



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

February 2012

Fund Description

Russia Dual Return Ltd is an investment fund registered in the British Virgin Islands. It is established as a Professional Fund as defined by the Securities and Investment Business Act, 2010 (SIBA).

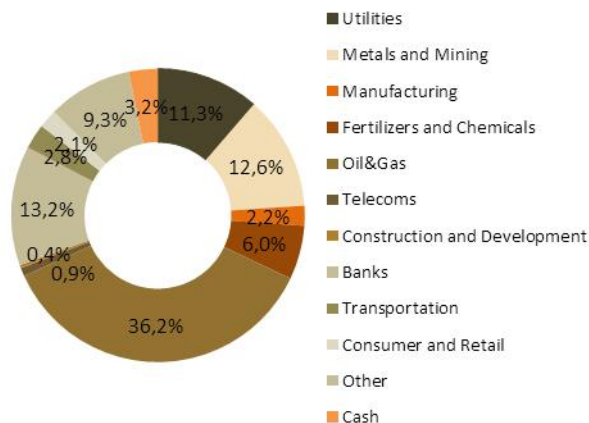
The **investment objective** is to achieve capital appreciation in US dollar terms by investing primarily in US dollar denominated equities of Russian companies (both locally traded and in the form of depository receipts) and to a lesser extent in companies of CIS countries. The Fund aims to outperform 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.

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 %	
April		2.8%	-2.9%	8.3%	0.7 %	-2.4 %	
May		-6.2%	8.6%	14.1%	-8.5 %	-5.3 %	
June		9.1%	-2.5%	-3.2%	-0.3 %	0.2 %	
July		3.7%	-13.3%	0.9%	5.9 %	0.8 %	
August		-3.6%	-4.6%	3.1%	0.6 %	-13.4 %	
September		7.0%	-20.5%	15.5%	6.7 %	-17.6%	
October		5.8%	-19.2%	6.9%	2.3 %	13.6%	
November		0.0%	-4.4%	1.4%	0.6 %	0.3%	
December		-0.3%	4.7%	2.6%	9.7 %	-10.2%	
YTD	0.3%	30.8%	-50.7%	57.6%	31.6 %	-29.8%	23.2%

* 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.

Manager Commentary

The positive trend continued in February and the Fund maintained its main long positions with the exception of GAZ Group shares, which were sold in reaction to worsening of corporate governance and poor prospects for business growth.

Political risks in Russia are much diminished after the return of Vladimir Putin to the Presidency, but positive sentiment over European QE and Greek restructuring has been played out, and further monetary softening in the US looks less likely. We therefore believe that all short-term positive factors are priced in and we are rather cautious about Russian market prospects in March. However, we are optimistic for the longer term, expecting excess liquidity and Iran tensions to support commodity prices through the year.

Fund Facts

NAV per Share: USD 1153.04

Total NAV: USD 1.83 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