



Thames River EUROPEAN Fund

(Traditional Funds plc)
UCITS III EUROPEAN EX UK EQUITY

Manager Commentary - by European Team

The FTSE World Europe ex UK index rose by 4.78% in May, further extending the market recovery which commenced in March. European equities were helped by the continued levelling out of economic data. Although conditions are still deteriorating, their rate of change is improving materially. Euro area GDP contracted 2.5% in the first quarter while industrial production declined 20.2% year on year in March. However, more forward looking sentiment indices such as the Purchasing Managers Index rose in April to the highest level in seven months. Markets were also encouraged by a further 25bp cut to 1% from the ECB together with the introduction of credit easing.

Fund Performance to 29 May 2009

	NAV per share	May 2009	YTD	1 Yr Fund	1 Yr Index	3 Yr Fund	3 Yr Index	5 Yr Fund	5 Yr Index
€ Class	€15.64	+3.62%	-3.09%	-34.55%	-33.09%	-31.79%	-24.18%	-2.91%	+11.04%
£ Class	£13.73	+1.82%	-11.97%	-27.05%	-25.57%	-13.23%	-3.27%	+27.24%	+45.63%

Above rolling returns are cumulative. Refer to the monthly newsletter - Page 31 for monthly / annual return history vs benchmark.

Geographic Allocation %

France	25.9
Spain	15.1
Germany	14.7
Netherlands	12.8
Switzerland	10.6
Italy	3.9
United Kingdom	3.6
Denmark	2.1
Cash	11.2
Total	100.0

Sector Allocation %

Financial	20.1
Defensive	18.6
Growth	11.8
Telecom Media Tech	18.7
Cyclical	19.6
Cash	11.2
Total	100.0

NAV per share Price Performance 31.03.99 (rebased to €100) to 29.05.09

— Thames River European Fund
— FTSE World Europe ex UK Index



Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, TRC

Top 10 Holdings %

Koninklijke	5.9
Telefonica.	4.4
Total	3.9
Bayer	3.3
Royal Dutch Shell	3.1
Muenchener Rueckver	3.1
Allianz	2.8
Nestle	2.8
Power Flute	2.7
Axa	2.7

€ Class Statistics Since Inception

Annualised Return	+0.65%
Volatility (Standard Deviation)	17.4%
Information Ratio	0.06

Note: NAV per share monthly return calculated net of fees.
Benchmark - FTSE World Europe ex UK Index.
Source: Northern Trust IFAS (Ireland) Ltd, Bloomberg, Pertrac.

Fund Objective

The fund aims to achieve capital growth through investment in European markets. The core focus is on large capitalisation European stocks. Investments will primarily be in equity securities although bonds and warrants are allowed.

Fund Size (Mn)

Share Classes	€5.9
Launch Price	€(base) / £(unhedged)
Launch Date	€14.95 or £10
Minimum	31 March 1999
Dealing	€35,000 or £25,000
Domicile	Daily
Legal Status	Irish
Listing	UCITS III. UK regulatory status: FSA recognised
Unit type	Irish Stock Exchange Distribution†
Charges	
Initial Charge	Up to 5%
Management Fee	1.75% p.a.

Manager

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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

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Prices available from:

	€	\$	€	\$	€	\$		
Bloomberg	THAEUEI ID	THAEUSI ID	Lipper	60006514	60006515	S&P/Morningstar	309596	351320
Datastream	261706	295934	Tass	-	-	Telekurs	CH655715	CH656191
FT (Mex ID)	TFEER	TFEGBP	Reuters page	TRCHL	TRCHL	WKN		
ISIN	IE0005380849	IE0005380955	Sedol (ISE)	0538084	0538095			

