

# Tera Capital Corporation

## High Income Fund

**CONTACT INFORMATION**  
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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 through 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 those from traditional high yield investing, with a primary focus in investing in yield-oriented securities of corporations with market capitalizations of less than \$2 billion. The fund may engage in limited short selling to deliver high total returns with reduced volatility.

### Manager Background

#### Lyle Stein MA, CFA

Lyle Stein has been in the investment business for over 30 years. Prior to joining Leon Frazer and Associates, 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.

### Fund Information

<b>Minimum Investment:</b>	\$25,000
<b>Management Fee:</b>	1.25%
<b>Performance Fee:</b>	20%
<b>High Water Mark:</b>	125% of subscription price
<b>Firm Assets (Millions):</b>	\$10
<b>Fund Assets (Millions):</b>	\$2.9
<b>NAV:</b>	\$27.29
<b>Lock-Up Period:</b>	None
<b>Redemption Terms:</b>	Monthly
<b>Prime Broker:</b>	BMO Capital Markets
<b>Auditor:</b>	Rosenwig McRae Thorpe LLP
<b>Legal Counsel:</b>	Baldwin Anka Sennecke Halman LLP
<b>Administrator:</b>	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>2014</b>	-1.30	5.71	0.72	1.30	-0.03	0.83	-0.60	0.83	-1.56	-1.77	-2.92	3.71	<b>4.40</b>
<b>2013</b>	0.11	1.35	0.88	-0.92	0.70	-4.12	3.20	-0.74	3.23	3.96	-0.89	2.24	<b>9.13</b>
<b>2012</b>	2.24	3.00	-1.85	-0.90	-1.61	0.22	4.15	1.21	1.09	-2.12	0.17	3.94	<b>9.68</b>
<b>2011</b>	0.07	2.50	-1.58	-0.49	2.02	-2.22	0.14	-1.63	-4.86	2.87	-0.22	3.26	<b>-0.45</b>
<b>2010</b>	-5.12	9.69	-0.41	-0.72	-2.73	-0.84	2.29	0.35	4.84	1.72	-0.37	6.52	<b>15.30</b>
<b>2009</b>	8.03	-3.86	-4.67	5.10	3.15	4.37	3.34	2.01	1.47	4.39	1.51	4.47	<b>32.65</b>

Annualized return since inception: 7.55%