RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIAN & GLOBAL EQUITIES
December 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.

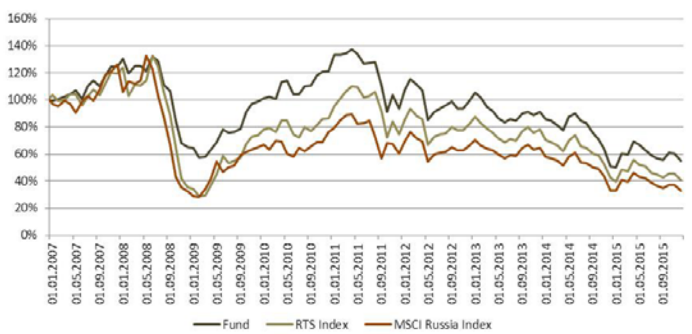
Manager Commentary

Global markets were relatively stable in December, but the dollar denominated segment of the Russian stock market fared worse due to ruble decline. Equity markets fell worldwide at the start of 2016 and only began to recover in the second half of January. We expect that the recovery on developed markets will continue and that the ruble will regain its highs of December 2014.

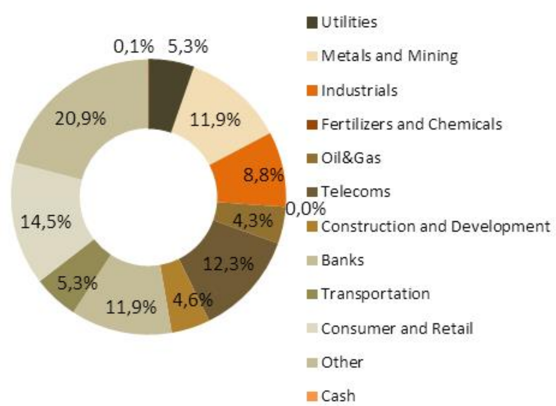
The Manager also expects a rebound by oil prices soon, as current levels are already below those of 2008-2009, which looks unjustified. Record volumes of short-selling and implausible reports of transactions at prices below zero (probably originating from increasingly anxious short sellers) suggest to us that oil is set to rise.

We carried out no trades in our portfolio in December.

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%	-4.5%
September	-20.5%	15.5%	6.7 %	-17.6%	3.5%	6.5%	-8.7%	-1.9%
October	-19.2%	6.9%	2.3 %	13.6%	-5.4%	1.3%	-6.5%	9.4%
November	-4.4%	1.4%	0.6 %	0.3%	-0.1%	-2.4%	-9.8%	-0.7%
December	-1.6%	2.6%	9.7 %	-10.2%	6.4%	2.7%	-20.1%	-9.2%
YTD	-50.7%	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-44%	7.4%

Fund Facts

NAV per Share: USD 549.62

Total NAV: USD 0.82 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

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.**