



# RUSSIA DUAL RETURN FUND

## LONG ONLY USD DENOMINATED

### RUSSIA & CIS EQUITIES

November 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

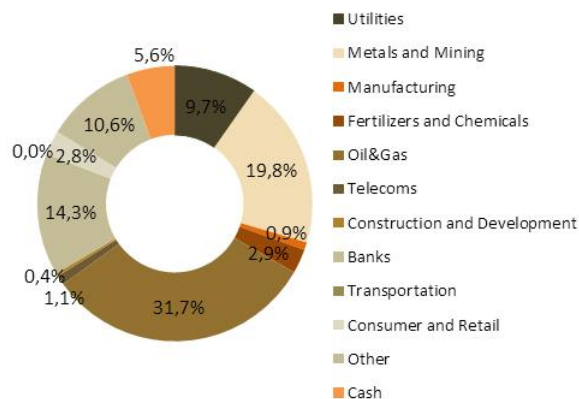
Markets fell after November US elections, even though the Democrat win promises continuation of monetary easing. Weaker economic data from China, Greek refinancing debates and fiscal cliff wranglings in the US led to high volatility in November. We sold shares of Rosneft and VSMPO Avisma after local rallies on corporate events and bought Novatek, which was undeservedly punished by the market after the company lost some gas contracts to competitors.

The Manager expects further volatility in equity markets through December as the main US budget issue is still unsolved, but we see upside rather than downside for Russian equities from current levels.

## 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%   | -5.38% |
| 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%  |        |
| YTD       | 0.3%  | 30.8% | -50.7% | 57.6%  | 31.6 % | -29.8%  | 0.1%   |

## Fund Facts

NAV per Share: USD 937.17

Total NAV: USD 1.49 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.