RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIAN & GLOBAL EQUITIES
October 2016

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.

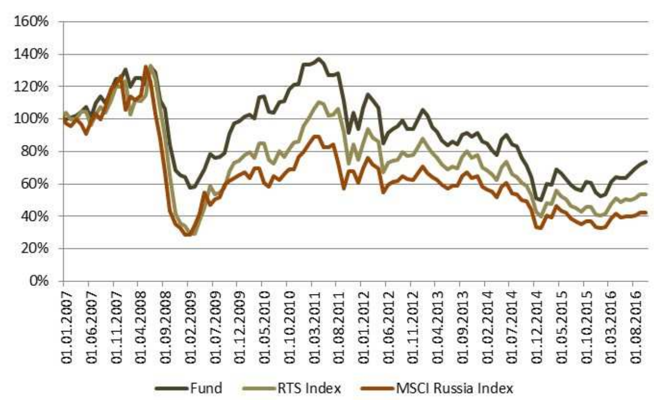
Manager Commentary

Stock markets were under pressure in October due to Brexit risks and the approaching US Presidential elections. Investor concerns intensified at the start of November, but Trump's victory then gave a boost to sentiment, contrary to pre-election fears. Prices for risky assets returned to maximum levels and there is even potential for further modest growth.

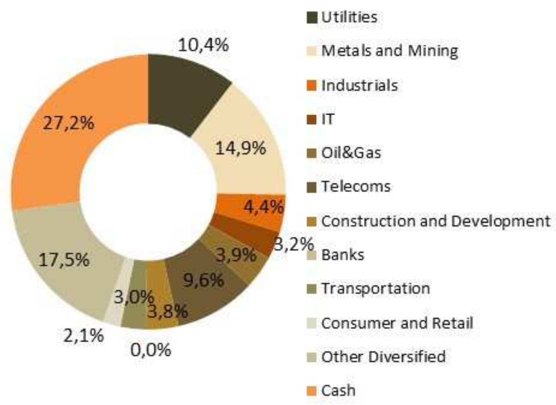
Our portfolio position remains defensive as there are several risks in sight up to New Year.

We sold shares of Aeroflot and Sollers, as well as GDRs of TCS Bank, and bought shares of Twitter Inc.

Performance Since Inception*



Industry Breakdown



Monthly Performance*

	2009	2010	2011	2012	2013	2014	2015	2016
January	-10.5%	1.4 %	0.1 %	14.4 %	5.7%	-5.7%	-2.1%	-5.2%
February	0.8%	-2.3 %	0.9 %	7.7%	-3.1%	-1.5%	20.3%	2.7%
March	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%	-1.0%	14.3 %
April	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%	15.7 %	4.7%
May	14.1%	-8.5 %	-5.3 %	-20.6 %	-5.9%	12.6 %	-3.2%	-1%
June	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	3.0%	-6%	0.6%
July	0.9%	5.9 %	0.8 %	2.8%	2.9%	-6.3%	-5.3%	4%
August	3.1%	0.6 %	-13.4 %	2.2%	-1.8%	-1.6%	-4.5%	5%
September	15.5%	6.7 %	-17.6%	3.5%	6.5%	-8.7%	-1.9%	3.1%
October	6.9%	2.3 %	13.6%	-5.4%	1.3%	-6.5%	9.4%	2.4%
November	1.4%	0.6 %	0.3%	-0.1%	-2.4%	-9.8%	-0.7%	
December	2.6%	9.7 %	-10.2%	6.4%	2.7%	-20.1 %	-9.2%	
YTD	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-44%	7.4%	33.6%

Fund Facts

NAV per Share: USD 734.48

Total NAV: USD 1.10 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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