



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

August 2013

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

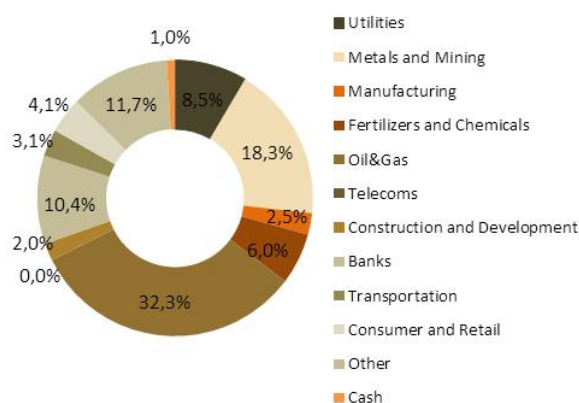
Russian equities spent almost the whole of August in a narrow trading range, with some rare exceptions. Efforts to resume the July growth lacked support due to a continuous flow of negative news from global EMs and anticipation of a strike against Syria. The Russian market was stronger than peers thanks to high oil prices and smooth local currency devaluation, but Russian shares were only starting to move upwards at the time of writing (start of September). We still expect market support from Russian monetary easing, high oil prices, and better news from the domestic economy in 4Q13 as well ending of the bearish trend in state-owned stocks.

We bought shares of Rosneft, Novatek, FGC UES and Gazpromneft in August, and increased our position in Sberbank, being fully invested by end of the month. We sold shares of AFK Sistema.

Performance Since Inception*



Industry Breakdown



Monthly Performance*

	2006	2007	2008	2009	2010	2011	2012	2013
January		1.2%	-8.3%	-10.5%	1.4%	0.1%	14.4%	5.7%
February		1.5%	4.7%	0.8%	-2.3%	0.9%	7.7%	-3.1%
March		2.1%	0.0%	9.1%	12.8%	1.9%	-3.4%	-7.0%
April		2.8%	-2.9%	8.3%	0.7%	-2.4%	-3.9%	-3.4%
May		-6.2%	8.6%	14.1%	-8.5%	-5.3%	-20.6%	-5.9%
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%	
October		5.8%	-19.2%	6.9%	2.3%	13.6%	-5.4%	
November		0.0%	-4.4%	1.4%	0.6%	0.3%	-0.1%	
December	-0.3%	4.7%	-1.6%	2.6%	9.7%	-10.2%	6.4%	
YTD	0.3%	30.8%	-50.7%	57.6%	31.6%	-29.8%	6.5%	-15.2%

Fund Facts

NAV per Share: USD 845.21
Total NAV: USD 1.52 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

* 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.