



Thames River HILLSIDE APEX Fund

(Thames River Hillside Apex Fund SPC)

LONG / SHORT GLOBAL CREDIT Emerging Markets, High Yield & Distressed

Adviser Commentary – by Bernt Tallaksen / Mehrdad Noorani

April was a positive month for risk assets across the board, with the momentum fuelled by fundamentals and technicals. The economic data pointed to a slower pace of decline in activity, and positioning among the broader investor base had remained defensive. The latter caused the market to react to news with a positive tone. Within EM, this was reflected in better risk appetite for sovereign and quasi-sovereign risk, which filtered into higher yielding corporate credits. In developed credit markets, the risk appetite absorbed another month of bumper issuance in the European IG markets, and spilled over into high yield. The fund returned 1.70% (\$ class); the corporate portfolio returned 1.74%, the sovereign portfolio returned -0.04%. The majority of gains in the corporate portfolio were attributable to hard currency positions. The improving sentiment led markets to re-rate various European industrial corporate bonds which had been trading at very distressed levels. For example, one of our stressed European positions more than tripled in price. Our corporate local currency positions returned 0.27%, as existing positions were pulled to par at maturity. This also helped to reduce our CIS financials exposure by roughly 2.5%. The sovereign positions were approximately flat on the month. Hard currency and local currency positions generated small gains which were offset by small losses in portfolio protection which we added during April. We are cautious not to put too positive a spin on recent economic data, but are conscious that light investor positioning in risk assets can drive the markets up a little further. Although corporate default rates are still likely to rise among the credits that have over-extended, we believe that the lows have been visited for the bonds of stronger corporates, and that a higher floor has now been set. With this view in mind, we have used the improving sentiment and liquidity to reduce some of our more illiquid corporate holdings in order to make room for positions that are more liquid and/or are likely to see better upside in the near future. For example, we realised profits on a US HY position, and reduced our exposure on a less liquid Latin American credit, but participated in a range of primary issuances of quasi-sovereigns and corporates in regions and industries that we favour. Our sovereign positions remain light as we continue to look to add risk on dips as long as new negative news does not arise.

Fund Performance to 30 Apr 2009

	NAV per share	1 Yr	3 Yr	5 Yr
Class A	\$2,142.28	-33.62%	-22.06%	+0.01%
Class B	€1,110.49	-34.21%	-24.44%	-4.15%
Class C	£1,012.24	-34.62%	-23.01%	-
Class D	£642.54	-	-	-

Above rolling returns are cumulative. Refer to the newsletter p.35 for monthly / annual return history.

\$ Statistics

	5 Year	Since Inc.
Annualised Return	-0.5%	+7.1%
Volatility (Standard Deviation)	11.4%	11.25%
Worst Drawdown	-35.7%	-35.7%
Sharpe Ratio(3.05 / 3.26%)	-0.25	0.38
Sortino Ratio (MAR = 0%)	-0.05	0.77

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

Overall Exposure % of Fund NAV

	Sov. HC	Sov. CDS	Sov. LC	Corp. HC Bonds	Corp. HC Loans*	Corp. LC	Equity	Total	Wgt. Dur.	Non-\$ FX Exp.
Top Down (net)										
G7 Macro/ Hedges	-0.1	-31.0	-	-	-	-	-1.0	-32.2	-1.12	
Bottom up Developed: (net)										
North America	-	-	-	+0.4	-	-	+0.5	+0.9	0.01	-0.2
Europe	-	-	-	+8.6	+0.7	-	+1.4	+10.7	0.17	-0.9
Asia Pacific	-	-	-	-	-	-	-	-	0.00	-1.1
Bottom up Emerging: (net)										
Eastern Europe	-	-5.2	-2.2	-	+6.0	-	+2.0	+0.7	-0.17	+0.8
CIS	+1.3	+0.9	-	+7.9	+7.7	-	+2.9	+20.7	0.14	-1.3
Latin America	+2.6	-	+32.5	+3.6	+0.2	+1.6	+0.8	+41.2	0.88	+2.8
Mid East & Africa	+1.1	-	+9.2	+2.7	-	-	-	+13.0	0.12	-1.2
Asia	+0.2	-2.2	-	+2.6	+4.3	+0.6	+0.3	+5.9	0.12	-0.0
Bottom up Total	+5.2	-6.5	+39.5	+25.9	+19.0	+2.2	+7.8	+93.0		-1.2
Bottom up Duration	0.07	-0.17	0.65	0.46	0.19	0.07	n/a		1.26	
Top down Gross	1.0	31.0	-	-	-	-	2.8	34.9	-	-
Bottom up Gross	5.2	8.3	46.5	25.9	19.0	2.2	7.8	114.8	-	-
Total Gross	6.3	39.3	46.5	25.9	19.0	2.2	10.6	149.6		

Note: The "G7/Macro" net exposures are mostly hedges (and some directional positions) against exposures in the rest of the portfolio. Furthermore, due to the nature of some of the derivative instruments used (such as CDS contracts), the exposures shown - being measured using notional value - may appear higher than the actual capital at risk. The fund's overall exposure should be assessed in conjunction with its overall duration.* Includes Collective Investment Schemes

Return History %

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
09	+2.57	-0.38	-1.03	+1.70									+2.85
08	+0.38	+0.14	-0.77	+0.93	+0.36	-1.67	+0.04	+0.45	-7.93	-19.97	-6.75	-5.27	-35.03
07	+2.50	+1.64	+0.72	+0.90	+1.01	+0.16	+0.36	-2.46	+2.62	+1.18	+0.35	+0.99	+10.32
06	+0.76	+0.93	+0.84	+1.61	-1.62	-0.61	+0.93	+1.22	+0.71	+0.91	+0.77	+3.34	+10.15
05	+2.99	+1.07	+0.26	+0.28	+0.18	+1.55	+2.63	+0.98	+1.04	-0.07	+0.85	+1.00	+13.48
04	+1.60	+0.96	+1.04	+0.22	-1.56	+1.04	+1.16	+0.34	+1.54	+1.25	+1.61	+2.90	+12.73
03	+0.28	+1.83	+0.95	+3.18	+3.99	+1.76	+0.85	+1.53	+2.21	+2.01	+0.40	+1.62	+22.60
02	+3.59	+1.31	+0.88	+3.39	+0.61	-1.83	-2.02	+3.68	-0.41	+1.86	+1.48	+0.88	+14.05

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 35 Note: NAV per share monthly return calculated net of fees. Source: Northern Trust IFAS (Ireland) Ltd.

Corporate Top 5 Sectors

	Exp %	Wgt Dur
Consumer	+12.6	0.07
Basic Materials	+7.0	0.21
Energy	+7.6	0.10
Financial	+7.9	0.05
Communications	+5.4	0.04
Total	+40.5	0.46
Summary	Total % Wgt Dur (Yrs)	
G7 Macro (net)	-32.2	-1.12
Bottom Up (net)	93.0	1.26
Portfolio Total (net)	60.9	0.14

Fund Objective

The fund is a global credit fund focusing on directional and spread strategies in emerging markets, high yield and distressed debt. The aim is to maximise absolute returns which do not depend to any substantial degree on favourable or unfavourable economic conditions.

Fund Size (Mn)

\$430.4
US\$ (base) / € / £ (hedged)
\$1,000 on 31 Jul 1998

Share Classes

€1,000 on 31 May 2003

£1,000 on 30 April 2004

\$/€ 100,000 / £ equivalent

Launch Price

Monthly

Quarterly First Available Date:

30 June 09

Cayman Islands

Irish Stock Exchange

Roll-Up

Domicile

Listing

Unit type

Charges

Initial Charge Up to 5%

Management Fee 1.5% p.a.

Performance Fee 20% HWM

Manager

Thames River Capital Holdings Ltd

Investment Adviser

Thames River Capital LLP

Custodian

Northern Trust Fiduciary Services (Ireland) Ltd

Prime Brokers

Credit Suisse First Boston /

Goldman Sachs International

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:

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Prices available from:

	Class A - \$	Class B - €	Class C - £		Class A - \$	Class B - €	Class C - £
Bloomberg	THAHIAI KY	THAHIAB KY	THAHIAC KY	Tass	2397	7188775708	71926
Datastream	684973	27275N	29106K	Reuters (TRCHL3)	TRCHL3	TRCHL3	TRCHL3
FT (Mex ID)	TFHA	TFHAP	TFHC	Sedol	0554723	3290121	B00PMP3
ISIN	KYG878451551	KYG878451718	KYG878451486	S&P/Morningstar	307158	360147	360800
Lipper	60006516	600839606701616	60092292	Telekurs	CH9430356	CH1620173	CH1859445
		6		WKN	A0Q2VQ		A0KD3J

