Three Rock Capital Management

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Monthly Performance

Global Macro Program	Monthly Return	Year to Date	Since Inception
November 2018	-3.28%	0.95%	71.29%

Performance Record (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	4.22	-2.16	-1.42	0.47	2.48	0.80	0.56	0.12	-0.04	-0.61	-3.28		**0.95**
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	**-10.17**
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 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

November was a difficult month for us. Broad market conditions have obviously been challenging since early October and while we managed the upheavel well initially, we are disappointed to have let it slip in November. In terms of the market outlook, our thesis is that what we may be witnessing in recent weeks is the manifestation of a tipping point in China. For some perspective consider that China's economy is now ten times larger than was the case in the year 2000. It is now a $12 trillion economy, larger than the EU. Assets in the banking system are estimated at close to $40 trillion, three times the size of the economy and half of global GDP. The boom has been phenomenal. Such periods end in different ways, for different reasons but rarely quietly. If a boom were morphing into some kind of bust, four features one might expect to observe in financial markets would be:

1. **Weakness in China's domestic markets:** This has been evident throughout 2018. The Shanghai A-Share index has fallen 30% from it's January high while the currency and interest rates are significantly lower. Bad debts and corporate bond defaults have risen sharply versus recent years while the auto market will contract in 2018 for the first time in 25 years.

2. **Weakness in markets closely linked to China:** The main Taiwan stock index fell 14% peak to trough in October. South Korea was down 15%, Australia 11% and the Nikkei 12% having just made a multi year high.

3. **Weakness in commodity markets:** Most spectacularly, crude oil fell 32% from its October 3rd high. China is, of course, the largest importer. Industrial metals have been weak all year and are testing lows. Iron ore fell 13% peak to trough in October.

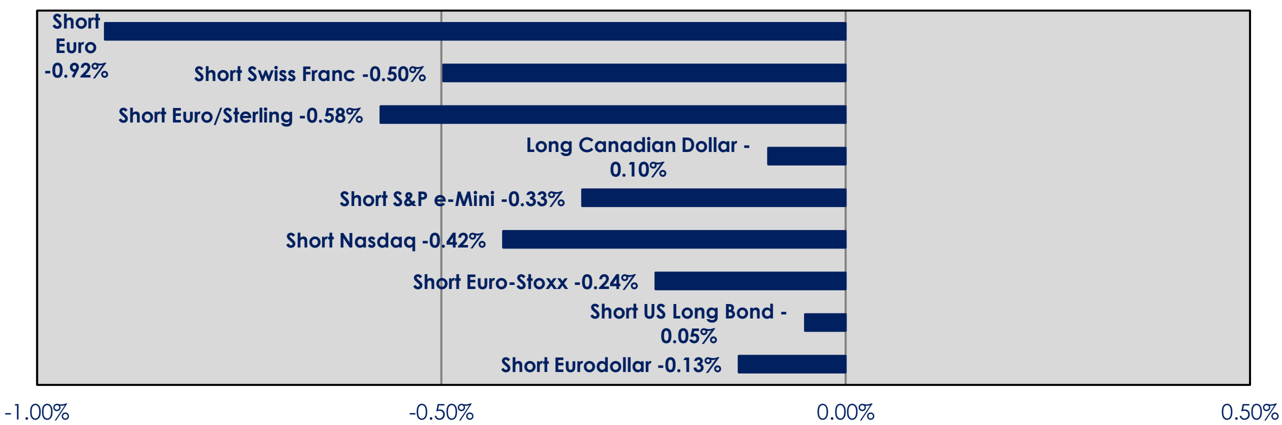
4. **Spillovers into western developed markets:** While emerging markets and European stocks have been weak for most of the year, the US broke lower in October. Having made new all time highs, the S&P, Nasdaq and Dow each fell over 10%. Two bellweather stocks of the bull

market, Apple and Amazon have been crushed - each down over 25% from their (recent) highs. In November credit markets suffered, as investment grade and high yield spreads widened sharply. Market inflation expectations have fallen suddenly followed by sharply lower global bond yields – a very different picture to late September.

Recent developments have occurred as global central bank quantitative easing is ending, to be followed by net quantitative tightening from 2019 onward. This is crucial and limits the capacity of western central banks to respond to any shock, but it has been well flagged. It seems to us something else is also happening and, for the reasons touched on above, we suspect China. If correct this has major ramifications for the global outlook as China is estimated to have accounted for one third of global GDP growth since the financial crisis. While China's official data is deemed suspect by some commentators it is notable that Q3 GDP was negative in Japan, Germany, Italy, Sweden and Switzerland. If what we are witnessing is indeed a reversal of the Chinese boom, we would anticipate further global equity market weakness, lower bond yields, a weaker USD and stronger Gold in the weeks and months ahead.

Monthly Profit Attribution (Gross)

FX -2.09%	Equity Indices -0.99%	Interest Rates -0.18%	Precious Metals 0.00%



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	-0.02	0.09	0.19	0.24	0.26

Fee Structure and other Information

Management Fee: 1%
Performance Fee: 20%
Minimum Managed Account : $1 mio
Average Margin to Equity Ratio (since 2013): 2.63%
Benchmark Index: HFRX Macro / CTA YTD: -3.98%

Administrator: HedgeFacts LLP
Legal: Greenberg Traurig LLP
Bloomberg: TRCGMCP ID
AUM: $89.8 mio