



Investor Fact Sheet

June 2010
(final)

Altima
asset management

Tera Capital Fund

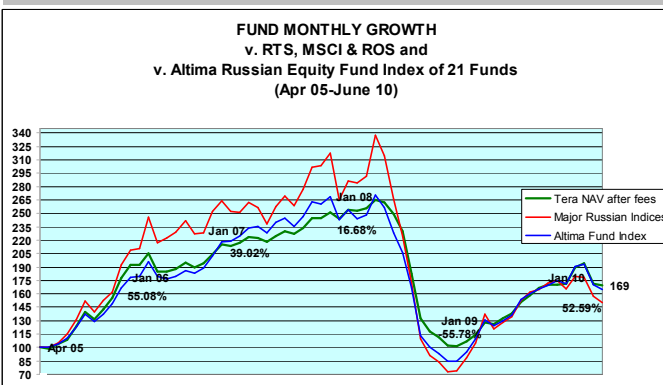
Tera Capital Fund is the only Fund of Funds in the world which pays no fees other than a success fee
No early investor in Tera saw the value of his investment fall below the amount invested at any time during the economic crisis

Fund Information

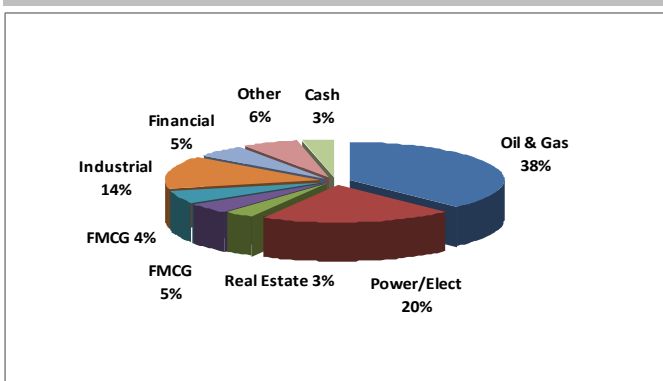
Strategy: Tera Capital Fund is a Russian-focused fund of funds that invests in 5-8 funds (usually equity funds) that are diversified by sector, size, geographic focus and strategy.

Date Formed	April 2005
Investment Advisor	Altima Asset Management
Fund Size	\$3.6 M
Currency	US dollar
Current Price (NAV)	\$168.99
Min. Investment	\$100,000
Fees/Expenses	Success fee only (20%)
Subscription	Monthly
Redemption	Monthly, with 30-days notice
NAV	Monthly
Administrator	Maples Finance Limited
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

NAV



Sector Allocation



Performance (net of fees)

Returns	Tera (%)	RTS, MSCI & ROS Avg* (%)	AAM Russia Fund Index ¹ (%)
Monthly	0.36	(4.59)	(3.26)
Year-to-date	(0.51)	(12.55)	(3.15)
Trailing 12 months	34.416	25.11	32.42
Since Fund inception (Apr 05)	68.99	50.35	64.33
Annlzd mnthly rtn (since Fund inception)	13.93	13.04	13.10
Annualized Stand. Dev. (since inception)	25.31	40.33	32.76
Sharpe Ratio ²	0.45	0.34	0.32
Trailing 12 m Sharpe	1.75	0.92	1.21

*RTS: (3.27)%, MSCI: (4.20)%, ROS (Crédit Suisse): (6.30)%

Investment Advisor's Assessment

Russia

June was a relatively quiet month politically and economically in Russia. Notice that this is the third month in a row where that has been our general assessment. This is no coincidence. While few have been paying attention, Russia turned into a relatively stable country – one need only look at the stability of the ruble to see this. Economic growth continued at a strong pace, with first half growth at approximately 5%, and increasing rapidly from the first to the second quarter. This trend should continue for the remainder of the year, with Russia coming close to, if not reaching, the 6-7% growth rate it enjoyed for the 7 years prior to the 2008-09 economic crisis.

Probably the most important developments were with respect to oil. The Russian government raised its average oil price for the next two years to \$75 and elected not to significantly increase the export duty for oil from Eastern Siberia (which is more expensive to extract than oil from most other regions in Russia). Both of these developments bode well for Russian equity markets.

Mostly, Russia and the world were waiting for the “other shoe to drop” after the “Euro debt crisis”. It turned out that there wasn’t another shoe, but time had to pass for most people to reach that conclusion. Partly for this reason, we anticipate that July will be an excellent month.

Markets

June saw most markets drop slightly, although not nearly as much as May. The Russian market fell about 5%. Mostly, investors were holding their breath to see whether the “last gasp” of the latest crisis had indeed passed. Some would say that the jury is still out in that regard, while we remain optimistic.

The Fund

As usual, when selling is not indiscriminate, Tera significantly outperformed Russian markets. While the average of the three indices fell by approximately 4.5%

¹ Altima Asset Management created this index of 23 Russia-focused equity funds created on or before May 2005 to provide an appropriate benchmark.
² Risk free rate: 2.5%

(and the RTS was down 3.27%) Tera actually grew by almost half a percent.

Most significantly, this means that, year-to-day, Tera has fallen very slight (0.51%) while the Russian major index average has **fallen 12.55%** (the **RTS fell 7.29%**) and the fund index average has **fallen by 3.15%**. Thus, **Tera has outperformed the major index average by a remarkable 12% YTD** (and outperformed the RTS by almost 7%).

Not surprisingly, therefore, the 12-month Sharpe ratio of the Fund is **almost double** that of the major indices and 50% higher than that of the equity fund index.

Underlying Funds

The range of performance of the underlying funds was surprisingly stable. **Every Tera underlying fund outperformed the major index average and the RTS.** The worst performance was a drop of just under 2%; the best performance was an increase of just under 1%. Of the six underlying funds in June, three dropped and three rose. Fortunately, those funds in which Tera has invested the highest percentage of its AUM generally rose, hence June's positive performance.

In terms of sector allocation, by far the biggest change was in cash on hand: which fell from 9% of the Fund and underlying funds taken together to 3%. Obviously, the sentiment that the crisis has passed and now is the time to invest in shared by many – at least among our underlying funds.

The oil and gas sector allocation increased slightly on the expectation of stable prices and continued low taxation of Eastern Siberian crude.

Other Russian Funds

Of the 21 funds remaining in the AAM Russia Index, only three rose – and then only slightly. The largest loss was over 8% (Vontobel Central and Eastern European Equity).



Most funds lost 3-4%, matching the performance of the major index average and the RTS. Only two funds besides Vontobel lost more than 4.5%.

July First Look

July looks very positive, with a chance to recover most of May's losses as the world realizes that Europe is not about to go bankrupt. The trend seems to be small increases (1-2%) on an almost daily basis with an occasional retrenchment. This bodes well for a long-term rise, as opposed to simply an increase in volatility as we saw earlier in the year.

We would much rather see a succession of 0.5% increases than a series of 2-3% jumps followed by equal drops.

Fund Awards

 EUREKAHEDGE Hedge Fund Databases	 EUREKAHEDGE Hedge Fund Databases
No. 1 ranked fund of funds for March 2010	No 8 ranked fund of funds for 2009

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