



# Thames River 1X CURRENCY ALPHA Fund

(Thames River Alternative Strategies Limited)  
CURRENCY FOCUSED MULTI-MANAGER

## Adviser Commentary – by Bill Muysken / Ken Kinsey-Quick

In April the USD share class returned -1.51%. Currency markets remained choppy, unsettled and largely rangebound during April. Implied volatility on most major currency pairs declined by 10% to 20% over the month. This market environment was challenging for currency managers, and particularly for those with trend following or long volatility biases. Eight of the 20 underlying managers made positive contributions to the fund's return this month, but the average of these was only +0.08%, whereas the average of the negative contributions from the other twelve was much larger at -0.18%. At the currency level, the main negative contributors were a long position in the Euro, which fell by 0.2% against the US dollar over the month, and short positions in the Pound Sterling (up 3.7%), the Swedish Kronor (up 2.5%), the Canadian dollar (up 5.9%), and a number of emerging market currencies that also rallied over the month. To top it all off, the fund entered the last week of April with a modest long position in the Mexican Peso (since greatly reduced), which quickly fell by almost 5% due to Swine Flu concerns. The only offsetting positive factor of any note was a long position in the Australian dollar (up 5.7%). Our view is that April was just one of those months. The only good things that we can say about April are firstly that the fund's volatility remained well below its target level, and secondly that its correlation with equity market returns remained negative. One manager was removed from the line-up at the end of April, bringing the number of managers down from 20 to 19.

## Fund Performance to 30 Apr 2009

	NAV per share	Apr 2009	1 Year	Since Inception
<b>Class A</b>	\$1014.20	-1.51%	2.88%	1.42%
<b>Class B</b>	€1024.55	-1.51%	4.19%	2.46%
<b>Class C</b>	£1035.11	-1.51%	4.52%	3.51%

Above rolling returns are cumulative. Refer to the monthly newsletter page 37 for monthly / annual return history.

## \$ Statistics Since Inception

Return (annualised)	0.77%
Volatility (Standard Deviation)*	4.2%
Correlation with S&P500*	-0.50

\* These figures are based on weekly share prices for the USD share class.

## Summary of Manager Allocations and Contributions to Performance

Manager	Primary Focus	Risk Allocation as at 30 Apr 09 %	Estimated Contribution to \$ Return for Month %
A	Valuation, capital flows, local factors	7.9	-0.05
B	Short term flows and market dynamics	7.8	+0.12
C	Economic analysis, valuation, interest rates	7.7	-0.12
D	Short term volatility capture	6.7	+0.06
E	Discretionary thematic/contrarian	6.2	-0.26
F	Interaction between asset markets and economic fundamentals	6.1	+0.18
G	Macroeconomic fundamentals, market positioning, sentiment	5.9	+0.00
H	Reserves, competitiveness, interest rates, capital flows, technicals	5.8	+0.16
I	Short to medium term discretionary	5.6	-0.25
J	Trends, interest rates	5.5	-0.31
K	Combination of economic and statistical analysis and discretionary management	4.9	-0.24
L	Macro factors, trends, short term market dynamics	4.7	-0.06
M	Business cycles, economic conditions, capital flows	4.1	-0.29
N	Monetary policy, inflation, economic growth, technicals	4.0	+0.05
O	Currency options	3.6	-0.01
P	Trending and mean-reverting behaviour	3.5	+0.09
Q	Asian currencies	3.5	-0.16
R	Short term market dynamics	3.3	+0.00
S	Technical analysis	3.2	-0.25
T(*)	Valuation, sentiment, technicals	-	-0.17
<b>Total</b>		<b>100.0</b>	<b>-1.51</b>

\* Manager T was removed from portfolio on 30 April

## Return History %

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>09</b>	+0.41	+0.12	-0.23	-1.51									-1.23
<b>08</b>	-0.25	+1.28	+0.41	-0.10	-1.10	+1.00	-0.69	+1.51	+0.74	+2.45	+0.16	+0.05	<b>+5.54</b>
<b>07</b>							+0.25	-3.87	+0.10	+0.74	+0.14	-0.04	<b>-2.72</b>

The above performance history relates to the Fund's base currency share class only. The full share class history for Class B (€), and Class C (£) is available in the monthly Newsletter on Page 37. NAV per share monthly return calculated net of fees. Source: Northern Trust IFAS (Ireland) Ltd.

## Summary of Estimated Underlying Currency Positions as at 30 Apr 09 %

Currency bloc	Longs	Shorts	Net
Dollar bloc (developed)	+23	-48	-25
Europe (developed)	+24	-12	+12
Japanese Yen	+11	-	+11
Emerging Markets	+18	-16	+2
<b>Total</b>	<b>+76</b>	<b>-76</b>	

## Fund Objective

**Target long term return:**  
Cash + 5% p.a. net of fees

**Target risk:** 5% volatility

**Target loss period:** No losing 6 mths

**Target correlation to equity/bond/  
property market returns:** zero

(Note: targets are not guaranteed)

## Fund Size (Mn)

**Share Classes** US\$ (base) / € / £ (hedged)

**Launch Price** \$/€/£ 1,000

**Launch Date** 29 June 2007

**Minimum** \$/€/£ 10,000

**Dealing** Weekly

**Domicile** Cayman Islands

**Listing** CIXX

**Unit type** Roll-Up (\$/€/£)

## Charges

**Initial Charge** Up to 5%

**Management Fee** 1.0% p.a.

**Performance Fee** 10% HWM

## Manager

Thames River Capital Holdings Ltd  
**Investment Adviser**  
Thames River Capital LLP  
**Custodian**  
HSBC Private Bank (CI) Ltd /  
JP Morgan Hedge Fund Services  
**Administrator**  
Northern Trust International Fund  
Administration Services (Ireland) Ltd  
Contact: Maureen Barrett  
Tel: +353 (0)1 434 5059  
Fax: +353 (0)1 670 1185  
Email: maureen\_barrett@ntrs.com  
Thames River Capital LLP is authorised  
and regulated by the Financial Services  
Authority



## IMPORTANT NOTICE – REGULATORY INFORMATION AND RISK WARNINGS

This document is issued for information only by Thames River Capital LLP (“Thames River”), Nevsky Capital LLP (“Nevsky”) and Thames River Multi-Capital LLP (“TRM-C”), together the Firms as indicated in the information section at the bottom of each Fund page. The firms are authorised and regulated by the Financial Services Authority (“FSA”). Content relating to unregulated collective investment schemes is only directed at Eligible Counterparties, Professional Clients or investors meeting the FSA’s COBS 4.12 categories. For Dubai, this document is issued by Thames River, which is regulated by the Dubai Financial Services Authority (“DFSA”) and is only made available to professional clients or other qualifying persons who are clients of Thames River as defined by the DFSA. It must not be relied upon by non-qualifying persons. It does not constitute an offer by the firms to enter into any contract/agreement nor is it a solicitation to buy or sell any investment. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice in any way. The contents of this document are based upon sources of information believed to be reliable, however, save to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to its accuracy or completeness and, the Firms, their members, officers and employees of the corporate member do not accept any liability or responsibility in respect of the information or any views expressed herein. This document may include forward-looking statements that are based upon the managers’ current opinions, expectations and projections. The firms undertake no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements. This document is not aimed at persons who are residents of any country, including the United States of America (“USA”) and South Africa, where the funds referred to herein are not registered or approved for marketing and/or sale or in which the dissemination of information on the funds or services is not permitted. This document should not be distributed to any third party without the express approval of the Firms and has been designed for a professional audience only.

Funds referred to herein are neither registered under the Securities Act 1933 of the USA, nor are they registered under the Investment Company Act of 1940. Consequently, they cannot be offered for sale or be sold in the USA, its territories, possessions or protectorates under its jurisdiction, nor to nationals, citizens or residents in any of those areas. This document should be read in conjunction with the Prospectus of the relevant fund that will exclusively form the basis of any application and an investment should not be contemplated until the risks of investment and tax implications have been considered fully. Thames River Hillside Apex Fund SPC, Thames River Kingsway Fund Limited, Thames River Kingsway Plus Fund Limited, Nevsky Fund Limited, Thames River Longstone Fund Limited, Thames River Sentinel Fund, Thames River Warrior Fund, Thames River Warrior II Fund, Thames River Equity Focus Fund, Thames River Distressed Focus Fund, Thames River 1X Currency Alpha Fund, Thames River 2X Currency Alpha Fund Limited, Thames River Property Growth & Income Fund Limited, Thames River Argentum Fund Limited, Thames River Multi-Select Fund and Thames River Global Boutiques Fund are unregulated collective investment schemes which are not recognised schemes under s.264 of the Financial Services and Markets Act 2000. Thames River Hedge+ is a cell of Thames River Multi Hedge PCC Limited, listed on the London and Channel Islands Stock Exchanges. The Thames River European Fund, Thames River High Income Fund, Eastern European Fund, Global Emerging Markets Fund, Thames River Global Bond Fund (£), Thames River Global Bond Fund (€), Thames River Global Bond Fund (\$), Emerging Asia Fund, European Select Fund, Thames River World Government Bond Fund and Thames River Water & Agriculture Fund are sub-funds of Traditional Funds plc, an open-ended investment company with segregated liability between sub-funds incorporated in Ireland, authorised by the Irish Financial Services Regulatory Authority and listed on the Irish Stock Exchange. This company is a recognised collective investment scheme under s.264 of the Financial Services and Markets Act. TR Property Investment Trust plc is a UK investment trust listed on the London Stock Exchange.

Many of the protections provided by the United Kingdom regulatory structure may not apply to investments in these funds, including access to the Financial Services Compensation Scheme and the Financial Ombudsman Service. Past performance is not necessarily a guide to future performance. Values may fall as well as rise and you may not get back the amount you invested. Income from investments may fluctuate. Changes in rates of exchange may have an adverse effect on the value, price or income of investments. The schemes and TR Property Investment Trust plc are permitted to and use gearing as an investment strategy. The effect of such gearing is that movements in the price of the schemes will be more volatile than the movements in the prices of their underlying investments. Investors should obtain professional advice on taxation where appropriate before proceeding with any investment. Investors should be aware that investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth. Fund charges may be applied in whole or part to capital, which may result in capital erosion. You should be aware of the additional risks associated with investment in emerging and developing markets. The prices of some investments may be extremely volatile. With the exception of TR Property Investment Trust plc and Thames River Hedge+, the funds are not traded on an exchange or recognised market and in common with some of their investments may not be readily realisable. This factor can make it difficult to obtain independent verification of the investment value and the extent of the risks to which they are exposed. (090316)

Potential investors should follow the links below for information on any current side letters relating to the schemes. <http://www.thamesriver.co.uk/downloads/disclosures.htm> <http://www.nevskycapital.com/downloads/disclosures.htm>

Notice to Investors:

Please note Paying Agents/Representatives for the following countries have been appointed by Traditional Funds plc in accordance with local requirements: Germany, Austria, Switzerland, Malta, Luxembourg, Netherlands, Belgium, Sweden, Norway and France. Local language versions of the Traditional Funds plc prospectus and simplified prospectus are available from their offices.

For a full list of Paying Agents’ details, please follow the following links: [http://www.thamesriver.co.uk/pdf/paying\\_agents.pdf](http://www.thamesriver.co.uk/pdf/paying_agents.pdf)

[http://www.nevskycapital.com/pdf/paying\\_agents.pdf](http://www.nevskycapital.com/pdf/paying_agents.pdf)

### For further information please contact:

Vanessa Lawley on +44 (0)20 7360 1272 or [vlawley@thamesriver.co.uk](mailto:vlawley@thamesriver.co.uk)

### Prices available from:

	Class A - \$	Class B - €	Class C - £		Class A - \$	Class B - €	Class C - £
Bloomberg	TR1XCRA KY	TR1XCRB KYTRMB LN	TR1XCRC KY	Tass	39335	40850	
Datastream	53498R	53498T 38928D	53498U	Reuters	TRCHL2TRM_pa. L	TRCHL2TRM_pb. L	TRCHL2 B23S640
FT (Mex ID)	TF1XAU	TF1XBETHRMtHd g€	TF1XCG	Sedol	B23S628	B23S6393408162	B23S640
ISIN	KYG8783V3993	KYG8783V4047G B0034081629	KYG8783V4157	S&P/Morningstar	208380	208381360662	208382
Lipper	-	60092467		Telekurs	CH3436535-	CH3436621CH17 97691	CH3436623
				WKN	A0MKXX	A0D938	

