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

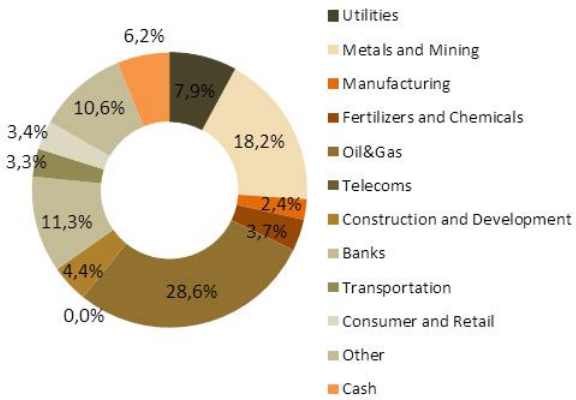
Manager Commentary

September was a good month for Russian equities, which showed one of the best returns among emerging markets. Expected reduction of bond purchases by the Fed did not materialize and strong oil also supported the domestic market. Gazprom posted strong gains, confirming its new bullish trend, Uralkali retreated, allowing some speculative potential to be realized. We expect volatile trading in October, but oil&gas and telecom names could remain fairly strong. We expect the bulls to dominate until New Year and see many reasons to predict a robust year for Russian equities in 2014.

We sold Rosneft, Gazpromneft, Novatek and Uralkali in September, switched from Uralelectromed to Norilsk Nickel and bought Lukoil, as well as preferred shares of Tatneft and Mostotrest.

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%	6.5%
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%	-9.7%

Fund Facts

NAV per Share: USD 900.18

Total NAV: USD 1.62 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.**

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