

**Item 1 – Cover Page**

GML Capital LLP  
The Met Building  
22 Percy Street  
London W1T 2BU  
United Kingdom  
+44 (20) 7580 8588  
[www.gmlcapital.net](http://www.gmlcapital.net)

June 14, 2017

This Brochure provides information about the qualifications and business practices of GML Capital LLP (“**GML**”). If you have any questions about the contents of this Brochure, please contact us at +44 (20) 7580 8588. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

GML is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about GML also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site for information about GML by a unique identifying number, known as a CRD number. The CRD number for GML is 146411.

## **Item 2 – Material Changes**

This Item of the Brochure, dated June 14, 2017, will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last update to this current version of our Brochure was June 13, 2016.

There are no material changes to disclose.

We will further provide you with a revised Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Shpresa Gashi, GML's Chief Compliance Officer, at +44 (20) 7580 8588. Additional information about GML is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with GML who are registered, or are required to be registered, as investment adviser representatives of GML.

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## Item 4 – Advisory Business

GML is owned and controlled by Stefan Pinter, directly and through his ownership in GML International Limited and GML (Holdings) Ltd, GML's managing member and its holding company, respectively. While GML has been providing investment advisory services since August 2007, its regulated predecessor until August 2007, GML International Limited, provided advice to fund vehicles from 1996 to August 2007. As of 31 March 2017 GML managed \$ 461,555,434.00 on a discretionary basis.

### Private Fund Management

GML provides discretionary management services to a number of investment companies ("**Private Funds**") which are exempt from registration with the SEC, and domiciled in Delaware, and the Bailiwick of Jersey (the latter being "**Jersey Funds**"). To each of these Private Funds GML is the designated Fund Manager. Each of these Private Funds is available for investment by U.S. investors subject to an assessment required to be made by GML (or its designee) as to the suitability of any investment by a U.S. investor in such Private Funds.

The Jersey Funds, with one exception, are constituted as separate incorporated cells ("**Cells**") within an incorporated cell company, Growth Management Funds ICC. The remaining Jersey Fund is incorporated as a Limited Company.

The Private Funds to which GML provides discretionary management services are arranged either (a) according to a master-feeder fund structure, in which investors invest in shares in feeder funds, feeder funds typically invest all of their assets in shares in the master fund, or (b) as a singular fund. Each master fund or singular fund (as applicable) will invest principally in debt and loans owed by companies or other entities (including sovereign entities) located mainly in global emerging markets. On behalf of each master or singular fund, GML will arrange for such funds to make investments (a) directly, (b) indirectly through wholly or partly owned subsidiaries (c) by investment through other Private Funds, and (d) in fixed income and equity securities as opportunities are identified by GML.

For a more complete description of the strategies utilized by GML, as well as the accompanying risks associated with each, investors are requested to refer to the applicable Private Fund's offering documents.

## **Sub-Advisory Management of Registered Investment Companies (“RICs”)**

GML acts as sub-adviser to City National Rochdale LLC (hereinafter, “**CNR**”), whereby it provides discretionary investment advisory services to City National Rochdale Fixed Income Opportunities Fund, a separate investment portfolio of City National Rochdale LLC (hereinafter “**RIMOX**”).

Prospective investors in RIMOX should refer to the respective prospectus and Statement of Additional Information (“**SAI**”) for complete information.

## **Item 5 – Fees and Compensation**

In certain circumstances, GML’s fees may be negotiable.

An investor in the Private Funds may redeem its shares for any reason upon prior written notice to the Private Funds. Redemption notice periods for the Private Funds range from 45 days to 12 months, in accordance with each Private Fund’s offering memorandum. Following the settlement of redemption by any investor in a Private Fund, any prepaid, unearned fees received by GML will be promptly refunded. Investors and prospective investors in each Private Fund are requested to refer to the applicable information memorandum and offering documents of the Private Fund for complete information on subscriptions and redemptions and applicable investment “lock-up” periods. GML and/or the Board of Directors of any Private Fund may terminate the investment management agreement upon receipt of either 60 days or 3 months written notice (depending on the Private Fund).

GML, and CNR may terminate relevant Investment Company sub-advisory agreements upon 60 days prior written notice to the other party.

GML may also structure private investment transactions, but it will never structure private investment transactions that RICs are to be invested in. When structuring investment transactions on behalf of Private Funds, GML may also receive from the Private Funds or otherwise, loan origination fees and loan administration fees.

To the extent GML arranges for Private Funds to invest in RICs or exchange traded funds for cash management purposes, all fees paid to GML for investment advisory services are separate and distinct from the fees and expenses charged by RICs to their shareholders. These fees and expenses are described in each Private Fund’s or RICs’ prospectus. These fees will generally comprise a management fee payable to GML, other fund expenses, and in some cases a distribution fee payable to a third party.

## **Private Fund Management**

GML is paid fees for portfolio management of the Private Funds ("**Management Fees**"), which are calculated and paid as a percentage of the net asset value of each Private Fund, so that shareholders in such Private Fund are charged their pro rata shares of Management Fees.

Management Fees for the Private Funds are paid to GML either monthly or quarterly in arrears from the assets of the Private Funds. Management Fees are assessed in the range of 0.5% to 2.0% per annum based on the net asset value of the respective Private Funds. GML is also entitled to performance-based fees or allocations ("**Performance Compensation**") in respect of certain Private Funds. See Item 6 for details.

In addition, at GML's discretion but the prior agreement of a prospective investor, GML may levy an initial charge with respect to subscriptions in certain Private Funds.

All Private Fund investors and prospective investors are requested to refer to the applicable Private Fund offering documents for a full description of the Management Fees and Performance Compensation to be charged to different share class investors within each Private Fund, as well as any applicable lock-up periods for investments, and redemption fees.

## **RIC Sub-Advisory Management**

With respect to RIMOX, GML is paid a Net Advisory Fee by CNR for its sub-advisory management services. Prospective investors in RIMOX should refer to the fund prospectus and SAI for complete information.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As mentioned in Item 5 above, GML is entitled to performance-based fees or allocations ("**Performance Compensation**") in relation to certain Private Funds. Performance Compensation is calculated based on a percentage of the increase in net asset value per share of the Private Funds on each Fund Dealing Day, and are typically 15% to 20% of the allocable share of increase in net asset value per share above the previous "high water mark". For certain Private Funds in respect of which Performance Compensation may be paid to GML, Performance Compensation is only payable if the increases in net asset value per share are above a "hurdle" rate (as specified in the relevant Private Fund's offering

documents.) All Management Fees and Performance Compensation are paid at the Feeder level, and not at the Master level.

In measuring the amount (if any) by which the net asset value of an investor's investment in shares in a Private Fund may have increased, for the purposes of calculation of Performance Compensation, the net asset value of the Private Fund will typically include both realized and unrealized gains and losses during the relevant period, except in the case of certain investments where GML may determine that it is not appropriate to do so. The calculation and payment of Performance Compensation applicable to a particular investment in a Private Fund is described in detail in the respective offering documents for such Private Fund. Such Performance Compensation may create an incentive for GML to arrange for the Private Funds to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement.

## **Item 7 – Types of Clients**

GML provides portfolio management services to Private Funds which are exempt from registration with the SEC as such. GML also provides sub-advisory services to RIMOX which is a registered investment company.

Prospective investors in a Private Fund should refer to the offering documents of the respective Private Fund for information on minimum investment requirements. A minimum investment of either \$100,000 or \$250,000 is required by the Private Funds, although this may be negotiable at the discretion of the relevant Private Fund's Board of Directors.

Similarly, prospective investors in RIMOX should refer to the relevant offering documents and Statements of Additional Information for complete information regarding each RIC's minimum investment amounts.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

In managing client investments, GML typically utilizes one or more of the following investment strategies:

1. Trade Finance: Investments in commodity, import, pre-export and project finance transactions in emerging markets. Because of the nature and structure of trade finance transactions, performance of trade finance investments is characterized by low price

volatility, negligible interest rate and duration risk, limited and/or mitigated credit risk, and low correlation of returns with other asset classes.

2. Securities: Utilizing a liquid diversified emerging market high yield investment strategy. Core returns are typically derived from current yields on performing investments, which include diversified portfolios of emerging market bonds, loans, convertible bonds, trade finance transactions and equities.
3. High Yield Credit and Special Situations: Portfolio diversification, hedging strategies and a focus on secured loans are used to reduce risk and/or maximize recoveries.

GML conducts extensive bottom-up and top-down credit analysis in its identification and scrutiny of investment opportunities, including an assessment of the outlook of the particular country of domicile of the issuer or borrower.

Certain investments acquired by funds for which GML acts as sub-adviser or investment manager are either not widely traded, or without a large or established market, and may be the subject of future restructuring or renegotiation. GML does not utilize active trading strategies on behalf of its clients.

GML identifies new investment opportunities from various activities and through various channels, which include but are not limited to:

- The overseas representative offices of GML International Limited (Moscow, Kiev, Tbilisi and Genoa);
- GML's extensive global relationships (including with hundreds of corporations, exporters, importers and banks with which GML has concluded business in the past);
- from brokers and financial intermediaries; and/or
- via professional referrals.

Each GML client may have different risk/return parameters which will impact whether or not specific investments will be considered for investment by different clients. Where GML is required make decisions about how to allocate a specific investment to different clients, decision drivers will include:

- Available cash that can be invested in a particular fund;
- Whether the investment meets specific client investment objectives, i.e. whether available country, sector and obligor limits can accommodate the transaction and



the extent to which the transaction creates extra diversification as opposed to concentration within the portfolio; and

- The pipeline of other potential transactions which GML believes will be available that are suitable for the client's portfolio.

### ***Risk of Loss***

**Investing in shares in investment funds involves risk of loss that clients must be prepared to bear.**

All investments present the risk of loss of investment – the risk that the value of assets or securities comprising the investment, when sold or otherwise disposed of, or the aggregate of monies received (e.g. interest and principal repayments) may be less than the price paid for the securities. Even when the value of the securities when sold, or the aggregate of monies received is greater than the price paid, there is the risk that the appreciation will be less than inflation, and/or that fees and charges in relation to the investment may exceed the gains when securities are sold at a profit. In other words, the purchasing power of the proceeds from the liquidation of an investment may be less than the purchasing power of the original investment.

In its investment management strategies pursued in respect of the Private Funds and RICs, GML may employ investment techniques which may include limited diversification of underlying investments, sector or geographical concentration, investment in option transactions, margin transactions, futures and forward contracts and any other leveraged or derivative transactions. Such practices may, in certain circumstances, result in substantial or total losses on such investments.

Illiquidity of investments held by Private Funds (and difficulties in ascertaining the value of the investments in certain circumstances) may arise from any one of a number of circumstances including, but not limited to, that:

- there may be no established or recognised market for some of the investments;
- the established or recognised market (if any) for the investments may be relatively small and/or poorly developed;
- the prices of some investments may not be published and/or may not be readily ascertainable from any independent source;
- various trades in some investments may be possible to execute only on a matched

bargain basis;

- GML may arrange for funds to invest in securities of financially troubled companies, illiquid over-the-counter securities and non-publicly traded securities; and
- Investments or investment positions may be illiquid because, for example, some exchanges limit fluctuations in prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Once the price of an investment has increased or decreased by an amount equal to the daily limit, positions in the investment can be neither purchased nor sold unless traders are willing to effect trades at or within the limit. Such or similar occurrences could prevent GML from promptly liquidating unfavourable positions and subject a Private Fund or a RIC to substantial losses. In addition, GML may not be able to arrange for certain trades to be executed at favourable prices if little trading in the relevant investment is taking place. It is also possible that an exchange may suspend trading in a particular investment, order immediate liquidation and settlement of a particular investment or any position therein, or order that trading in a particular investment be conducted for liquidity only.

Investors and prospective investors in the Private Funds or RICs should refer to the offering documents or Statements of Additional Information (as applicable) of the respective Private Fund or RIC for information on risks associated with an investment.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GML or the integrity of GML's management. GML has no information applicable to this Item 9.

## **Item 10 – Other Financial Industry Activities and Affiliations**

GML and its managing member GML International Limited, are also involved in the origination, structuring and distribution of new financings for emerging market borrowers within GML's target markets in Central and Eastern Europe, the Near East, and Central Asia.

Transactions encompass the entire spectrum of types of borrowing, ranging from trade finance and working capital finance for corporations (usually guaranteed by local banks), project finance for parastatal or other organizations (usually guaranteed by the relevant sovereign entity), financing for real estate projects, and general purpose funding for banks and sovereign borrowers. Risk placement is concluded in the "à forfait" market, the euro-

loan market, with emerging market investment funds and pension funds, and in the international bond markets.

GML is accustomed to structuring multi-party and cross-border transactions, and maintains many close relationships with governments and financial institutions in GML's target markets. GML also offers a proprietary software program, GML Trade Finance Analytics™ for use in pricing forfaiting assets.

## **Item 11 – Code of Ethics**

GML has adopted a Code of Ethics which sets forth high ethical standards of business conduct that GML requires of its employees, including compliance with applicable federal securities laws. GML's Code of Ethics is designed to monitor and protect the interests of investors in the Private Funds and RICs and to prevent conflicts of interest or abuse of GML's or its employee's position of trust.

A copy of GML's Code of Ethics is available to GML's advisory clients upon request to the Chief Compliance Officer at GML's principal office address.

### **Principal Transactions**

Principal transactions are generally defined as transactions where GML (or an affiliate), acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if GML effects a transaction on behalf of a sub-advised RICs with an arranger of a deal that is affiliated to the Fund Manager of the RIC.

On certain occasions GML (or an affiliate) may be the lead arranger for a transaction that is subject to restructuring. However, it is GML's policy that for the RICs for which it acts as sub-adviser, it will never consider for investment by the RICs any investment where GML (or an affiliate) acts as the Mandated Lead Arranger. Furthermore, prior to placing a trade on behalf of a RIC, GML will confirm that the underwriter(s), syndicate member(s) or counterparty for the transaction (as the case may be) are considered affiliates of GML or the relevant primary Fund Manager.

GML or an affiliate may occasionally effect a principal transaction between a proprietary account of GML or an affiliate and a Private Fund, or with the prior written approval from CNR as relevant, effect a cross transaction between a Private Fund and a RIC sub-advised by GML. It is GML's policy, however, that GML will not, under any circumstances, effect a principal transaction between GML or an affiliate, and a RIC.

Members and employees of GML may from time to time have acquired or sold, or may subsequently acquire or sell, for their personal accounts, investments that may also be held, or have been purchased or sold, in a Private Fund's or a RIC's portfolio.

GML's Code of Ethics includes policies and procedures for the review of quarterly securities transaction reports as well as initial and annual securities holdings reports that must be submitted by relevant GML personnel. Among other things, GML's Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement), an initial public offering or any other personal investment in securities reportable under GML's Code of Ethics. Finally, GML's Code of Ethics also includes oversight monitoring, enforcement and recordkeeping provisions.

In addition to the policies and procedures included in the Code of Ethics, described above, GML has adopted policies and procedures that are based upon UK Financial Conduct Authority provisions on personal account dealing.

## **Item 12 – Brokerage Practices**

### **Investment and Brokerage Discretion**

Best execution is broadly defined by the SEC as the execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances. GML, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain the best overall qualitative execution in the particular circumstances. It is GML's policy that it will not trade with any brokers on a soft dollar basis.

Due to the nature of the majority of trade finance investments arranged by GML on behalf of its clients, for trade finance strategies, GML does not typically utilize the services of brokers. Instead, funds advised, sub-advised or managed by GML typically arrange transactions via a 'sponsor' or Mandated Lead Arranger that has been appointed by the borrower. However, it is GML's policy that it will attain best execution, to the extent possible, when executing such transactions.

With respect to the fixed income investments that GML arranges for its clients to buy and sell, trades are placed primarily on price (broker-dealer costs are included in the price). GML may seek multiple quotes in order to achieve the best possible price, however, GML is mindful and takes into consideration that to seek multiple quotes may run the risk of making the market aware of GML's intention to trade. As a consequence, this could move the market price for the investment away from the price that GML is seeking to obtain and

therefore act to the detriment of best execution. As such, GML carefully monitors the situation.

### **Private Fund Management**

In respect of the Private Funds, GML is vested with the discretionary authority to determine the securities and amounts of such securities to be bought or sold, as well as (if applicable) the broker-dealer to be used, and (if applicable) the commission rates to be paid.

### **RIC Sub-Advisory Management**

In respect of RIMOX, pursuant to the sub-advisory agreement with CNR GML is vested with the discretionary authority to determine, without prior consent from CNR, the securities and amounts of such securities to be bought or sold, as well as the broker-dealer to be used (as applicable) and the commission rates to be paid (as applicable). Under the sub-advisory agreement with CNR, GML is subject to certain limitations with respect to trading through broker-dealers affiliated to GML or CNR.

### **Execution of Client Transactions**

GML executes transactions, on an agency basis on behalf of the Private Funds and RICs, in accordance with a documented best execution policy.

Due to the nature of the majority of trade finance investments arranged by GML on behalf of its clients, GML does not utilize the services of brokers for the purchase or sale of such trade finance investments. Instead, GML typically transacts via a 'sponsor' or MLA that has been appointed by the borrower. However, as stated above, it is GML's policy that it will achieve best execution, to the extent possible, when executing such transactions.

In a syndicated loan facility, GML will also assess specific capabilities and competencies of other senior syndicate members in addition to those of the sponsor or MLA.

On occasion, and when in the best interests of its clients, GML may execute client transactions on an aggregated basis. Where an investment opportunity is suitable for two or more clients of GML, the investment opportunity is allocated equitably in order to ensure that clients have equal access to the same quality and quantity of investment opportunities, subject always to each client's respective priorities and to mitigating circumstances. Factors and principles that may form the basis for allocation include- but are not limited to – one or more of the following:

- Pro-rata allocation (however this is the sole factor only where the investment is deemed equally suitable for two or more clients);
- Risk and/or volatility tolerance;
- Investment horizon;
- Liquidity preference or availability;
- Target return;
- Desired portfolio diversification;
- Portfolio restrictions;
- Size of the investment; and
- Minimum investment sizes.

Furthermore, a record is made where the actual allocation differs from the original intended basis for allocation.

### **Item 13 – Review of Accounts**

Both GML's Investment Committee and Risk Officer periodically monitor and review underlying client fund investments. Each Private Fund and RIC is reviewed in the context of that specific Fund's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in such variables as the Private Fund's or RIC's specific circumstances, or the market, political or economic environment. Prospective investors are requested to refer to the applicable Private Fund or RIC offering document(s) for complete information.

Investors in the Private Funds managed by GML are typically provided with monthly account statements containing information relating to such investor's Capital Account balance as well as commentary and/or statistical data prepared by GML that summarizes the performance of the applicable Private Fund. Investors also receive an annual report containing audited financial statements as soon as practicable after the end of each fiscal year of the Fund.

Prospective investors in the RICs are requested to refer to the offering documents for complete information.

### **Item 14 – Client Referrals and Other Compensation**

GML may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals in the United States of America. GML is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by GML and all applicable Federal and/or State laws will be observed.

## **Item 15 – Custody**

GML does not serve as the qualified custodian of any of the assets owned by the Private Funds or the RICs and does not maintain physical custody of any securities or cash owned by the Private Funds or the RICs. However, GML is deemed by applicable SEC regulatory rules to have constructive custody of the assets of any Private Fund that is domiciled in the United States. As applicable, GML satisfies the regulatory requirements related to custody by, among other things, ensuring that any Private Funds that are domiciled in the United States are subject to an annual audit by an independent, PCAOB-registered and examined accounting firm, and that such audited financial statements are provided to the investors in the Private Funds within 120 days of the applicable fund's fiscal year end.

## **Item 16 – Investment Discretion**

GML provides investment services to clients on a discretionary basis. Please see Item 12 above for complete details.

## **Item 17 – Voting Client Securities**

A summary of GML's Proxy Voting Policies and Procedures is as follows:

GML, as a matter of policy and as a fiduciary acting on behalf of funds and managed accounts in respect of which from time to time GML acts as discretionary investment manager (the "Portfolios"), has responsibility for voting proxies for securities held in the portfolios, and considering and accepting or rejecting proposed waivers, amendments and other changes to the terms of investments held by the Portfolios, consistent with the best economic interests of the underlying investors in the Portfolios. Due to the nature of such investments (which are overwhelmingly fixed income and credit investments), it is unlikely that GML will ever be required to vote 'typical proxies' on behalf of Portfolios, i.e. where voting rights accorded to an equity holder are required to be exercised by vote.

However, GML does frequently participate, as discretionary investment manager to Portfolios which are holders of bilateral, club and syndicated loans, in evaluating, and then agreeing or rejecting, in organised voting by participants in loan facilities, proposals for waivers, amendments and other changes to the terms of credit facilities. These proposed changes can range from proposals for simple, technical and non-material amendments, to potentially significant and fundamental amendments, including the restructuring/renegotiating of transaction terms with the borrower (issuer) and sponsor or MLA for the relevant loan. Typically this process involves GML in its capacity as discretionary investment manager, agreeing or disagreeing with a request from a borrower (typically made via the loan's sponsor, MLA or Security Agent) and then, if agreed, arranging for the Portfolio or its custodian to enter into written amendments, supplements or modifications to the investment's credit documents for the purpose of adding or deleting any provisions of the credit documents or changing the rights and/or obligations of all or any of the Borrower, Guarantor, Security Provider or Obligor.

A copy of GML's Proxy Voting Policies and Procedures is available upon request to GML's Chief Compliance Officer at GML's principal office address.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about GML's financial condition. GML has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.