



## Tera Capital Fund

## Investor Fact Sheet

April 2012  
(final)



Tera Capital Fund is the only fund of funds in the world which pays no fees other than a success fee

**Based on Tera Capital Fund's performance and innovation, in February 2012 the Global Banking & Finance Review announced that Tera won its award as the most innovative fund of funds in Europe for 2011, Tera's second such award. According to Eurekahedge, Tera Capital Fund was the No. 6 performing fund of funds in the world through April 2012**

### Fund Information

**Strategy:** Tera Capital Fund is a Russian-focused fund of funds that invests in 5-8 funds that are diversified by sector, size, regional focus and strategy.

<b>Date Formed</b>	April 2005
<b>Investment Advisor</b>	Altima Asset Management
<b>Fund Size</b>	\$4.9 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$181.44
<b>Min. Investment</b>	\$10,000 (non-US); \$100,000 (US)
<b>Fees/Expenses</b>	<b>Success fee only (20%)</b>
<b>Subscription</b>	Monthly
<b>Redemption</b>	Monthly, with 30-days notice
<b>NAV</b>	Monthly
<b>Administrator</b>	Maples Fund Services
<b>Auditor</b>	Altschuler, Melvoin & Glasser
<b>Bank</b>	Bank of New York
<b>Legal Advisors</b>	Maples & Calder
<b>German Tax Transparency Advisor</b>	PriceWaterhouseCoopers
<b>Lipper Tass/Thomson Reuters ID No.</b>	96695
<b>Eurekahedge ID No.</b>	15532
<b>ISIN</b>	KYG8760X1034
<b>URL</b>	<a href="http://www.altim.ru">www.altim.ru</a>
<b>Advisory Board</b>	<b>Michael Wallenberg</b> , SVP EFG Bank, Geneva <b>Bruce Bean</b> , Co-Chair ABA Russian Law Committee

### Performance (net of fees)

Returns	Tera* (%)	RTS, MSCI & ROS Avg** (%)	AAM Russia Fund Index <sup>1</sup> (%)
<b>Monthly</b>	<b>(3.71)</b>	<b>(2.94)</b>	<b>(2.74)</b>
Year-to-date	15.01	14.27	10.37
Trailing 12 months	<b>(14.75)</b>	<b>(19.82)</b>	<b>(19.67)</b>
Since Fund inception (Apr 05)	181.44	167.10	162.78
Anlzd mnthly rtnn (since Fund inception)	12.19	10.73	8.13
Annualized Stand. Dev. (since inception)	25.49	38.47	30.76
Sharpe Ratio <sup>2</sup>	0.38	0.32	0.18
Trailing 12 m Sharpe	<b>(0.50)</b>	<b>(0.61)</b>	<b>(0.86)</b>

\*Weight averaged, all series (currently 9) combined

\*\*RTS: -2.62%, MSCI: -3.20%, ROS (Crédit Suisse): -2.99%

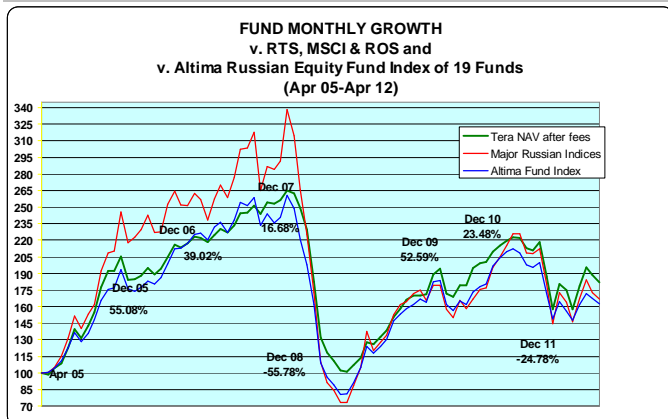
### Investment Advisor's Assessment

#### Russia

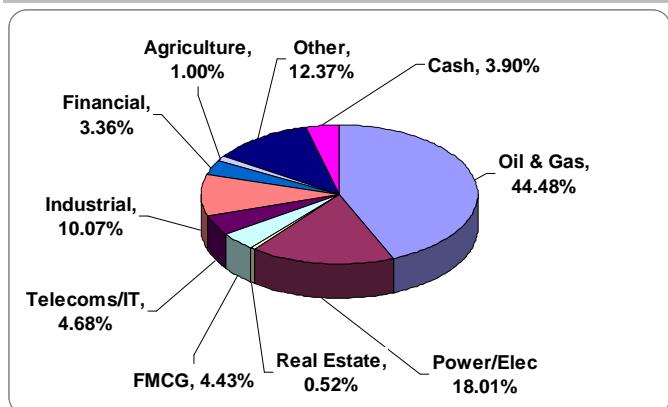
April saw global concerns over the European debt crisis, in particular the situation in Greece, increase again as the three main Greek political parties were unable to form a government. These concerns depressed equity and commodities markets in particular as Europe's growth slowed to effectively zero. Russian markets fell in line with global markets, dropping about 3%.

Typically, the news out of Russia itself was extremely positive: the **Russian economy grew by 4.9% in Q1 2012**, almost a full percentage point more than expected, giving Russia **some of the best economic growth in the world over the past two years** (see chart below). The oil tax was adjusted to favor exploration over processing (a long-awaited and much needed change). A major report on Russian demographics was also published which showed a sharp and steady increase in Russian population since 2004. (More detailed information on the report is included in this month's Newsletter.) Finally, most Russian companies reporting Q1 and 2011 earnings set new records for profitability.

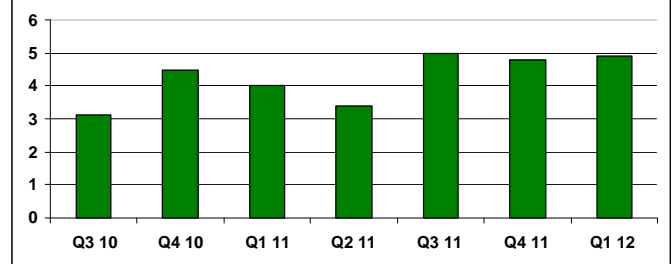
### NAV



### Sector Allocation



### Russian Real GDP Growth (%)



In addition, Russian inflation in April fell slightly from

<sup>1</sup> Altima Asset Management created this index of 21 Russia-focused equity funds created on or before May 2005 to provide an appropriate benchmark.

<sup>2</sup> Risk free rate: 2.5%

**March's level to 3.6%** (from 3.7%), extending its **record low levels** since the breakup of the Soviet Union.

### Russian Markets

Russian markets were down about 3% in April. The drop was quite broad-based, with the exception of the power sector which fell much further because of uncertainty surrounding changing pricing policies in the aftermath of the Russian presidential elections.

### April Fund Performance

The **Fund was down 3.71%** for the month, slightly more than both the major Russian index average and the AAM Fund Index. The underperformance in each case was less than 1%, far less than the outperformance YTD. As a result, Tera remains well ahead of both benchmarks for 2012 (in particular, well ahead of other investment funds).

Importantly, over the past 12 months, Tera is **five full percentage points** ahead of both the index average and the AAM Fund Index.

Because of its consistent performance in down markets, and notwithstanding the small drop last month, through April 2012 **Eurekahedge ranks Tera as the No. 6 fund of funds in the world in terms of performance** out of 2,556 funds.

While April was a reasonable month in terms of comparative performance, it was also a month where one underlying fund significantly reduced Tera's overall performance on its own (see below).

### Underlying Funds and Sectors

The chart below shows the April 2012 performance of the funds in which Tera is invested. As you can see, 5 of the 7 positions were in line with market performance, one was slightly better and one (the power sector-specific fund) was well below. (Without that fund's performance, Tera would have slightly outperformed both benchmarks.)

Strategy	Size	Perform.
Diversified, 1 <sup>st</sup> and 2 <sup>nd</sup> echelon	Sm	-3%
Diversified, 2 <sup>nd</sup> echelon (class A)	Med	-4%
Diversified, 2 <sup>nd</sup> echelon (class B)	Med	-4%
Blue chip	Lg	-1%
Aggressive, long-short	Sm	-3%
Aggressive, 2 <sup>nd</sup> & 3 <sup>rd</sup> echelon	Sm	-3%
Sector (power)	Sm	-10%

Sector allocations were quite stable between March and April, with only three changing more than 1%:

Telecoms/IT increased by about 2.5%, "Other" fell by almost 2% and, not surprisingly, Cash increased – by just over 1%.

### Other Russian Funds

Only one fund in the AAM Fund Index was up in April – by 0.34%. In general, fund performance in April was quite uniform, with the worst-performing fund down 5.5% and most down between 2 and 3.5%. Among several hundred other Russia-focused funds that we track which are not included in the AAM Fund index, only two were up (one bond fund and one equity fund) and four were down more than 6% (two of which focus on the power sector). Again, most were down between 2 and 3.5%.

### May First Look

May is turning into a disaster on virtually every global market (at least, for long positions). The uncertainty after none of Greece's three largest political parties or the Greek president could form a government and the new elections scheduled for June 17 have the entire world on edge. Russian markets are on track to finish the month down at least 15%; at present, Tera is outperforming those markets by at least 3%.

### Fund Awards



**Most Innovative Funds of Funds**  
(for innovation and performance)



Hedge Fund Databases

**No. 6 ranked fund of funds in the world, YTD 2012**



Hedge Fund Databases

**No 8 ranked fund of funds in the world for 2009**



**Most Innovative Funds of Funds**  
(for innovation and performance)



Hedge Fund Databases

**No. 2 ranked fund of funds in the world for 2010**



Hedge Fund Databases

**No 1 ranked fund of funds in the world for 2005**

### Contact Information

Altima Asset Management  
Mr. Timothy Enneking  
+7 910 439 1486  
[te@altim.ru](mailto:te@altim.ru)

Maples Fund Services Ltd  
Mr. Mark Wellon  
Tel.: +1 514 228 2227  
[investorservices@maplesfinances.com](mailto:investorservices@maplesfinances.com)

