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

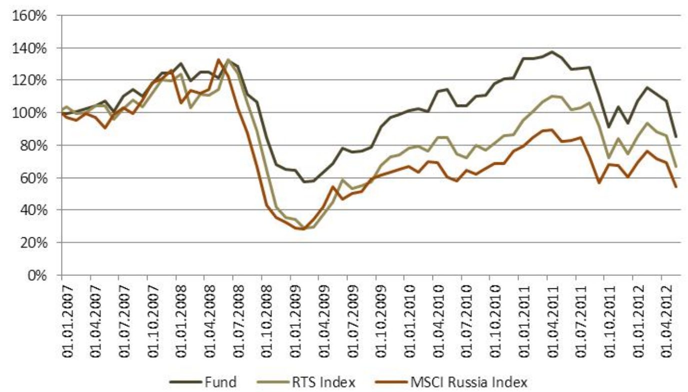
The Fund uses a “long only” actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

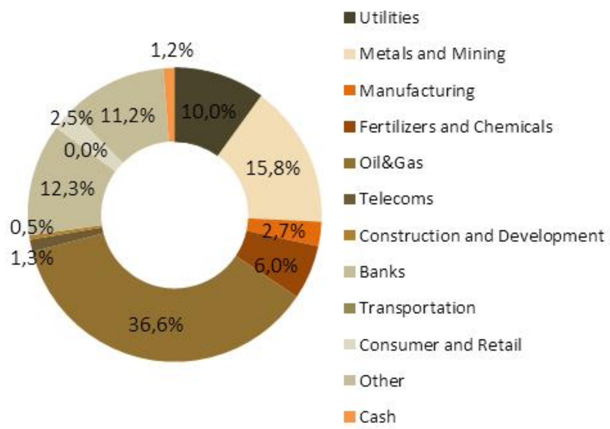
Sell off continued in May and provided good opportunities to buy shares cheaper. The fund increased its holdings of Lukoil, bought Acron and NLMK, as well as bought back Sollers shares which were sold earlier. Holdings of dividend shares were maintained. Monthly performance of the fund was negatively affected by sharp ruble devaluation which made dollar-denominated prices of equities lower.

As the Manager expected, central banks across the board are considering measures of monetary easing and Chinese National Bank recently confirmed global focus on support. We expect more actions from monetary authorities going forward. The Manager sees low probability of Grexit and expects that tensions around Iran nuclear talks and Syria conflict to support oil prices.

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 %	
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%	
YTD	0.3%	30.8%	-50.7%	57.6%	31.6 %	-29.8%	-9.2%

Fund Facts

NAV per Share: USD 850.14

Total NAV: USD 1.35 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.**

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