

Reporting as of 30th June 2016

**Investment Philosophy and Style**

THE CIS SPECIAL OPPORTUNITIES, offered by G&G Private Finance jointly with Maximus Capital S.A., invests in liquid equities, bonds and derivatives in Russia and other CIS markets. The CIS Special Opportunities objective is to capitalize on extreme mis-pricings due to events affecting companies, markets and Governments in its core markets of Russia, Ukraine, Kazakhstan and Azerbaijan. The strategy invests solely in USD and EUR denominated securities traded on international exchanges and so faces no local currency or counterparty exposure.

**Monthly Commentary**

In June we returned -3.85% which was a disappointment since we were perfectly positioned for Brexit and had our best two days in the history of our fund (+6.7%). However, the attention of markets quickly shifted to oil and in the absence of strongly negative news on Russia and its besieged financial sector, our short positions reversed their positive trend. This brings us to a fundamental decision - we always declared our event-driven "special situation" investment strategy as a cornerstone of our performance. However, what do we do in the event when markets are so deeply distracted with other events (Brexit, oil obsession, etc) that they continue to ignore deep dislocation between local events and global prices for our target assets? How long will the markets continue to ignore the reality of Russian banking system tethering on the brink of a major correction (if not collapse)? Presently our short position on the Russian/CIS banking system (VTB, Sberbank, Bank of Georgia, Raiffeisen International) is 22% of total capital. We have used the short-term rallies to increase our positions and improve the average price. We still have over 40% in cash and we will keep out "powder dry". Based on our analysis we feel that a probability of any of the following events occurring within the next few months is over 75% - and in every case, the Russian sector will sell off disproportionately: sell of in global markets, China slowdown, sell of in financial sector, oil dropping by 5% or more, Russia triggering more geopolitical tension (Abkhazia, Karabakh, Syria, Baltics, etc), Brexit chaos, reset with US will not happen, exclusion from Olympics, etc. Overall we feel that the probability of negative events is much higher than that for positive events. Moreover, the Russian regulators are also forcing banks to improve capital structures (which is impossible since no one is investing in Russia). "Reserve-ratio requirements will be increased by 75 basis points from Aug. 1 for ruble and foreign-currency liabilities, policy makers said in a statement on Monday. That will force lenders to set aside almost 400 billion rubles (\$6.2 billion)" according to Russia's biggest bank, Sberbank PJSC. Concerning our other positions, Mechel (MTL) long position has not worked out as we expected; no one seemed to care that the company's debt is now fully restructured clearing the path to growth; we will close this position when opportunistically possible. Ferrexpo (FXPO) continues to defy common sense and (their own dismal) financial reports. Despite a "sell" consensus among 14 brokers, and financial reports pointing to insolvency, the price continues to inch up. Even our deep research indicated no signs of life, even further baffling our analysts. We will hold on to this "short" for at least through September when two large PXE facilities are due. On a positive note, we were able to opportunistically acquire a 4Finance bond at 120bp below market, booking a quick profit.

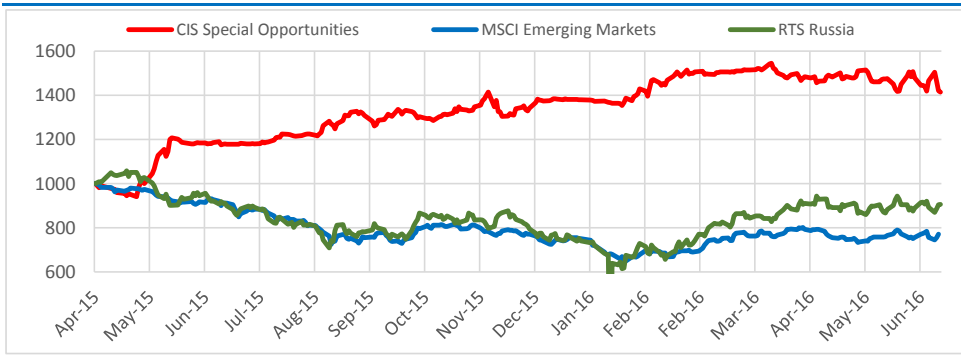
**The Fund**

Type	Actively Managed Fund
Issuer and lead manager	Leonteq securities AG
Sponsor	G&G Private Finance
Authorized distributor	Maximus Capital SA
Inception date	21th April, 2015
Jurisdiction	Guernsey, UK
Isin	CH0266687547

**General Conditions of the Fund**

Reference currency	USD
Liquidity	Daily
Valorisation	Daily
Management fee	2%
Performance fee	20%
Min investment	\$ 100 000
Issue price	\$ 1,000

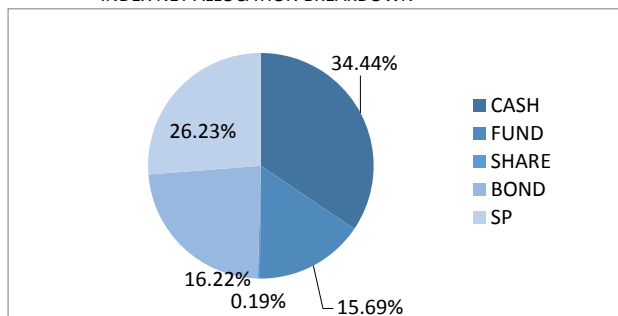
**Performances**



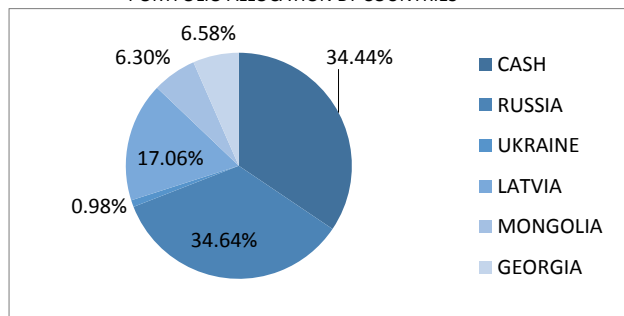
**Management Company**

Monaco-based G&G Private Finance manages over €500 million and offers its clients tailored and discretionary asset management services, including risk analysis, capital preservation, and portfolio management in collaboration with leading banks across Europe. Maximus Capital is based in Geneva and manages portfolios for its UHNW clients while specializing in Russia and CIS markets. Both firms are seed investors in this product.

INDEX NET ALLOCATION BREAKDOWN



PORTFOLIO ALLOCATION BY COUNTRIES



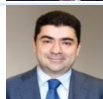
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**Recent Trades**

Security	Sale Price	Profit on Trade	Discussion of Trade
Ferrexpo	\$0.52	70%	In mid-October 2015 we took a short position in Ferrexpo, a metals trading company listed on the LSE entering it at the MFS price of 0.308. We felt confident that this company would experience severe pressure on its stock price due to the failure of the Finance & Credit bank, owned by the same principal shareholder as Ferrexpo, who we suspected was using the company's funds to prop up his own bank prior to its being taken under Ukrainian regulator's control and assets frozen. We exited the short position in mid January at 0.523 booking a 70% net profit on this trade.
MTS, VIP	\$1.91	61%	Starting July 2015 we started to accumulate short positions in MTS, Vimpelcom and Sistema (holding company for MTS) with an expectation that these companies might be negatively affected by either US/EU sanctions, Ukraine nationalization attempts or internal Russian oligarch infighting. Entry point for the short position on VIP was 5.3 and 8.2 for MTS. Both stocks trade on NYSE. We accumulated the short positions in VIP and MTS with a final average purchase price of \$4.9 and \$7.8 respectively, with 2x leverage. We exited the VIP trade at around \$1.91, booking a profit of 61%.
Ukraine Sovereign Bonds	In mid 70's	34%	Following the restructuring of Ukreximbank, the Ministry of Finance embarked on a restructuring of sovereign eurobonds. In the background of an economy weakened by war, while remaining relevant from a geo-political perspective, Ukraine saw an opportunity to restructure its national debt. Following a declaration of "imminent default", bonds dropped to high 40s. We started buying Ukraine bonds, mostly short duration, in June and July at an average price of \$54, and continued to accumulate while both sides threatened to walk away from the deal. Post restructuring, the bonds rallied to low 80s, but we exited the trade fully in mid 70s, averaging a 34% gain per position.
Ukreximbank bonds	\$71	31%	Ukreximbank bonds have plummeted in price in recent months amid tensions with Russia, a falling currency and a weak Ukrainian economy. Earlier this year, after a declaration of "imminent default" and "likely 50% haircut," an 8.375% bond maturing in April fell to the low 50s. Thanks to information gleaned from our industry contacts, we felt the market was far overestimating the possibility of a default or a 50% haircut, and started buying the bonds in early April at an average price of \$54. On April 27th, bondholders accepted a restructuring offer that pushed the price to the mid 70s. We exited at 71, booking a 31% profit.
Alliance oil bonds	\$83.71	52.2%	Earlier this year, Alliance Oil announced it could not repay a bond that was to mature in March, and the company threatened to default. The price fell from the mid 90s to the low 50s. Our sources told us Alliance management was exaggerating the negatives and had enough cash to make the payment, so we started buying the bonds at about \$55. Just before maturity, Alliance announced a restructuring that paid 20% in cash and extended the bonds by four years at a price of \$70. We exited the trade at \$83, booking a profit of over 50%.

**Principals**


Gene Zolotarev, who is head of the investment team, prior to founding Maximus Capital spent over 20 years in senior executive management roles (as a board member, CEO and Chairman) of asset management and investment banking divisions at large U.S., Russian and Baltic banks.



Salim Kriman, member of the investment team, has more than 15 years of experience in CIS markets - both equities and bonds. From 2005 to 2014 he served as Chairman of the board of Bank Standard (Azerbaijan), and prior to this he was the President of Baku Stock Exchange.



Gene Moldavsky, member of the investment team, has 20 years of investment banking and management consulting experience. In past Mr. Moldavsky was involved in transactions valued at more than \$25BN working in Russia and Ukraine for some of the leading investment banks.



Aleksandr Savchenko, member of the investment team, from 2005 to 2009 was Vice Chairman of National Bank of Ukraine. From 1999 to 2005 Mr Savchenko was Chairman of International Commercial Bank. Earlier Mr. Savchenko served as Chairman of Bank Austria Creditanstalt Ukraine, which he originated with Bank Aval and International Financial Corporation.

**Monthly Performances**

	Jan	Feb	Mar	Apr*	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD*
<b>2016</b>	3.75%	5.15%	0.46%	-3.36%	0.59%	<b>-3.85%</b>							<b>2.32%</b>
<b>2015</b>	13.6%	30.1%	-2.7%	-1.3%	12.53%	5.73%	4.25%	4.8%	4.11%	1.56%	-0.83%	3.79	75.64%
<b>2014</b>	2.2%	1.8%	7.9%	0.6%	2.4%	2.8%	3.1%	15.4%	7.2%	-4.2%	-3.8%	27.6%	63%

\*Performance figures prior to April 2015 represents performance of the strategy across managed accounts

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<b>Maxdrawdown</b>	<b>8.59%</b>
<b>Sharpe Ratio</b>	<b>3.23</b>
<b>Mar Ratio</b>	<b>4.69</b>