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

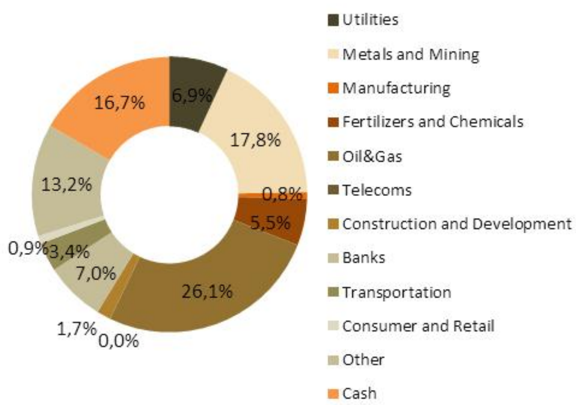
Manager Commentary

Expectations of a correction on global markets were confirmed at the end of May and Russian equities fared particularly badly. The Russian share market fell back to its lowest levels since the start of 2013 and we see further downside in June. However, current price levels are already attractive for medium-term purchases. We brought Bashneft preferred shares and shares of Rosneft into the portfolio after both stocks tumbled, but sold a small position in MTS as the stock went ex-dividend and looked overpriced in the short-term.

We expect further depreciation of the ruble in June and reduction of CBR interest rates towards the end of the summer. Combined with anticipated government stimulus, these developments should support the domestic economy in 2H13.

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%	
July		3.7%	-13.3%	0.9%	5.9 %	0.8 %	2.8%	
August		-3.6%	-4.6%	3.1%	0.6 %	-13.4 %	2.2%	
September		7.0%	-20.5%	15.5%	6.7 %	-17.6%	3.5%	
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%	-13.4%

Fund Facts

NAV per Share: USD 864.04

Total NAV: USD 1.55 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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