



# Investor Fact Sheet

July 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>	\$5 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$264.79
<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	-5.00	-15.40	-11.26
Year-to-date	-0.96	-16.27	-15.40
YTD Annualized	-2.31	-48.81	-46.21
Trailing 12 months	8.13	-1.40	-7.93
Since Fund inception (Apr 05)	149.12	147.73	125.03
Annualized return (since Fund inception)	35.39	34.82	27.09
Annualized Stand. Dev. (since inception)	17.63	29.18	19.65
Sharpe Ratio <sup>2</sup>	1.87	1.11	1.25

### Investment Advisor's Assessment

#### Market

Russian markets dropped seriously in July. Initially depressed due to the sub-prime crisis and falling commodities prices (albeit falling in most cases from record highs), the markets were further battered by negative news related to TNK-BP and Mechel Steel. Also, the summer holidays resulted in volumes being lower and volatility being higher. The decline was broad-based, not focused in the oil & gas and/or financial sectors as has been the case in the past. At the same time, most companies outside of the financial sector have announced record earnings. As a result, the aggregate P/E ratio of Russian companies has continued to drop as market, making it more attractive than any time in the last five years.

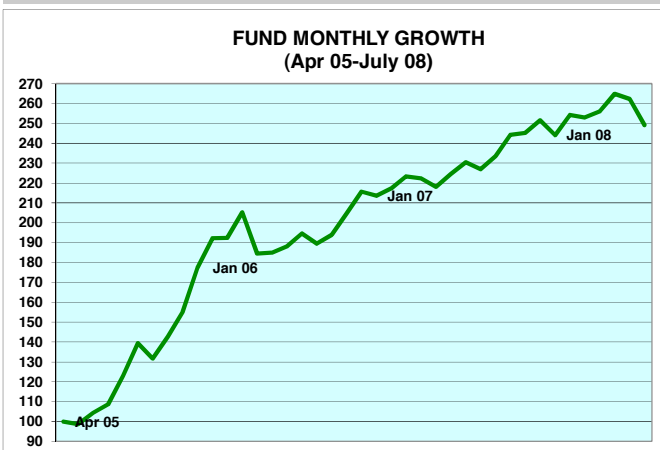
#### Fund

The Fund was down 5% in July, its largest one-month drop in over two years (since May 06). However, once again, Tera showed its tremendous strength in down markets, falling less than one third of the index average and less than one half of the AAM Russia Long Equity Fund Index. While August may not be much better than July, we look forward to a very strong September after some of the recent bad news is absorbed and the summer holidays end.

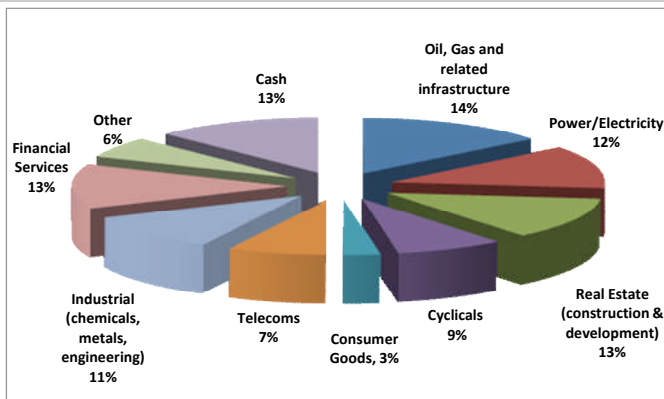
#### August First Look

Of course, the main event was the August 7 Georgian attack on South Ossetia and the massive Russian response. The market fell 6% on August 8 and, at the date of this writing, the RTS had fallen to below 1,600 – its lowest level since 2006. In the meantime, commodity prices stabilize, the Mechel Steel issue was favorably resolved and more positive earnings announcements were issued. As a result, P/E ratios in ratio are falling to absurdly low levels, totally out of proportion to the actual risk levels

### NAV



### Sector Allocation



### Fund Awards



Best performing fund of funds in **Jan and Feb 2006**



Best performing fund of funds YTD in **Jan, Feb, Mar and Apr 2006**

### Contact Information

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<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%