RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES
May 2014

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.

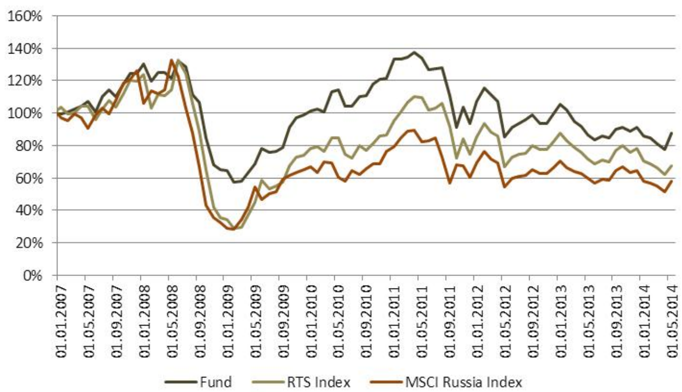
The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

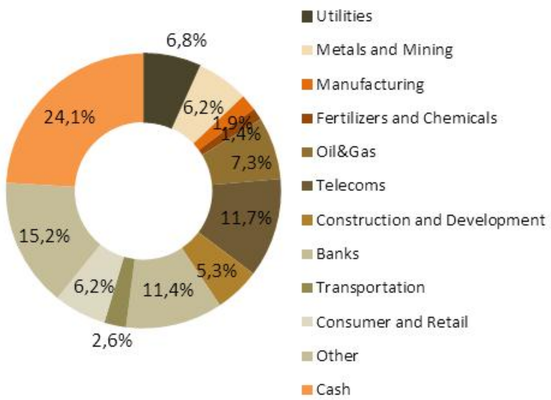
Last month was one of the best Mays in the history of Russian stock market, as shares continued to regain positions lost earlier in the year (the market has tended to correct during May in “normal” years). By mid-June the market has priced in a complete resolution of the situation in Ukraine and is ignoring Russia’s significantly worsened economic situation, due largely to fallout from the annexation of Crimea. We view this as unjustified and think that current record levels on Western markets are a further reason to expect volatility on the Russian market. However, we do not expect any plunge back to the extreme levels seen at the beginning of March.

We sold Gazprom, Novatek, Norilsk Nickel, Severstal, VTB and Magnit in May and are holding reasonable amounts of cash as a precautionary measure.

Performance Since Inception*



Industry Breakdown



Monthly Performance*

	2007	2008	2009	2010	2011	2012	2013	2014
January	1.2%	-8.3%	-10.5%	1.4 %	0.1 %	14.4%	5.7%	-5.7%
February	1.5%	4.7%	0.8%	-2.3 %	0.9 %	7.7%	-3.1%	-1.5%
March	2.1%	0.0%	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%
April	2.8%	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%
May	-6.2%	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%
June	9.1%	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	
July	3.7%	-13.3%	0.9%	5.9 %	0.8 %	2.8%	2.9%	
August	-3.6%	-4.6%	3.1%	0.6 %	-13.4 %	2.2%	-1.8%	
September	7.0%	-20.5%	15.5%	6.7 %	-17.6%	3.5%	6.5%	
October	5.8%	-19.2%	6.9%	2.3 %	13.6%	-5.4%	1.3%	
November	0.0%	-4.4%	1.4%	0.6 %	0.3%	-0.1%	-2.4%	
December	4.7%	-1.6%	2.6%	9.7 %	-10.2%	6.4%	2.7%	
YTD	30.8%	-50.7%	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-4.3%

Fund Facts

NAV per Share: USD 875.14

Total NAV: USD 1.57 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

Dual Return Asset Management Ltd | 171 Main Street , Road Town VG 1110 | British Virgin Islands| +7 (495) 258 6262 | am@rdr-fund.com