



Investor Fact Sheet

October 2008
(final)



Tera Capital Fund

Fund Information

Strategy: Tera is a fund of funds that invests in long equity funds while maintaining a diversified portfolio by country, sector, size and strategy. Tera invests mainly in the CIS and Eastern Europe, with most investment currently in the Russian Federation.

Date Formed	April 2005
Investment Advisor	Altima Asset Management
Fund Size	\$2.5 M
Currency	US dollar
Current Price (NAV)	\$132.24
Min. Investment	\$100,000
Fees	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
ISIN	KYG8760X1034
Eurekahedge ID No.	15532
URL	www.altim.ru

Performance (net of fees)

Returns	Tera (%)	RTS, MSCI & ROS Avg (%)	AAM Russia Fund Index ¹ (%)
Monthly	-27.59	-36.50	-33.18
Year-to-date	-47.43	-65.50	-59.73
YTD Annualized	-71.14	-98.25	-89.60
Trailing 12 months	-45.87	-63.75	-58.92
Since Fund inception (Apr 05)	32.24	10.31	7.12
Annualized return (since Fund inception)	11.79	10.85	6.88
Annualized Stand. Dev. (since inception)	26.66	38.65	29.87
Sharpe Ratio ²	0.26	0.22	0.15

Investment Advisor's Assessment

Market

About the only good thing that one can say about the equity markets for October is that the month is over. Again, along with every other stock market on the planet, Russian markets plunged in October – making a bad September look like a bull market in comparison. Russian markets have now declined for five consecutive months. The aggregate P/E of the Russian market at the end of October was approximately 2.5 – the lowest in its history.

The same observation made last month bears repeating: rationality and fundamentals have taken a back seat to fear and panic. P/E ratios have never been this low – including during the 1998 currency crisis because earnings were significantly lower than they are now. Again, there is no rationale basis for the prices we find today in the Russian market.

Fund

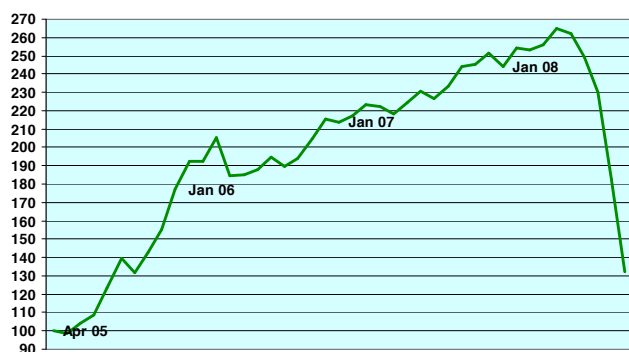
The Fund was down almost 28% in October, by far its worst monthly performance since inception. As is virtually always the case, however, the Fund exceeded both of its benchmarks, i.e., all Russian indices (each of which fell more than 35%) and most Russian funds. Six of the 27 funds in the AAM index were down more than 40% in October; 12 were down more than 35%. While the Fund exceeded its benchmarks more than in September, the outperformance margin was still lower than it has been historically and for the same reason, there was almost no place to hide as virtually every sector and almost all stocks fell sharply. This notwithstanding, since inception, the Fund still has grown at an annual rate of almost 12%, significantly outperforming any comparable fund. More than 1/3 of the Fund is now in cash.

November First Look

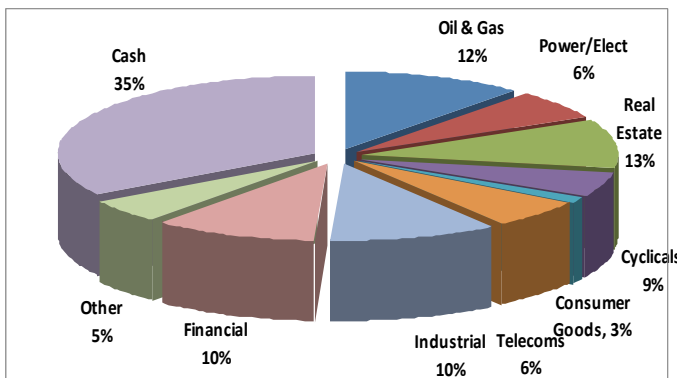
November will clearly be an improvement over October, although it appears that it will be slightly down, making it the sixth consecutive month of declines on the Russian market and worldwide. It appears that equity markets and commodities prices have hit bottom, with, for example, the RTS stabilizing around 600 oil prices stabilizing around \$50 per barrel. More and more it seems clear that the world is waiting for the New Year to really put the sub-prime and liquidity crises behind it. Until then, it is unlikely we will see major changes in world markets.

NAV

FUND MONTHLY GROWTH
(Apr 05-October 08)



Sector Allocation



Fund Awards



No 2 ranked fund of funds in **July 2008** (annualized perf.)



No 4 ranked fund of funds in **June 2008** (annualized perf.)

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¹ Altima Asset Management created this index of 27 Russia-focused long equity funds created on or before May 2005 to provide an appropriate benchmark.

² Risk free rate: 2.5%