RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES

September 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.

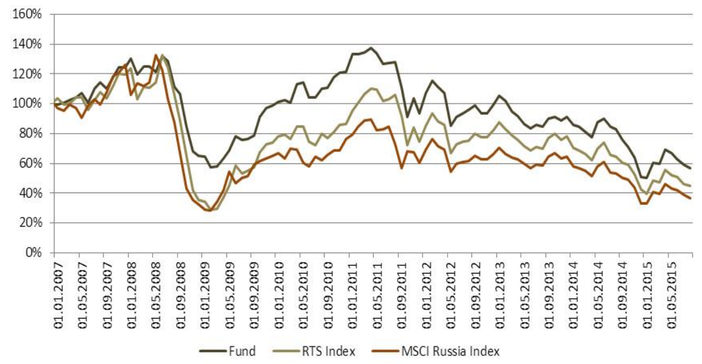
The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

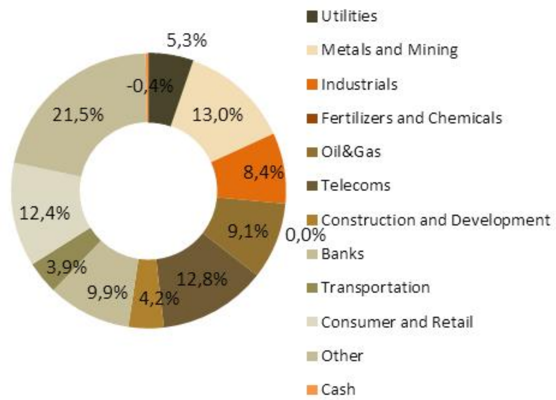
September was an anxious month for the markets, and we used the drawdown to buy quality assets at substantial discount. Markets tried to recover after the August crash but progress was only achieved in October. The decision by the Federal Reserve to delay rate hikes supported commodity and emerging equity markets. We believe that delay of US rate hikes will continue to support risky assets and that oil prices are near their bottom. We expect further strengthening of the ruble in the medium term but oil price volatility will limit any fast recovery by the domestic currency.

We have started to allocate some of the Fund portfolio to global equities in order to reduce geographical risk. We bought shares of Telefonica S.A., Exxon Mobil Corp and Volkswagen, and speculated with shares of BMW in September.

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%	
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%	9%

Fund Facts

NAV per Share: USD 557.54

Total NAV: USD 0.83 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.**

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