



# Investor Fact Sheet

November 2009  
(final)



## 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>	\$3.2 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$166.31
<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>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

### Performance (net of fees)

Returns	Tera (%)	RTS, MSCI & ROS Avg* (%)	AAM Russia Fund Index <sup>1</sup> (%)
Monthly	5.50	1.75	4.00
Year-to-date	50.25	95.67	87.92
Trailing 12 months	40.93	47.62	75.85
Since Fund inception (Apr 05)	66.48	65.70	59.43
Anlzd mnthly rtn (since Fund inception)	14.69	12.88	14.64
Annualized Stand. Dev. (since inception)	25.82	41.97	34.78
Sharpe Ratio <sup>2</sup>	0.51	0.41	0.41

\*RTS: 1.96%, MSCI: 2.30%, ROS (Crédit Suisse): 1.00%

### Investment Advisor's Assessment

#### Russia

November saw Putin travel to France to "persuade" Renault to help bail out AvtoVAZ in what has to be one of the strangest twists of post-Soviet financial history – and he succeeded to the tune of \$345 million.

#### Markets

November pretty much saw it all: dramatic rises in the first half, stability in the middle, and both dramatic rises as falls at the end (triggered mainly by Dubai World and related concerns). The RTS reached a new post-crisis record high on November (1,486) and then fell back when US markets were closed for the Thanksgiving holiday and the news from the Emirates (and Greece) reminded the financial world that we had not yet emerged from the crisis. Again, the world is wondering whether this is the long-predicted "second wave" – whether Abu Dhabi bails out Dubai or not. As a result, in one day (November 26), oil prices plunged \$5 at the open, but ended the day up. Russian markets fell almost 5% that same day, but also ended up. More than anything else, that day showed how weak the psychological underpinnings of the recovery are.

Foreign investment into Russia through November of this year is now estimated to have exceeded \$50 billion. P/E ratios in Russia remain far lower than those in other BRIC countries: 8 compared to 17 in China, 16 in India and 13 in Brazil.

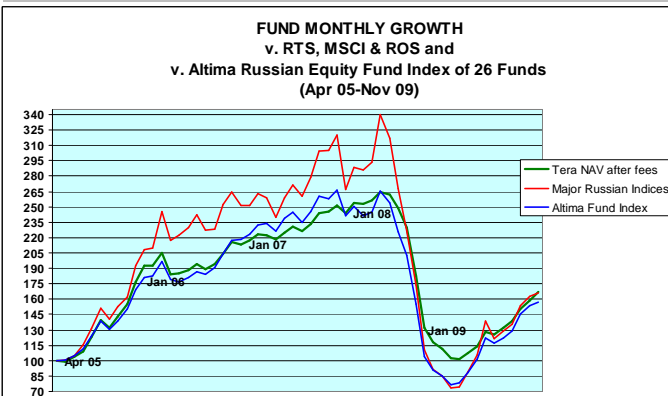
#### Underlying Funds

November saw the first increase in cash on hand since February 2009. This seems basically due to concerns regarding the big run-up since the apparent end of the crisis and a desire to not risk losing the progress the underlying funds have made to date. Nevertheless, the funds have done very well, with only one not outperforming the RTS – in one case significantly.

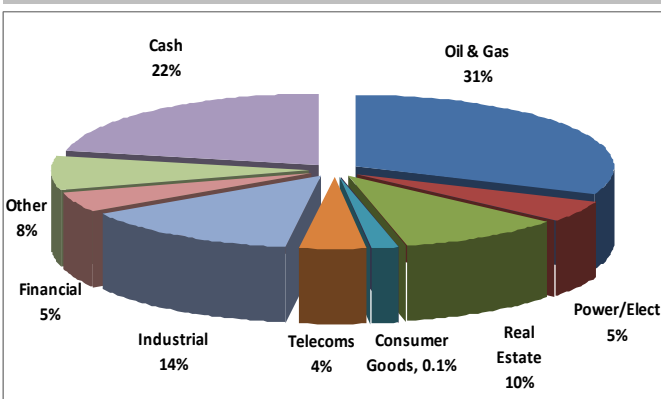
#### The Fund

November again illustrated the advantages of a fund of funds, even more strongly than in October: while none the of three major indices grew more than 2.3%, Tera

### NAV



### Sector Allocation



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

more than doubled that performance. Tera also outperformed the vast majority of other Russian-focused funds as well. Of the 23 funds remaining in our Altima Russian Equity Fund Index, only 6 outperformed Tera by any amount and only one outperformed Tera by more than 1.5%.

#### **December First Look**

December was initially a down month, but Russian markets have been slowly and steadily moving back up. They have not yet hit the November post-crisis high, but they are getting closer. In addition to locking in prior gains, there is the very Russian-specific concern of the long New Year's shutdown – this year from January 1 through January 10, with the markets opening again on Monday, January 11.

## **Fund Awards**

  
EUREKAHEDGE

Hedge Fund Databases

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

  
EUREKAHEDGE

Hedge Fund Databases

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

## **Contact Information**

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