



Thames River EUROPEAN DYNAMIC GROWTH Fund*

(Traditional Funds plc)
UCITS III PAN EUROPEAN EQUITY

S&P RATED
A

Manager Commentary – by Trygve Tørrassen / Carlos Moreno

The European Dynamic Growth Fund outperformed the MSCI Europe Index by 2% in January. The stocks with the highest contribution to our performance in the month were D'leteren (+33bps), Aveva (+31bps), IG Group (+28bps), Novo Nordisk (+17bps), and Storebrand (+17bps). Our worst performing stocks were TOD'S (-27bps), Unicredit Bank (-23bps), REC (-13bps), Vacon (-12bps) and Syngenta (-12bps). D'leteren and Aveva both benefitted from strong trading statements given in the month, and Novo Nordisk announced the US approval of Liraglutide, the first once-daily human Glucagon-Like Peptide-1 (GLP-1) analogue developed for the treatment of type 2 diabetes. We recently met with the management of Tods, and are still very happy with the long term structural growth story. We remain significantly under weight financials, but we do own a number of structural growth stories within the group. IG is benefiting from increased internet penetration and the global roll out of its trading platform, whilst Unicredit Bank has a fantastic Eastern European footprint, an area we continue to like relative for the long term. Syngenta and Vacon drifted on no particular news. Syngenta as an agricultural technology company remains an extremely well placed for the longer term. Globally both the population per acre of arable land and the calorie count of diets rises. So far this year markets have weakened somewhat over cyclical recovery fears. We continue to focus on quality structural growth companies and against such a back drop we continue to expect our portfolio to perform strongly.

Fund Performance to 29 Jan 2010

	NAV Per Share	1 Month	YTD	1 Year Fund	1 Year Index	3 Year Fund	3 Year Index	5 Year Fund	5 Year Index
€ Class (Closed)	€18.35	-0.86%	-0.86%	+20.12%	+35.25%	-29.74%	-24.12%	+4.41%	+19.91%
£ Class (Closed)	£15.91	-3.22%	-3.22%	+17.26%	+32.28%	-8.19%	-0.72%	+31.10%	+50.11%
Class A € Acc*	€10.09	-	-	-	-	-	-	-	-
Class A £ Dbn*	£9.66	-3.69%	-3.69%	-	-	-	-	-	-
Class A € Acc*	€9.47	-5.11%	-5.11%	-	-	-	-	-	-
Class B £ Dbn *	£9.74	-3.18%	-3.18%	-	-	-	-	-	-

Source: Northern Trust IFAS (Ireland) Ltd., Bloomberg. Above rolling returns are cumulative. Refer to back of the monthly newsletter for monthly/ annual returns. Tørrassen and Moreno assumed responsibility for the fund on 1 August 2009. N.B. Historical performances for distribution share classes may vary from previous issues of the Thames River newsletters. This follows an improvement in the performance calculation methodology (from monthly to daily cumulative), in order to be in line with Global Investment Performance Standards. * Opening Dates: Class A € Acc - 29/01/10. Class A £ Dbn - 27/11/09. Class A £ Acc - 11/01/10. Class B £ Dbn - 27/11/09.

Geographic Allocation %		Sector Allocation %		NAV per share Price performance 31.03.1999 To 29.01.2010 (rebased to €100)	
Austria	6.0	Consumer Discretionary	15.3		<p>— European Dynamic Growth Fund — MSCI Europe Index</p>
Belgium	5.1	Consumer Staples	7.7		
Denmark	3.1	Energy	5.2		
Finland	6.8	Financials	17.0		
Germany	10.4	Health Care	12.4		
Greece	1.2	Industrials	21.6		
Italy	5.2	Information Technology	8.1		
Netherlands	4.0	Materials	8.6		
Norway	7.6	Telecommunication Services	3.0		
Spain	5.2	Cash	1.0		
Sweden	7.5	Total	100.0		
Switzerland	16.5	*MSCI Sectors.			
UK (Indirect)	20.2				
Cash	1.0				
Total	100.0				

Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, Petrac.

Top 10 Holdings %	
Elektro	4.3
Nestle	3.8
Qiagen	3.5
Sika	3.5
Tod'S Spa	3.3
S.A. D'leteren	3.2
Randstad Holding	3.1
Aveva Group	3.1
Bwin Interactive Entertainme	3.0
Telenor Asa	3.0

*Formerly Thames River European Fund

€ Statistics	
Annualised Return	+2.1%
Volatility (Standard Deviation)	17.3%
Information Ratio	-0.19

Note: NAV per share monthly return calculated net of fees. Benchmark - MSCI Europe EUR Index. Prior to August 2009 the benchmark was FTSE World Europe ex UK Index. Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, Petrac.

Fund Objective

The fund aims to achieve capital growth through investment in European markets.

Fund Size (Mn)

€10.3

Share Classes

€(base) / £/ \$/ NOK (unhedged)

Launch Price

€14.95 or £10
New: €£/\$10 NOK100

Launch Date

31/03/1999 New Share Classes: 27/11/09

Minimum

Class A (Retail):€£/\$10,000, NOK 100,000

Dealing

Class B (Inst): €£/\$10 million

Domicile

Daily

Listing

Ireland

Legal Status

Irish Stock Exchange

Unit Type

UCITS III UK Regulatory status: FSA recognised

Charges

Accumulation/Distribution*

Initial Charge

Up to 5%

Management Fee

A:1.75% p.a./ B: 1.00% p.a.

Performance Fee

10% of any absolute outperformance of MSCI Europe Index with a high watermark

Manager

Thames River Capital LLP

Sub-Distributor

Thames River Capital Holdings Ltd

Custodian

Northern Trust Fiduciary Services (Ireland) Ltd

Administrator

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* These share classes will apply for distributor status annually.



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