RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED
RUSSIA & CIS EQUITIES
July 2015

Fund Description

Russia Dual Return Ltd is an investment fund registered in the British Virgin Islands. It is a Professional Fund as defined by the Securities and Investment Business Act, 2010 (SIBA).

The investment objective is to achieve capital appreciation in US dollar terms by investing primarily in US dollar-denominated equities of Russian companies (both locally traded and in the form of depositary receipts) and to a lesser extent in companies of CIS countries. The Fund aims to outperform the benchmark index (the RTS Index) in the long term.

The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

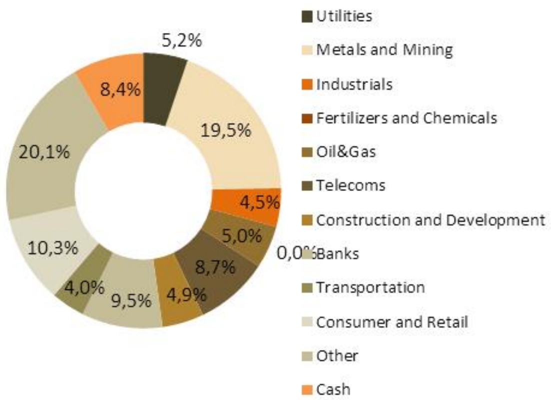
Manager Commentary

Russian markets were again under pressure in July, and the sell-off continued in August. Ruble devaluation put further pressure on dollar-denominated depositary receipts while local equities traded steadily in a range of 1600-1700 points on the MICEX. The ruble correlates closely with oil prices and if the latter stabilize above USD 40/bbl, the local currency and RTS Index may bottom out. Western equity markets are still under pressure and we see some further downside. This will also cap performance by Russian equities. Despite current weakness in local markets we do not foresee any catastrophic scenarios. If the ruble finds support in the short term, helped by oil, we could see a quick bounce in domestic equities.

We bought GDRs of Norilsk Nickel, sold local shares of Alrosa and Mosenergosbyt and speculated with GDRs of TMK Group.

Performance Since Inception*

Industry Breakdown



Monthly Performance*

	2008	2009	2010	2011	2012	2013	2014	2015
January	-8.3%	-10.5%	1.4 %	0.1 %	14.4%	5.7%	-5.7%	-2.1%
February	4.7%	0.8%	-2.3 %	0.9 %	7.7%	-3.1%	-1.5%	20.3%
March	0.0%	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%	-1.0%
April	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%	15.7%
May	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%	-3.2%
June	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	3.0%	-6%
July	-13.3%	0.9%	5.9 %	0.8 %	2.8%	2.9%	-6.3%	-5.3%
August	-4.6%	3.1%	0.6 %	-13.4 %	2.2%	-1.8%	-1.6%	
September	-20.5%	15.5%	6.7 %	-17.6%	3.5%	6.5%	-8.7%	
October	-19.2%	6.9%	2.3 %	13.6%	-5.4%	1.3%	-6.5%	
November	-4.4%	1.4%	0.6 %	0.3%	-0.1%	-2.4%	-9.8%	
December	-1.6%	2.6%	9.7 %	-10.2%	6.4%	2.7%	-20.1%	
YTD	-50.7%	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-44%	16.3%

Fund Facts

NAV per Share: USD 595.04

Total NAV: USD 0.89 million

Base Currency: US Dollar

Inception Date: December 25, 2006

Leverage Max: 20% of NAV

Subscriptions: Monthly

Redemptions: Monthly with 15 days prior notice

Management Fee: 0.5% of quarter-end NAV (2% annualized)

Performance Fee: 20% of performance above benchmark of 3-month USD LIBOR, subject to high watermark

Minimum Initial Subscription: USD 100 000

Investment Manager: Dual Return Asset Management Ltd

Investment Adviser and Sales Agent: Rye, Man and Gor Securities

Administrator: Castlegate Investment Services Ltd

Auditors: Deloitte

Legal Advisor: Walkers

Custodian and Prime Broker: RMG Limited

Bloomberg: RUSSDRT VI

*** Net of all fees** **The value of investments in the Fund may increase or decrease, the results of past investment performance are not indicative of future returns. Before buying shares of Russia Dual Return Fund, investors should carefully review the Fund rules (Offering Memorandum) and statutory documents (Memorandum and Articles of Association), including all relevant annexes to the documents. Please contact your account manager to obtain more information on the Fund and copies of the Fund’s rules and constituent documents.**