



RUSSIA DUAL RETURN FUND LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES December 2014

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.

Performance Since Inception*



Monthly Performance*

	2007	2008	2009	2010	2011	2012	2013	2014
January	1.2%	-8.3%	-10.5%	1.4 %	0.1 %	14.4%	5.7%	-5.7%
February	1.5%	4.7%	0.8%	-2.3 %	0.9 %	7.7%	-3.1%	-1.5%
March	2.1%	0.0%	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%
April	2.8%	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%
May	-6.2%	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%
June	9.1%	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	3.0%
July	3.7%	-13.3%	0.9%	5.9 %	0.8 %	2.8%	2.9%	-6.3%
August	-3.6%	-4.6%	3.1%	0.6 %	-13.4 %	2.2%	-1.8%	-1.6%
September	7.0%	-20.5%	15.5%	6.7 %	-17.6%	3.5%	6.5%	-8.7%
October	5.8%	-19.2%	6.9%	2.3 %	13.6%	-5.4%	1.3%	-6.5%
November	0.0%	-4.4%	1.4%	0.6 %	0.3%	-0.1%	-2.4%	-9.8%
December	4.7%	-1.6%	2.6%	9.7 %	-10.2%	6.4%	2.7%	-20.1%
YTD	30.8%	-50.7%	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-44%

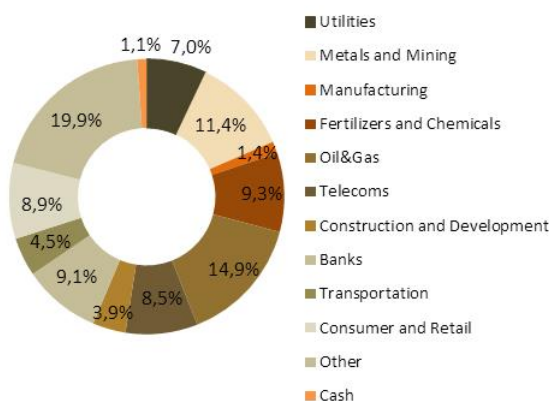
* Net of all fees The value of investments in the Fund may increase or decrease, the results of past investment performance are not indicative of future returns. Before buying shares of Russia Dual Return Fund, investors should carefully review the Fund rules (Offering Memorandum) and statutory documents (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

Extreme fluctuations of ruble made December the worst month of the year for the Russian financial market. Severe devaluation affected pricing of dollar-denominated stocks and GDRs. Appreciation of some portfolio stocks in ruble terms was fully offset by the FX rate. The Manager refrained from speculation due to high levels of uncertainty in the market.

Overall, shares of exporters were in a better shape than names serving the domestic market. Oil prices, sanctions and CBR currency policy were the focus of attention. We expect some stabilization of the domestic currency in 1Q15, further strength of exporters and some buying of dips in domestic stories.

Industry Breakdown



Fund Facts

NAV per Share: USD 511.57
Total NAV: USD 0.81 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