



Investor Fact Sheet

March 2010
(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.

Date Formed	April 2005
Investment Advisor	Altima Asset Management
Fund Size	\$4.0 M
Currency	US dollar
Current Price (NAV)	\$190.50
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 EFG Bank, Geneva Bruce Bean , Co-Chair ABA Russian Law Committee

Performance (net of fees)

Returns	Tera (%)	RTS, MSCI & ROS Avg*	AAM Russia Fund Index ¹ (%)
Monthly	11.13	8.19	11.25
Year-to-date	12.16	4.17	12.49
Trailing 12 months	77.71	102.12	88.55
TRAILING 18 MONTHS	4.32	3.79	5.55
TRAILING 24 MONTHS	(24.68)	(36.92)	(26.12)
TRAILING 36 MONTHS	(14.70)	(31.35)	(18.49)
TRAILING 48 MONTHS	(0.96)	(14.24)	(5.77)
Since Fund inception (Apr 05)	90.50	80.31	88.55
Annld mnthly rtn (since Fund inception)	16.55	15.37	14.45
Annualized Stand. Dev. (since inception)	25.32	40.79	33.00
Sharpe Ratio ²	0.56	0.44	0.36

*RTS: (11.5)%, MSCI: (10.0)%, ROS (Crédit Suisse): (3.1)%

Investment Advisor's Assessment

Russia

In stark contrast to February, March was an eventful month for Russia. First, on March 24, it was announced that a new US-Russian treaty reducing long-range nuclear weapons would be signed on April 8 in Prague (and, as of this writing, the treaty was signed). Although the treaty has no direct economic impact, it is a very important step for Russia as it becomes a more readily accepted member of the international community – and the fear and uncertainty many feel when thinking about Russia eases.

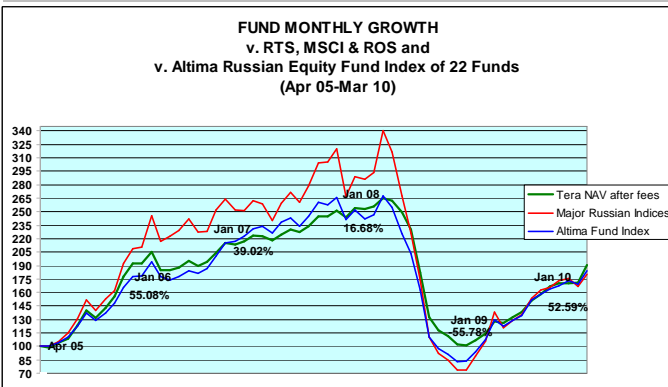
The second event was as negative as the first positive: two explosions were set off in two stations of the Moscow metro by Chechen rebels on March 29. Again, the event itself had no direct financial impact – in fact, in a remarkable display of resilience, Russian markets closed up just over 2% that day – but the events certainly countered some of the positive “vibrations” from the treaty announcement.

Finally, Russian hard currency reserves reached another post-crisis high and another milestone: \$450 billion.

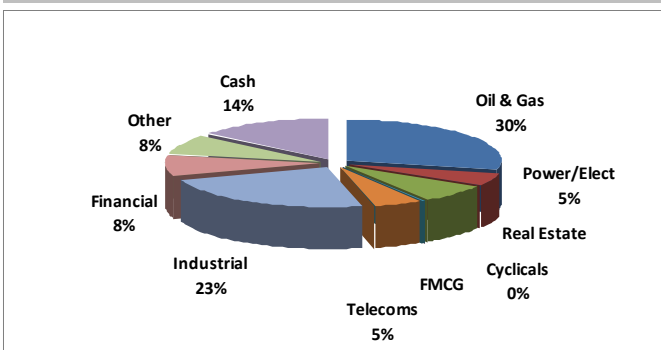
Markets

Russian markets marched slowly steadily upwards during the first half of the month, took a breather for about a week, and then rapidly recovered all the ground lost and closed at post-crisis highs – ending with double-digit gains. In fact, the last time the RTS closed as high as it did on March 31, 2010 was September 3, 2008. The advances were broad and fundamental and not driven by a sudden increase in oil prices. The correlation between Russian markets and oil prices – which had risen to almost 1:1 at the depths of the crisis – has been

NAV



Sector Allocation



¹ Altima Asset Management created this index of 23 Russia-focused equity funds created on or before May 2005 to provide an appropriate benchmark.

² Risk free rate: 2.5%

loosening steadily for the past six months. The move at the very end of the month was particularly dramatic and looks to be set to continue – while oil prices are stable in the \$82-85.50 dollar range.

The Fund

Tera performed in line with most funds and the major Russian fund indices in March – up double digits. Because of the Tera's excellent performance in January and February, **Tera has more than doubled the performance of the RTS year to date – and almost tripled the major Russian index average.** Further, of the Funds steady performance exiting the crisis and much lower volatility than the markets and other funds, **Tera's Sharpe Ratio jumped more than 15% in March to 0.56** (up 0.08 from February).

In parallel, Tera's volatility continues to drop: volatility is 7.31, annualized standard deviation is 25.32, compared to 11.77 for the index average (11.90 for the RTS) and 9.53 for the AAM Fund Index and 40.79 (41.22 for the RTS) and 33.00 for the AAM Fund Index, respectively.

On a YTD basis, Tera remained significantly ahead of all major Russian stock indices and ahead of almost all other funds because of its solid performance in January and March and its major outperformance in February.

March saw the first major significant investment inflows in the Fund since before the crisis, thanks to the very positive reception of the fund during the seven-city road show Altima conducted near the end of February. As a result, assets under management grew to exceed \$4 million.

Cash continued to fall and now represents 14% of total assets, as the underlying funds move closer to being fully invested; we expect this trend to continue in April. Approximately 40% of the cash held indirectly by the Fund is held in physical gold.

There were several major shifts in the portfolio, in addition to cash levels being reduced by almost 25%. While oil & gas increased very slightly, industrial and financial increased for the second month in a row.

2009/Crisis Summary

We again have supplemented our normal statistical table at the top right of the first page of the Fact Sheet to make it clear that the apparent underperformance by Tera relative to market indices and other funds during 2009 is misleading, given that Tera fell much less than all of the indices and almost all funds during the crisis. We will not continue to do so for much longer as Tera's trailing 12 months will soon exceed that of its two benchmarks once the abrupt rises of March through May 2009 fall further behind us.

The four new lines we added to the table compare Tera's performance to that of the index and fund averages for the past 18, 24, 36 and 48 months. As you can see, Tera outperformed both – and the RTS individually – over **every** period but part of one – sometimes by more than 10 percentage points.

Perhaps more importantly, in addition to the fact that **no early investor in Tera saw the value of his investment fall below the amount invested at any time during the economic crisis**, those early investors have now earned **16.55% annually** on their investment, **including the crisis.**

While this is a far cry from the 35% those investors earned in Tera pre-crisis, it goes a long way to explain why there have never been any significant redemptions from the Fund.

Underlying Funds

March was a watershed month for the portfolio underlying Tera. The Fund subscribed to two additional funds, carefully selecting one fund profile that will add both growth and volatility and investing in a sector-specific fund for the first time. Tera also reduced its position in its largest underlying fund by 50%, redeploying those assets into both current and new funds. This should allow Tera to further outperform its benchmarks will keeping volatility down.

Other Russian Funds

Of the 22 remaining funds in the AAM Russia Fund Index (seven closed at the end of 2008 or during 2009 due to the crisis), every one was up in March, from 3% to almost 19%. Had Tera not been caught with some funds in cash from the repositioning described above, its NAV would actually have been over 1.5 percentage points higher because it clearly picked the better performers!

April First Look

April initially continued March's advance, but then a consolidation mood set in as continued problems in Greece, certain earnings concerns after Q1 and a general feeling that perhaps equity markets had advanced far enough for a while set in. The market set several new post-crisis highs in the middle of the month (up just over 6%), but then starting falling sharply, giving back virtually all gains. The month should end positive, but almost certainly not in a big way.

Tera appeared to be doing quite well, gaining as the market increased but giving few of those gains up as the market fell back. It should end the month up in the 3-5% range unless something changes dramatically.

We still agree with the consensus level for 2010 for the RTS of 2000 (compared to its historical 2487.92 hit on 19 May 2008). VTB (VenshTorgBank) recently reaffirmed that target. This would still result in a 40% increase for the year and a 25% increase from current levels.

Fund Awards



No 8 ranked fund of funds
(annualized perf.) in **2009**



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

Contact Information

Altima Asset Management
Mr. Timothy Enneking
+7 910 439 1486
te@altim.ru

Maples Finance Ltd
Ms. Teresa Solomon
Tel.: 1 (345) 814 5801
investorservices@maplesfinances.com