



# Investor Fact Sheet August 2008 (final)



## Tera Capital Fund

### Fund Information

**Strategy:** Tera is a hedge fund of funds that invests in long equity hedge 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.

<b>Date Formed</b>	April 2005
<b>Investment Advisor</b>	Altima Asset Management
<b>Fund Size</b>	\$4.5 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$229.80
<b>Min. Investment</b>	\$100,000 (US) \$10,000 (non-US)
<b>Fees</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 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>

### Performance (net of fees)

Returns	Tera (%)	Index Avg (RTS, ROS, MSCI) (%)	AAM Russia L/E Fund Index <sup>1</sup> (%)
Monthly	-7.76*	-15.40	-10.54
Year-to-date	-8.64	-29.17	-24.10
YTD Annualized	-12.96	-43.75	-36.15
Trailing 12 months	1.31	-13.11	-14.15
Since Fund inception (Apr 05)	129.80	126.50	101.91
Annualized return (since Fund inception)	31.05	29.33	23.34
Annualized Stand. Dev. (since inception)	18.28	30.50	23.34
Sharpe Ratio <sup>2</sup>	1.56	0.88	1.01

\*After negative success fee

### Investment Advisor's Assessment

#### Market

Russian markets again fell sharply in August. With the markets already weakened due to the sub-prime crisis and falling commodities prices, notwithstanding good news related to TNK-BP and Mechel Steel, the political risk concerns generated by the August 7 attack by Georgia of Southern Ossetia and the August 8 response by Russia overcame any possible optimism regarding Russian equity markets. Again, the decline was broad-based, affecting every market sector. However, most companies continued to announce record earnings. As a result, the P/E ratios of many companies have fallen well into single digits and the aggregate P/E ratio of the Russian fell to approximately 6, the lowest of any emerging market, arguably making the Russian market more attractive than any time in its history.

#### Fund

The Fund was down 7.76% in August. Yet again, however, Tera showed its tremendous strength in down markets, falling half of the index average and significantly less than the AAM Russia Equity Fund Index. Nevertheless, the June-August period was the worst in the history of the Fund, with the Fund falling 13.2%. The two benchmarks fared much worse over the same period, however, with the index average falling 33.4% and the Equity Fund Index falling 24.0%. Importantly, Tera is still in **positive territory** over the past 12 months, in stark contrast to its benchmarks and almost all other Russian funds.

#### September First Look

Obviously, the dramatic events of the week of September 15-19 dominated all other financial news – even driving the situation in Georgia off the front pages. The Russian markets were shut down each day during that week and didn't open at all on Thursday, September 18. Importantly, from Friday, September 12 to Friday, September 19, the RTS was essentially unchanged at just below 1,300 – but the risk perception of the Russian and other markets had been changed for good. The last 7 trading days of September will be critical in determining whether the situation has actually stabilized, although that currently appears to be the case.

### Fund Awards



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



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

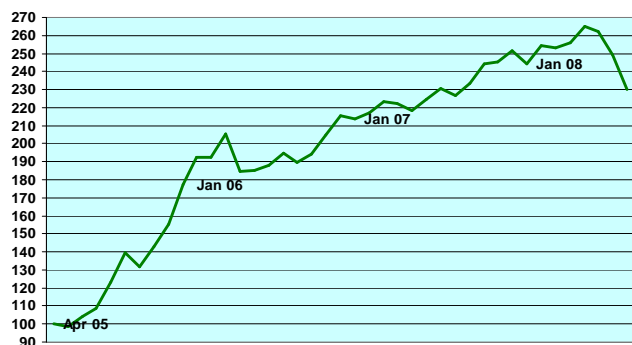
### Contact Information

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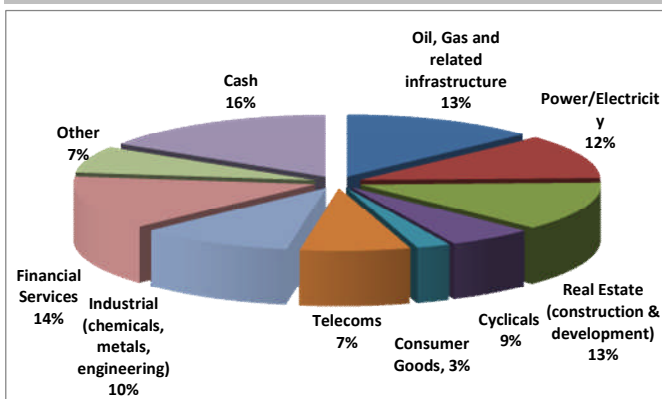
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### NAV

**FUND MONTHLY GROWTH  
(Apr 05-August 08)**



### Sector Allocation



<sup>1</sup> Altima Asset Management created this index of Russia-focused long equity funds with at least a 3-year history to provide an appropriate benchmark.  
<sup>2</sup> Risk free rate: 2.5%