



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

July 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.

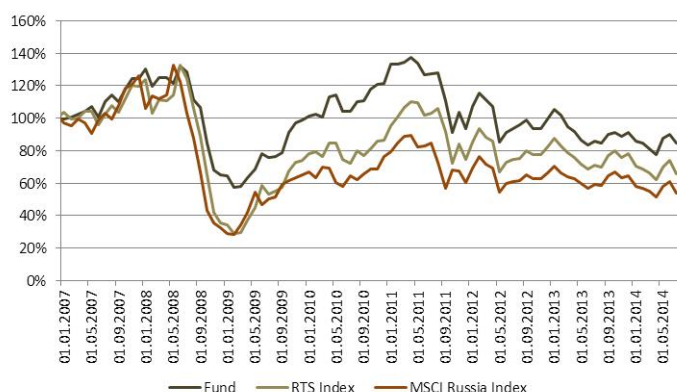
The Fund uses a "long only" actively managed strategy, deriving returns from growth and value investing as well as arbitrage and short-term speculative strategies.

Manager Commentary

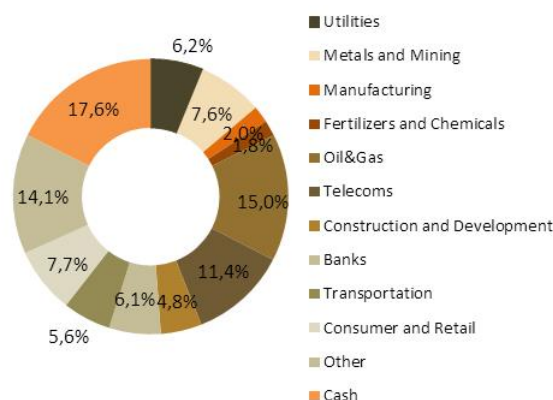
The Russian market fell in July as investors took profits after growth from lows in March and on concern over new sanctions against Russia. Falling US markets also caused negative sentiment later in the month, but shares then bounced back from technical support levels (including support levels for main Russian GDRs) on new hopes for de-escalation in Ukraine. The market remains strong in the second half of August with support from dividend payments, stronger global markets and hopes for lowering of geopolitical tensions.

We sold a part of our TCS holdings and our entire position in Sberbank, but then repurchased half of the latter. We also speculated with Uralkali, exchanged Surgut prefs for commons, and bought shares of Alrosa, Lukoil, AFK Sistema and Novatek.

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%	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%	
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%	-7.6%

Fund Facts

NAV per Share: USD 844.80
Total NAV: USD 1.52 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.