



Tera Capital Fund

Investor Fact Sheet

October 2009
(preliminary)



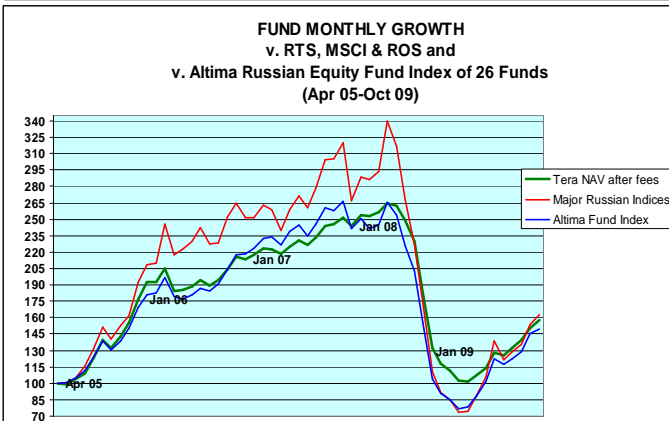
Tera Capital Fund is the only Fund of Funds in the world which pays no expenses and takes no fees other than a success fee
No early investor in Tera saw the value of his investment fall below the amount invested at any time during the economic crisis

Fund Information

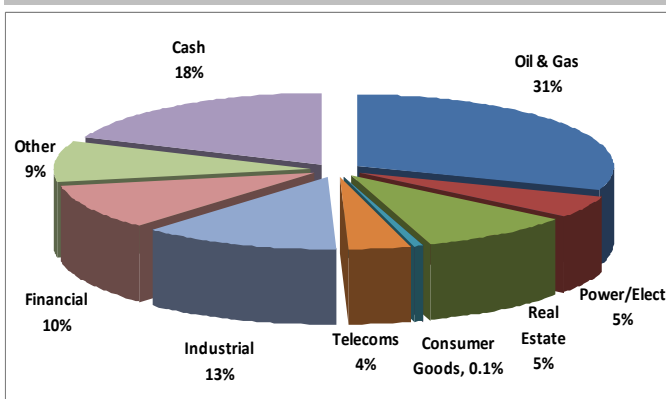
Strategy: Tera Capital Fund is a Russian-focused fund of funds that invests in approximately 5-8 funds (usually equity funds) that are diversified by sector, size, geographic focus and strategy.

Date Formed	April 2005
Investment Advisor	Altima Asset Management
Fund Size	\$2.95 M
Currency	US dollar
Current Price (NAV)	\$157.53
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
ISIN	KYG8760X1034
Eurekahedge ID No.	15532
URL	www.altim.ru
Advisory Board	Michael Wallenberg , SVP EG Bank 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	4.63	5.90	n/a
Year-to-date	41.61	92.30	n/a
Trailing 12 months	19.13	47.62	n/a
Since Fund inception (Apr 05)	57.53	62.85	n/a
Anlzd mnthly rtn (since Fund inception)	12.67	11.86	n/a
Annualized Stand. Dev. (since inception)	26.90	41.70	n/a
Sharpe Ratio ²	0.49	0.42	n/a

*RTS: 7.49%, MSCI: 4.50%, ROS (Crédit Suisse): 5.70%

Investment Advisor's Assessment

Russia

Probably the most interesting development in Russia in October was related to debt: Lukoil's \$1.5 billion unsecured bond issue in London was heavily oversubscribed (\$4 billion of subscriptions received) and President Medvedev announced that the Russian government would issue up to \$18 billion in debt early next year. The South Stream oil pipeline through Turkey appears to have moved ahead of North Stream, under the Baltic Sea, because of environmental and other political concerns. The anniversary of the "war" with Georgia past uneventfully.

Markets

October was an "intense" month on Russia markets. By late in the month, markets were up almost 18%, reaching a high of about 1,480 (RTS) on October 26; by the end, they were up about 6%, depending on the index. This "mini-correction," due mainly to concerns about whether governments will continue their efforts to support economic growth, may have been the long-awaited second wave, but as a mouse not a lion. Oil prices were basically stable at around \$80 a barrel until the end of the month, at which time they fell to about \$76. The ruble continued to strengthen, breaking through RUR 30.

It also saw Russia become the best performing stock market in the world, although it is still by far the cheapest of the BRIC countries:

Country	2009 P/E	2010 P/E
Brazil	22.5	16.3
Russia	12.9	11.3
India	21.3	20.2
China	32.9	22.0

Market volumes continued to increase as October saw the largest inflow of foreign investment into Russia this year.

Underlying Funds

Reflecting the volatility on Russian markets, our underlying funds showed widely varied performance: from up almost 15% to essentially unchanged. One interesting development is that the one fund that still has a quite large cash position (about one-fourth of that fund) has invested one quarter of that cash in gold. Thus, several percent of Tera are now invested in gold – which has been a good place to be recently.

The Fund

October uniquely illustrated the advantages of a fund of funds: with the tremendous variance in various investment funds, ranging from -4% to plus 15% (although half of the funds in our index have not yet reported results, the only reason this Fact Sheet is preliminary). Tera showed solid performance with much less intra-month volatility than any single fund. The combined cash in the underlying

¹ Altima Asset Management created this index of 24 Russia-focused equity funds created on or before May 2005 to provide an appropriate benchmark.
² Risk free rate: 2.5%

funds and Tera continued to drop, falling over 50% in the past two months and manager confidence in markets has increased.

November First Look

The first ten days of November were extremely positive, although also extremely volatile, with the markets twice moving two within their late-October YTD highs of the prior month. As of mid-month, Tera was up over 7%. Given recent volatility, this bodes well for the remainder of the month, but is obviously no guarantee of where Tera will end up at the end of the month.

Fund Awards



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



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

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