



Thames River DISTRESSED FOCUS Fund

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

Adviser Commentary – by Ken Kinsey-Quick / Alex Kuiper

Relieve or recovery? April saw the continuation of the dizzying rally that started in mid-March, as global economic data continued to improve (“green shoots” being the latest buzzword) and the intense fear surrounding the banks subsided. Even the potentially disastrous Swine Flu outbreak failed to send the markets back into a downward trend, as it surely would have merely months ago. There is much speculation that this is now the start of a new bull market but we remain sceptical as the gigantic government stimulus packages are a significant tax on future economic growth and therefore we fear a false dawn.

Distressed Focus's USD NAV for the month of April is estimated to be +2.1%. The MSCI World ended the month +11.3% with the Barclays Aggregate Bond Index up +0.5%. Year to date, Distressed Focus is +2.8%, while the MSCI is -1.8% and the Barclays Aggregate Bond Index is +0.6%, all in USD terms.

The active managers that have reported to date have reported results in a wide range that bears witness to the fact that there are still a great deal of contradictory views in the markets. A global structured credit manager benefited hugely from the strong rallies across risk assets, ending the month up an impressive +63%, while a US biased multi-strategy credit manager struggled, ending the month down -14%. We are, however, pleased to see a lot more positive numbers starting to emerge as the month's final figures slowly roll in.

Fund Performance to 30 Apr 2009

	Est. NAV per share	1 Yr	3 Yr	5 Yr
Class A	\$1,343.19	-16.30%	+3.11%	+22.00%
Class B	€1,289.95	-16.33%	+0.45%	+16.68%
Class C	£1,389.10	-16.84%	+2.50%	+24.31%
Class D	SEK12,064.92	-16.92%	-1.19%	+14.11%
Class E	CHF828.93	-17.55%	-	-

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

\$ Class Statistics Since Inception

Annualised Return	+5.2%
Volatility (Standard Deviation)	5.8%
Worst Drawdown	-20.5%
Sharpe Ratio(2.75%)	0.44
Sortino Ratio (MAR = 0%)	1.23

Source: Bloomberg, Pertrac, (NB: Sharpe Ratio risk free rate – Citi 3 Month T-Bill).

Top 5 Holdings %

	Strategy	Month	YTD
Cerberus	Distressed	1.36	0.62
Pequot Matawin	Other	-	3.34
ORN EDD	Distressed	-	0.76
Cheyne TRC II*	Credit	62.75	103.54
Paulson Credit Opps*	Credit	4.26	5.01

*Estimate. Note: YTD figures relate to current underlying managers that may not have been held in portfolio for the whole of the period.

Return History %

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
09	+2.08	+0.05	-1.43	+2.74									+2.83
08	-1.95	-0.84	-0.73	+1.31	+0.34	-0.51	-1.42	-1.10	-4.85	-6.29	-2.79	-3.53	-20.41
07	+1.30	+2.33	+0.93	+1.39	+1.65	+3.82	+2.69	-0.90	+0.89	+2.38	-0.68	0.51	+17.50
06	+2.21	+0.00	+1.91	+1.58	+0.62	-0.38	+0.02	+0.85	+0.20	+2.66	+1.62	+1.45	+13.46
05	+0.11	+1.03	+0.14	-0.98	+0.04	+1.14	+1.74	+0.72	+0.77	-1.57	-0.04	+0.64	+3.76
04	+1.72	+0.50	+0.07	+0.38	-0.03	+1.02	+0.00	+0.46	+1.18	+0.89	+2.41	+1.62	+10.68
03							+0.61	+0.93	+1.58	+1.47	+0.95	+1.47	+7.21

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

Asset Allocation by Strategy %*

Credit (3)	2.3
Distressed (6)	40.5
Equity L/S (1)	1.2
Event Driven (3)	13.2
Other (2)	17.8
Total	100.0

Note: (x) denotes number of managers. Allocations are shown post new month dealing. * Allocation is based on the aggregate portfolio prior to the creation of the asset portfolios.

Fund Objective

The fund aims to achieve absolute returns by investing in a portfolio of distressed hedge style managers.

Return target over a cycle: 10%+ p.a.

Volatility tolerance: 5-10% standard deviation

Loss target: no losing 12 months

Drawdown target: less than 10%

*Please note that investors should be aware of recently amended liquidity terms

Fund Size (Mn)

\$27.5

Share Classes

\$(base) / €/£/SEK/CHF (hedged)

Launch Price

\$/€/£ 1,000 on 30 June 2003
SEK10,000 on 31 October 2003
CHF 1,000 on 29 Feb 2008

Minimum

\$/€/£/CHF 50,000 or SEK 500,000

Dealing

Monthly

Redemptions

Quarterly. 95 days notice*

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
Redemption Fee 3% (12 months)

Manager

Thames River Capital Holdings Ltd

Investment Adviser

Thames River Capital LLP

Custodian

HSBC Private Bank (CI) Ltd

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.nevskycapital.com/pdf/paying_agents.pdf

For further information please contact:

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

Prices available from:

	Class A - \$	Class B - €	Class C - £	Class D - SEK	Class E CHF	Swiss Franc	Class A - \$	Class B - €	Class C - £	Class D SEK	Class E - CHF
Bloomberg	THADISA KY	THADISB KY	THADISC KY	THADFCD KY		Tass	36675	37496	37495	39644	
Datastream	27883U	27883W	27553W	28495J		Reuters	TRCHL5	TRCHL5	TRCHL5	TRCHL5	
FT (Mex ID)	TFDFA	TFDFB	TFDFC	TFDFCD		Sedol	B1KJG16	B1KJG27	B1KJG49	B1KJG50	
ISIN	KYG8783V2904	KYG8783V3084	KYG8783V3167	KYG8783V3241	KYG8783V5147	S&P/Morningstar	354960	354961	354962	360155	208396
Lipper	60083580	60083581	60088294	60089649		Telekurs	CH1624215	CH1624217	CH1624218	CH1724552	

