RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES
January 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.

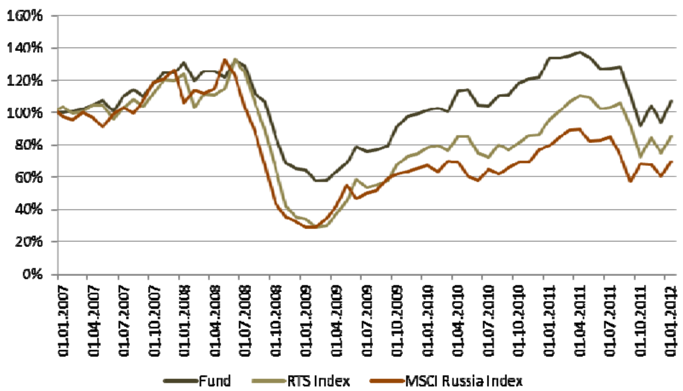
The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

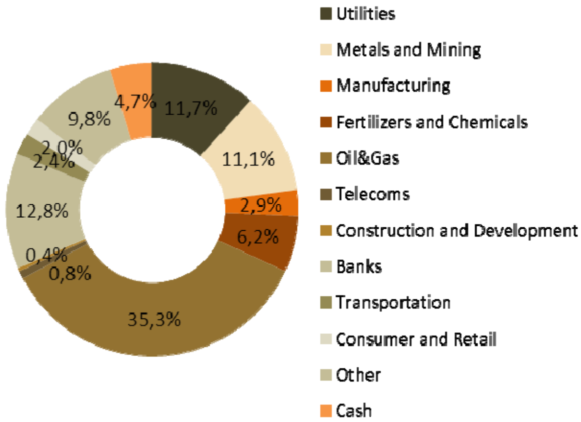
High volatility, expected in 1Q12, has not yet materialized and the year got off to a strong start both globally and domestically. Taking advantage of the upward trend the Manager maintained most of the portfolio in long positions. We are still positive on Russian and global equities in 2012 as cheap liquidity and easing tensions over Greece and Iran boost performance of equities worldwide. We see the main risks in political events this year (elections in France, Germany and the USA) and possibility of recession in the Eurozone. The Manager will seek to use any market drawdowns for portfolio rebalancing and profit taking in individual stocks.

Positions in Rosneft and Norilsk Nickel were closed in January to take profits.

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 %	
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%	-1.6%	2.6%	9.7 %	-10.2%	
FULL YEAR	0.3%	30.8%	-50.7%	57.6%	31.6 %	-29.8%	

Fund Facts

NAV per Share: USD 1070.38

Total NAV: USD 1.7 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

* **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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