



# Thames River 2X CURRENCY ALPHA Fund

(Thames River 2X Currency Alpha Fund Limited)  
CURRENCY FOCUSED MULTI-MANAGER

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

In April the USD share class returned -3.06%. 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 +0.17%, whereas the average of the negative contributions from the other twelve was much larger at -0.37%. 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>	\$987.17	-3.06%	5.48%	-1.28%
<b>Class B</b>	€995.14	-3.04%	6.58%	-0.49%
<b>Class C</b>	£1016.05	-3.01%	7.61%	+1.61%

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

### \$ Statistics Since Inception

Return (annualised)	-0.64%
Volatility (Standard Deviation)*	8.3%
Correlation with S&P500*	-0.51

\* 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	-0.09
B	Short term flows and market dynamics	7.8	+0.24
C	Economic analysis, valuation, interest rates	7.7	-0.25
D	Short term volatility capture	6.7	+0.11
E	Discretionary thematic/contrarian	6.2	-0.53
F	Interaction between asset markets and economic fundamentals	6.2	+0.35
G	Macroeconomic fundamentals, market positioning, sentiment	5.9	+0.01
H	Reserves, competitiveness, interest rates, capital flows, technicals	5.8	+0.33
I	Short to medium term discretionary	5.6	-0.52
J	Trends, interest rates	5.5	-0.63
K	Combination of economic and statistical analysis and discretionary management	4.9	-0.50
L	Macro factors, trends, short term market dynamics	4.7	-0.11
M	Business cycles, economic conditions, capital flows	4.1	-0.59
N	Monetary policy, inflation, economic growth, technicals	4.0	+0.10
O	Currency options	3.6	-0.01
P	Trending and mean-reverting behaviour	3.5	+0.18
Q	Asian currencies	3.5	-0.32
R	Short term market dynamics	3.3	+0.01
S	Technical analysis	3.1	-0.50
T(*)	Valuation, sentiment, technicals	-	-0.34
<b>Total</b>		<b>100.0</b>	<b>-3.06</b>

**Total**

\* 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>	+0.82	+0.22	-0.36	-3.06									<b>-2.41</b>
<b>08</b>	-0.75	+2.42	+0.67	-0.45	-2.18	+1.93	-1.45	+2.94	+1.43	+4.81	+0.35	+0.17	<b>+10.11</b>
<b>07</b>					-1.05	-0.09	+0.38	-8.19	-0.11	+1.16	+0.07	-0.27	<b>-8.13</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)	+46	-95	-49
Europe (developed)	+49	-26	+23
Japanese yen	+21	-	+21
Emerging markets	+36	-31	+5
<b>Total</b>	<b>+152</b>	<b>-152</b>	

### Fund Objective

**Target long term return:**

Cash + 10% p.a. net of fees

**Target risk:** 10% volatility

**Target loss period:** No losing 12 mths

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

(Note: targets are not guaranteed)

### Fund Size (Mn)

\$24.9m

**Share Classes**

US\$ (base) / € / £ (hedged)

**Launch Price**

\$ / € / £ 1,000

**Launch Date**

30 April 2007

**Minimum**

\$ / € / £ 10,000

**Dealing**

Weekly

**Domicile**

Cayman Islands

**Listing**

CISX

**Unit type**

Roll-Up (\$ / € / £)

### Charges

Initial Charge Up to 5%

Management Fee 1.5% 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

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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>

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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	TR2XCRA_KY	TR2XCRB_KY	TR2XCRC_KY	Tass	57965	72840	72841
Datastream	53498N	53498P	53498Q	Reuters	TRCHL2	TRCHL2	TRCHL2
FT (Mex ID)	TF2XCA	TF2XCB	TF2XCC	Sedol	B1W7MC1	B1W7MD2	B1W7MF4
ISIN	KYG878831075	KYG878831158	KYG878831232	S&P/Morningstar	183981	183982	183983
Lipper	65078303	65078304	65078305	Telekurs	CH3082773	CH3082805	CH3082811
				WKN	-	-	-

