

Reporting as of 30th September 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

The fund had another difficult month, facing strong head-winds for our chosen trading themes returning - 6.21% amidst heavy volatility. While we are still up 11.2% since inception in April 2015, we are taking serious steps to reduce concentration risk for our main trade - shorting the CIS financial sector. There were, however some bright spots - our long position for Mechel (MTL) is now up over 200% as the stock rallied following a successful debt restructuring. May I remind everyone that we maintained all along that the markets will eventually acknowledge this evident development, and they eventually did. Moreover, we also successfully speculated on the 4Finance bond, buying it at par and seeing it quickly rally to over 103, all while accumulating an 11.25% coupon. On another positive note, we have seen major inflows during this month as it seems many investors have been monitoring our strategy and decided to time their investment a bit closer to the big pay-day. We now face a familiar challenge - do what we feel is right (maintain our shorts) or capitulate and live to fight another day? Needless to say, that if not for responsibility to many investors, the choice would be clear - there is no scenario where financial assets in a nearly bankrupt country / region, under heavy sanctions blocking any external investment or funding, engulfed in major geopolitical conflicts and irreversibly committed to a unsustainable economic model can survive, let alone prosper. Should I also add the fact that it's now trading at a two year high and at a nearly 200% premium to the world's most stable banks? Well, lots of people seem to agree with us. And if this wasn't enough, it seems that VTB will be engulfed in a scandal taking part in laundering Syrian's government funds. "WikiLeaks may have withheld emails that implicated the Russian government in a transference of €2 billion out of Syria in 2011, according to a new report," [Washington Examiner]. The macro environment is equally negative and the tide of unsubstantiated optimism seems to be receding. The idea that the Russian / CIS markets are somehow a safe haven from EU/Brexit/US/China instability, or benefitting from a possible election of Trump as president, all voiced with sporadic frequency over the past few months is.. hmm, how can I describe it diplomatically - idiotic. We have decided to add several short positions in the metals industry - Evraz and Kazakhmys. They are trading at the 2 year highs and have massive debts maturing in the next few years and prospects not looking good. This should hopefully alleviate an industry concentration risk. What we do know for certain is that unsupported rallies or sell-off must and will come to an end, and the reversal will be swift and violent. And this is when the investors with patience and conviction will be richly rewarded.

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

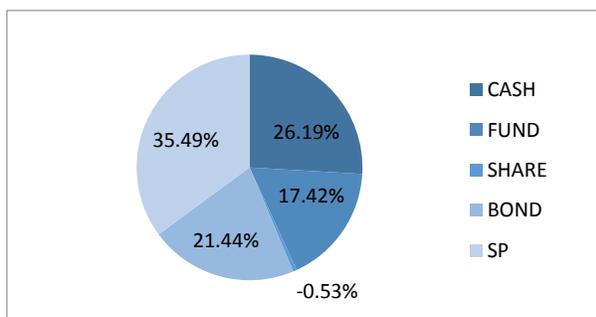
Performances



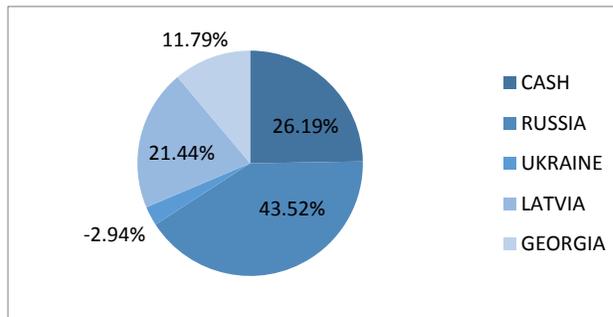
Management Company

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



Reporting as of 30th September 2016

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*
2016	3.75%	5.15%	0.46%	-3.47%	0.59%	-3.85%	-7.71%	-7.70%	-6.21%				-18.25%
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

Contacts: G&G Private Finance, 27, boulevard des Moulins, MC-98000 Monaco, Tel: +377 97 98 29 80

Certificate managers: Gabriele Tagi, Tel: +377 97 98 29 90, gabriele.tagi@gngpf.com www.gngpf.com

Gene Zolotarev, Tel: +37167783601, gene.zolotarev@maximuscapman.com

www.maxcapman.com

Maxdrawdown	29.78%
Sharpe Ratio	-1.09
Mar Ratio	0.53