



RUSSIA DUAL RETURN FUND

LONG ONLY USD DENOMINATED

RUSSIA & CIS EQUITIES

January 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.

Performance Since Inception*



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%	
March	0.0%	9.1%	12.8 %	1.9 %	-3.4%	-7.0%	-4.6%	
April	-2.9%	8.3%	0.7 %	-2.4 %	-3.9%	-3.4%	-3.9%	
May	8.6%	14.1%	-8.5 %	-5.3 %	-20.6%	-5.9%	12.6%	
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%	-2.1%

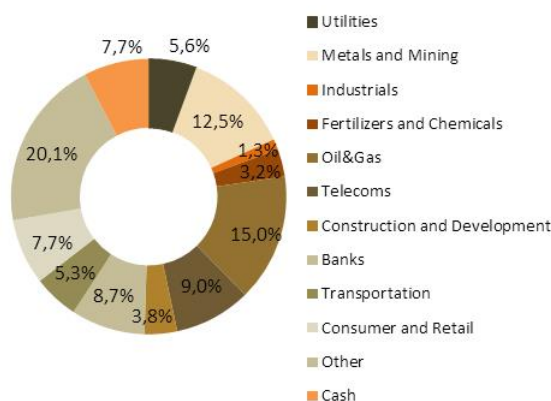
* Net of all fees The value of investments in the Fund may increase or decrease, the results of past investment performance are not indicative of future returns. Before buying shares of Russia Dual Return Fund, investors should carefully review the Fund rules (Offering Memorandum) and statutory documents (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.

Manager Commentary

January was another weak month for Russian equities in dollar terms while prices in rubles showed gains. The US currency again tested a level of 70 rubles and sentiment only improved at the start of February in anticipation of peace talks in Minsk. We closed our position in Phosagro GDRs in January.

Russian shares will react to further progress in resolution of the Ukraine conflict and oil price movements. However, markets have already started to price in a peace deal and the possibility that contraction of the Russian economy will be less severe than expected. Oil prices should keep the gains they have made, at least in the short term, due to slowdown of US drilling activity and possible American attacks on ISIS positions near key oil producing regions.

Industry Breakdown



Fund Facts

NAV per Share: USD 500.70
Total NAV: USD 0.79 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