

# Tera Capital Corporation

## Balanced Small Cap Fund

**CONTACT INFORMATION**  
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### Investment Strategy

The Balanced Small Cap Fund, established in December 2005, is a fully diversified fund investing in securities with market capitalization of less than \$500M. Investing in all sectors, this long/short fund focuses on opportunities that offer a mix of income and growth utilizing all asset classes. Diversification strategy includes preferred shares, common equity, trusts, debt and shorts. The number of fund holdings will vary between 20 and 30. The fund may also invest up to 15% of assets in private companies expecting to go public within 24 months.

### 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: 1.75%**

**Performance Fee: 20%**

**High Water Mark: 125% of subscription price**

**Hurdle Rate:**

**Firm Assets (Millions): \$25 M**

**Fund Assets (Millions): \$4 M**

**NAV: \$28.16**

**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
<b>2011</b>	-0.61%	-0.04%	5.06%	-0.45%	0.09%	-5.31%	-2.64%	-1.11%	-10.25%	2.03%	-0.22%	-4.02%	<b>-16.85%</b>
<b>2010</b>	3.44%	-3.03%	1.62%	4.29%	-2.30%	1.83%	-3.87%	8.90%	5.13%	0.70%	1.93%	9.59%	<b>30.92%</b>
<b>2009</b>	1.78%	0.48%	-6.66%	1.99%	8.76%	1.13%	5.16%	-3.22%	5.17%	-3.89%	2.14%	4.19%	<b>17.23%</b>

Annualized return since inception: 3.0%