

Tera Capital Corporation

High Income Fund

CONTACT INFORMATION
Tera Capital Corporation
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Investment Strategy

The High Income Fund, established in July 2008, invests primarily in Canadian income-generating securities that offer high current income returns thru dividends, interest or capital. These securities may include debt, equity, convertible securities, units of income trusts or derivative instruments in order to achieve yields higher than that from traditional fixed return investing, with a primary focus in investing in fixed return issues of corporations with market capitalizations of less than \$500M. The fund uses an opportunistic long/short strategy to deliver a yield and reduce volatility.

Manager Background

Lyle Stein MA, CFA

Lyle Stein has been in the investment business for over 26 years. Prior to CEO of Leon Fraser, Lyle founded Red Barn Capital Inc as well as holding positions with some of Canada's largest investment companies. He was twice voted Canada's #1 Portfolio Strategist, and twice received awards as a top performing mutual fund manager. Mr. Stein has expertise in areas such as mining, chemicals, transportation, technology, utilities, and communications, and currently sits on multiple boards. Lyle was an early investor in, amongst others, Seabridge Gold, Temple REIT, McCoy Corp and Westjet.

Fund Information

Minimum Investment: \$25,000

Management Fee: 1.25%

Performance Fee: 20%

High Water Mark: 125% of subscription price

Hurdle Rate:

Firm Assets (Millions): \$25M

Fund Assets (Millions): \$4M

NAV: \$28.20

Lock-Up Period: None

Redemption Terms: monthly

Prime Broker: BMO Prime Brokerage

Auditor: Rosenswig McRae Thorpe LLP

Legal Counsel: Baldwin Anka Sennecke Halman LLP

Administrator: Tera Capital Corporation

Historical Performance (%)

Currency used to calculate the return: C\$

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2011	0.07%	2.50%	-1.58%	-0.49%	2.02%	-2.22%	0.14%	-1.63%	-4.86%	2.87%	-0.22%	3.91%	0.18%
2010	-5.12%	9.69%	-0.41%	-0.72%	-2.73%	-0.84%	2.29%	0.35%	4.84%	1.72%	-0.37%	6.52%	15.30%
2009	8.03%	-3.86%	-4.67%	5.10%	3.15%	4.37%	3.34%	2.01%	1.47%	4.39%	1.51%	4.65%	32.65%

Annualized return since inception: 7.60%