RUSSIA DUAL RETURN FUND
LONG ONLY USD DENOMINATED RUSSIA & CIS EQUITIES
May 2015

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

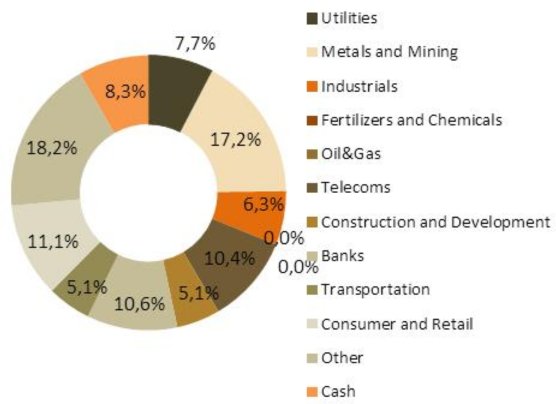
Russian market showed mixed trends in May with dollar-denominated prices of Russian assets being under pressure because of the ruble weakening. Ruble-denominated MICEX index mainly remained flat during the month. Negative sentiment in the Russian market prevails in June due to Greek and Ukrainian fears but approaching dividend record dates and technical factors are supporting prices of domestic assets.

The Russian Ruble may further weaken to 57-58 per dollar but we don’t expect more pressure even if the situation in global markets worsens significantly.

We bought GDRs of Gazprom and TMK, sold local shares of Federal Grid Co and bought local shares of Enel Russia.

Performance Since Inception*

Industry Breakdown



Monthly Performance*

	2008	2009	2010	2011	2012	2013	2014	2015
January	-8.3%	-10.5%	1.4 %	0.1 %	14.4%	5.7%	-5.7%	-2.1%
February	4.7%	0.8%	-2.3 %	0.9 %	7.7%	-3.1%	-1.5%	20.3%
March	0.0%	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%	-1.0%
April	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%	15.7%
May	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%	-3.2%
June	-2.5%	-3.2%	-0.3 %	0.2 %	7.2%	-3.2%	3.0%	
July	-13.3%	0.9%	5.9 %	0.8 %	2.8%	2.9%	-6.3%	
August	-4.6%	3.1%	0.6 %	-13.4 %	2.2%	-1.8%	-1.6%	
September	-20.5%	15.5%	6.7 %	-17.6%	3.5%	6.5%	-8.7%	
October	-19.2%	6.9%	2.3 %	13.6%	-5.4%	1.3%	-6.5%	
November	-4.4%	1.4%	0.6 %	0.3%	-0.1%	-2.4%	-9.8%	
December	-1.6%	2.6%	9.7 %	-10.2%	6.4%	2.7%	- 20.1%	
YTD	-50.7%	57.6%	31.6 %	-29.8%	6.5%	-8.3%	-44%	30.6%

Fund Facts

NAV per Share: USD 668.06

Total NAV: USD 1.00 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.**