



## Tera Capital Fund

## Investor Fact Sheet

January 2011  
(final)



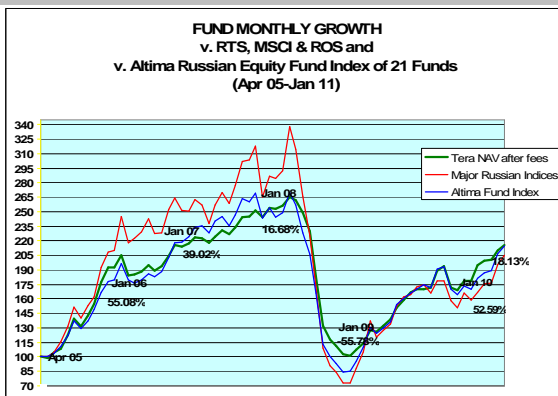
Tera Capital Fund is the only Fund of Funds in the world which pays no fees other than a success fee  
**Tera was the No. 2 performing fund of funds in the world in 2010**

### Fund Information

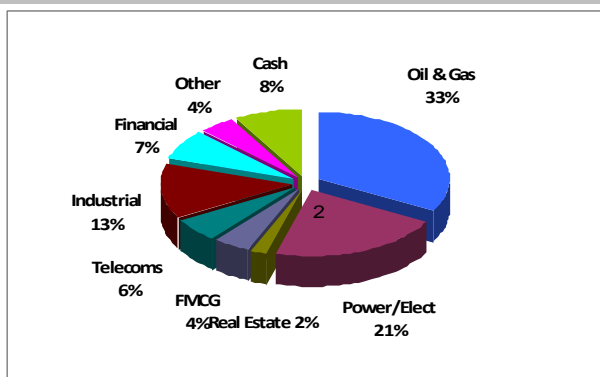
**Strategy:** Tera Capital Fund is a Russian-focused fund of funds that invests in 5-8 funds (usually equity funds) that are diversified by sector, size, geographic focus and strategy.

<b>Date Formed</b>	April 2005
<b>Investment Advisor</b>	Altima Asset Management
<b>Fund Size</b>	\$4.9 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$215.57
<b>Min. Investment</b>	\$100,000
<b>Fees/Expenses</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>German Tax Transparency Advisor</b>	PriceWaterhouseCoopers
<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>	<b>Michael Wallenberg</b> , SVP EFG Bank, Geneva <b>Bruce Bean</b> , Co-Chair ABA Russian Law Committee

### NAV



### Sector Allocation



### Performance (net of fees)

Returns	Tera (%) <sup>*</sup>	RTS, MSCI & ROS Avg** (%)	AAM Russia Fund Index <sup>1</sup> (%)
<b>Monthly</b>	<b>2.78</b>	<b>4.92</b>	<b>3.82</b>
Year-to-date	2.78	4.92	3.82
Trailing 12 months	26.76	17.25	22.64
Since Fund inception (Apr 05)	115.57	104.82	112.85
Annlzd mnthly rtn (since Fund inception)	16.87	14.87	15.32
Annualized Stand. Dev. (since inception)	24.30	38.75	31.60
Sharpe Ratio <sup>2</sup>	0.59	0.45	0.44
Trailing 12 m Sharpe	<b>1.17</b>	<b>0.54</b>	<b>0.90</b>

<sup>\*</sup>Weight averaged, all series (currently 6) combined

<sup>\*\*</sup>RTS: 6.65%, MSCI: 4.02%, ROS (Crédit Suisse): 5.10%

### Investment Advisor's Assessment

#### Russia

As usual, Russia was closed for the first part of January for the New Year's holidays and festivities. Given how the calendar fell, business did not really begin in full after the New Year until January 14, so the markets were not open for business many trading days.

The biggest event in Russia in January was the awful terrorist attack at Domodedovo airport. Although it was a terrible event, it had no material affect whatsoever on the overall state of the country or its economy.

#### Russian Markets

Once markets reopened, they started out very strong. However, they weakened considerably as events in the Middle East overshadowed virtually all other news. Nevertheless, Russian markets ended up with a solid gain for the month.

#### January Fund Performance

Like the Russian markets, the Fund was up nicely in January, slightly underperforming market indices and other Russian funds. This was entirely due to the very negative performance (-7%) of the single fund in Tera's portfolio which has some exposure outside of Russia. For various reasons, Tera submitted notice of its complete redemption from this fund in early December. (That single fund also accounted for the entire increase in cash-on-hand as it sold at-risk investments and did not have time to reinvest the proceeds before the end of the month.)

Despite this slight underperformance, **Tera was the No. 7 performing fund of funds in the world** (out of 2,497 funds; according to Eurekahedge) in January.

#### Underlying Funds

Other than the temporary increase in cash referred to above, the only other major sector change was a 2% decrease in the industrial sector; virtually all sectors had a 1% shift in one direction or another, with the exception of oil and gas, which was unchanged.

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

The best-performing fund in January was up almost 6%; the worst down almost 7%, and the remaining four up between 3 and 5%.

#### **Other Russian Funds**

The performance of other Russian funds was particularly scattered in January. The worst-performing fund in the AAM Russian Fund Index was down 2.5%; the best-performing up 7%; most were up 3-5%. Other Russian funds not in the index all fell within these limits, with most falling within the same general performance range.

#### **February First Look**

Although Russian markets were up only marginally midway through the month, Tera was up over 2%, with one underlying fund up over 5%. The underlying fund

that was down so significantly is also rebounding. Thus, we expect Tera to outperform in February, barring some unusual event.

#### **Fund Awards**



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



No 8 ranked fund of funds in the world for **2009**

#### **Contact Information**

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