RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES
September 2012

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.

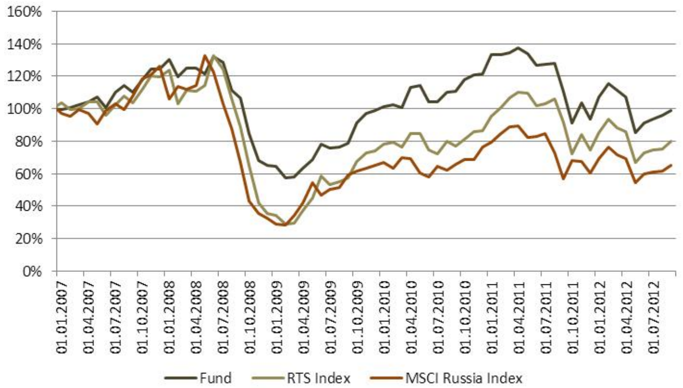
The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

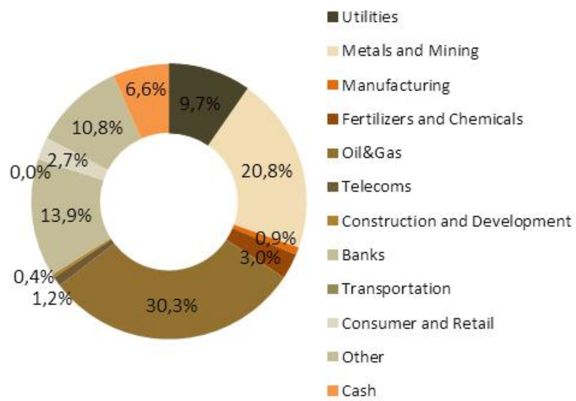
As expected, September was volatile: the Russian market rose in the first half of the month supported by QE3 and ECB’s bond purchase commitments, but fell sharply after quarterly expiry of equity futures and options. After the decline the Manager increased exposure to metals & mining (Severstal and Norilsk Nickel) and to Sberbank on expectations of further monetary stimulus and some easing in European debt markets. Shares of the Russian automaker Sollers were sold after a strong price rally driven by rising output and sales.

We are positive about Russian equities until New Year, and see more upside in commodities across the board. We expect further financial easing and infrastructure spending in China, a tougher US stance towards Syria and Iran after presidential elections, and impact of stimulus on the real economy. The Manager will pick stocks with higher beta when possible.

Performance Since Inception*



Industry Breakdown



Monthly Performance*

	2006	2007	2008	2009	2010	2011	2012
January		1.2%	-8.3%	-10.5%	1.4 %	0.1 %	14.36%
February		1.5%	4.7%	0.8%	-2.3 %	0.9 %	7.72%
March		2.1%	0.0%	9.1%	12.8 %	1.9 %	-3.37%
April		2.8%	-2.9%	8.3%	0.7 %	-2.4 %	-3.95%
May		-6.2%	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%
June		9.1%	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%
July		3.7%	-13.3%	0.9%	5.9 %	0.8 %	2.76%
August		-3.6%	-4.6%	3.1%	0.6 %	-13.4 %	2.24%
September		7.0%	-20.5%	15.5%	6.7 %	-17.6%	3.49%
October		5.8%	-19.2%	6.9%	2.3 %	13.6%	
November		0.0%	-4.4%	1.4%	0.6 %	0.3%	
December	-0.3%	4.7%	-1.6%	2.6%	9.7 %	-10.2%	
YTD	0.3%	30.8%	-50.7%	57.6%	31.6 %	-29.8%	5.9%

Fund Facts

NAV per Share: USD 990.95

Total NAV: USD 1.57 million

Base Currency: US Dollar

Inception Date: December 25, 2006

Leverage Max: 20% of NAV

Subscriptions: Monthly

Redemptions: Quarterly with 30 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.**