



# Investor Fact Sheet

February 2010  
(final)

**Altima**  
asset management

## Tera Capital Fund

Tera Capital Fund is the only Fund of Funds in the world which pays no expenses and takes 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 approximately 5-8 funds (usually equity funds) that are diversified by sector, size, geographic focus and strategy.

<b>Date Formed</b>	April 2005
<b>Investment Advisor</b>	Altima Asset Management
<b>Fund Size</b>	\$3.3 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$173.20
<b>Min. Investment</b>	\$100,000
<b>Fees/Expenses</b>	Success fee only (20%)
<b>Subscription</b>	Monthly
<b>Redemption</b>	Monthly, with 30-days notice
<b>NAV</b>	Monthly
<b>Administrator</b>	Maples Finance Limited
<b>Auditor</b>	Altschuler, Melvoin & Glasser
<b>Bank</b>	Bank of New York
<b>Legal Advisors</b>	Maples & Calder
<b>ISIN</b>	KYG8760X1034
<b>Eurekahedge ID No.</b>	15532
<b>URL</b>	<a href="http://www.altim.ru">www.altim.ru</a>
<b>Advisory Board</b>	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 <sup>1</sup> (%)
Monthly	0.33	(5.23)	(1.37)
Year-to-date	1.97	(3.72)	1.01
Trailing 12 months	71.06	125.68	110.98
<b>TRAILING 18 MONTHS</b>	<b>(24.63)</b>	<b>(26.42)</b>	<b>(27.30)</b>
<b>TRAILING 24 MONTHS</b>	<b>(31.88)</b>	<b>(42.22)</b>	<b>(32.77)</b>
<b>TRAILING 36 MONTHS</b>	<b>(20.24)</b>	<b>(33.60)</b>	<b>(24.27)</b>
<b>TRAILING 48 MONTHS</b>	<b>(9.88)</b>	<b>(20.05)</b>	<b>(16.77)</b>
Since Fund inception (Apr 05)	73.20	66.67	69.73
Anlzd mnthly rtn (since Fund inception)	14.44	14.03	14.23
Annualized Stand. Dev. (since inception)	25.14	40.99	33.55
Sharpe Ratio <sup>2</sup>	0.47	0.40	0.42

\*RTS: (5.7)%, MSCI: (5.2)%, ROS (Crédit Suisse): (4.8)%

### Investment Advisor's Assessment

#### Russia

February was an unremarkable month in terms of geopolitical and macroeconomic developments in and affecting Russia. This was probably a good thing as we've had enough crises and drama recently to last a while. Probably the most important news was that Russian 2010 growth estimates have been steadily increasing (those from the IMF, OECD, World Bank and the Russian government itself). While even late year, such estimates were running in the 3-4% range, they have now moved up to the 4-5% range – and we expect that range to continue to increase. Also, the relatively “slow” month allowed Russians (and others) to “catch their breath” a bit as the feeling that we have now exited the crisis and can look forward to economic growth strengthens. Call it putting in a psychological bottom.

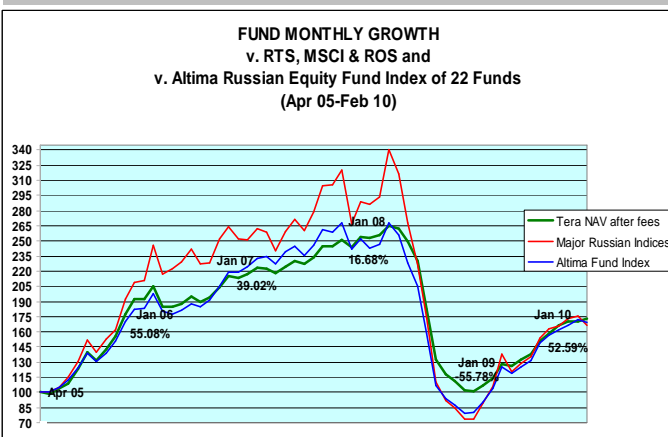
#### Markets

Russian markets all fell in February, with average drop as shown above being just over 5%. This means that Russian markets are now down for the year. From our perspective, that simply makes them more attractive. Even after the gains of 2009, **P/E ratios in Russia remain the most attractive in the world at 7.7 times current earnings.** For 2010, Russian P/E ratios compare to those of other BRIC countries as follows:

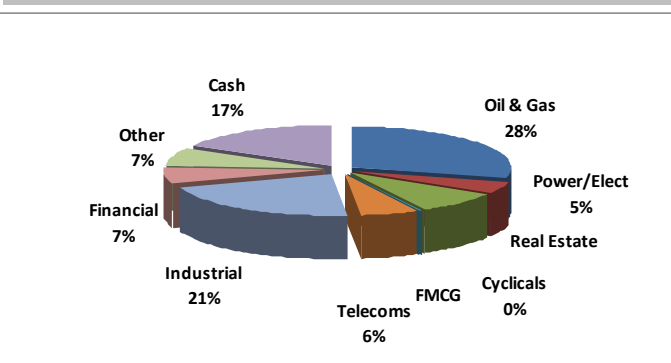
Country	2010 P/E Ratio
Brazil	12.9
Russia	7.7
India	19.8
China	17.7

Source: Bloomberg

### NAV



### Sector Allocation



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

The last two trading days of the month saw solid moves up and we feel that March should be a good month.

### The Fund

Tera significantly outperformed all major Russian fund indices, individually and the average in February. As we have exited the crisis, it has shown even better performance relative to the markets than pre-crisis. We plan on making rather more aggressive portfolio adjustments than in the past to make sure this continues. Cash remained essentially unchanged. Approximately 30% of the cash held indirectly by the Fund is held in physical gold in one of the underlying funds.

The portfolio continued to shift out of oil and gas, mainly into industrial and real estate. We plan on increasing our exposure to electricity generation in the near future and to continue to reduce cash.

### 2009/Crisis Summary

We once again have supplemented our normal statistical table at the top right of the first page of the Fact Sheet to make it clear that the apparent significant underperformance by Tera relative to market indices and other funds during 2009 is misleading, given that Tera fell much less than all of the indices and almost all funds during the crisis.

The four new lines compare Tera's performance to that of the index and fund averages for the past 18, 24, 36 and 48 months. Once again, Tera outperformed both – and the RTS individually – over **every** period but part of one – sometimes by as much as 10 percentage points.

Perhaps more importantly, in addition to the fact that **no early investor in Tera saw the value of his investment fall below the amount invested at any time during the economic crisis**, those early investors have now earned **14.4% annually** on their investment, including the crisis.

### Underlying Funds

Tera's underlying obviously did remarkably well in February because Tera so significantly outperformed the market – both the market indices and the Altima Fund Index. There was no magic to this month: every fund Tera has invested outperformed the market. **Thus, the fund of funds advantage that February was not diversification, as in January, but management company expertise.** There were no changes in allocation among the underlying funds this month and Tera invested in no new funds.

### Other Russian Funds

Of the 22 remaining funds in the AAM Russia Fund Index (seven closed at the end of 2008 or during 2009 due to the crisis), **all but five fell in February**. In general, the funds in the AAM Index did not fall as much as the markets in general, but the Funds in the Tera portfolio performed extraordinarily well.

### March First Look; 2010 Second Look

March continued the upward movement at the end of February and looks to continue. The RTS breached the 1,500 level again, although does not look able to get significantly above that any time soon. The funds in Tera's portfolio are doing very well, up approximately 6% early in the month.

There are some indications that March may be the “break out” month that the world has been waiting for. Every time significant optimism has appeared in the past, something – Dubai, Greece, something, came along to shock the market back to fear. As the crisis started in the “retail” sector, and spread to banks and investment banks, then through the insurance sector and, now, finally, to governments, it finally looks to be essentially over and we can now begin leaving the “siege mentality” behind us.

Fundamentally the Russian market is in the best position of any market in the world. On our recent road show, **we recommended that investors invest in Tera now** – something we have always been very reticent to say in the past.

We still agree with the consensus level for 2010 of an increase of 40%, which would put the RTS near 2000 (compared to its historical 2487.92 hit on 19 May 2008). With the dip in February, this marks the perfect time to invest in this very dynamic and lucrative market.

### Fund Awards

  
EUREKAHEDGE

Hedge Fund Databases

No. 8 ranked fund of funds  
(annualized perf.) in **2009**

  
EUREKAHEDGE

Hedge Fund Databases

No. 1 ranked fund of funds in  
**September 2008** (annualized  
perf.)

### Contact Information

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

Maples Finance Ltd  
Ms. Teresa Solomon  
Tel.: 1 (345) 814 5801  
[investorservices@maplesfinances.com](mailto:investorservices@maplesfinances.com)