

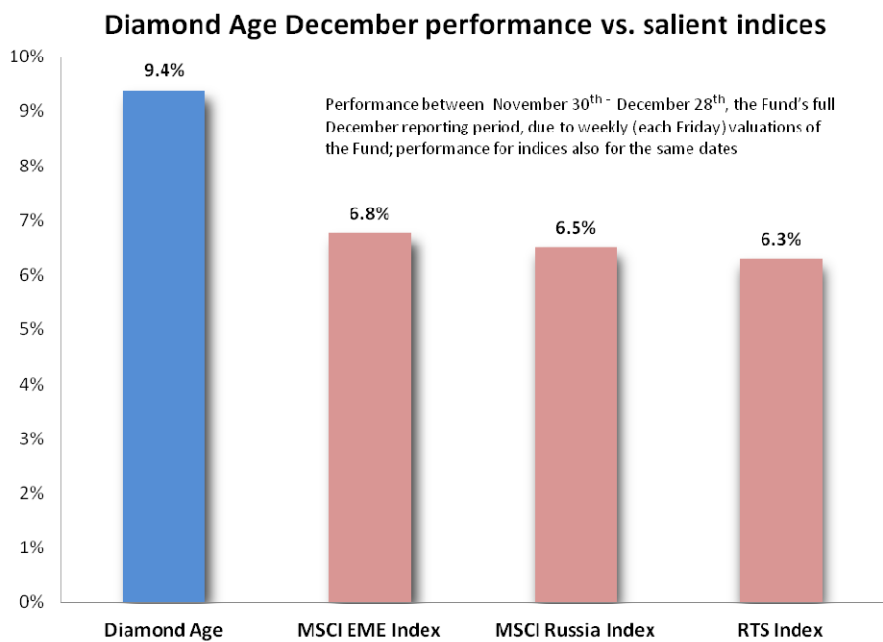


Monthly Letter to Investors – December 2012

In December, the Fund turned in a stellar performance of +9.38%. The Fund's portfolio outstripped by some 30% all the salient indices, such as MSCI EME Index, which only appreciated 6.76%, MSCI Russia Index, up just 6.50%, and the RTS Index, which showed even a more modest gain of 6.29%. The Fund's 300 basis points monthly outperformance was attributable to the Investment Advisor's superior security selection, tactical rise followed by reversal of leverage, and the Fund's successful short-term intra-month short positions (not reflected in the asset allocation tables below due to end-of-month cut-off date and not intra-month reporting).

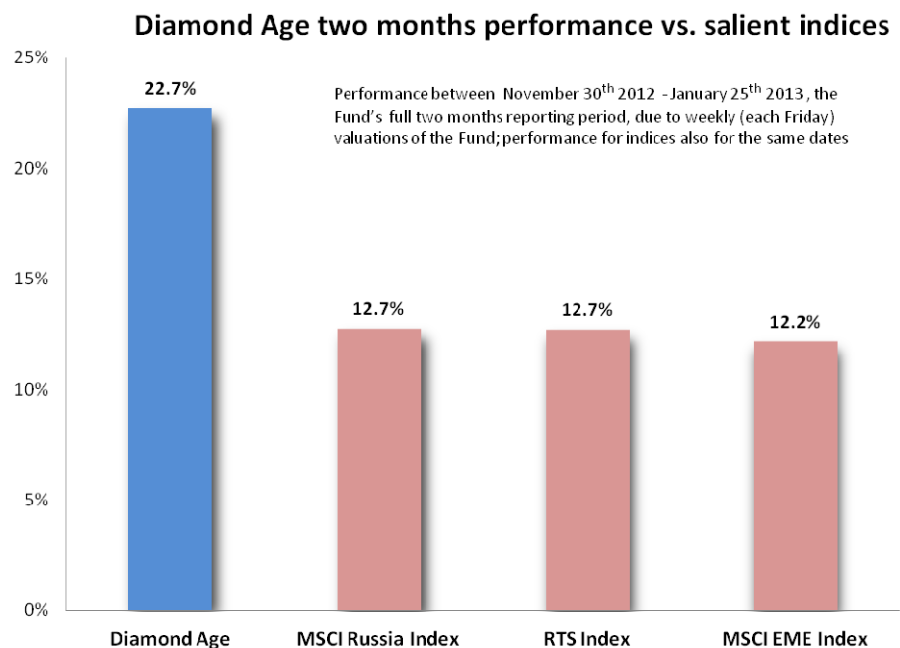
International Business Partners and Terms		Historical Performance								
<i>Investment Advisor</i>	<i>Diamond Age Capital Advisors Ltd.</i>		2005	2006	2007	2008	2009	2010	2011	2012
<i>Administrator</i>	<i>CIBC Bank and Trust Co. (Cayman) Ltd.</i>	Jan	-	13.67%	1.29%	-10.44%	-11.34%	-0.79%	0.50%	20.43%
<i>Russian Custodian</i>	<i>Citigroup – ZAO Citibank (Russia)</i>	Feb	2.24%	2.73%	5.70%	2.75%	-11.37%	0.03%	-3.09%	2.83%
<i>Auditors</i>	<i>Deloitte – Cayman Islands</i>	Mar	-0.27%	4.05%	-0.29%	-3.48%	20.53%	11.16%	1.30%	-3.75%
<i>Tax Consultants</i>	<i>Ernst & Young – Russia and Cyprus</i>	Apr	-2.54%	8.80%	1.88%	3.03%	20.86%	1.02%	2.42%	-3.62%
<i>Legal Counsel</i>	<i>Campbells – Cayman Islands</i>	May	-0.51%	-3.78%	-0.71%	9.17%	18.71%	-21.49%	-13.14%	-21.98%
<i>Base Currency</i>	<i>US Dollar</i>	Jun	1.84%	-1.67%	2.88%	-7.02%	-3.28%	-2.00%	-4.88%	0.42%
<i>Advisory Fee</i>	<i>2% per annum</i>	Jul	7.77%	0.37%	1.75%	-13.09%	3.37%	7.72%	6.17%	0.38%
<i>Performance Fee</i>	<i>20% of profits above hurdle rate</i>	Aug	8.76%	2.33%	-4.69%	-8.69%	1.93%	-4.96%	-26.65%	-2.52%
<i>Hurdle Rate</i>	<i>US Dollar 3-month LIBOR + 50 bps</i>	Sep	12.64%	0.01%	5.07%	-10.76%	18.41%	12.14%	-30.60%	2.13%
<i>Inception Date</i>	<i>18 February 2005 at US\$100 per share</i>	Oct	-6.56%	3.70%	4.99%	-35.75%	10.24%	6.31%	22.32%	-1.85%
<i>Dealing Day</i>	<i>Friday</i>	Nov	7.49%	5.36%	-2.96%	n/a	3.66%	-0.13%	-22.84%	-1.76%
<i>Subscriptions</i>	<i>Weekly</i>	Dec	7.33%	9.49%	0.80%	n/a	8.34%	16.66%	4.55%	9.38%
<i>Redemptions</i>	<i>Monthly, 14-day notice</i>	Year	43.27%	53.70%	16.26%	-57.73%	103.00%	21.92%	-55.48%	-5.12%
<i>Min. Subscription</i>	<i>US\$100,000</i>	NAV Data, Current Asset Allocation								
<i>ISIN</i>	<i>KYG2863P1090</i>	Fund Price (W/Avg), Main Class		Bid \$112.06; Offer \$113.12						
<i>CUSIP</i>	<i>G2863P 10 9</i>	Designated Investment Share Class		\$65.06						
<i>Bloomberg Ticker</i>	<i>DIAMRUS KY <Equity> <Go></i>	Total Fund Assets (AUM)		\$12,847,937						
		Total Firm AUM		\$210,573,699						
		Long		156.5%						
		Short		0.0%						
		Gross		156.5%						
		Net		156.5%						
		Leverage		56.5%						





Sector Allocation	
Financials	28.34%
Metals and Mining	19.45%
Gas Utilities	8.96%
Media	5.83%
Oil - Integrated	5.43%
Agriculture	4.88%
Coal	3.42%
Fisheries	3.00%
Consumer Durables	2.71%
Industrials	2.66%
Real Estate	2.61%
Airlines	2.49%
Chemicals	2.35%
Construction/Infrastructure	2.17%
Electrical Utilities	1.77%
Telecoms	1.54%
Conglomerate	1.47%
Foods	0.92%
Total	100%

What's more, at the time of writing, the Fund had generated a whopping +22.71% performance for the full two months of December and January combined, outperforming the above indices by 1,056 basis points, 998 basis points and 1,002 basis points, respectively during the same period.



Geographic Dispersion	
Russia	62.81%
Ukraine	9.38%
Kazakhstan	7.78%
Georgia	6.30%
South Korea	5.06%
Thailand	3.00%
Turkey	2.17%
Singapore	1.47%
Guinea	1.19%
China	0.85%
Total	100%

The Investment Advisor once again reviewed the investment case and its model for Evraz and its consolidation of the Raspadskaya coal business, and agreed with the company that it was very value-accretive. As a result of the transaction, the selling shareholders of Raspadskaya will own 11.06% of Evraz (apart from the cash which they will receive). The deal has made Evraz the fastest growing story in the Russian Metals and Mining sector, estimated by Deutsche Bank at 17% 2012E-2015E EBITDA CAGR vs. average of 10% CAGR for local peers, with a strong FCF outlook and a c.8% average yield in 2012E-2015E, suggesting decent dividend capacity. Even after the stellar stock

move, Evraz remains the cheapest steel name on most financial and operating metrics, trading at a c.25%/30% discount on FY13/14E EV/EBITDA.

As a result of the Investment Advisor’s analysis of Evraz, the Fund significantly increased its weighting in Evraz shares as of December 5th from 6% to 11%, and fully participated in the re-rating even prior to the January 17th release of the Deutsche Bank report.



From a current global fundamental point of view, the medium- to long-term market direction should be bullish for equities, with the forward 12 month earnings yield for the SPX versus the 10 year Treasury yield standing at 7.5% versus 1.95%.

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