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Investment Manager's Update to Shareholders regarding Fourth Quarter 2014 Activities of Terra Capital plc. ("TCA" or the "Fund")

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TCA's 4th Quarter Return & Portfolio

The Fund ended 2014 with a net NAV gain of 5.93% from its Dec. 31, 2013 NAV and it increased its equity exposure from 73.24% at September 30, 2014 to 81.02% at December 31, 2014 (including its commitment to Terra Argentine Fund). The Fund's NAV was negatively affected in the fourth quarter when it declined from \$1.0018 per share as of September 30, 2014 to \$0.9789 at December 31, 2014 resulting in a 2.28% loss.

Europe

The Fund's exposure to Europe increased from 19.14% to 23.24%, making Europe its largest regional allocation, as the Fund added 5 new positions in the region, increased 2 other existing positions, and trimmed 2 holdings. Investments were initiated in Slovenia, Bulgaria, Russia and one other undisclosed market, with additions to current holdings in Ukraine and one other undisclosed market. Sales took place in Switzerland and Greece.

Certain positions and markets are not publically disclosed during the period the Fund continues its purchases in those stocks due to their low liquidity. The names of the stocks and further information will be disclosed when the Fund obtains its optimal position.

Asia

The Fund's holdings in Asia declined from 20.24% to 17.94% on sales in Australia, Georgia and Korea. The Fund initiated one new position, KCell, in Kazakhstan.

Middle East

The Fund's exposure to the Middle East rose to 15.92% on one new position in Qatar (Al Meera) and additions to its position in Lebanon (Solidere). There were no sales in this region during the quarter.

Africa

TCA's African allocation expanded from 7.04% to 9.08% as the Fund increased its positions in Tunisia following the victory of the secularists in the parliamentary elections and the Fund initiated positions in South Africa, which will not be disclosed at this time due to continued purchases and low liquidity in the names. The Fund continued to sell off shares in Housing Finance (Kenya).

Americas

The allocation to the Americas increased from 12.57% to 14.84% on the addition of Panama's Copa Airlines to the Fund. Terra Argentine Fund made its 3rd capital call in December, drawing down a further 15% of the commitment, bringing the total amount of called up capital to 40%.

Further Fund Details

The following page details the Fund's holdings, changes from the prior quarter, and the local currency performance of each company's shares over the quarter.

Portfolio of Terra Capital PLC as of Dec. 31, 2014

Region	Country	Security	Shares	Market value	% of Fund	Change in	4Q Price	4Q Total	
AFRICA	Burkina Faso	Onatel BF	84,477	1,159,473	1.73%	No Change	7.32%	7.32%	
	Kenya	Equity Bank Ltd	2,011,000	1,108,600	1.66%	No Change	-2.91%	-2.91%	
	Tunisia	ARTES	246,934	1,062,253	1.59%	Increase	14.29%	14.29%	
	Kenya	Housing Finance Kenya	1,984,050	1,000,775	1.50%	Decrease	-3.68%	-3.68%	
	Tunisia	Tunisie Leasing	70,881	826,328	1.24%	Increase	12.98%	12.98%	
	Tunisia	One Tech Holding	171,375	645,064	0.96%	Increase	3.55%	3.55%	
	South Africa	XXXX	XXXXX	182,924	0.27%	New	XXXX	XXXX	
	South Africa	XXXX	XXXXX	95,800	0.14%	New	XXXX	XXXX	
					6,081,217	9.08%			
AMERICAS	Argentina	IRSA	145,630	2,238,333	3.35%	No Change	11.70%	11.70%	
	Argentina	Terra Argentine Fund LP - Outstanding Commitment		2,040,000	3.05%	Decrease			
	Panama	Copa Holdings	10,760	1,115,166	1.67%	New	-3.40%	-2.51%	
	Peru	Ferreycorp	1,787,387	967,446	1.45%	No Change	-2.41%	-2.41%	
	Jamaica	Scotia Group Jamaica	5,429,031	949,356	1.43%	No Change	3.95%	6.03%	
	Jamaica	National Commercial Bank Jamaica	5,431,719	878,150	1.32%	No Change	3.12%	8.47%	
	Argentina	Terra Argentine Fund LP - Series 2	510,000	586,603	0.88%	No Change	6.71%	6.71%	
	Argentina	Terra Argentine Fund LP - Series 3	510,000	512,439	0.77%	New	0.48%	0.48%	
	Argentina	Terra Argentine Fund LP - Series 1	340,000	382,723	0.57%	No Change	7.12%	7.12%	
	Peru	Refineria La Pampilla	3,408,102	239,125	0.36%	No Change	-22.22%	-22.22%	
				9,909,341	14.84%				
ASIA	Bangladesh	Square Pharma	559,764	1,845,415	2.78%	No Change	-0.81%	-0.81%	
	Bangladesh	Brac Bank	3,592,039	1,704,168	2.56%	No Change	13.41%	13.41%	
	Vietnam	Imexpharm Pharmaceutical	802,158	1,564,275	2.34%	No Change	-1.65%	-1.65%	
	Australia	Ardent Leisure Group	554,606	1,322,431	1.98%	Decrease	-5.81%	-3.55%	
	China	Qingling Motors	3,608,000	1,195,102	1.79%	No Change	12.23%	12.23%	
	Georgia	Bank of Georgia Holdings	31,280	1,011,327	1.51%	Decrease	-15.54%	-15.54%	
	Korea	Kumho Petro Chemical Co - PFD	17,850	654,933	0.98%	Decrease	5.53%	5.53%	
	Korea	Hyundai Motor Co. Ltd. - PFD	4,880	565,544	0.85%	No Change	7.20%	7.20%	
	Vietnam	Hung Vuong Corporation	410,650	513,433	0.77%	No Change	-12.70%	-12.70%	
	Korea	Lotte Chilsung beverage Co - PFD	749	476,209	0.71%	No Change	-29.47%	-29.47%	
	Korea	Shinyoung Securities	8,370	433,241	0.65%	No Change	-10.17%	-10.17%	
	Kazakhstan	Kcell	33,904	340,735	0.51%	New	-29.32%	-29.32%	
	Vietnam	Hau Giang Pharmaceutical	75,853	339,720	0.51%	No Change	4.92%	4.92%	
	Korea	Daelim Industrial Co. Ltd.-PFD	0	0	0.00%	Liquidated	-43.10%	-43.10%	
				11,966,533	17.94%				
EUROPE	Hungary	Any Security Printing	553,679	1,885,594	2.79%	No Change	10.00%	10.00%	
	Serbia	Galenika-Fitofarmacija	41,372	1,369,431	2.05%	No Change	4.80%	4.80%	
	Germany	Vib Vermoegen	74,979	1,291,522	1.93%	No Change	-1.11%	-1.11%	
	Slovenia	Gorenje Velenje	175,399	1,192,382	1.78%	New	-20.40%	-20.40%	
	Macedonia	Komercijalna Banka AD Skopje	28,845	1,111,593	1.66%	No Change	-6.68%	-6.68%	
	Montenegro	Crnogorski Telekom	222,624	1,104,098	1.65%	No Change	2.50%	2.50%	
	Russia	JSC Acron	308,792	1,049,893	1.57%	No Change	8.28%	8.28%	
	Portugal	Portucell	259,423	968,089	1.45%	No Change	-1.90%	-1.90%	
	Croatia	Hrvatski Telekom	36,228	862,741	1.29%	No Change	-8.17%	-8.17%	
	Switzerland	U-Blox	6,189	855,269	1.28%	Decrease	16.24%	16.24%	
	XXXX	XXXX	XXXX	838,718	1.25%	Increase	XXXX	XXXX	
	Ukraine	Kernel Holding	86,323	694,980	1.04%	Increase	14.30%	14.30%	
	Bulgaria	Monbat	115,000	608,635	0.91%	New	1.33%	1.33%	
	Serbia	Komercijalna Banka Serbia	19,783	433,987	0.65%	No Change	10.00%	10.00%	
	Estonia	Silvano Fashion Group	267,000	381,105	0.57%	No Change	-28.05%	-15.85%	
	Russia	X5 Retail	29,846	364,121	0.54%	New	-33.88%	-33.88%	
	Greece	Grivalia	38,080	348,694	0.52%	Decrease	-15.89%	-15.89%	
	XXXX	XXXX	XXXX	105,856	0.16%	New	16.82%	16.82%	
	XXXX	XXXX	XXXX	90,407	0.14%	New	XXXX	XXXX	
					15,557,115	23.24%			
MIDDLE EAST	Qatar	Al Khaliji Bank	273,078	1,652,225	2.47%	No Change	0.18%	0.18%	
	Lebanon	Blom Bank	144,872	1,484,938	2.22%	No Change	8.47%	8.47%	
	Qatar	Doha Bank	89,255	1,395,987	2.09%	Increase	-1.72%	-1.72%	
	Qatar	Al Meera	20,318	1,115,026	1.67%	New	8.99%	8.99%	
	Oman	Oman Refreshment	175,000	1,113,347	1.66%	No Change	0.00%	0.00%	
	Qatar	Gulf Warehousing Company	66,000	1,021,403	1.53%	No Change	7.84%	7.84%	
	Oman	Oman Cement	720,950	969,753	1.45%	No Change	-31.58%	-31.58%	
	Lebanon	Soldiere	73,573	849,768	1.27%	Increase	-8.65%	-8.65%	
	Bahrain	SEEF Properties	1,313,897	671,562	1.01%	No Change	-9.52%	-9.52%	
	Bahrain	Bahrain Commercial Facilities	200,000	370,762	0.56%	No Change	2.94%	2.94%	
					10,644,771	15.92%			
			Total Equity Holdings		54,158,977	81.02%			
		Net Cash		12,069,175	18.04%				
		Fixed Income							
Ukraine	City of Kiev Municipal Bonds	844,000	630,214	0.94%					
		Total Fund		66,858,366					

RESPECTFULLY SUBMITTED BY:

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