



# Investor Fact Sheet

April 2011  
(final)



## Tera Capital Fund

Tera Capital Fund is the only Fund of Funds in the world which pays no fees other than a success fee  
**Tera Capital Fund 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>	\$5.2 M
<b>Currency</b>	US dollar
<b>Current Price (NAV)</b>	\$222.29
<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

### Performance (net of fees)

Returns	Tera* (%)	RTS, MSCI & ROS Avg** (%)	AAM Russia Fund Index <sup>1</sup> (%)
<b>Monthly</b>	<b>(0.29)</b>	<b>(0.31)</b>	<b>(1.68)</b>
Year-to-date	5.99	15.56	6.13
Trailing 12 months	14.43	15.56	13.56
Since Fund inception (Apr 05)	122.29	115.59	109.14
Anlzd mnthly rtn (since Fund inception)	16.98	16.20	14.31
Annualized Stand. Dev. (since inception)	23.80	37.99	31.02
Sharpe Ratio <sup>2</sup>	0.60	0.48	0.38
Trailing 12 m Sharpe	<b>1.34</b>	<b>1.02</b>	<b>0.63</b>

\*Weight averaged, all series (currently 6) combined

\*\*RTS: (0.84)%, MSCI: 0.05%, ROS (Crédit Suisse): 0.15%

### Investment Advisor's Assessment

#### Russia

April was a singularly uneventful month in Russia. After the large run-up in the various indices (although not of most funds) since the beginning of the year, April was a month for consolidation. There were no major news events, no major transactions and no major changes in the Russian outlook.

#### Russian Markets

For the same reasons, Russian markets moved essentially "sideways" in April, with the RTS down almost 1% and the other two indices in Tera's consolidated benchmark up very slightly.

In terms of sectors, this was also true as virtually all sectors were basically unchanged, with one glaring exception: the power sector, which continued its 2011 nosedive due, apparently, to concerns regarding next year's elections in Russia and price controls (which, in reality, only affect one segment of the sector).

#### April Fund Performance

The Fund was down very slightly in April, slightly outperforming the market indices as well as other Russian funds. As in March, only one underlying fund was down in April – the only sector fund in which Tera has invested, which was down almost 8%. Without this drop, Tera's performance would have been positive (up 1%) for the month.

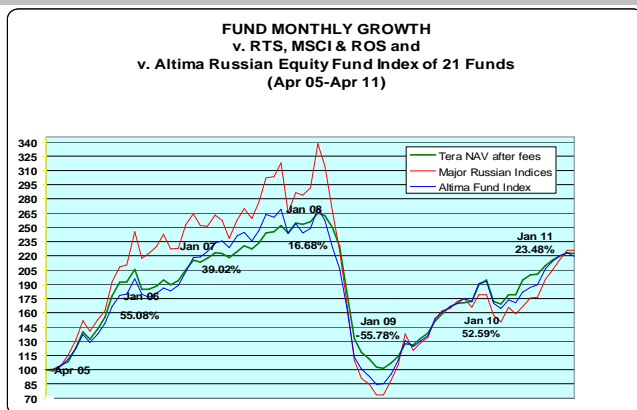
Because of its steady, if not spectacular, performance over the first four months of this year, **Tera was the No. 9 performing fund of funds in the world YTD** (out of 2,548 funds; according to Eurekahedge).

#### Underlying Funds and Sectors

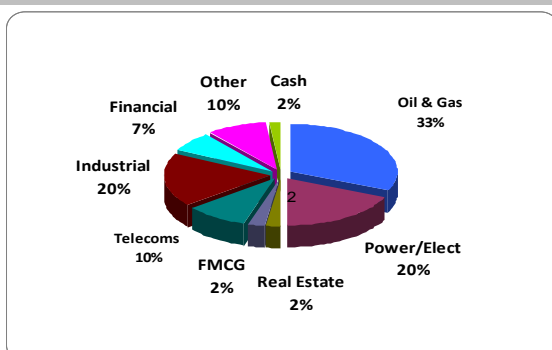
On April 1, Tera redeemed 50% of its position in the one fund in its portfolio that is not virtually 100% invested in Russia. (As noted previously, the remainder of that position will be redeemed at the end of June.)

After the rather significant changes in March, sector allocation changed only slightly in April: telecoms and

### NAV



### Sector Allocation



<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%

industrial increased quite significantly (in fact, telecoms exposure doubled from 5% to 10% of the portfolio), while cash, oil & gas and power all fell slightly to compensate.

The best-performing underlying fund in February was up almost 6%; as noted above, the worst was down almost 8%; the remaining four ranged between unchanged and up 1%.

April was very illustrative of one of the advantages of a fund of funds: if one were invested solely in the power sector fund in which Tera has about 12% of its assets, April would have been a very painful month. As it was, because of its greater diversification, Tera outperformed both the major indices and most other funds.

#### Other Russian Funds

Very few funds in the AAM Fund Index were up in April: less than 25%. Of those, none was up even 1%. Of the 75% that were down, performance ranged from down very slightly to down 6%.

Somewhat unusually, there was no real concentration of performance, with the possible exception of “essentially unchanged”, where the performance of 25% of the funds

in the index focused (depending, of course, on one’s definition of “unchanged”).

#### May First Look

If April was an uncertain month, May was a negative one, with global and Russian markets concerned about the real condition of the global economy and growth prospects. By mid month, Russian market indices had fallen by almost 12% (although Tera was down about half that), but we strongly suspect that they will rebound from that level at least somewhat prior to the end of the month. May will, however, almost certainly be negative.

#### Fund Awards



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



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

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