



Three Rock Capital Management

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Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
August 2017	-0.72%	-9.04%	71.81%

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	-2.41	1.10	-0.72					-9.04
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

The gold price has traded between 1,100 and 1,400 for the past four years (see chart). However, conditions conducive to a renewal of the long term uptrend appear to be falling into place.

Gold



Source: Bloomberg

The most important condition required for a renewal of the uptrend is ongoing USD weakness. The weaker the USD the more upside potential for gold. Increasingly we believe the USD bull market of recent years is over and we have entered a period where the USD will tend toward weakness. It is worth noting that if the USD continues

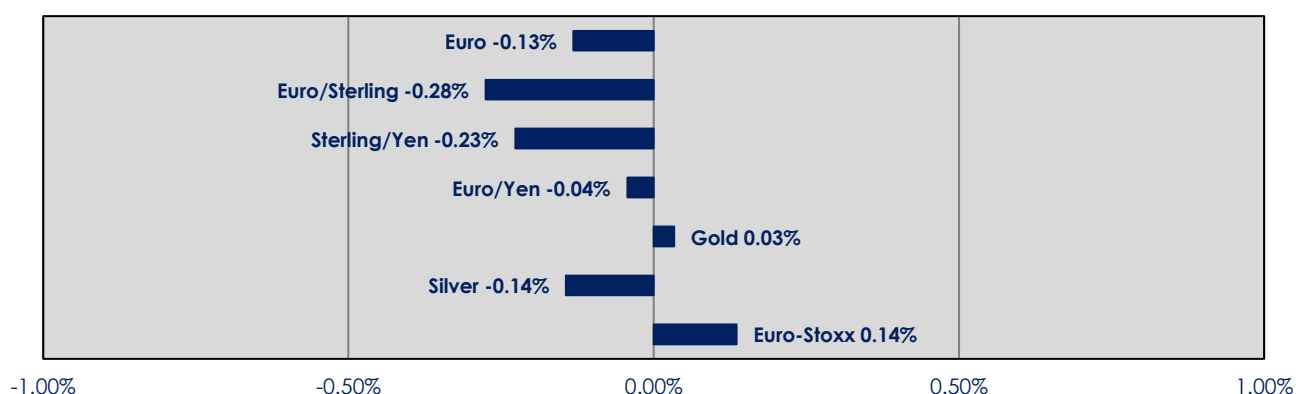
to weaken, gold will not be subject to a central bank attempting to constrain upside as may be the case with the Euro or Yen for example.

A second necessary condition is that global interest rate yields remain relatively low. As gold carries a negative yield it is difficult for it to compete as an asset, other things being equal, if yields are generally rising. As I write, the trend in yields is in the other direction - US 5, 10 and 30 year yields are trading around 2017 lows.

A third condition helpful to bullish gold sentiment, which is clearly present, is increased risk to the geopolitical, economic and trade relationships that have prevailed over the last couple of decades. At this point, after eight months, it seems reasonable to conclude that while President Trump is in office (until 2021) such risks are likely to remain elevated. That is, the current state of affairs is probably not a temporary phenomenon.

Gold is still 30% below the 2011 high but showing upward momentum, the USD bull market is reversing, yields are falling and geopolitical risks are elevated and likely to remain so. That is a strong narrative and one we intend to focus on in the weeks ahead. At the end of June we introduced a monthly stop loss limit of -1% for each of July and August, to be reviewed at the end of August. We are lifting that limit now.

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): 2.77%

Benchmark Index: HFRX Macro / CTA YTD: 0.95%

Administrator: HedgeFacts LLP

Legal: Greenberg Traurig LLP

Bloomberg: TRCGMCP ID

AUM: \$120 mio

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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