



Tera Capital Fund

Investor Fact Sheet

November 2011
(final)



Tera Capital Fund is the only Fund of Funds in the world which pays no fees other than a success fee
Tera Capital Fund was the No. 2 performing fund of funds in the world in 2010

Fund Information

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

Date Formed	April 2005
Investment Advisor	Altima Asset Management
Fund Size	\$4.4 M
Currency	US dollar
Current Price (NAV)	\$174.64
Min. Investment	\$100,000
Fees/Expenses	Success fee only (20%)
Subscription	Monthly
Redemption	Monthly, with 30-days notice
NAV	Monthly
Administrator	Maples Fund Services
Auditor	Altschuler, Melvoin & Glasser
Bank	Bank of New York
Legal Advisors	Maples & Calder
German Tax Transparency Advisor	PriceWaterhouseCoopers
ISIN	KYG8760X1034
Eurekahedge ID No.	15532
URL	www.altim.ru
Advisory Board	Michael Wallenberg , SVP EFG Bank, Geneva Bruce Bean , Co-Chair ABA Russian Law Committee

Performance (net of fees)

Returns	Tera* (%)	RTS, MSCI & ROS Avg** (%)	AAM Russia Fund Index ¹ (%)
Monthly	14.61	19.09	8.46
Year-to-date	(3.41)	(4.95)	(5.88)
Trailing 12 months	(12.96)	(7.19)	(12.95)
Since Fund inception (Apr 05)	174.64	163.82	156.87
Annld mnthly rtn (since Fund inception)	12.11	11.01	8.09
Annualized Stand. Dev. (since inception)	25.17	38.75	31.15
Sharpe Ratio ²	0.38	0.32	0.18
Trailing 12 m Sharpe	-0.28	-0.38	-0.43

*Weight averaged, all series (currently 6) combined

**RTS: (1.44)%, MSCI: (13.50)%, ROS (Crédit Suisse): 0.10%

Investment Advisor's Assessment

Russia

November was a watershed month for Russia: Russia and Georgia signed an agreement resolving their dispute over Russia's entry into the WTO, removing the last roadblock for entry. Only the final approval by WTO trade ministers – which is now a foregone conclusion – remains.

Another important event was the first delivery of Russian gas to Europe through the new Nord Stream pipeline, bypass routes through the Ukraine and Belarus, which have been subject to political considerations since the breakup of the Soviet Union.

Russian Markets

Russian markets fell slightly in November, notwithstanding very positive announcements regarding 1H 2011 earnings announcements from several major companies. The reason for the drop was simple: continuing concerns over the Euro zone debt crisis which increased as an agreement was not reached with Greece's private debt holders and concerns arose over that country's implementation of prior promises.

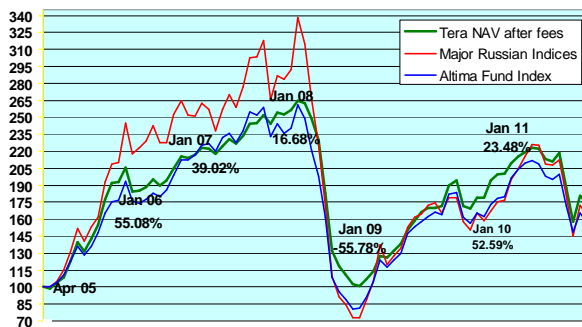
As opposed to recent major market increases or decreases, November's moves were quite selective. This is particular clear from the widely varied performance of the three indices making up the Major Russian Index Average which Tera uses as one benchmark and the component funds of the AAM Russia Fund Index. Never have the differences among the three indices and twenty funds been so marked – in particularly recently when major moves seem to be more influenced by events outside of Russia than by those within its borders.

November Fund Performance

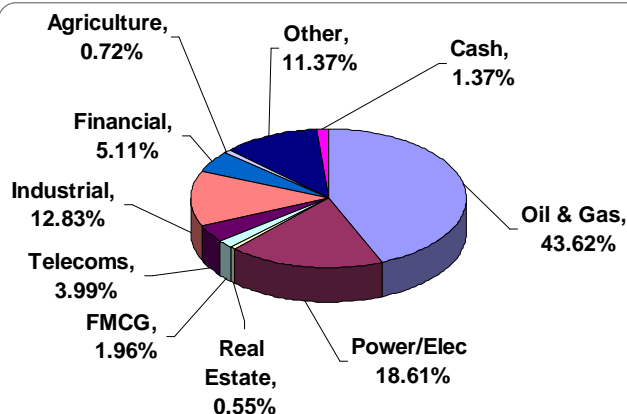
The Fund fell slightly during the month, but still nicely outperformed the major Russian index average, as well as the AAM Fund Index. By recent standards, there was little volatility during the month.

NAV

FUND MONTHLY GROWTH
v. RTS, MSCI & ROS and
v. Altima Russian Equity Fund Index of 19 Funds
(Apr 05-Nov 11)



Sector Allocation



¹ Altima Asset Management created this index of 21 Russia-focused equity funds created on or before May 2005 to provide an appropriate benchmark.
² Risk free rate: 2.5%

Underlying Funds and Sectors

The performance of Tera's underlying funds was as varied as that of the rest of the market. The best performing fund, the one sector fund, was up 0.5% – which was a pleasant surprise given its very poor performance to date this year. The worst performing fund, the “blue chip” fund, was down over 10%, making for a very wide range. Fortunately, all of the remaining funds were down only slightly.

In terms of sector allocations during the month, there was a dramatic drop in cash (from almost 9% to less than 1.5%), financial increased from under 1% to over 5% and telecoms increased by over 2%. The remaining sectors were essentially unchanged, which means that the underlying funds took most of their remaining cash and put it into the financial sector – almost certainly reflecting guarded optimism on a eventual resolution of the Euro zone debt crisis, regardless of overall market sentiment.

Other Russian Funds

The wide range in performance in the indices and in Tera's underlying funds was also reflected in the performance of the Russian fund market in general.

Three funds in the AAM Fund Index were up in November, none significantly. The worst performing fund lost almost 23%, although only three other funds were in negative double digits. Most funds were in the 1-6% loss range, with most around 5-6%.

December First Look

December started out negatively as concerns over the Euro zone again increased. Given the upcoming holiday season, it is unlikely that this sentiment will change significantly this year. At the same time, perhaps rather strangely, discussion and optimism regarding 2012 are increasing at a rapid rate, as most market players seem to have given up on 2012. We expect the month to be negative, perhaps significantly so, as exhaustion sets in at the end of the year.

Fund Awards



Most Innovative Funds of Funds
(for innovation and performance)



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



No 8 ranked fund of funds in the
world for 2009



No 1 ranked fund of funds
in the world for 2005

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