



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

February 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.

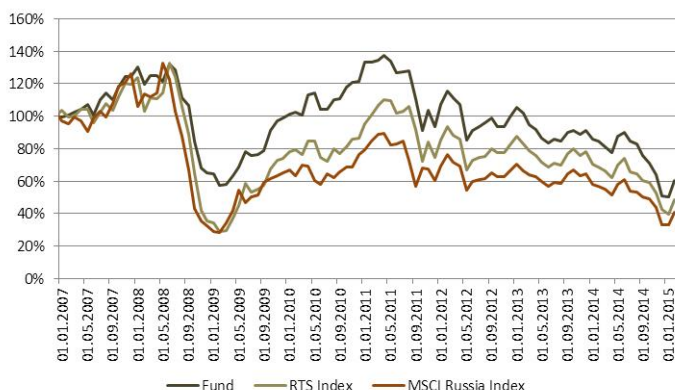
The Fund uses a "long only" actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

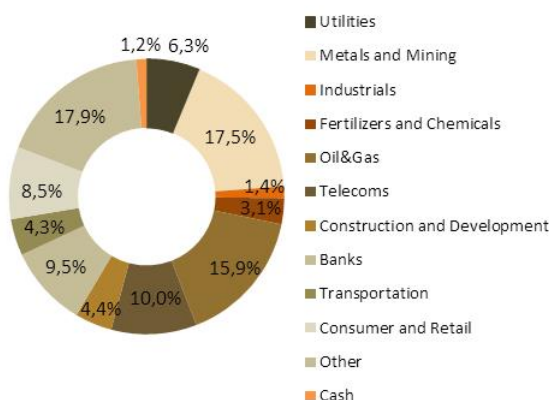
February brought long-awaited stabilization in Russian financial markets as a slight decline of political tensions led to a rally by the ruble and dollar-denominated local assets. Oil price recovery, inflows to Russia-dedicated funds and expectations of further key rate cuts added to overall positive sentiment. Russian markets remained strong in early March but gave up some of their gains by the middle of the month.

We expect further market recovery in the medium term but short-term risks of lower oil prices and deterioration of the situation in Ukraine will handicap performance. The real economy will continue to deteriorate through 2015, but this is largely priced in. We speculated with GDRs of Lukoil and GazpromNeft, and bought 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%	
April	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%	
May	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%	
June	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	3.0%	
July	-13.3%	0.9%	5.9 %	0.8 %	2.8%	2.9%	-6.3%	
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%	17.8%

Fund Facts

NAV per Share: USD 602.50
Total NAV: USD 0.90 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.