



# Thames River KINGSWAY Fund

(Thames River Kingsway Fund Limited)  
LONG / SHORT PAN EUROPEAN EQUITY

## Adviser Commentary – by European Team

The FTSE Eurofirst index rose by 5.32% in May further extending the market recovery which began in March. European equities were helped by the continued leveling out of economic data. Although conditions are still deteriorating, the rate of change is materially improving. European GDP contracted 2.5% 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 Quantitative Easing. The Kingsway Fund which began the month 33.9% net long and ended it 23.2 net long. Gross exposure increased from 66% to 94% as the number of holdings expanded from 50 to 70. Exposure was reduced in both financial and TMT sectors reflecting stock specific considerations. Notable performance contributors in the long book included K&S, HSBC and Tesco. Contributors in the short book included Sainsbury, Svenska Handelsbanken and St. Gobain.

## Fund Performance to 29 May 2009

	NAV per share	1 Yr	3 Yr	5 Yr
Class A	€3,052.02	-12.56%	-5.57%	+24.26%
Class B	\$2,371.27	-14.41%	-5.90%	+26.02%
Class C	£957.18	-12.56%	-3.00%	-

Above rolling returns are cumulative. Refer to the monthly newsletter page 31 for monthly / annual return history.

## € Class Statistics Since Inception

Annualised Return	+11.6%
Volatility (Standard Deviation)	10.3%
Worst Drawdown	-19.2%
Sharpe Ratio (3.34)	0.79
Sortino Ratio (MAR = 0%)	2.78

Source: Bloomberg, Pertrac (NB: Sharpe Ratio risk free rate – Euribor ECB minimum bid refinancing rate one week).

## Return History %

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
09	+0.38	-2.36	-0.39	+1.23	+1.87								+0.68
08	-5.94	+0.12	+0.31	+4.85	-0.92	+0.03	-1.01	+0.84	-5.72	-4.39	-4.31	+1.08	-14.60
07	+1.42	-0.07	+1.08	+2.14	+0.60	-0.82	-2.06	-1.41	+0.09	+1.35	+0.02	-0.26	+1.84
06	+4.11	+3.37	+1.86	+2.39	-2.04	+2.28	+0.39	+0.26	-0.37	+0.54	+1.27	+3.50	+18.82
05	+0.92	+0.69	-0.11	-3.07	+1.36	+2.34	+0.47	+1.55	+1.71	+0.22	+3.34	+3.50	+12.54
04	+2.76	+0.68	+0.07	-0.69	-2.02	+0.39	-0.50	+0.96	+2.82	-0.15	+1.83	+0.87	+7.13
03	-0.35	-0.61	+0.82	-1.12	+0.32	-0.48	+0.25	+1.20	-1.93	-0.01	-0.31	+0.05	-2.19
02	+0.03	-0.10	+2.01	+0.20	-0.06	+0.13	+1.84	+3.21	-0.99	+1.63	+0.71	-0.68	+8.13
01	+1.38	-2.08	+0.13	+1.45	+1.02	+1.10	-0.27	-0.15	-2.34	-0.73	+1.19	+1.22	+1.84
00	+0.02	+17.19	+3.62	-1.88	-0.13	+1.00	+3.43	+1.39	+2.31	+1.55	+1.74	+1.20	+34.85

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 31.

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

## Sector Allocation Exposure as % of Fund NAV

Style Groupings	Long	Short	Gross	Net
Financial	15.5	-3.2	18.7	12.3
Defensive	11.4	-3.0	14.4	8.4
Growth	7.8	-1.7	9.5	6.1
Telecom Media	1.8	-3.4	5.2	-1.6
Cyclical	22.0	-7.5	29.5	14.5
Index Derivatives	-	-16.7	16.7	-16.7
<b>Total</b>	<b>58.5</b>	<b>-35.5</b>	<b>94.0</b>	<b>23.0</b>

Note: Gross exposure excludes options.

## Fund Objective

The fund is a long/short European equity fund aiming to maximise absolute returns which do not depend to any substantial degree on favourable or unfavourable economic conditions. The fund invests predominantly in large capitalisation blue chip European companies.

† this share class will apply for distributor status annually.

## Fund Size (Mn)

€28.9  
 Share Classes € (base) US\$ / £ (hedged)  
 Launch Price €/\$1,000 on 8 Mar 1999  
 £1,000 on 31 May 2006  
 Minimum Dealing €/\$ 100,000 / £ equivalent  
 Domicile Cayman Islands  
 Listing Irish Stock Exchange  
 Unit type Roll-Up (€/\$)/Distribution (€)†

## Charges

Initial Charge Up to 5%  
 Management Fee 1.5% p.a.  
 Performance Fee 20% HWM

## Manager

Thames River Capital Holdings Ltd  
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 Thames River Capital LLP  
 Prime Broker  
 Goldman Sachs International  
 Administrator  
 Northern Trust International Fund  
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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 further information please contact:

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### Prices available from:

	Class A - €	Class B - \$	Class C - £		Class A - €	Class B - \$	Class C - £
Bloomberg	TRKINGA KY	TRKINGB KY	TRKINGC KY	Tass	2398	2431	52809
Datastream	684971	684972	36276V	Reuters (TRCHL3)	TRCHL3	TRCHL3	TRCHL3
FT (Mex ID)	TFKNGA	TFKNGB	TFKNGC	Sedol	B295WD6	B295WF8	B295WG9
ISIN	KYG8785X1043	KYG8785X1126	KYG8785X1209	S&P/Morningstar	241183	241185	223231
Lipper	60006517	60006518	67008220	Telekurs	CH699210	CH699324	CH2634141
				WKN	-	A0D8RK	

