be -- given the central role of the U.S. in the global system -- matters of enormous uncertainty. I don't think that's fully recognized by markets." - Bloomberg*

In terms of prospects for stock markets a fundamental question is to what extent the economic policy of the new administration will be supportive of corporate profits? Suggested tax and regulatory policies will be obviously supportive. Against that trade related policy – highlighted by pressure on Carrier and this week Ford to choose higher cost production alternatives – apparently complicates the picture. To date the stock market has taken an optimistic view (see table below). We think it is correct to do so.

**Table: Return of selected indices since US election**

Index	Change Nov 7 <sup>th</sup> – Jan 6 <sup>th</sup>
S&P 500	+6.4%
Dow Jones	+9.0%
Nasdaq 100	+4.0%
Russell 2000	+15.1%

Source: Bloomberg

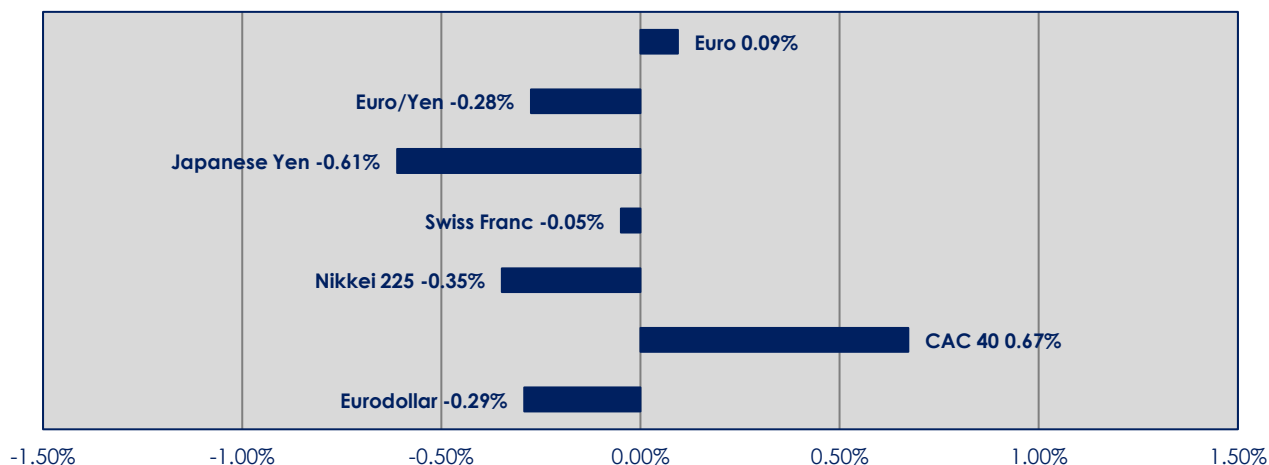
While we anticipate further interventions of the Carrier and Ford kind we perceive them primarily as public relations exercises – high profile interventions in support of an important Trump constituency – but with little overall effect beyond the individual companies and workers. Meanwhile substantive policy of the kind floated – massive tax cuts and deregulation – will likely be a major boost to corporate profits almost

irrespective of how the economy performs. The prospects for the main US indices continue to look bright to us, primarily for this reason.

We have been constructive on the USD since shortly after the US election but feel the likelihood of meaningful near term gains has diminished this week. The USD has now twice backed away sharply from recent highs against various currencies – clouding the near term picture.

More broadly however, the theme of global reflation remains valid as growth and inflation prospects pick up in the advanced economies – with notably upbeat December data coming through this week - while emerging markets continue to stabilise. We anticipate continuing to approach markets from this perspective in the weeks ahead.

### Monthly Return by Contract



### Correlations

S&P 500	MSCI World	JP Morgan Global Bond Index	S&P GS Commodity Index	HFR Global Hedge Fund Index	HFR Macro / CTA Index	Newedge CTA Index
0.07	0.10	-0.01	0.10	0.20	0.27	0.29

### Fee Structure and other Information

**Management Fee:** 1%  
**Performance Fee:** 20%  
**Minimum Managed Account :** \$1 mio  
**Average Margin to Equity Ratio (since 2013):** 2.7%  
**Benchmark Index:** HFRX Macro / CTA YTD: -3.06%

**Executing FCM:** RJ O'Brien  
**Administrator:** HedgeFacts LLP  
**Legal:** Greenberg Traurig LLP  
**Bloomberg:** TRCGMCP ID  
**AUM:** \$75.6 mio

#### PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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