



# Three Rock Capital Management

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## Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
October 2017	-0.43%	-6.88%	75.89%

## 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	2.82	-0.43			<b>-6.88</b>
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

Global economic activity is currently estimated to be growing at an annualised rate of around 4.5% - a level not seen since before the financial crisis. Strength is widespread, co-ordinated across the globe and appears to be accelerating. Despite this backdrop, yields globally have generally fallen since the announcement of the ECB's 'dovish taper' on October 26<sup>th</sup>. We doubt lower yields will persist and believe bond markets globally are currently in a sell zone. This perspective is reinforced by the surge in oil prices in the last ten days – the collapse of which were a major deflationary force in 2014 – 2016.

Chart: US2Yr – Jap 2Yr (Red) and USDJPY (Green)



Source: Bloomberg

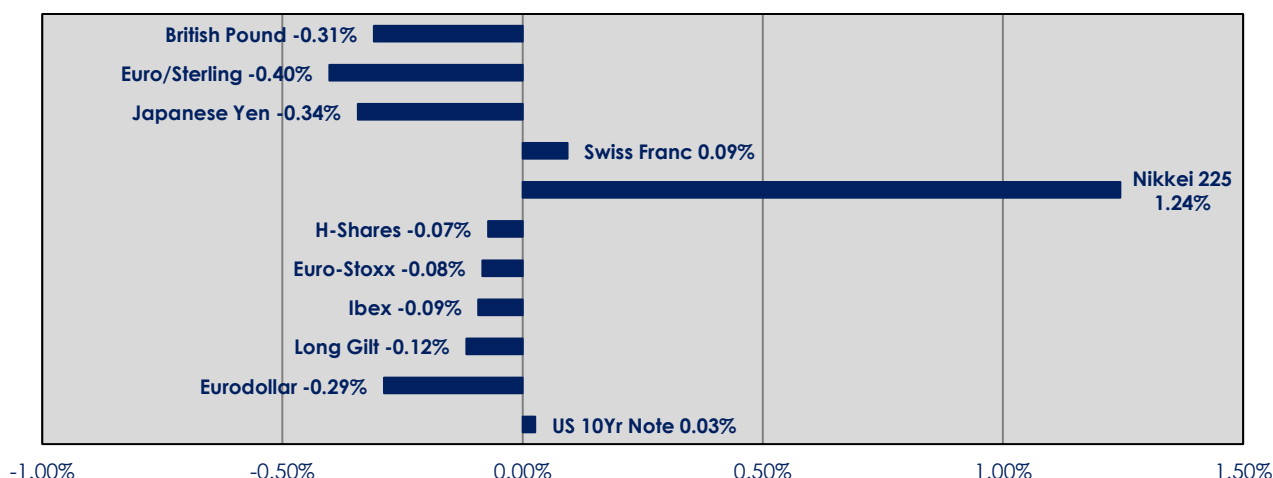
An exception to falling yields has been the short end of the US curve where yields have remained firm, supporting the USD as differentials widen vis-a-vis yields in the rest of the G10. We expect this dynamic to persist.

The IBEX 35 has lagged the recent rally in European equity indices. While developments in Catalonia are likely to have a modest negative effect on Spanish GDP in 2018, the situation has passed its nadir. The IBEX has strong fundamental support (see table below) which we expect to lead to a strong catch up rally.

	Dividend Yield	Earnings Yield (Fwd)	Spain 2Yr	Spain 10Yr	Spain CPI
IBEX 35	4.07%	6.91%	-0.38%	1.42%	1.70%

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: 1.80%

**Administrator:** HedgeFacts LLP

**Legal:** Greenberg Traurig LLP

**Bloomberg:** TRCGMCP ID

**AUM:** \$124 mio

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

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