



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

April 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.

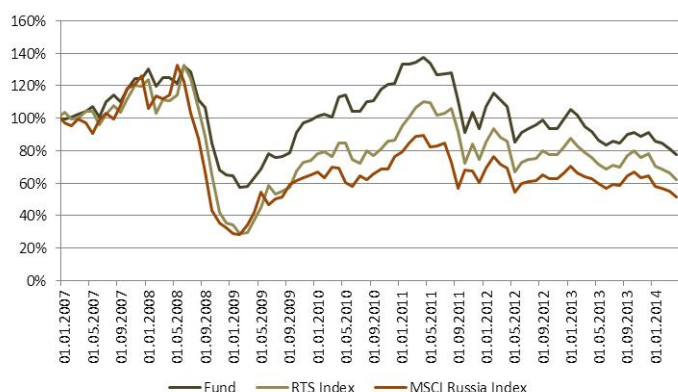
The Fund uses a "long only" actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

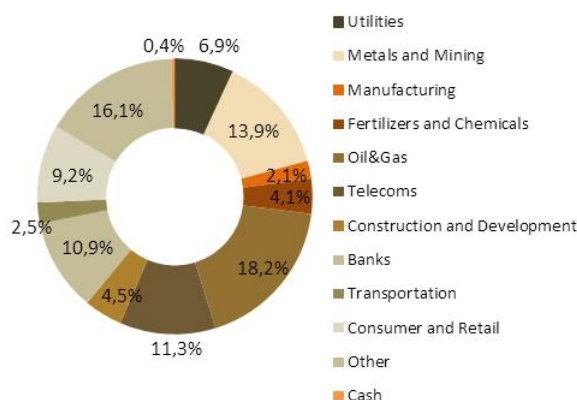
Russian equities were mostly static in April, with minor declines and without much volatility. Speculative potential was therefore limited. The market reacted only to political news from Ukraine, ignoring price trends for western equities and commodities. We don't expect any major decline, unless there a Russian military intervention in Ukraine, which is increasingly unlikely. But strong growth depends on a full solution in Ukraine and lifting of western sanctions. Meanwhile the large volume of short positions and rising cost of liquidity are causing market bounces every time shorts are covered. The immediate focus is on Ukrainian elections.

We speculated with Gazprom and bought Novatek in April.

Performance Since Inception*



Industry Breakdown



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%	
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%	1.3%	
November	0.0%	-4.4%	1.4%	0.6%	0.3%	-0.1%	-2.4%	
December	4.7%	-1.6%	2.6%	9.7%	-10.2%	6.4%	2.7%	
YTD	30.8%	-50.7%	57.6%	31.6%	-29.8%	6.5%	-8.3%	-14.9%

Fund Facts

NAV per Share: USD 777.31

Total NAV: USD 1.40 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.