



## Three Rock Capital Management

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### Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
April 2018	0.47%	1.00%	71.37%

### Performance Record (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	4.22	-2.16	-1.42	0.47									<b>1.00</b>
2017	-3.57	-1.46	-0.90	-1.84	0.46	-2.41	1.10	-0.72	2.82	-0.43	-2.38	-1.18	<b>-10.17</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 2016 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 USD recovery has begun to both broaden and gather momentum since mid - April. Divergence in policy expectations between the US and various European jurisdictions in particular has widened recently. The FX market appears more sensitive to these divergences than at any time since late 2016. The prior period of USD weakness, combined with the extent of the yield differentials that now exist in favour of the USD against other major currencies, suggest the potential for a powerful upmove.

In recent days the ECB, Bank of England and Riksbank have all acknowledged (formally or informally) somewhat less positive growth or inflation developments. We do not expect the FOMC to follow suit when it meets on May 2<sup>nd</sup>. Rather we see the FOMC confirming an increasingly confident posture around monetary tightening. This dynamic of policy divergence can continue to support and reinforce a USD recovery over the course of 2018. A risk to this scenario is a renewal of rhetoric around the currency from the US administration – though this may be less likely in the short term with trade negotiations taking place.

US equity indices are less interesting to us of late due to an absence of direction. Interestingly, stellar Q1 earnings have not been well rewarded. That could be interpreted as a bearish sign but we find it hard to be too negative given underlying earnings and the implications of corporate tax cuts for buybacks and dividends. Indices in Europe are doing better at present, notably in France, where market sentiment appears to be undergoing a fundamental positive shift under Macron.

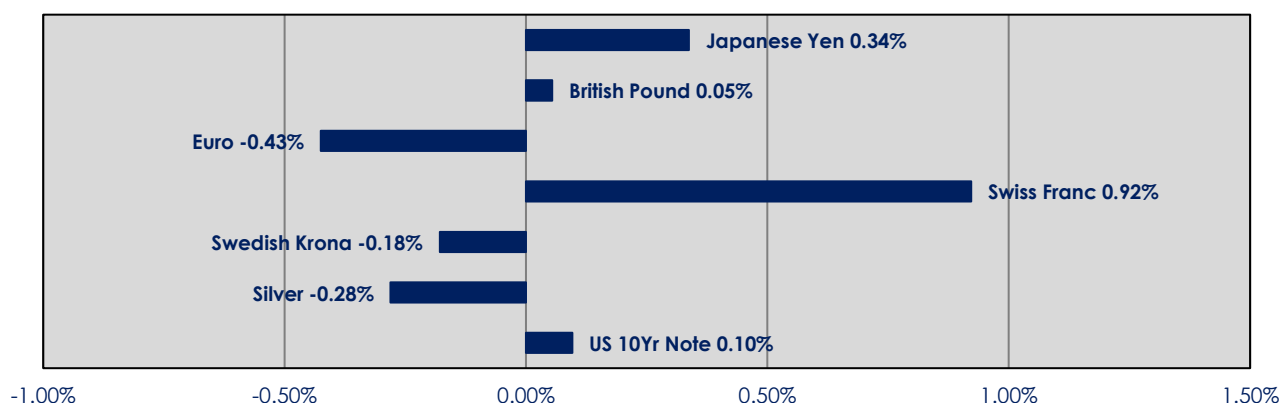
The US 10Yr yield is hovering around 3%. It seems to us only a matter of time before it pushes through this important resistance area and, if so, it will be interesting to see to what extent yields accelerate higher. In precious metals markets gold and silver are testing the lower side of 2018 ranges and appear vulnerable to the downside assuming the USD continues to recover.

## US 10Yr Yield



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
0.08	0.11	-0.02	0.10	0.20	0.26	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):** 2.69%

**Benchmark Index:** HFRX Macro / CTA YTD: -1.57%

**Administrator:** HedgeFacts LLP

**Legal:** Greenberg Traurig LLP

**Bloomberg:** TRCGMCP ID

**AUM:** \$93.0 mio

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

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