



Three Rock Capital Management

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Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
May 2017	0.46%	-7.15%	75.39%

Performance Record (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-3.57	-1.46	-0.90	-1.84	0.46								-7.15
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	9.60
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	13.98
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	8.09
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	6.15
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	9.03
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	0.24
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	29.44
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	-6.85

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

In recent weeks we have focused risk taking on Eurozone equity indices. We could reasonably be accused of arriving a little late to this party. Nonetheless we maintain that the party is at an early stage.

Eurozone economic prospects are brighter than they have been for years. Growth is firm and unemployment is falling sharply. Political outcomes involving substantial risks have been avoided in the Netherlands and France - indeed political risk has turned out to be a bigger factor in the US. These developments reinforce each other in a positive feedback loop and have led to much improved market sentiment towards the Eurozone.

Further reinforcing this positive backdrop is our expectation that the ECB will maintain the current ultra easy monetary policy stance throughout 2017. Ahead of the ECB meeting on June 8th it is worth recalling Mario Draghi's response to a question following the April meeting about the sequencing of an exit from QE, whenever it comes:

"The Governing Council deems the current stance fully appropriate, it confirmed at its last meeting that net asset purchases will continue until the end of December 2017, or beyond... This implies that our various policy instruments are deliberately chained together in such a way that the forward guidance applied to our asset purchase programme - which is time- and state-dependent - extends also to our interest rate policy. So our forward guidance is de facto on the entire package, not on any specific component of it. And this guidance relates not just to the conditions under which we would withdraw stimulus - i.e. the sustained adjustment in the path of inflation - but also to the sequence of measures we would use to do so."

Source: ECB

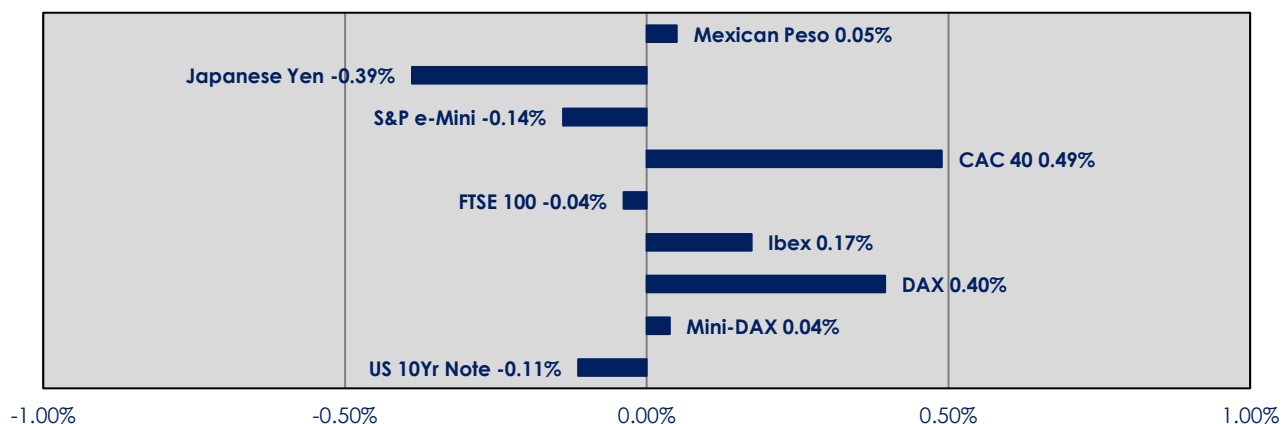
In other words, ECB current forward guidance is that the asset purchase program will remain in place until at least December 2017 and there is no prospect of a deposit rate hike before it ends. This implies a window for the remainder of 2017 whereby ECB policy will not respond to upbeat economic data. We believe the ECB is a long way from seeking to curtail upside risks. In the context of firm economic growth, falling unemployment and strong earnings prospects we perceive a potent mixture for Eurozone stock indices.

Table 1: Selected Eurozone Stock Indices

Index	Real Forward Earnings Yield	Real 2Yr Yields	Real 10Yr Yields	Q1 GDP
DAX	5.76%	-2.12%	-1.14%	2.9%
CAC 40	5.51%	-1.43%	-0.23%	1.0%
IBEX	4.71%	-2.28%	-0.75%	3.0%

Source: Bloomberg

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	0.28

Fee Structure and other Information

Management Fee: 1%
Performance Fee: 20%
Minimum Managed Account : \$1 mio
Average Margin to Equity Ratio (since 2013): 2.72%
Benchmark Index: HFRX Macro / CTA YTD: -0.34%

Executing FCM: RJ O'Brien
Administrator: HedgeFacts LLP
Legal: Greenberg Traurig LLP
Bloomberg: TRCGMCP ID
AUM: \$131 mio

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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