CIS SPECIAL OPPORTUNITIES

Reporting as of 1st February 2016

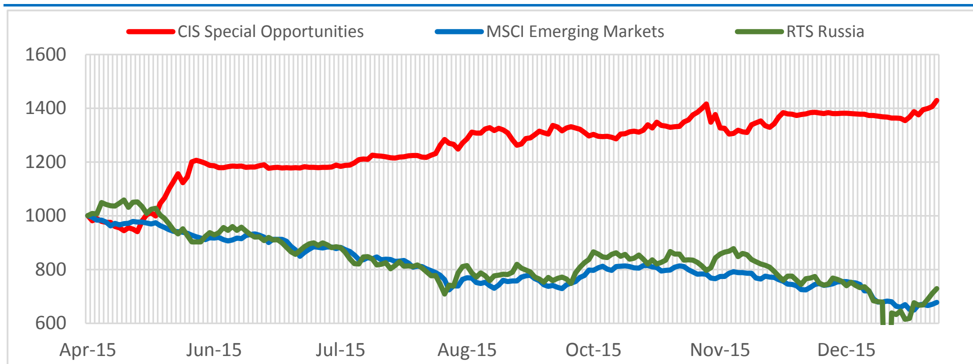
Investment Philosophy and Style

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 January we returned 3.38% as we accurately predicted two of special situation events in our Investment Letter of 5 January 2016. We approached the investment process into our positions with great caution, investing only 25% of total liquidity, the rest remaining in cash. Our confidence was boosted by the Davos conference which almost certainly would have been a platform to reassure markets and give a "light at the end of the tunnel" to US-Russia relations. Once again, we were right. Needless to say, there continues to be a great deal of negative news surrounding the region so the glimmer of optimism is expected to be short-term. More specifically we focused on themes surrounding Russian metals and mining industry. One of them which we are following very closely - a potential restructuring of Mechel debt. As the company lost over 95% of its value and owes over $4bn to Sberbank, VTB and Gazprombank was was given until end of Q1 2016 to find a way to restructure its debt. The question we should be asking is why isn't this company bankrupt already? The reason is that various "groups" involved in this transaction have not been able to agree on "who gets what" from the post-restructuring scenario. As a result we believed that there is a strong chance that some positive news will come out within the next few months, causing a drastic spike in stock price. We are also closely following the developing situation with EU imposing trade duties on imports of Russian steel.This does not impact the companies we have in our portfolio (EVRAZ, NORILSK, MECHEL), but the those that can me potentially strongly affected - NKLM, SEVERSTAL should start to experience serious pressure as once again, geopolitics trump economics. We also anticipate considerable behind the scenes activity surrounding lifting of Russian sanctions as both sides need to look strong (US - as not caving in to EU pressure, and Russia - not to look desperate). Another emerging special opportunity is shorting Azerbaijan CDSs - an oil and commodities rich country which until very recently enjoyed an investment grade rating and a huge budget surplus. Well, those days are gone...its's been cut to "junk". Moreover, its geographical location and geopolitical positioning is highly conducive to its further instability - long border with Iran, growing domestic Islamic fundamentalism, tricky position with Turkey over its conflict with Russia, being a tempting target for Russia to destabilize using Armenian military and their Karabakh contested region. We continue to monitor many other developing events across our four main markets - Russia, Ukraine, Azerbaijan and Kazakhstan and expect no shortage of "special opportunities".

Performances

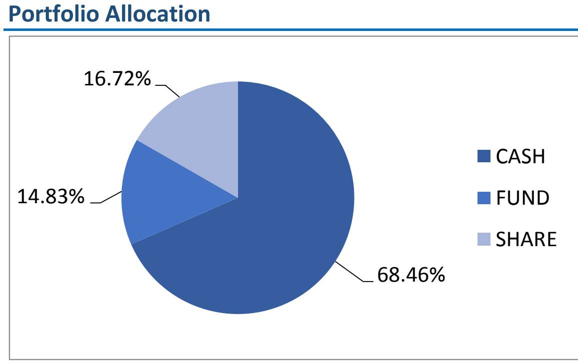


Monthly Performances

	Jan	Feb	Mar	Apr*	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD*
2016	3.38%												3.38%
2015	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%
2014	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

Portfolio Allocation



Maxdrawdown	8.59%
Sharpe Ratio	2.82
Mar Ratio	4.43

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	$ 1000
Issue size	6,000 certificates
Issue price	$ 1,000

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.

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MAXIMUS CAPITAL S.A. G&G Private Finance

Reporting as of 1st February 2016

Principals

Mr. Gene Zolotarev, who is co-head lead 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.

Mr. Gabriele Tagi, the other co-head of the investment team, is a director at G&G Private Finance who has been in the industry since 1986. He is a deep value specialist stock-picker with serious experience in senior executive positions in KBL Monaco Private Bankers, Compagnie Monegasque de Gestion, CMB Suisse Banque Privèe, ABN AMRO Assset Management, Banca Commerciala Italiana.

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 postions 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%. MTS shares have also fallen but we continue to hold this position waiting for the right moment to lock in our profit.
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%.