



## GLOBAL CREDIT MARKETS

### Interview with Michael Mabbutt

**There is a widely held view that sovereign emerging market bonds are richly priced at present, after having experienced a major rally over the past year and a half. To what extent has this driven the performance of the Hillside Apex Fund, and what is your current exposure to this specific asset class?**

We generally think and report in terms of investor groups and regions; however, our current exposure to coupon-paying sovereign emerging market bonds is 17%. Broadly the rest of the portfolio consists of a 10% short position in US Treasuries, which we might increase; 29% in distressed securities, which includes corporate distressed securities in emerging and developed countries, as well as sovereign distressed; and we have 37% in corporate coupon-paying securities, the bulk of which is in emerging markets. The fund's total exposure net of the Treasury position is 73% long and the fund's duration is about one year. As far as performance drivers are concerned, with hindsight the easy way to have made money over the last eighteen months was just to buy the EMBI+ with leverage and go home. Instead, we have made money the hard way. In 2003 the fund's performance slightly lagged the EMBI+ but the fund's volatility was less than half that of the index. Only about a fifth of our performance came from sovereign coupon-paying bonds; about a quarter came from corporate coupon-paying bonds, and over half came from our distressed security positions.

**How are you seeing the risks in sovereign emerging market bonds right now?**

Firstly, spreads are tight. If you exclude Argentina from the equation, which you need to do as they are in default, the spread of the EMBI+ over US Treasuries is about 350 basis points. To give some context, this spread got to about 300bps back in 1997-98, and it was at 300 again on January 8<sup>th</sup> this year, but it has widened out since. With spreads close to their all-time lows, there's a valuation risk.

A second area of risk is Brazil. We still don't think Brazil is out of the woods in spite of what is suggested by the price action of the bonds. Brazil's debt to GDP ratio at the end of 2002 was 55%, at the end of last year 58%, and this year a number of forecasts suggest that it could be closer to 60%. So on the surface you've got a country whose debt dynamics are still moving in the wrong direction. The market was overly concerned with the Lula risk and prices clearly over-shot on the downside. However that perception has shifted dramatically and it is probable that now all the good news is in the price of Brazil sovereign bonds. Although the economy under Lula has done better than people feared back in 2002, the country's debt dynamics still make it vulnerable to external and internal shocks.

The third risk is US rates: when will they go up and by how much? The effect of rising risk-free rates would ripple across global credit markets, but highly indebted countries would be more affected than less indebted countries. US 10-year Treasury yields reached a low last year of close to 3% and they're currently about 100bps higher at about 4%, but that is still close to historic lows. We think that Treasuries are behaving remarkably well, given a combination of four factors: the manner in which the equity markets are behaving, signalling growth; the weak dollar, which you would normally associate with higher yields; the US current account deficit; and the US budget deficit. So why haven't Treasuries been subject to a much greater sell-off? The answer is that Asian central banks are recycling their current account surpluses back into dollar assets. The recycling process does not need to reverse for there to be a problem; all that is required is for the process to stop.

The fourth risk for bonds is that the global economic recovery seems to be reasonably synchronised. Every area of the world, barring a few exceptions, is recovering and we haven't seen that level of synchronicity for quite a while, possibly decades. That synchronicity could have an explosive effect on bond yields at

*Continued on page 23*

## STOP PRESS...

### HEDGE+ LAUNCH

Hedge+ started trading on the London Stock Exchange on 23rd February, having raised an initial £45 million through a placing and public offer for subscription.

### KINGSWAY € CLASS THROUGH HIGH WATERMARK

Kingsway Fund reached a new high watermark at the end of February.

### TOPAZ ONE YEAR ANNIVERSARY

Topaz Fund +31.2% after its first year.

### GLOBAL BOND PAYS FIRST DIVIDEND

Global Bond Fund announced its first dividend, payable on 24 March.

### NEW APPOINTMENTS

Helen Pike joined the Global Fixed team as a dealer in February.

Michael Sell joined the Global Emerging Markets team as a fund manager in February.

James Pratt joined the Japan team as an analyst in March.

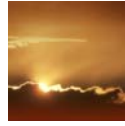
### NEW ADMINISTRATOR CONTACT FOR TRTF AT IFMI

Brigit Ryan has been replaced by Siobhan Whelan as the dealing contact for Thames River Traditional Funds.

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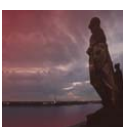
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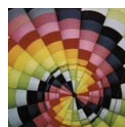
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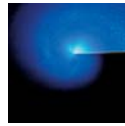


THAMES RIVER CAPITAL

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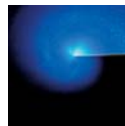
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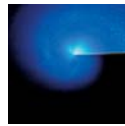
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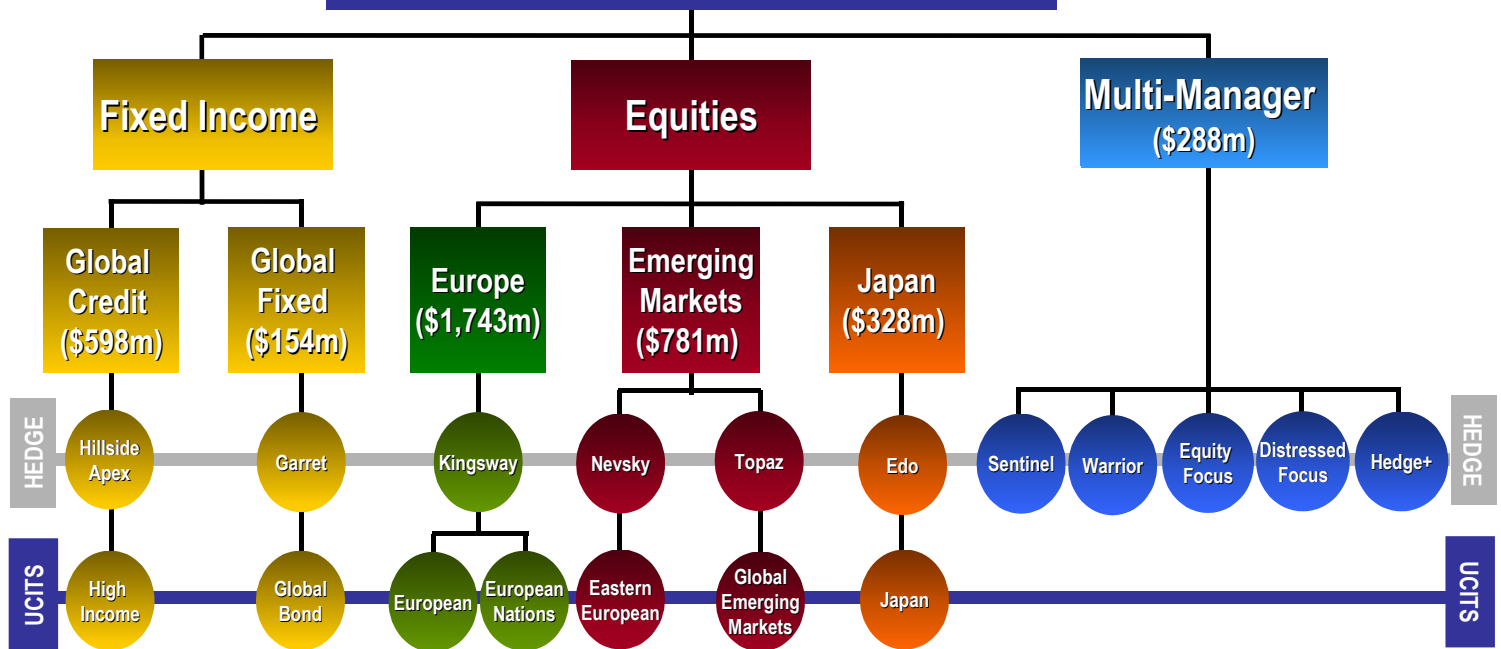


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THAMES RIVER CAPITAL

# THAMES RIVER CAPITAL



Jonathan Hughes-Morgan (17)

## MANAGING DIRECTOR

Charlie Porter (21)

### Fund Management

### Operations

### Sales & Service

#### Global Credit EM, HY & Distressed

Michael Mabbutt (19)  
Bernt Tallaksen (13)  
Chris Currington (24)  
Stefan Benedetti (14)

#### Emerging Market Equities

Rory Landman (17)  
Martin Taylor (9)  
Howard Thomas (9)  
Katie Blacklock (7)  
KC Reddy (10)  
Eoghan Flanagan (7)  
Nick Barnes (8)  
James Mellersh (8)  
Henry Cobbe (5)  
Michael Sell (9)  
James Richards\* (9)  
Stephen Barrett\*\* (6)

#### Chief Operating Officer

Loudon Greenlees (29)

#### Compliance

Cormac O'Keefe (8)

#### Financial Control

Adrian Johnson (14)  
Michael Emslie (5)  
Sandra Casey (4)  
Ryan Mason (4)

#### Sales

Edward Morse (17)  
Matthew Sethard-Wright (14)  
Martin Weisinger (16)  
James Young (5)  
Simon King (4)  
Vanessa Lawley (6)  
Dean Kushin (9)

#### Global Fixed OECD Sovereigns

Paul Thursby (30)  
Peter Geikie-Cobb (18)  
Helen Pike (18)

#### Japanese Equities

Rod Birkett (21)  
Huw Llewellyn (26)  
Paul Colaco (7)  
James Pratt (2)

#### Head of Administration

Neale Softe (18)

#### Marketing

Denise Ruegg (14)  
Amy Zillmann (4)  
Natalie Hayes (1)

#### European Equities

Tony Zucker (33)  
Neville Reeves (26)  
John Ferrario (14)  
Jeff Thomson (5)  
Jonathan Parsons (11)  
Jonathan Callow (11)  
Phil Heady (2)

#### Multi-Manager

Ken Kinsey-Quick (13)  
Alex Kuiper (5)  
Peter Rook (17)  
Sheena Wilkinson (4)

#### IT

Craig Pescod (5)  
Gary Dolan  
Warren Turner (2)

#### Operations

Mathew Orchard (6)  
Maria Long (3)  
James Tappenden (4)

#### Secretarial

Melanie Williams (3)  
January Begent (3)  
Nicola Smallbridge (1)

#### Investment Administration

Daniel Stanford (16)  
Trevor Kensit (7)  
Rob Leahy (2)  
Nicola Williamson (4)  
Rayna Butler (3)  
Andrew White (14)

Total 68 staff

Note: (x) denotes years of industry experience

\* Joins in April 2004

\*\* Joins in July 2004



THAMES RIVER CAPITAL



# Thames River KINGSWAY Fund

(Thames River Global Funds Limited)

LONG / SHORT EUROPEAN EQUITY

## Fund Performance to 29 Feb 2004

	NAV per share
Class A	€2,522.57
Class B	\$1,941.57

## € Statistics Since Inception

Annualised Return	<b>+20.3%</b>
Volatility (Standard Deviation)	<b>12.4%</b>
Worst Draw down	<b>-3.5%</b>
Sharpe Ratio (3.49%*)	<b>1.28</b>
Sortino Ratio (MAR = 0%)	<b>9.04</b>

Source: Bloomberg, Pertrac (\*risk free rate - Euro Libor)

## Sector Allocation

### Exposure as a % of Fund's NAV

Style Groupings	Long	Short	Gross	Net
Financial	29.2	-2.6	31.8	26.6
Defensive	13.2	0.0	13.2	13.2
Growth	7.1	0.0	7.1	7.1
TMT	24.3	-3.5	27.8	20.8
Cyclical	16.4	-6.4	22.8	10.1
Futures	0.0	-35.6	35.6	-35.6
<b>TOTAL</b>	<b>90.2</b>	<b>-48.1</b>	<b>138.3</b>	<b>42.1</b>

## Return History

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+2.76	+0.68											+3.45
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	-2.18
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	+8.14
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	+34.84
99			+2.23	+11.08	-0.17	+4.26	+6.62	+2.06	+1.84	+1.47	+10.26	+14.53	+67.83

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+2.67	+0.70											+3.39
03	-0.53	-0.71	+0.73	-1.28	+0.26	-0.57	+0.15	+1.06	-2.01	-0.11	-0.45	+0.03	-3.39
02	-0.13	-0.20	+2.08	+0.09	-0.20	-0.09	+1.77	+3.09	-1.11	+1.55	+0.60	-0.84	+6.74
01	+1.48	-2.13	+0.12	+1.34	+0.97	+1.12	-0.29	-0.16	-2.41	-0.87	+1.05	+1.10	+1.22
00	-3.45	+17.23	+1.96	-6.35	+2.69	+2.62	+1.14	-2.47	+2.33	-2.87	+2.41	+1.43	+15.98
99			+0.99	+9.05	-1.56	+3.57	+10.28	+0.70	+2.99	+0.17	+5.46	+14.36	+55.12

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

## Adviser Commentary

European markets rose over the month with the FTSE Eurotop 300 Index rising by 2.87%. Economic data from both the US and Europe came in below expectations but on balance continued to be positive indicating stronger growth. In the US, consumer confidence disappointed for the second consecutive month whilst non-farm payroll data for January was below expectations for the third successive month. In addition, the ISM manufacturing survey posted its largest fall for a year in February, clearly suggesting fading momentum. Within Europe, the PMI manufacturing survey also undershot, being unchanged in February, but was still above the key 50 level at 52.5 indicating that there was still economic growth.

Signs of risk aversion appeared in equity markets in February. Defensive markets and sectors outperformed their higher beta counterparts. For example the UK FTSE 100 rose by 4.3% (in euros) compared to a fall of 1% in the German DAX Index. On a sectoral level property, tobacco and food retailers performed strongly whilst autos, software and electronics were the weakest performers.

The Kingsway Fund rose by 0.68% over the month. Net exposure was broadly unchanged, declining by 1.9% to 42.1%. On a beta adjusted basis, net exposure declined from 50.8% to 42.6%. In terms of contribution, the long book contributed 2.2% and the short book a negative 1.0%. The balancing items were foreign exchange and borrowing charges. Within the portfolio, exposure to all the style groupings was increased, apart from TMT. The exposure to TMT was decreased from 14.1% in the previous month to 3.5% in view of the sector's strong performance and high rating.

**Tony Zucker**

### 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.

### Charges

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

### Fund Size

€208.5m (as at 01.03.04)

### Share Classes

€ (base) / US\$ (hedged)

### Launch Price

€1,000 / \$1,000

### Launch Date

8 March 1999

### Minimum

€/\$ 100,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Listing

Irish Stock Exchange

### Unit Type

Roll-Up

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Prime Broker

Goldman Sachs

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	A(€) THACKAI KY	B(\$) THACKBI KY	Lipper	A(€) 60006517	B(\$) 60006518	Sedol (LSE)	A(€) 2411837	B(\$) 2411859
Datastream	A(€) 684971	B(\$) 684972	Reuters (TRCHL3)	A(€) IE0555005.I	B(\$) IE0555168.I	S&P's Micropal	A(€) 2411183	B(\$) 2411185
FT (Mex ID)	A(€) TFCKA	B(\$) TFCKB	Sedol (ISE)	A(€) 0555005	B(\$) 0555168	Telekurs (Valors)	A(€) 699210	B(\$) 699324



THAMES RIVER CAPITAL



# Thames River EUROPEAN Fund

(Thames River Traditional Funds plc)

LONG ONLY EUROPEAN EQUITY

**S&P RATED**  
**AAA**

## Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004	YTD
€ Class	€16.95	+1.44%	+4.95%
£ Class	£11.34	-0.53%	-0.26%

## Annual Return

2003		2002		2001		2000		1999*	
Fund	B'mark	Fund	B'mark	Fund	B'mark	Fund	B'mark	Fund	B'mark
+13.65%	+20.04%	-26.45%	-31.53%	-15.11%	-17.86%	+7.87%	+0.65%	+41.14%	+31.38%
+22.79%	+29.74%	-21.59%	-27.04%	-17.41%	-20.05%	+8.17%	+1.72%	+32.20%	+22.18%

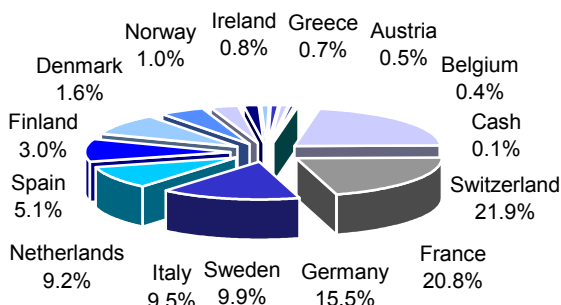
\*31 March 1999 to 31 December 1999. Refer to Page 25 for monthly return history vs benchmark.

## € Statistics Since Inception

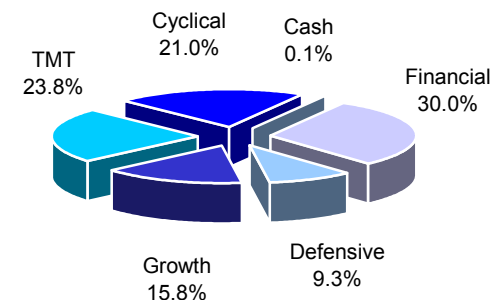
Annualised Return	<b>+2.4%</b>
Volatility (Standard Deviation)	<b>20.1%</b>
Information Ratio	<b>0.51</b>

Note: NAV per share monthly return calculated net of fees  
Benchmark - FTSE World Europe ex UK Index  
Source: International Fund Managers (Ireland) Ltd, Bloomberg, Pertrac

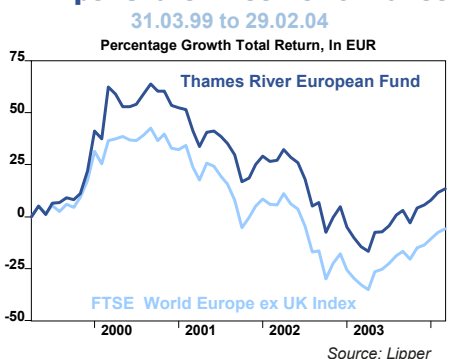
## Geographic Allocation



## Sector Allocation



## NAV per share Price Performance



## Top Ten Holdings

1. Total	<b>3.9%</b>
2. Novartis	<b>3.6%</b>
3. UBS	<b>3.5%</b>
4. Roche	<b>3.2%</b>
5. Nestlé	<b>3.0%</b>
6. Nokia	<b>3.0%</b>
7. Ericsson	<b>2.8%</b>
8. Unilever	<b>2.2%</b>
9. Philips	<b>2.2%</b>
10. Societe Generale	<b>2.2%</b>

## Adviser Commentary

European markets rose over the month with the FTSE World Europe ex UK Index rising by 1.81%. Economic data from both the US and Europe came in below expectations but on balance continued to be positive indicating stronger growth. Signs of risk aversion appeared in equity markets in February. Defensive markets and sectors outperformed their higher beta counterparts. For example the UK FTSE 100 rose by 4.3% (in euros) compared to a fall of 1% in the German DAX Index. On a sectoral level property, tobacco and food retailers performed strongly whilst autos, software and electronics were the weakest performers.

The Cyclical style group was reduced during the month to an underweight position. With leading economic indicators at or near historic peaks, the opportunity was taken to reduce investments in chemicals (BASF, Bayer), autos (Renault, Continental) and building materials (Holcim and Lafarge). The proceeds from the Cyclical sales were reinvested in Defensives and Growth thereby reducing the underweight in these style groups. In Defensive new holdings were taken in RWE and Union Fenosa while in Growth new positions were taken in Aventis, Schering and Hennes & Mauritz. Elsewhere, in Financials, several life assurance stocks were either sold or reduced (Aegon, Allianz, ING) while exposure to reinsurance was increased via new holdings in Hannover Re and Munich Re. In banking, sales were made in ABN, AIB, BPU, Banca Intesa, BSCH and Commerzbank with part of the proceeds reinvested in BBVA, Bank Austria and Deutsche Bank. Finally in TMT new holdings were taken in Atos and Reed Elsevier while sales occurred in Portugal Telecom and Thomson.

**Tony Zucker / Neville Reeves**

## 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.

## Charges

Initial Charge	up to 5%
Management Fee	1.75% p.a.

**Fund Size**  
**Share Classes**  
**Launch Price**  
**Launch Date**  
**Minimum**  
**Dealing**  
**Domicile**  
**Legal Status**  
**Listing**  
**Unit Type**

€160.1m (as at 29.02.04)  
€ (base) / £ (unhedged)  
€14.95 or £10  
31 March 1999  
€35,000 or £25,000  
Daily  
Dublin  
UCITS (FSA recognised)  
Irish Stock Exchange  
Distribution\*

\*this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

Barings (Ireland) Limited

## Administrator

International Fund Managers (Ireland) Ltd  
Contact: Siobhan Whelan  
Tel: +353 (0) 1 646 1243  
Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(€) THAEUEI ID	(£) THAEUSI ID	Lipper	(€) 60006514	(£) 60006515	S&P's Micropal	(€) 309596	(£) 351320
Datastream	(€) 261706	(£) 295934	Reuters (TRCHL)	(€) IE0538084.I	(£) IE0538095.I	Telekurs (Valors)	(€) 655715	(£) 656191
FT (Mex ID)	(€) TFEER	(£) TFEGBP	Sedol (ISE)	(€) 0538084	(£) 0538095			
ISIN	(€) IE0005380849	(£) IE0005380955	Sedol (LSE)	(€) 0667717	(£) 0667739			



THAMES RIVER CAPITAL

# Thames River EUROPEAN NATIONS Fund

(Thames River Traditional Funds plc)

## LONG ONLY PAN EUROPEAN EQUITY



### Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004	YTD
€ Class	€17.66	+3.09%	+7.36%
£ Class	£11.21	+1.17%	+2.00%

Note: NAV per share monthly return calculated net of fees  
 Benchmark - FTSE World Europe Index  
 Source: International Fund Managers (Ireland) Ltd, Bloomberg

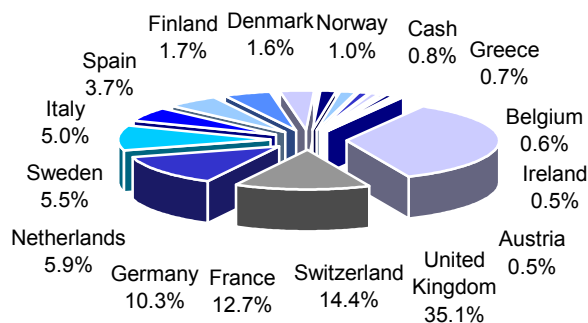
### Annual Return

#### 2003\*

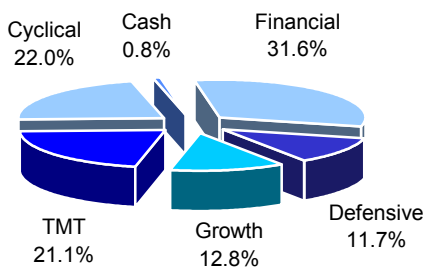
Fund	B'mark
+9.67%	+13.31%
+9.90%	+13.52%

\*6 June 2003 to 31 December 2003.  
 Refer to Page 25 for monthly return history vs benchmark.

### Geographic Allocation

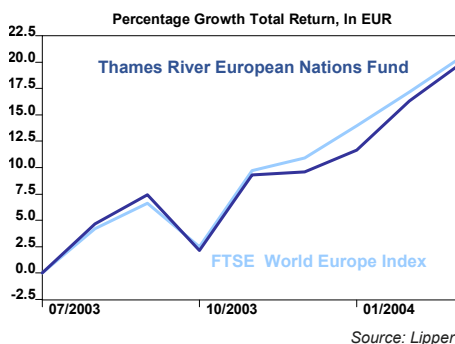


### Sector Allocation



### NAV per share Price Performance

30.06.03 to 29.02.04



### Top Ten Holdings

1. Vodafone	3.2%
2. HSBC	3.1%
3. Total	2.7%
4. UBS	2.6%
5. BP	2.4%
6. Novartis	2.3%
7. Banco Bilbao Vizcaya	2.1%
8. Nestlé	1.8%
9. Unilever	1.8%
10. Nokia	1.7%

### Adviser Commentary

European markets rose over the month with the FTSE World Europe Index rising by 2.82%. Economic data from both the US and Europe came in below expectations but on balance continued to be positive indicating stronger growth. In the US consumer confidence disappointed for the second consecutive month whilst non-farm payroll data for January was below expectations for the third successive month. In addition, the ISM manufacturing survey posted its largest fall for a year in February, clearly suggesting fading momentum. Within Europe, the PMI manufacturing survey also undershot, being unchanged in February, but was still above the key 50 level at 52.5 indicating that there was still economic growth.

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The proceeds from the Cyclical sales were reinvested in Defensives and Growth thereby reducing the underweight in these style groups. In Defensive new holdings were taken in BATS, Scottish & Newcastle, National Grid and RWE while in Growth new positions were taken in Aventis, Schering and Hennes & Mauritz.

Elsewhere, in Financials, several life assurance stocks were sold or reduced (Aegon, Allianz, ING) while exposure to reinsurance was increased via new holdings in Hannover Re and Munich Re. In banking, the holding in BSCH was switched to BBVA as was ABN Amro into Deutsche Bank. Finally in TMT new holdings were taken in Atos and Reed Elsevier while profits were taken in BskyB and Reuters.

### Tony Zucker / Neville Reeves

#### Fund Objective

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

#### Charges

Initial Charge	up to 5%
Management Fee	1.75% p.a.

#### Fund Size

€7.1m (as at 29.02.04)

#### Share Classes

€ (base) / £ (unhedged)

#### Launch Price

€15 or £10

#### Launch Date

6 June 2003

#### Minimum

€35,000 or £25,000

#### Dealing

Daily

#### Domicile

Dublin

#### Legal Status

UCITS (FSA recognised)

#### Listing

Irish Stock Exchange

#### Unit Type

Distribution\*

\*this fund will apply for distributor status annually

#### Manager

Thames River Capital Holdings Limited

#### Investment Adviser

Thames River Capital (UK) Limited

#### Custodian

Barings (Ireland) Limited

#### Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

Fax: +353 (0) 1 670 1185

### Prices Available From

Bloomberg	(€) THARENE ID	(£) THARENS ID	Lipper	(€) 60084583	(£) 60084584	S&P's Micropal	(€) 354956	(£) 354957
Datastream	(€) 27116F	(£) 27116H	Reuters (TRCHL1)	(€) IE03260630.I	(£) IE03260652.I	Telekurs (Valors)	(€) 1587074	(£) 1587084
FT (Mex ID)	(€) TFENE	(£) TFENS	Sedol (ISE)	(€) 3260630	(£) 3260652			
ISIN	(€) IE0032606307	(£) IE0032606521	Sedol (LSE)	(€) 3315251	(£) 3315262			



THAMES RIVER CAPITAL



# Thames River NEVSKY Fund

(Thames River Nevsky Fund Limited)

## LONG / SHORT EASTERN EUROPEAN EQUITY

### Fund Performance to 29 Feb 2004

NAV  
per share  
**Class A** \$2,610.41

### \$ Statistics Since Inception

Annualised Return	<b>+31.6%</b>
Volatility (Standard Deviation)	<b>13.1%</b>
Worst Draw down	<b>-7.6%</b>
Sharpe Ratio (2.60%*)	<b>1.99</b>
Sortino Ratio (MAR = 0%)	<b>5.27</b>

Source: Bloomberg, Pertrac (\*risk free rate - SSB 3 Month T-Bill)

### Geographic Allocation

#### Exposure as a % of Fund's NAV

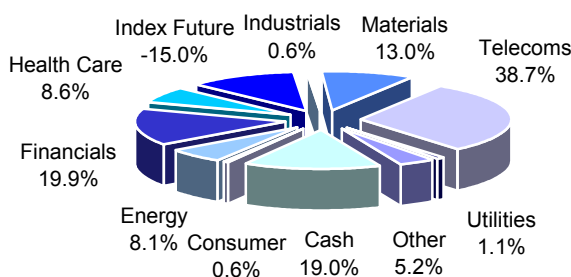
	Long	Short	Net
Austria	1.9	-1.2	0.7
Czech Republic	20.0	0.0	20.0
Hungary	12.8	-5.7	7.1
Poland	21.8	-4.2	17.6
Russia	34.5	-4.2	30.3
Turkey	8.1	0.0	8.1
Others	8.7	-17.0	-8.3
<b>Equity Total</b>	<b>107.8</b>	<b>-32.3</b>	<b>75.5</b>
Turkey	4.0	4.0	
<b>Debt Total</b>		<b>4.0</b>	
Gold		2.7	
Copper		-3.5	
Crude Oil		2.0	
<b>Commodity Total</b>		<b>1.2</b>	
Euro		-26.2	
Net EMEA Currencies		1.0	
US Dollar		44.3	
<b>Cash Total</b>		<b>19.1</b>	

### Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+5.02	+5.50											+10.80
03	+1.41	+1.14	-1.94	+7.63	+4.66	-0.54	+1.30	+6.27	+2.38	+2.27	+2.49	+5.72	+37.61
02	+8.61	-0.15	+6.70	+7.20	+2.22	-3.69	-4.07	+2.73	-0.33	+3.81	+6.80	-2.46	+29.73
01	+6.22	-4.01	-0.81	+4.28	+3.90	+2.04	-0.65	+2.13	-1.80	+3.83	+6.10	+4.86	+28.67
00										-0.65	-5.96	+9.78	+2.56

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

### Net Sector Allocation



### Adviser Commentary

A strong month as buoyant global liquidity conditions combined with positive region-specific macro and company news to push equity prices higher. The main beneficiaries of this trend were Russia and Central Europe.

In Russia firm oil prices continue to fuel one of the world's largest current account surpluses, which is now running above 10% of GDP. This is putting intense upward pressure on the rouble, which the Central Bank is resisting - Asian style - with massive currency intervention. We remain long rouble/domestic consumption plays and short the exporters. In Central Europe entry to the EU in May is now firmly coming back into focus with the return of equity buying interest from large German institutions. This is providing firm support to the markets. We remain committed to our Central European portfolio which we believe offers exceptional value relative to the low - and declining - cost of capital.

With the Fed remaining at 1% and Asian central banks recycling their current account surpluses into financial market instruments, global liquidity remains buoyant. We continue to monitor the risk of this liquidity causing an inflation problem, or any sign that the Chinese authorities aim to rein in China's rapid growth. However, until either of these risks become an immediate problem we will remain toward the top end of our 20-80% net long range.

**Martin Taylor / Rory Landman**

### Fund Objective

The investment objective of the fund is to maximise absolute returns by investing both long and short mostly in the securities of Eastern European, Middle Eastern and African (EMEA) issuers or issuers with a significant economic exposure to those regions established elsewhere.

### Charges

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

### Fund Size

\$254.8m (as at 01.03.04)

### Share Classes

US\$ (base)

### Launch Price

\$1,000

### Launch Date

29 September 2000

### Minimum

\$100,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Listing

Irish Stock Exchange

### Unit Type

Roll-Up

### Fund Status

Closed

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Prime Broker

Morgan Stanley & Co. International

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

### Prices Available From

Bloomberg THARVNL KY  
Datastream 13617V  
FT (Mex ID) TRCNEV

Lipper 60045035  
Reuters (TRCHL) IE0978022.1  
Sedol (ISE) 0978022

Sedol (LSE) 2678160  
S&P's Micropal 351929  
Telekurs (Valors) 1135668



THAMES RIVER CAPITAL





# Thames River EASTERN EUROPEAN Fund

(Thames River Traditional Funds plc)

LONG ONLY EASTERN EUROPEAN EQUITY

S&P RATED

**AAA**

## Fund Performance to 29 Feb 2004

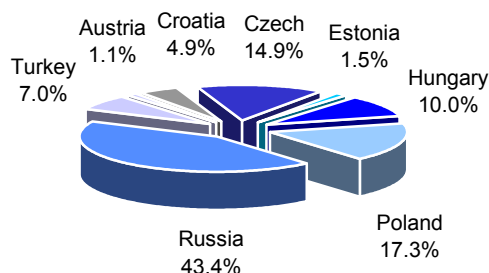
	NAV per share	Feb 2004	YTD
\$ Class	\$27.89	+8.86%	+14.54%

## \$ Statistics Since Inception

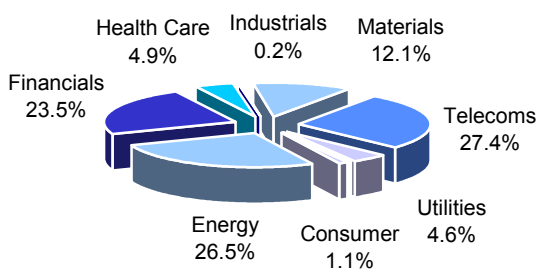
Annualised Return	<b>+35.0%</b>
Volatility (Standard Deviation)	<b>24.1%</b>
Information Ratio	<b>1.63</b>

Note: NAV per share monthly return calculated net of fees  
 Benchmark - FTSE BEMI Greater Eastern Europe Index (Russia 50% diluted)  
 (BEMI GEEI Index up to 31.12.01)  
 Source: International Fund Managers (Ireland) Ltd, Pertrac

## Geographic Allocation



## Sector Allocation



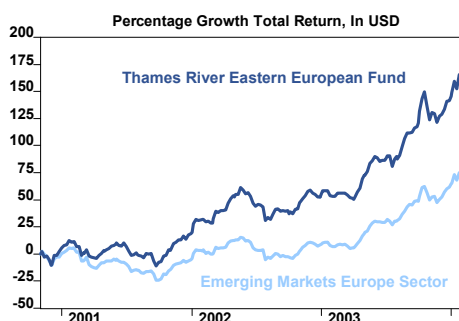
## Annual Return

2003		2002		2001		2000*	
Fund	B'mark	Fund	B'mark	Fund	B'mark	Fund	B'mark
+58.22%	+44.98%	+29.44%	+17.90%	+13.78%	+2.30%	+4.50%	-1.12%

\*31 October 2000 to 31 December 2000 (although the official launch was 13th October, the fund did not reach its target level of investment until the end of the month). Refer to Page 25 for monthly return history vs benchmark.

## NAV per share Price Performance

31.10.00 to 29.02.04



## Adviser Commentary

A strong month as buoyant global liquidity conditions combined with positive region-specific macro and company news to push equity prices higher. The main beneficiaries of this trend were Russia and Central Europe.

In Russia firm oil prices continue to fuel one of the world's largest current account surpluses, which is now running above 10% of GDP. This is putting intense upward pressure on the rouble, which the Central Bank is resisting - Asian style - with massive currency intervention. We remain long rouble/domestic consumption plays and short the exporters. In Central Europe entry to the EU in May is now firmly coming back into focus with the return of equity buying interest from large German institutions. This is providing firm support to the markets. We remain committed to our Central European portfolio which we believe offers exceptional value relative to the low - and declining - cost of capital.

With the Fed remaining at 1% and Asian central banks recycling their current account surpluses into financial market instruments, global liquidity remains buoyant. We continue to monitor the risk of this liquidity causing an inflation problem, or any sign that the Chinese authorities aim to rein in China's rapid growth. However, until either of these risks become an immediate problem we will remain fully invested.

**Eoghan Flanagan / Martin Taylor**

### Fund Objective

The investment objective of the fund is to achieve capital appreciation through investment in Eastern European markets.

### Charges

Initial Charge	up to 5%
Management Fee	1.75% p.a.
Performance Fee	20% of any absolute outperformance of the FTSE BEMI Greater Eastern Europe Index (Russia 50% diluted), with a high water mark.

### Fund Size

\$110.7m (as at 29.02.04)

### Share Classes

US\$ (base)

### Launch Price

\$10

### Launch Date

13 October 2000

### Minimum

\$35,000

### Dealing

Daily

### Domicile

Dublin

### Legal Status

UCITS (FSA recognised)

### Listing

Irish Stock Exchange

### Unit Type

Distribution\*

### Fund Status

Closed

\*this fund will apply for distributor status annually

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Custodian

Barings (Ireland) Limited

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

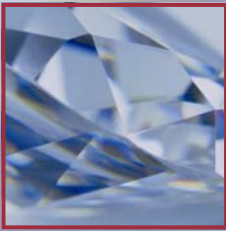
Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	THAREE1 ID	Lipper	60045036	S&P's Micropal	351977
Datastream	13654W	Reuters (TRCHL)	IE0975119.1	Telekurs (Valors)	1143317
FT (Mex ID)	TFEEU	Sedol (ISE)	0975119		
ISIN	IE0009751193	Sedol (LSE)	0164155		



THAMES RIVER CAPITAL



# Thames River TOPAZ Fund

(Thames River Topaz Fund Limited)

## LONG / SHORT GLOBAL EMERGING MARKET EQUITY

### Fund Performance to 29 Feb 2004

	NAV per share
<b>Class A</b>	\$1,312.22
<b>Class B</b>	€1,320.02

### Geographic Allocation

#### Exposure as a % of Fund's NAV

	Long	Short	Net
Argentina	0.7	0.0	0.7
Brazil	7.2	-1.0	6.1
China	2.6	-1.0	1.5
Croatia	1.6	0.0	1.6
Czech Republic	4.5	0.0	4.5
Hong Kong	3.4	-0.6	2.8
Hungary	1.9	0.0	1.9
India	7.1	-0.4	6.6
Indonesia	0.5	0.0	0.5
Malaysia	2.8	0.0	2.8
Mexico	4.8	0.0	4.8
Peru	0.5	0.0	0.5
Poland	2.3	0.0	2.3
Russia	4.3	0.0	4.3
South Korea	20.2	-0.9	19.3
Taiwan	17.0	-0.7	16.3
Thailand	0.7	0.0	0.7
Turkey	1.5	0.0	1.5
Other	0.7	-7.9	-7.3
<b>Equity Total</b>	<b>83.9</b>	<b>-12.5</b>	<b>71.4</b>
Brent Crude	1.9	0.0	1.9
Gold	2.7	0.0	2.7
<b>Commodity Total</b>	<b>4.6</b>	<b>0.0</b>	<b>4.6</b>
USD			25.6
Yen / Euro / Sterling			-6.5
Local			4.8
<b>Cash Total</b>			<b>23.9</b>

### Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+2.75	+2.33											+5.14
03			-0.30	+1.38	+1.23	+2.30	+2.93	+4.83	+0.85	+4.63	+0.04	+4.67	+24.80

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+2.80	+2.31											+5.18
03			-0.24	+1.25	+1.40	+2.42	+3.03	+5.04	+0.87	+4.72	+0.09	+4.57	+25.50

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

### \$ Statistics Since Inception

Annualised Return	<b>+31.2%</b>
Volatility (Standard Deviation)	<b>6.1%</b>
Worst Draw down	<b>-0.3%</b>
Sharpe Ratio (1.02%*)	<b>4.37</b>
Sortino Ratio (MAR = 0%)	<b>91.58</b>

Source: Bloomberg, Pertrac (\*risk free rate - SSB 3 Month T-Bill)

### Adviser Commentary

Positive momentum continued in global emerging markets in February, as global monetary conditions remained easy and growth indicators in emerging markets remained firm. Economic indicators in the US and Euroland were subdued giving investors comfort that despite the Fed's change in wording in January, short term interest rates would stay low for some time. Meanwhile in the currency markets, BoJ intervention combined with renewed speculation on a rate cut in Euroland, led to a strong rally in the dollar from intra-month lows.

We remain cautious on China on valuation grounds, particularly given new equity issuance. Elsewhere in Asia, Korean domestic indicators continue to recover suggesting that we may soon see a resurgence in domestic demand. We continue to see strong growth in India, although we have medium term concerns about India's poor fiscal situation and excessively low long-term interest rates. Valuations in Emerging Europe remain interesting and EU accession in May should encourage more portfolio investors into the region. Brazil was disappointing in February as political scandal threatened to unravel the credibility of the Lula government, and the Central Bank maintained its hawkish stance on interest rates.

The two key risks to the portfolio remain US inflation and a Chinese slowdown. However in the US there remain few signs of inflation, while in China we continue to think that investment will switch from overheated areas, to infrastructure projects to remove bottlenecks and that domestic consumption should remain robust. Given the above we remain positive about the outlook for our markets, and happy to remain towards the upper end of our net long range of 20-80%.

**Rory Landman / Howard Thomas**

### Fund Objective

The fund aims to maximise absolute returns by investing both long and short predominantly in the securities of global emerging market issuers or issuers established elsewhere with a significant economic exposure to global emerging market countries.

### Charges

Initial Charge	up to 5%
Management Fee	2% p.a.
Performance Fee	20%

### Fund Size

\$306.4m (as at 01.03.04)

### Share Classes

US\$ (base) / € (hedged)

### Launch Price

\$1,000 / €1,000

### Launch Date

14 March 2003

### Minimum

\$/€ 100,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Listing

Irish Stock Exchange

### Unit Type

Distribution\*

### Fund Status

Closed

\*this fund will apply for distributor status annually

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Prime Broker

Morgan Stanley & Co International

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

### Prices Available From

Bloomberg	A(\$) THARTOA KY	B(€) THARTOB KY	Lipper	A(\$) 60082934	B(€) 60082935	Sedol (LSE)	A(\$) 3270918	B(€) 3270929
Datastream	A(\$) 26974R	B(€) 26981U	Reuters (TRCHL4)	A(\$) IE3260469.I	B(€) IE3269433.I	S&P's Micropal	A(\$) 354358	B(€) 354359
FT (Mex ID)	A(\$) TFTA	B(€) TFTB	Sedol (ISE)	A(\$) 3260469	B(€) 3269433	Telekurs (Valors)	A(\$) 1573559	B(€) 1573563



THAMES RIVER CAPITAL



# Thames River GLOBAL EMERGING MARKETS Fund

(Thames River Traditional Funds plc)

S&P RATED

AA

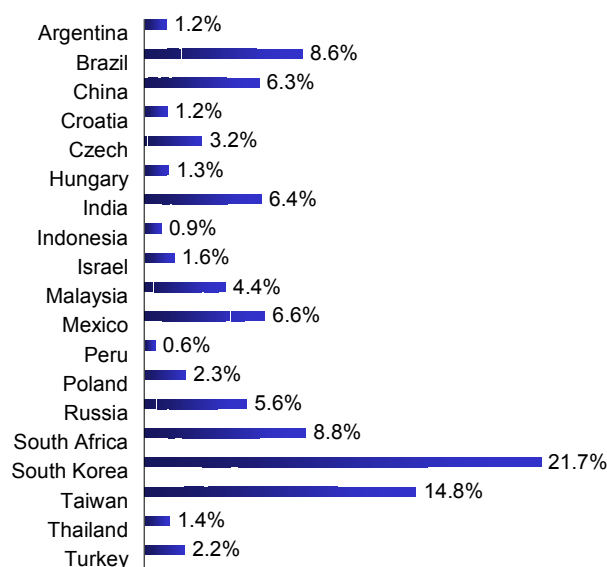
LONG ONLY GLOBAL EMERGING MARKET EQUITY

## Fund Performance to 29 Feb 2004

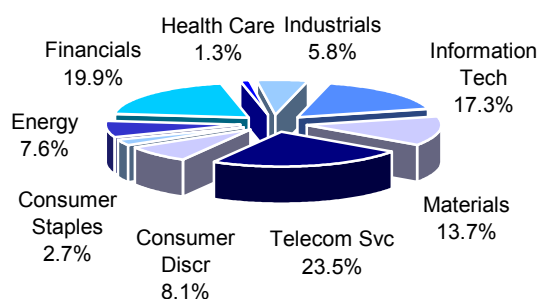
	NAV per share	Feb 2004	YTD
\$ Class	\$17.31	+4.97%	+9.42%
€ Class	€14.89	+4.56%	+10.95%
£ Class	£14.57	+2.61%	+5.66%

Note: NAV per share monthly return calculated net of fees  
Source: International Fund Managers (Ireland) Ltd

## Geographic Allocation



## Sector Allocation



## Annual Return

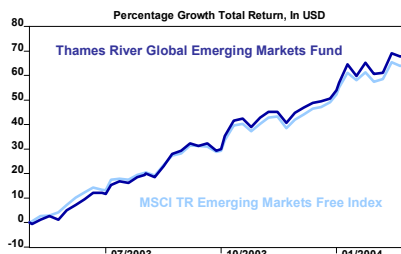
### 2003\*

Fund	B'mark
+58.20%	+60.44%
+34.20%	+36.81%
+37.90%	+40.34%

\*4 April to 31 December 2003.  
Refer to Page 25 for monthly return history vs benchmark.

## NAV per share Price Performance

30.04.03 to 29.02.04



Source: Lipper

Although the official launch was 4th April 2003, the fund did not reach its target level of investment until the end of the month.

## Adviser Commentary

Positive momentum continued in global emerging markets in February, as global monetary conditions remained easy and growth indicators in emerging markets remained firm. Economic indicators in the US and Euroland were subdued giving investors comfort that despite the Fed's change in wording in January, short term interest rates would stay low for some time. Meanwhile in the currency markets, BoJ intervention combined with renewed speculation on a rate cut in Euroland, led to a strong rally in the dollar from intra-month lows.

We remain cautious on China on valuation grounds, particularly given new equity issuance. Elsewhere in Asia, Korean domestic indicators continue to recover suggesting that we may soon see a resurgence in domestic demand. We continue to see strong growth in India, although we have medium term concerns about India's poor fiscal situation and excessively low long-term interest rates. Valuations in Emerging Europe remain interesting and EU accession in May should encourage more portfolio investors into the region. Brazil was disappointing in February as political scandal threatened to unravel the credibility of the Lula government, and the Central Bank maintained its hawkish stance on interest rates.

The two key risks to the portfolio remain US inflation and a Chinese slowdown. However in the US there remain few signs of inflation, while in China we continue to think that investment will switch from overheated areas, to infrastructure projects to remove bottlenecks and that domestic consumption should remain robust.

Rory Landman / Katie Blacklock

## Fund Objective

The fund is a global emerging markets fund which aims to achieve capital appreciation through investment primarily in global emerging market countries.

## Charges

Initial Charge	up to 5%
Management Fee	1.75% p.a.
Performance Fee	20% of any absolute outperformance of the MSCI Total Return Series Emerging Markets Free Index, with a high water mark.

## Fund Size

\$109.0m (as at 29.02.04)

## Share Classes

US\$ (base) / € / £ (unhedged)

## Launch Price

\$/€/£ 10

## Launch Date

4 April 2003

## Minimum

\$/€ 15,000 / £10,000

## Dealing

Daily

## Domicile

Dublin

## Legal Status

UCITS (FSA recognised)

## Listing

Irish Stock Exchange

## Unit Type

Distribution\*

\*this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

Barings (Ireland) Limited

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(\$)	THARGEM ID	(€)	THARGEE ID	(£)	THARGES ID
Datastream	(\$)	26963C	(€)	26963D	(£)	26954F
FT (Mex ID)	(\$)	TFGEMU	(€)	TFGEME	(£)	TFGEMS
ISIN	(\$)	IE0032605994	(€)	IE0032605770	(£)	IE0032606182
Lipper	(\$)	60081905	(€)	60081906	(£)	60081907

Reuters (TRCHL1)	(\$)	IE3260599.I	(€)	IE3260577.I	(£)	IE3260618.I
Sedol (ISE)	(\$)	3260599	(€)	3260577	(£)	3260618
Sedol (LSE)	(\$)	3280575	(€)	3280650	(£)	3280638
S&P's Micropal	(\$)	354795	(€)	354797	(£)	354796
Telekurs (Valors)	(\$)	1587035	(€)	1587046	(£)	1587051



THAMES RIVER CAPITAL



# Thames River EDO Fund

(Thames River Edo Fund Limited)

LONG / SHORT JAPANESE EQUITY

## Fund Performance to 29 Feb 2004

NAV  
per share

Class A	\$1,198.31
Class B	€1,212.75
Class C	¥142,265.31

## \$ Statistics Since Inception

Annualised Return	<b>+15.6%</b>
Volatility (Standard Deviation)	<b>5.7%</b>
Worst Draw down	<b>-1.5%</b>
Sharpe Ratio (1.08%*)	<b>2.39</b>
Sortino Ratio (MAR = 0%)	<b>9.77</b>

Source: Bloomberg, Pertrac (\*risk free rate - SSB 3 Month T-Bill)

## Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.46	+1.27											+2.75
03	+1.26	-0.03	-1.47	+0.57	+0.61	+4.00	+1.36	+5.01	+1.37	+2.22	+0.17	+1.35	+17.54
02												-0.78	-0.78

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.53	+1.32											+2.87
03	+1.20	+0.11	-1.31	+0.68	+0.81	+4.13	+1.34	+5.18	+1.37	+2.32	+0.22	+1.36	+18.68
02												-0.67	-0.67

¥	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.38	+1.27											+2.67
03	+1.06	-0.08	-1.56	+0.51	+0.49	+4.01	+1.26	+4.86	+1.29	+2.16	+0.13	+1.24	+16.33
02												-0.74	-0.74

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

## Top Ten Positions (in alphabetical order)

Itochu	Sankyo
Mitsubishi Tokyo Financial Group	Shimizu
Mitsui Fudosan	Sony
Nissay Dow a	Sumitomo Trust
Orix	Toppan Printing

## Sector Allocation

### Top Ten by Gross Exposure

### Exposure as a % of Fund's NAV

	Long	Short	Gross	Net
Electric Machinery	10.5	-2.4	12.8	8.1
Other Finance	8.0	0.0	8.0	8.0
Wholesale	7.6	0.0	7.6	7.6
Banks	6.1	0.0	6.1	6.1
Machinery	5.4	0.0	5.4	5.4
Retail	4.4	0.0	4.4	4.4
Real Estate	4.2	0.0	4.2	4.2
Transport	4.0	0.0	4.0	4.0
Land Transport	2.7	0.0	2.7	2.7
Info & Communications	1.0	-1.0	2.0	0.0
Other Sectors	15.3	-5.6	20.9	9.6
Index Future	0.0	-4.7	4.7	-4.7
Total	69.1	-13.6	82.7	55.5

## Adviser Commentary

The market vacillated for much of the month, as continuing unwind of cross-shareholdings and pension fund liquidations by domestic investors ahead of the fiscal year end in March was matched by ongoing buying by foreign investors. Volume and value traded remained at healthy levels, with strength seen in a range of sectors related to the domestic economy (e.g. non-bank financials, construction, real estate and retail), while certain exporting sectors such as electricals and precision instruments fared badly.

Economic newsflow remained almost uniformly good. GDP in the 4th quarter of 2003 rose at an annualised rate of 7.0% in real terms, suggesting considerable momentum coming in to the current year. Data on housing starts, machinery orders and retail sales in January similarly exceeded consensus expectations by a comfortable margin. Trade data showed the surplus remaining at a high level, a fact somewhat at odds with the movement of the yen, which recorded falls of over 3% against both the US dollar and the euro, as continuing intervention by the Bank of Japan in the foreign exchange markets finally persuaded some yen bulls to close their positions. At a corporate level, results for the quarter ending December again exceeded expectations on the upside, with top line growth supplementing the benefits of ongoing restructuring and cost-cutting to maintain robust earnings momentum.

In February, the Edo Fund produced a positive return of 1.27% in yen terms. Long equities contributed 2.07%, while short equities cost 0.03% and futures cost 0.77%. Gross exposure increased to 129.0%, or 143.4% on a beta adjusted basis, while net exposure declined to 41.3%, or 55.4% on a beta adjusted exposure. The approach of the end of the fiscal year should see a considerable reduction in selling by domestic institutions. This fact, combined with the continuing positive newsflow at both an economic and corporate level, should result in continuing strength in the equity market. We shall therefore be using any periods of short-term consolidation to increase our net exposure.

**Huw Llewellyn / Rod Birkett**

## Fund Objective

The investment objective of the fund is to maximise absolute returns by investing both long and short primarily in the securities of Japanese issuers.

## Charges

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

<b>Fund Size</b>	\$192.5m (as at 01.03.04)
<b>Share Classes</b>	¥ (base) / US\$/€ (hedged)
<b>Launch Price</b>	\$/€ 1,000 / ¥120,000
<b>Launch Date</b>	29 November 2002
<b>Minimum</b>	\$/€ 100,000 / ¥ equivalent
<b>Dealing</b>	Monthly
<b>Domicile</b>	Cayman Islands
<b>Listing</b>	Irish Stock Exchange
<b>Unit Type</b>	Distribution*

\*this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Prime Broker

UBS AG

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	A (\$) THAREDA KY	B (€) THAREDB KY	C (¥) THAREDC KY	Sedol (ISE)	A (\$) 3220526	B (€) 3220537	C (¥) 3220548
Datastream	A (\$) 26676N	B (€) 26676P	C (¥) 26676Q	Sedol (LSE)	A (\$) 3235393	B (€) 3235412	C (¥) 3235423
FT (Mex ID)	A (\$) TFEA	B (€) TFEB	C (¥) TFEC	S&P's Micropal	A (\$) 354109	B (€) 354110	C (¥) 354111
Lipper	A (\$) 60078902	B (€) 60078903	C (¥) 60078904	Telekurs (Valors)	A (\$) 1526653	B (€) 1526660	C (¥) 1526671
Reuters (TRCHL3)	A (\$) IE3220526.I	B (€) IE3220537.I	C (¥) IE3220548.I				





# Thames River JAPAN Fund

(Thames River Traditional Funds plc)

LONG ONLY JAPANESE EQUITY

S&P RATED

**AA**

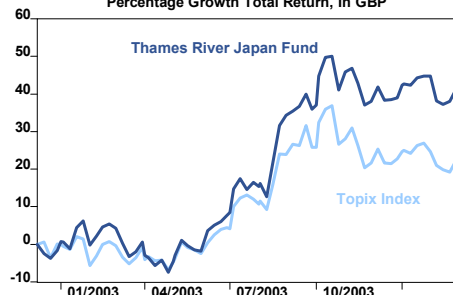
## Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004	YTD
€ Class	€13.47	-0.44%	+4.34%
£ Class	£14.13	-2.42%	-0.70%

## NAV per share Price Performance

06.12.02 to 29.02.04

Percentage Growth Total Return, In GBP



Source: Lipper

## Largest Overweights

### Weights as a % of Fund's NAV

	Fund	Index	Relative
Other Finance	8.8	2.5	+6.3
Wholesale	9.5	3.5	+6.1
Machinery	7.5	3.4	+4.1
Securities	6.0	2.4	+3.6
Real Estate	4.9	1.4	+3.5

## Largest Underweights

### Weights as a % of Fund's NAV

	Fund	Index	Relative
Info & Communication	1.2	9.9	-8.7
Transport Equipment	4.5	10.5	-6.0
Electric / Gas	0.0	4.0	-4.0
Foods	0.0	2.5	-2.5
Electric Machinery	12.9	15.3	-2.4

## Annual Return

2003		2002*	
Fund	B'mark	Fund	B'mark
+30.40%	+15.78%	-1.00%	-1.76%
+41.31%	+25.12%	+0.70%	-0.25%

\*6 December 2002 to 31 December 2002. Refer to Page 25 for monthly return history vs benchmark.

## € Statistics Since Inception

Annualised Return	<b>+26.9%</b>
Volatility (Standard Deviation)	<b>24.7%</b>
Information Ratio	<b>1.54</b>

Note: NAV per share monthly return calculated net of fees  
Benchmark - Topix Index

Source: International Fund Managers (Ireland) Ltd, Bloomberg, Pertrac

## Adviser Commentary

The market vacillated for much of the month, as continuing unwind of cross-shareholdings and pension fund liquidations by domestic investors ahead of the fiscal year end in March was matched by ongoing buying by foreign investors. Volume and value traded remained at healthy levels, with strength seen in a range of sectors related to the domestic economy (e.g. non-bank financials, construction, real estate and retail), while certain exporting sectors such as electricals and precision instruments fared badly.

Economic newsflow remained almost uniformly good. GDP in the 4th quarter of 2003 rose at an annualised rate of 7.0% in real terms, suggesting considerable momentum coming in to the current year. Data on housing starts, machinery orders and retail sales in January similarly exceeded consensus expectations by a comfortable margin. Trade data showed the surplus remaining at a high level, a fact somewhat at odds with the movement of the yen, which recorded falls of over 3% against both the US dollar and the euro, as continuing intervention by the Bank of Japan in the foreign exchange markets finally persuaded some yen bulls to close their positions. At a corporate level, results for the quarter ending December again exceeded expectations on the upside, with top line growth supplementing the benefits of ongoing restructuring and cost-cutting to maintain robust earnings momentum.

In February, the Japan Fund fell by 0.44% in euro terms, which compares with a rise of 0.03% by the Topix index in euro terms. Principal overweight positions were in non-bank financials, wholesalers and the machinery sector. The underweight position in the telecommunications sector was sharply increased during the month, and maintained at high levels in the transport equipment, pharmaceutical and utilities sectors. The approach of the end of the fiscal year should see a considerable reduction in selling by domestic institutions. This fact, combined with the continuing positive newsflow at both an economic and corporate level, should result in continuing strength in the equity market. The fund is therefore likely to remain fully invested.

**Huw Llewellyn / Rod Birkett**

## Fund Objective

The investment objective of the fund is to achieve capital appreciation through investment primarily in Japan.

## Charges

Initial Charge	up to 5%
Management Fee	1.75% p.a.
Performance Fee	10% of any absolute outperformance of the Topix Index, with a high water mark.

## Fund Size

€109.2m (as at 29.02.04)

## Share Classes

€ / £ (both unhedged)

## Launch Price

€/£ 10

## Launch Date

6 December 2002

## Minimum

€ 15,000 / £10,000

## Dealing

Daily

## Domicile

Dublin

## Legal Status

UCITS (FSA recognised)

## Listing

Irish Stock Exchange

## Unit Type

Distribution\*

\*this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

Barings (Ireland) Limited

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(€) THMSJPE ID	(£) THMSJPS ID	Lipper	(€) 60078474	(£) 60078475	S&P's Micropal	(€) 354112	(£) 354113
Datastream	(€) 26600J	(£) 26600H	Reuters (TRCHL)	(€) IE3212200.I	(£) IE3212211.I	Telekurs (Valors)	(€) 1530037	(£) 1530465
FT (Mex ID)	(€) TFJE	(£) TFJS	Sedol (ISE)	(€) 3212200	(£) 3212211			
ISIN	(€) IE0032122008	(£) IE0032122115	Sedol (LSE)	(€) 3232521	(£) 3232532			



THAMES RIVER CAPITAL



# Thames River HILLSIDE APEX Fund

(Thames River Global Funds Limited)

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

### Fund Performance to 29 Feb 2004

	NAV per share
<b>Class A</b>	\$2,115.22
<b>Class B</b>	€ 1,142.83

### \$ Statistics Since Inception

Annualised Return	<b>+14.4%</b>
Volatility (Standard Deviation)	<b>11.0%</b>
Worst Draw down	<b>-17.6%</b>
Sharpe Ratio (3.52%*)	<b>0.96</b>
Sortino Ratio (MAR = 0%)	<b>1.18</b>

Source: Bloomberg, Pertrac (\*risk free rate - SSB 3 Month T-Bill)

### Asset Allocation (net exposure) by Region and Investor Group

	Dedicated	Crossover	Periphery	Distressed	Total
Latin America	-	16.8	-1.9	7.2	22.1
EMEA	11.4	5.8	3.3	5.6	26.1
Developed	-	4.7	4.9	13.5	23.1
Asia	-	1.8	8.3	2.7	12.8
<b>Total</b>	<b>11.4</b>	<b>29.1</b>	<b>14.6</b>	<b>29.0</b>	<b>84.1</b>

The above table excludes a short position in US Treasuries of -10%.

### Asset Allocation (net exposure) by Performing vs Distressed

Sovereign		Corporate		Total
Performing	Distressed	Performing	Distressed	
17.1	7.2	37.9	21.9	<b>84.1</b>

### Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.60	+0.96											+2.58
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	+22.59
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
01	+4.17	+0.53	-1.31	+2.01	+0.45	+1.96	+2.32	+2.43	-2.44	+1.69	+2.92	+1.23	+16.96
00	+1.91	+6.22	+5.73	-2.92	-2.77	+7.70	+6.42	+5.01	+1.03	-4.14	-1.78	+2.94	+27.32
99	-15.20	-2.80	+3.18	+2.85	-3.79	+1.38	-0.77	-0.74	+1.02	+3.55	+2.45	+6.16	-4.39
98								+0.20	-2.22	+2.31	+3.02	+0.28	+3.58

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.68	+1.01											+2.71
03						+1.95	+1.16	+1.56	+2.10	+2.08	+0.40	+1.52	+11.26

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

### Adviser Commentary

The fund's \$ share performance during February was up 0.96%. The JP Morgan Emerging Markets Bond Index Plus (EMBI+) was up 0.22%. Equity markets were up again with the S&P500 returning +1.4% and the Eurotop 300 +2.9%. US Treasury yields fell, resulting in a positive return of +1.3%.

Credit markets paused after the strong issuance in January and a change in the language used by the US Federal Reserve suggesting that rates might rise sooner than expected. Brazil was particularly affected – the move being exaggerated by a local political scandal regarding election and project financing. The fund's performance in February benefited from a Latin American distressed position that was bought in the third quarter last year. We continue to benefit from our strategy of "cherry-picking" in the global credit markets.

This month we are introducing a table that shows the fund's exposure to the four main areas of the global credit markets – sovereign performing and distressed as well as corporate performing and distressed. The figures show our aversion to the sovereign coupon-paying markets, a stance we have maintained so far in 2004. It also explains why the fund has been relatively insensitive to the recent market gyrations.

We have also introduced a short position in 10-year US Treasuries. The rationale for this is to provide a degree of protection for the fund, in the event of a rise in Treasury yields.

**Michael Mabbutt / Bernt Tallaksen**

### 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.

### Charges

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

### Fund Size

\$255.5m (as at 01.03.04)

### Share Classes

US\$ (base) / € (hedged)

### Launch Price

\$1,000 on 31 July 1998

### Launch Price

€1,000 on 31 May 2003

### Minimum

\$/€ 100,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Listing

Irish Stock Exchange

### Unit Type

Roll-Up

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Custodian

Barings (Ireland) Limited

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

### Prices Available From

Bloomberg	A(\$) THAHIAI KY	B(€) THAHIAB	Lipper	A(\$) 60006516	B(€) 60083960	Sedol (LSE)	A(\$) 2291299	B(€) 3312649
Datastream	A(\$) 684973	B(€) 27275N	Reuters (TRCHL)	A(\$) IE0554723.I	B(€) IE3290121.I	S&P's Micropal	A(\$) 307158	B(€) 360147
FT (Mex ID)	A(\$) TFHA	B(€) TFHAP	Sedol (ISE)	A(\$) 0554723	B(€) 3290121	Telekurs (Valors)	A(\$) 943035	B(€) 1620173



THAMES RIVER CAPITAL



# Thames River HIGH INCOME Fund

(Thames River Traditional Funds plc)

**LONG ONLY GLOBAL CREDIT**  
Emerging Markets, High Yield & Distressed

**S&P RATED**  
**AA**

## Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004	YTD
€ Class	€13.37	+0.53%	+1.82%
£ Class	£12.94	+0.78%	+2.13%
\$ Class	\$12.50	+0.48%	+1.66%

## Annual Return

2003		2002		2001		2000*	
Fund	B'mark	Fund	B'mark	Fund	B'mark	Fund	B'mark
+24.28%	+26.73%	+17.51%	+14.37%	+18.14%	+1.58%	+3.85%	+7.39%
+25.51%	+27.83%	+17.28%	+14.90%	-	-	-	-
+23.38%	+25.66%	+15.81%	+13.12%	-	-	-	-

\* 26 June 2000 to 31 December 2000.

Refer to Page 24 for dividend information and Page 25 for monthly return history vs benchmark.

## € Statistics Since Inception

Annualised Return	<b>+17.9%</b>
Volatility (Standard Deviation)	<b>6.3%</b>
Sharpe Ratio (3.55%*)	<b>2.10</b>

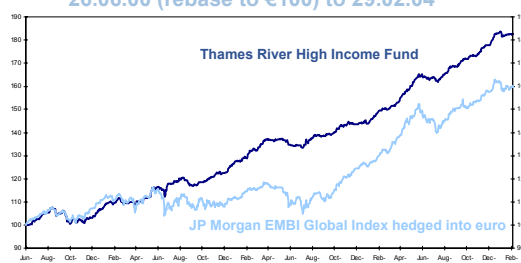
Note: NAV per share monthly return calculated net of fees and includes reinvestment of gross dividends.

Benchmark: JP Morgan EMBI Global, hedged into the base currency of the relevant share class.

Source: International Fund Managers (Ireland) Ltd, TRC, Pertrac (\*risk free rate - Euro Libor)

## NAV per share Price Performance

26.06.00 (rebase to €100) to 29.02.04



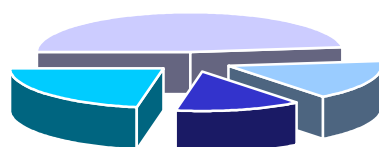
Source: Bloomberg, TRC

Spread Duration ....	<b>2.4%</b>
Income Yield .....	<b>5.8%</b>
Maturity Yield .....	<b>7.3%</b>

Note: The yields quoted are based on existing assets at time of going to press and will fluctuate depending on asset allocation. Yields are quoted net of fees and estimated expenses and are not guaranteed. Non-paying assets are assumed to have income yields of zero and maturity yields of 15% per annum.

## Asset Allocation by Investor Group

Crossover  
48.0%



Cash & G10  
bonds  
22.1%

Distressed  
13.5%

Periphery  
16.4%

## Exposure:

### Top 3 Holdings by Investor Group

Dedicated	Crossover	Periphery	Distressed
-	Brazil 11.8%	Turkey 6.5%	Developed 6.7%
	Russia 5.1%	Indonesia 3.4%	LatAm 4.1%
	Ukraine 5.0%	Korea 3.4%	EMEA 1.6%

## Adviser Commentary

The fund's € share performance during February was up 0.53% versus the JP Morgan Emerging Markets Bond Index Global, hedged in euros, which rose 0.41%.

Credit markets paused after the strong issuance in February and a change in the language used by the US Federal Reserve suggesting that rates might rise sooner than expected. Brazil was particularly affected – the move being exaggerated by a local political scandal regarding election and project financing. The fund's performance in February benefited from a Latin American distressed position that was bought in the third quarter last year. We continue to benefit from our strategy of "cherry-picking" in the global credit markets.

Our small exposure to Brazilian sovereign bonds was sold and the Turkish Lira exposure was fully hedged after a strong rally that began in the fourth quarter last year. Exposure to Brazilian corporate bonds was maintained. Venezuela was sold as doubts surfaced that the referendum would go ahead. Cash and G10 bonds increased from 17% to 22% of the fund.

**Michael Mabbutt / Bernt Tallaksen**

## Fund Objective

The fund is a global credit fund focusing on emerging markets, high yield and distressed debt. The fund aims to maximise total return subject to providing a high level of income relative to bonds issued by countries participating in the euro.

## Charges

Initial Charge	up to 5%
Management Fee	1.5% p.a.

Dealing  
Domicile

Daily  
Dublin

## Fund Size

\$342.3m (as at 29.02.04)

## Share Classes

US\$ (base) / € / £ (hedged)

## Launch Price

€10 on 26 June 2000

## Launch Price

£10 on 28 December 2001

## Launch Price

\$10 on 28 December 2001

## Minimum

€ / £ / \$ 10,000

## Legal Status

UCITS (FSA recognised)

## Listing

Irish Stock Exchange

## Dividends

Quarterly (Jan, Apr, Jul, Oct)

## Unit Type

Distribution\*

\* this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

Barings (Ireland) Limited

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(€) THARVHI ID	(£) THAHIIS ID	(\$) THAHIU ID	Reuters (TRCHL)	(€) IE0800987.I	(£) IE3122172.I	(\$) IE3122183.I
Datastream	(€) 13654T	(£) 149301	(\$) 15167V	Sedol (ISE)	(€) 0800987	(£) 3122172	(\$) 3122183
FT (Mex ID)	(€) TRHI	(£) TFHIG	(\$) TFHIU	Sedol (LSE)	(€) 0920001	(£) 3126895	(\$) 3126903
ISIN	(€) IE0008009874	(£) IE0031221728	(\$) IE0031221835	S&P's Micropal	(€) 351703	(£) 353214	(\$) 353213
Lipper	(€) 60049473	(£) 60065387	(\$) 60065388	Telekurs (Valors)	(€) 1104549	(£) 1376541	(\$) 1376538



THAMES RIVER CAPITAL



# Thames River GARRET Fund

(Thames River Garret Fund Limited)

LONG / SHORT GLOBAL FIXED - OECD Sovereigns

## Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004
<b>Class A</b>	\$992.65	-0.48%
<b>Class B</b>	€ 994.15	-0.43%
<b>Class C</b>	£997.75	-0.27%

## Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.37	-0.48											-0.85
03												+0.12	+0.12

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.30	-0.43											-0.72
03												+0.14	+0.14

£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.14	-0.27											-0.41
03												-0.19	-0.19

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

## Regional Bond Allocation

Bonds	Long	Short	Net
US	0.0	-21.8	-21.8
Denmark	3.4	0.0	3.4
Germany	3.4	0.0	3.4
France	3.6	0.0	3.6
Holland	3.1	0.0	3.1
South Korea	5.0	0.0	5.0
Hong Kong	3.4	0.0	3.4
South Africa	5.0	0.0	5.0
Australia (Index Linked)	5.1	0.0	5.1
<b>Total</b>	<b>32.0</b>	<b>-21.8</b>	<b>10.2</b>

## Adviser Commentary

The global bond markets continued to be well supported during the month of February with US Treasuries leading the way as 10 year bonds rallied from 4.13% to 3.97%. The economic data continued to look strong as the fourth quarter 2004 GDP growth in the US was revised up slightly from 4.0% to 4.1% and the surveys, in particular the ISM surveys, suggested that the positive economic momentum had carried on into the new year. The bond market gained its support predominantly from the view that the jobless recovery would lead the Fed to remain on hold with 1% short rates for a while longer. In addition, the market continued to be supported by proceeds from foreign exchange intervention by the Bank of Japan (BoJ) as it was thought that 40% of the Treasury refunding was bought by the BoJ. The other major highlight of the period was the success of the BoJ in weakening the yen against sterling, the dollar and the euro. Sterling continued to enjoy its high yield status and was the best performing of the major currencies.

The fund returned -0.45% in the month of February mainly due to the strength of the US bond market and the weakness of the yen. Both positions were affected by the significant scale of foreign exchange intervention by the BoJ. During January and February the central bank bought US\$100 billion versus the yen, over half the entire intervention of last year, in order to weaken the yen to help the Japanese economic recovery. Intervention proceeds were invested in the US Treasury market. On the positive side, the fund's long positions in the front end of the European markets, where it was felt the economic back drop was weaker and therefore more supportive for bonds, and the Australian inflation protection bonds and the position in Hong Kong bonds performed well.

We continue to have a high conviction that bond yields in the major markets will rise significantly during the course of this year as the synchronised global recovery picks up further momentum and look to add to currency positions which reflect the strength in the Asian economy.

**Paul Thursby / Peter Geikie-Cobb**

## Currency Allocation

Currency	Long	Short	Net
Yen	12.0	0.0	12.0
Thai Bhat	5.0	0.0	5.0
Hong Kong Dollar	3.5	0.0	3.5
Korea	5.0	0.0	5.0
Australia	5.0	0.0	5.0
US Dollar	0.0	-30.5	-30.5
<b>Total</b>	<b>30.5</b>	<b>-30.5</b>	<b>0.0</b>

**Estimated Volatility 6.54%**

## Fund Objective

The fund is a global fixed income fund aiming to deliver positive returns that do not depend to any substantial degree on favourable or unfavourable economic conditions. It may invest in fixed or variable rate securities traded on any markets in the world by employing relative value strategies seeking to exploit inefficiencies and distortions in value.

## Charges

Initial Charge	up to 5%
Management Fee	1.5%
Performance Fee	20%

## Fund Size

\$27.3m (as at 01.03.04)

## Share Classes

US\$ (base) / € / £ (hedged)

## Launch Price

\$ / € / £1,000

## Launch

28 November 2003

## Minimum

\$ / € 100,000 or £ equivalent

## Dealing

Monthly

## Domicile

Cayman Islands

## Listing

Irish Stock Exchange

## Unit Type

Roll-up

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Prime Broker

UBS AG

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(\$)	THAGARA KY	(€)	THAGARB KY	(£)	THAGARC KY	Reuters (TRCHL4)	(\$)	IE3367155.I	(€)	IE3367166.I	(£)	IE3367177.I
Datastream	(\$)	28210P	(€)	28210Q	(£)	28210R	Sedol (ISE)	(\$)	3367155	(€)	3367166	(£)	3367177
FT (Mex ID)	(\$)	TFGARA	(€)	TFGARB	(£)	TFGARC	Sedol (LSE)	(\$)	tbc	(€)	tbc	(£)	tbc
Lipper	(\$)	60089694	(€)	60089692	(£)	60089693	S&P's Micropal	(\$)	360187	(€)	360188	(£)	360189
							Telekurs (Valors)	(\$)	1724354	(€)	1724431	(£)	1724441



THAMES RIVER CAPITAL





# Thames River GLOBAL BOND Fund

(Thames River Traditional Funds plc)

LONG ONLY GLOBAL FIXED - OECD Sovereigns

S&P RATED

AA

## Fund Performance to 29 Feb 2004

	NAV per share	Feb 2004	YTD
£ Class	£10.01	-0.40%	-0.20%
€ Class	€ 9.96	-0.60%	-0.40%
\$ Class	\$9.95	-0.70%	-0.50%

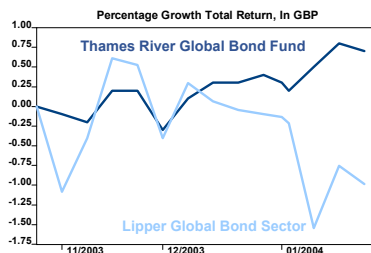
Refer to Page 24 for dividend information and Page 25 for monthly return history vs benchmark.

Note: NAV per share monthly return calculated net of fees  
Benchmark - 50% FTSE Gilt Index / 50% Citigroup Global Government Bond Index in Sterling

Source: International Fund Managers (Ireland) Ltd, Bloomberg

## NAV per share Price Performance

24.10.03 to 29.02.04



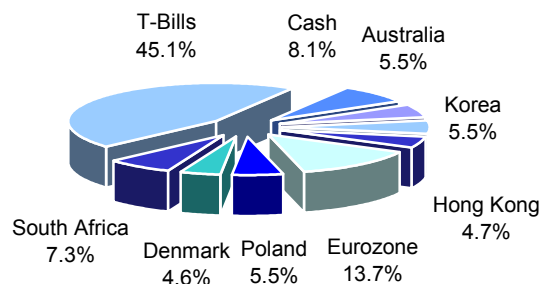
Source: Lipper

Duration ..... 1.64 years

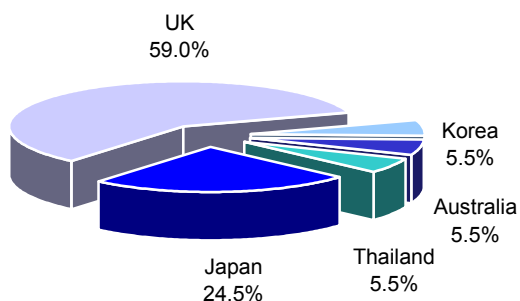
Maturity Yield ..... 3.42%

**Note: The yields quoted are based on existing assets at time of going to press and will fluctuate depending on asset allocation. Yields are quoted net of fees and estimated expenses and are not guaranteed.**

## Bond Allocation



## Currency Allocation



## Adviser Commentary

The global bond markets continued to be well supported during the month of February with US Treasuries leading the way as 10 year bonds rallied from 4.13% to 3.97%. The economic data continued to look strong as the fourth quarter 2004 GDP growth in the US was revised up slightly from 4.0% to 4.1% and the surveys, in particular the ISM surveys, suggested that the positive economic momentum had carried on into the new year. The bond market gained its support predominantly from the view that the jobless recovery would lead the Fed to remain on hold with 1% short rates for a while longer. In addition, the market continued to be supported by proceeds from foreign exchange intervention by the Bank of Japan (BoJ) as it was thought that 40% of the Treasury refunding was bought by the BoJ. The other major highlight of the period was the success of the BoJ in weakening the yen against sterling, the dollar and the euro. Sterling continued to enjoy its high yield status and was the best performing of the major currencies.

The fund performed in line with the benchmark during February, -0.40%. The main negative factor was the underweight duration position of 1.6 years for the fund against an index duration of 6.5 years, as the major bond markets continued to perform well. However, offsetting this was the currency weighting of the fund which remained high in sterling, approximately 60% during the period, versus a zero weighting in both the euro and the dollar.

The key for bond and currency markets going forward is the economic recovery in Japan. In previous and more recent US recoveries the Fed has been able to adopt a loose monetary policy in the knowledge that the rest of world would rely on the US as the engine for global growth. We believe that not only is the recovery in Japan sustainable but that Japan is at last coming out of its deflationary spiral and that the rest of Asia is growing robustly. In a period of synchronised global economic growth the likelihood of the US importing some inflation, particularly at a time when productivity is falling, is very real and we continue to expect a significant sell off in bond markets this year. As always, timing will be crucial. In addition, we continue to believe that the Asian growth story will be a major theme driving currency markets this year. During the month of February we took advantage of the strength of sterling to add to the Yen, the Korean won and the Australian dollar as the west begins to re-price against Asia through the currency markets.

Paul Thursby / Peter Geikie-Cobb

## Fund Objective

The fund aims to achieve a total return primarily through investment in debt securities and instruments which may be either fixed, floating rate or index / inflation linked, issued or guaranteed by EU/OECD Issuers.

## Charges

Initial Charge up to 5%  
Management Fee 1%  
Performance Fee 10% of any absolute outperformance of benchmark (see above), with a high watermark.

<b>Fund Size</b>	£68.3m (as at 29.02.04)
<b>Share Classes</b>	£ (base) / € / US\$ (hedged)
<b>Launch Price</b>	£/€/\$ 10
<b>Launch</b>	24 October 2003
<b>Minimum</b>	£5,000 or €/\$ 7,500
<b>Legal Status</b>	UCITS (FSA recognised)
<b>Dealing</b>	Daily
<b>Listing</b>	Irish Stock Exchange
<b>Dividends</b>	Quarterly (Mar, Jun, Sep, Dec)
<b>Unit Type</b>	Distribution*

\*this fund will apply for distributor status annually

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

Barings (Ireland) Limited

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Siobhan Whelan

Tel: +353 (0) 1 646 1243

Fax: +353 (0) 1 670 1185

## Prices Available From

Bloomberg	(£) THARGBS ID	(€) THARGBE ID	(\$ ) THARGBU ID	Reuters (TRCHL1)	(£) IE3348688.I	(€) IE3348677.I	(\$ ) IE3348699.I
Datastream	(£) 27922H	(€) 27942L	(\$ ) 27942K	Sedol (ISE)	(£) 3348688	(€) 3348677	(\$ ) 3348699
FT (Mex ID)	(£) TFGBS	(€) TFGBE	(\$ ) TFGBD	Sedol (LSE)	(£) tbc	(€) tbc	(\$ ) tbc
ISIN	(£) IE0033486881	(€) IE0033486774	(\$ ) IE0033486998	S&P's Micropal	(£) 360097	(€) 360096	(\$ ) 360095
Lipper	(£) 60089051	(€) 60089052	(\$ ) 60089053	Telekurs (Valors)	(£) 1711711	(€) 1707790	(\$ ) 1711723



THAMES RIVER CAPITAL



# Thames River SENTINEL Fund

(Thames River Alternative Strategies Limited)

NON-DIRECTIONAL MULTI-MANAGER

## Fund Performance to 29 Feb 2004

	Est. NAV per share
<b>Class A</b>	\$1,362.26
<b>Class C</b>	£1,068.93

## \$ Statistics

	Since Jan 03	Since Inception
Annualised Return	<b>+7.1%</b>	<b>+5.7%</b>
Volatility (Standard Deviation)	<b>2.2%</b>	<b>3.6%</b>
Worst Draw down	<b>-0.5%</b>	<b>-5.1%</b>
Correlation with Bonds*	<b>0.55</b>	<b>0.06</b>
Correlation with Equities†	<b>0.42</b>	<b>0.13</b>

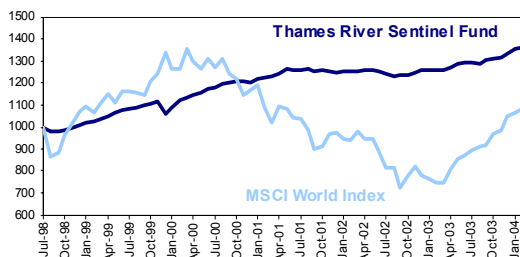
\* Lehman Aggregate Bond Index

† MSCI World Index

Source: Bloomberg, Pertrac

## NAV per share Price Performance

31.07.98 (rebased to \$1,000) to 29.02.04



\*Source: Pertrac, TRC

## Top Five Holdings

	Strategy	Month %	YTD%
<b>Levco*</b>	Multi Strategy	+0.04%	+1.08%
<b>Castlerigg*</b>	Multi Strategy	+0.15%	+3.02%
<b>CQS</b>	Convertible Arbitrage	+0.98%	+4.30%
<b>Highbridge</b>	Convertible Arbitrage	+1.27%	+3.18%
<b>DKR Rel. Value*</b>	Multi Strategy	+0.01%	+2.03%

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

## Return History

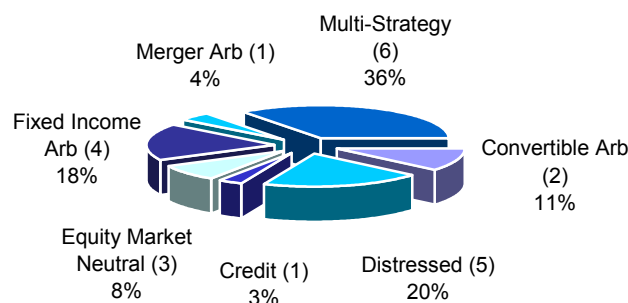
US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.82	+0.42											+2.25
03	-0.17	+0.24	+0.07	+0.89	+1.21	+0.54	-0.21	-0.24	+1.34	+0.63	+0.47	+0.99	+5.90
02	+0.30	-0.19	+0.24	+0.19	+0.28	-0.49	-1.09	-0.40	+0.36	-0.08	+0.67	+0.95	+0.73
01	+1.38	+0.73	+0.41	+0.81	+1.30	-0.18	-0.17	+0.37	-0.61	+0.26	-0.25	-0.30	+3.80
00	+2.64	+3.05	+1.34	+0.84	+0.88	+1.27	+0.85	+1.11	+0.64	+0.37	-0.11	-0.18	+13.40
99	+0.96	+0.83	+1.07	+1.27	+1.21	+1.26	+0.83	+0.42	+0.88	+0.53	+1.03	-5.07	+5.16
98								-2.15	-0.14	+0.59	+1.44	+1.19	+0.89

£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.88	+0.62											+2.52
03						+0.73	-0.27	-0.07	+1.34	+0.78	+0.54	+1.15	+4.27

NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd  
Note: Ken Kinsey-Quick took over management of the fund in January 2003.

## Asset Allocation by Strategy



Note: (x) denotes number of managers. Allocations are shown post new month dealing.

## Adviser Commentary

February was a more subdued month for Sentinel, after January's strong performance, with the fund returning an estimated 41 basis points. All the main strategies were positive for the month, although at the individual manager level there were four modest negative numbers. The main strategy contributions were from the fixed income arbitrage, convertible arbitrage and distressed managers. The individual returns ranged from +2.5% (BlueCrest) down to -0.9% (Sabre Style Arbitrage). Four multi-strategy managers, representing 27% of the fund, were grouped between -0.20% and +0.20%.

No changes were made to the portfolio at the end of February, and the fund remains invested with 22 managers.

**Ken Kinsey-Quick / Alex Kuiper**

## Fund Objective

Sentinel aims to achieve consistent absolute returns by investing in a portfolio of predominately non-directional hedge style managers.

**Return target over a cycle:** 5-10% p.a. (target)

**Volatility tolerance:** 5% standard deviation

**Loss Target:** No losing 3 months

## Charges

Initial Charge	up to 5%
Management Fee	1.5% p.a.
Performance Fee	5%

**Fund Size** \$34.0m (as at 01.03.04)

**Share Classes** US\$ (base) / € / £ (hedged)

**Launch Price** \$1,000 on 31 July 1998

**Launch Price** £1,000 on 31 May 2003

**Minimum** \$/€ / £ 10,000

**Dealing** Monthly

**Domicile** Cayman Islands

**Unit Type** Roll-up

## Manager

Thames River Capital Holdings Limited

**Investment Adviser**

Thames River Capital (UK) Limited

**Custodian**

The Bank of Bermuda Limited

**Administrator**

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

<b>Bloomberg</b>	A(\$) THASENI KY	B(€) THASENB KY	C(£) THASENC KY
<b>Datastream</b>	A(\$) 684987	B(€) tbc	C(£) 27337T
<b>FT (Mex ID)</b>	A(\$) TF5F	B(€) TFSB	C(£) TF5C
<b>Lipper</b>	A(\$) 60006519	B(€) 60083577	C(£) 60083604

**Reuters (TRCHL5)**

**Sedol (LSE)** A(\$) 2291307 B(€) 2731450 C(£) 2731557

**S&P's Micropal** A(\$) 307156 B(€) 360149 C(£) 354953

**Telekurs (Valors)** A(\$) 943029 B(€) 1624227 C(£) 1624230



THAMES RIVER CAPITAL



# Thames River WARRIOR Fund

(Thames River Alternative Strategies Limited)

**DIRECTIONAL MULTI-MANAGER**

## Fund Performance to 29 Feb 2004

	Est. NAV per share
<b>Class A</b>	\$1,418.78
<b>Class B</b>	€ 1,094.51
<b>Class C</b>	£1,108.81

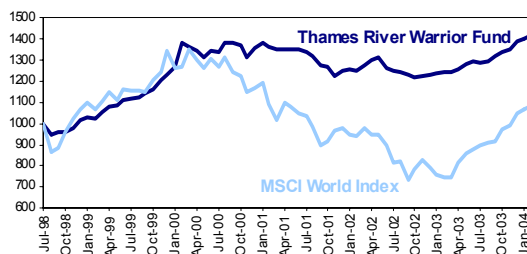
## \$ Statistics

	Since Jan 03	Since Inception
Annualised Return	<b>+13.1%</b>	<b>+6.5%</b>
Volatility (Standard Deviation)	<b>2.7%</b>	<b>7.4%</b>
Worst Draw down	<b>0.1%</b>	<b>-11.9%</b>
Correlation with Bonds*	<b>0.73</b>	<b>0.03</b>
Correlation with Equities†	<b>0.45</b>	<b>0.48</b>

\* Lehman Aggregate Bond Index  
† MSCI World Index  
Source: Bloomberg, Pertrac

## NAV per share Price Performance

31.07.98 (rebased to \$1,000) to 29.02.04



\*Source: Pertrac, TRC

## Top Five Holdings

	Strategy	Month %	YTD %
<b>Castlerigg*</b>	Multi Strategy	+0.15%	+3.02%
<b>Lafayette Street*</b>	Equity Hedge - US	+1.67%	+5.39%
<b>Cantillon World</b>	Equity Hedge - Global	+5.13%	+2.09%
<b>Crescendo Europe</b>	Equity Hedge - Europe	+1.83%	+4.93%
<b>Manager 1*</b>	Fixed Income Arb	+4.84%	+4.23%

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

## Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.36	+1.07											+2.45
03	+0.42	+0.58	+0.22	+1.16	+1.75	+0.82	-0.45	+0.63	+2.16	+1.14	+1.20	+2.46	+12.73
02	+0.09	-0.10	+1.70	+1.65	+1.19	-3.47	-1.45	-0.53	-0.75	-1.08	+0.54	+0.25	-2.05
01	+1.76	-1.31	-1.37	+0.47	+0.18	-0.51	-0.90	-1.00	-3.51	-0.66	-3.26	+2.30	-7.70
00	+3.17	+8.82	-1.14	-1.65	-2.19	+2.25	-0.37	+3.09	+0.16	-0.91	-3.90	+3.27	+10.43
99	+1.04	-0.69	+3.18	+2.58	+0.13	+2.88	+0.52	+0.58	+1.21	+1.82	+4.15	+1.84	+20.92
98								-4.88	+1.10	-0.14	+1.87	+4.04	+1.77

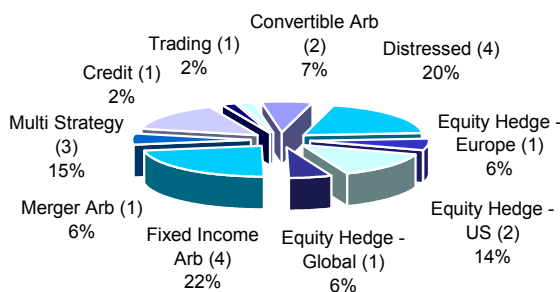
€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.40	+1.12											+2.54
03							-0.46	+0.64	+1.88	+1.11	+1.13	+2.28	+6.74

£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.46	+1.27											+2.75
03						+0.70	-0.75	+0.71	+2.11	+1.24	+1.27	+2.42	+7.92

NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd  
Note: Ken Kinsey-Quick took over management of the fund in January 2003.

## Asset Allocation by Strategy



Note: (x) denotes number of managers. Allocations are shown post new month dealing.

## Adviser Commentary

Warrior had an on-target month up 1.07% with performance led by Cantillon (+5.1%), BlueCrest (+4.8%) and Contrarian (+2.8%). The worst and only negative performer was King St (-0.2%). Strong equity markets were a significant contributor to returns with most other strategies, especially arbitrage related, having a quiet month after an exceptional January.

No manager redemptions occurred at month end but three new funds were added: BlueCrest (macro), Lydian (convertible bond arbitrage) and London Diversified (fixed income arbitrage). The top 5 and top 10 managers represent 48% and 78% of NAV respectively.

**Ken Kinsey-Quick / Alex Kuiper**

### Fund Objective

Warrior aims to achieve consistent absolute returns by investing in a portfolio of directional and non-directional hedge style managers.

**Return target over a cycle:** 10-15% p.a. (target)

**Volatility tolerance:** 10% standard deviation

**Loss Target:** No losing 12 months

### Charges

Initial Charge	up to 5%
Management Fee	1.5% p.a.
Performance Fee	5%

### Fund Size

\$53.7m (as at 01.03.04)

### Share Classes

US\$ (base) / € / £ (hedged)

### Launch Price

\$1,000 on 31 July 1998

### Launch Price

£1,000 on 31 May 2003

### Launch Price

€1,000 on 31 July 2003

### Minimum

\$/€ / £ 10,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Unit Type

Roll-up

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Custodian

The Bank of Bermuda Limited / HSBC Republic Bank (Suisse) SA

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

<b>Bloomberg</b>	A(\$) THAWARI KY	B(€) THAWARB KY	C(£) THAWARC KY
<b>Datastream</b>	A(\$) 684988	B(€) 27561K	C(£) 27337R
<b>FT (Mex ID)</b>	A(\$) TFWF	B(€) TFWFB	C(£) TFWFC
<b>Lipper</b>	A(\$) 60006520	B(€) 60083578	C(£) 60083605

## Reuters (TRCHL5)

<b>Sedol (LSE)</b>	A(\$) 2291374	B(€) 2731427	C(£) 2731449
<b>S&amp;P's Micropal</b>	A(\$) 307157	B(€) 354955	C(£) 354954
<b>Telekurs (Valors)</b>	A(\$) 943030	B(€) 1624221	C(£) 1624223



THAMES RIVER CAPITAL



# Thames River EQUITY FOCUS Fund

(Thames River Alternative Strategies Limited)

FOCUSED EQUITY LONG/SHORT MULTI-MANAGER

## Fund Performance to 29 Feb 2004

	Est. NAV per share
<b>Class A</b>	€1,086.44
<b>Class B</b>	\$1,041.15
<b>Class C</b>	£1,063.10
<b>Class D</b>	SEK 10,280.77

## \$ Statistics Since Inception

Annualised Return	<b>+8.4%</b>
Volatility (Standard Deviation)	<b>4.1%</b>
Worst Draw down	<b>-0.5%</b>
Correlation with Bonds*	<b>-0.36</b>
Correlation with Equities†	<b>0.89</b>

\* Lehman Aggregate Bond Index  
† MSCI World Index  
Source: Bloomberg, Pertrac

	Long	Short	Gross	Net
Cantillon	148%	70%	218%	78%
Elm Ridge	77%	65%	142%	12%
Greenlight	103%	48%	151%	55%
Speedwell*	136%	63%	199%	73%
<b>Portfolio</b>	<b>104%</b>	<b>54%</b>	<b>158%</b>	<b>50%</b>

\*As at 31.01.2004

## Core Holdings

	Strategy	Month %	YTD%
<b>Greenlight</b>	Equity Hedge - US	+1.40%	+3.29%
<b>Cantillon World</b>	Equity Hedge - Global	+5.13%	+2.09%
<b>Elm Ridge</b>	Equity Hedge - US	+0.80%	+2.75%
<b>Speedwell*</b>	Equity Hedge - Japan	-1.88%	-4.58%

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

## Return History

€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.46	+1.19											+0.73
03				-0.07	+1.22	+0.56	+0.83	+1.40	-0.16	+1.95	-0.30	+2.21	+7.86

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.52	+1.09											+0.57
03									-0.21	+1.74	-0.27	+2.24	+3.53

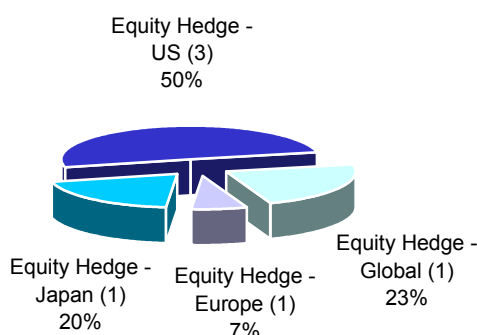
£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.44	+1.29											+0.84
03								+1.40	-0.14	+1.89	-0.24	+2.43	+5.42

SEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	-0.41	+1.19											+0.78
03											-0.35	+2.37	+2.01

NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

## Asset Allocation by Strategy



Note: (x) denotes number of managers. Allocations are shown post new month dealing.

## Adviser Commentary

Equity Focus had a reasonable month up 1.2%. This was on the back of a strong equity market up 1.7% over the same period. Cantillon World led the way (+5.1%) and all the other managers were positive except Speedwell (-1.9%).

No changes were made to the portfolio at month end.

**Ken Kinsey-Quick / Alex Kuiper**

## Fund Objective

Equity Focus invests predominantly in a focused portfolio of equity long / short hedge style fund managers on a global basis.

**Return target over a cycle:** Greater than MSCI-W

**Volatility tolerance:** Less than MSCI-W

**Loss Target:** No losing 12 month period

## Charges

Initial Charge	up to 5%
Management Fee	1.25% p.a.
Performance Fee	10%

## Fund Size

€15.6m (as at 01.03.04)

## Share Classes

€ (base) / US\$/£/SEK (hedged)

## Launch Price

€1,000 on 31 March 2003

## Launch Price

\$1,000 on 31 August 2003

## Launch Price

£1,000 on 31 July 2003

## Launch Price

SEK 10,000 on 31 Oct 2003

## Minimum

\$/€ / £ 50,000 or SEK500,000

## Dealing

Monthly

## Domicile

Cayman Islands

## Unit Type

Roll-up

## Manager

Thames River Capital Holdings Limited

## Investment Adviser

Thames River Capital (UK) Limited

## Custodian

The Bank of Bermuda Limited / HSBC Republic Bank (Suisse) SA

## Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

<b>Bloomberg</b>	A(€) THAREFA KY	B(\$) THAREFB KY	C(£) THAREFC KY	D(SEK) THADFC D KY	Reuters (TRCHL5)
<b>Datastream</b>	A(€) 27554C	B(\$) tbc	C(£) 28020E	D(SEK) 28495K	Sedol (LSE)
<b>FT (Mex ID)</b>	A(€) TFEFA	B(\$) TFEFB	C(£) TFEFC	D(SEK) TFEFCD	S&P's Micropal
<b>Lipper</b>	A(€) 60083153	B(\$) tbc	C(£) 600836060	D(SEK) 60089594	Telekurs (Valors)



THAMES RIVER CAPITAL



# Thames River DISTRESSED FOCUS Fund

(Thames River Alternative Strategies Limited)

FOCUSED DISTRESSED MULTI-MANAGER

## Fund Performance to 29 Feb 2004

	Est. NAV per share
<b>Class A</b>	\$1,094.55
<b>Class B</b>	€1,097.35
<b>Class C</b>	£1,106.17
<b>Class D</b>	SEK 10,486.11

## \$ Statistics Since Inception

Annualised Return	<b>+14.5%</b>
Volatility (Standard Deviation)	<b>1.7%</b>
Worst Draw down n	<b>0.0%</b>
Correlation with Bonds*	<b>0.39</b>
Correlation with Equities†	<b>0.29</b>

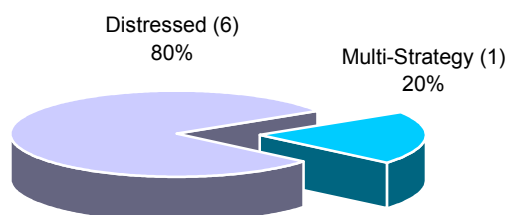
\* Lehman Aggregate Bond Index  
† MSCI World Index  
Source: Bloomberg, Pertrac

## Return History

US\$	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.72	+0.36											+2.09
03							+0.61	+0.93	+1.58	+1.47	+0.95	+1.47	+7.22
€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.81	+0.41											+2.23
03							+0.70	+1.05	+1.46	+1.55	+0.90	+1.47	+7.34
£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.83	+0.56											+2.40
03							+0.80	+1.12	+1.59	+1.61	+1.10	+1.55	+8.03
SEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
04	+1.87	+0.46											+2.34
03											+1.04	+1.41	+2.46

NAV per share monthly return calculated net of fees. Source: International Fund Managers (Ireland) Ltd

## Asset Allocation by Strategy



Note: (x) denotes number of managers. Allocations are shown post new month dealing.

## Core Holdings

	Strategy	Month %	YTD%
<b>King Street</b>	Distressed - US	-0.21%	+2.48%
<b>Castlerigg*</b>	Multi Strategy	+0.15%	+3.02%
<b>Avenue Asia*</b>	Distressed - Asia	+1.36%	+3.00%
<b>Cerberus*</b>	Distressed - US	+0.48%	+1.48%

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

## Adviser Commentary

Distressed Focus returned an estimated +0.36% return for February. Strong contributions were made by both our orphan equity manager (+2.7% estimated) and our distressed Asian debt manager Avenue Asia (+1.4% estimated). Both contributed a little under 20 basis points to gross performance for the month. The rest of the managers ranged between an estimated -0.23% (King Street) to an estimated +1% (ORN European Distressed Debt).

No changes were made to the portfolio at the end of February. We expect to make an additional wildcard allocation at the end of March. We are planning to soft close the fund at the \$50m level, until further opportunities for capacity with our core managers arise.

**Ken Kinsey-Quick / Alex Kuiper**

### Fund Objective

Distressed Focus will invest predominantly in a focused portfolio of hedge style fund managers whose strategy is to invest in distressed securities.

**Return target over a cycle:** Greater than MSCI-W

**Volatility tolerance:** Less than MSCI-W

**Loss Target:** No losing 12 month period

### Charges

Initial Charge	up to 5%
Management Fee	1% p.a.
Performance Fee	10%

### Fund Size

\$38.7m (as at 01.03.04)

### Share Classes

US\$ (base) / € / £ / SEK (hedged)

### Launch Price

\$ / € / £ 1,000 on 30 June 2003

### Launch Price

SEK 10,000 on 31 October 2003

### Minimum

\$ / € / £ 50,000

### Dealing

Monthly

### Domicile

Cayman Islands

### Unit Type

Roll-up

### Manager

Thames River Capital Holdings Limited

### Investment Adviser

Thames River Capital (UK) Limited

### Custodian

HSBC Republic Bank (Suisse) SA

### Administrator

International Fund Managers (Ireland) Ltd

Contact: Terry Fernandes

Tel: +353 (0) 1 646 1420

Fax: +353 (0) 1 670 1185

## Prices Available From

<b>Bloomberg</b>	A(\$) THADISA KY	B(€) THADISB KY	C(£) THADISC KY	D(SEK) THAREFD KY	<b>Reuters (TRCHL5)</b>				
<b>Datastream</b>	A(\$) 27883U	B(€) 27883W	C(£) 27553W	D(SEK) 28495J	<b>Sedol (LSE)</b>	A(\$) 2726940	B(€) 2727040	C(£) 2727460	D(SEK) 2120616
<b>FT (Mex ID)</b>	A(\$) TFDFA	B(€) TFDFB	C(£) TFDFC	D(SEK) TFDLCD	<b>S&amp;P's Micropal</b>	A(\$) 354960	B(€) 354961	C(£) 354962	D(SEK) 360155
<b>Lipper</b>	A(\$) 60083580	B(€) 60083581	C(£) 60088294	D(SEK) 60089649	<b>Telekurs (Valors)</b>	A(\$) 1624215	B(€) 1624217	C(£) 1624218	D(SEK) 1724552



THAMES RIVER CAPITAL



# Thames River HEDGE+

(Thames River Multi Hedge PCC Limited)\*

## DIRECTIONAL MULTI-MANAGER

\*Closed-ended protected cell company incorporated in Guernsey.

### Fund Performance to 29 Feb 2004

	NAV per share	Since Inception
£ Class	£0.98	-
€ Class	€0.98	-

### Return History

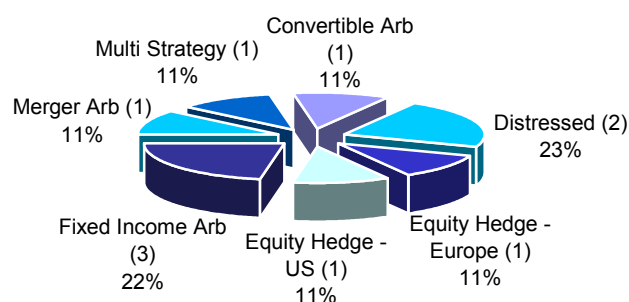
	£	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Price 04			102.75											
Price % 04			-											-
NAV 04			0.98											
NAV % 04			-											-

	€	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Price 04			102.00											
Price % 04			-											-
NAV 04			0.98											
NAV % 04			-											-

NAV per share monthly return calculated net of fees. Source: Guernsey International Fund Managers. Note: Price is the mid price as at 27 February 2004.

### Asset Allocation by Strategy



Note: (x) denotes number of managers. Allocations are shown post new month dealing.

### Top Five Holdings

	Strategy	Month %	YTD%
Lydian Overseas	Convertible Arbitrage	-0.42%	+0.52%
Contrarian Equity	Distressed	+2.66%	+6.00%
Paulson International	Merger Arbitrage	+0.43%	+3.04%
Crescendo Europe	Equity Hedge - Europe	+1.83%	+4.93%
Lafayette Street	Equity Hedge - US	+1.67%	+5.39%

Note: Figures relate to current underlying managers which may not have been held in the portfolio for the whole of this period.

### Adviser Commentary

As this is our first newsletter, we thought it sensible to recap our investment strategy for the fund. The portfolio is divided into two parts: the core portfolio and the seeding portfolio. Each portfolio is managed on a stand alone basis although for risk management purposes we combine the two.

The core portfolio has the lion's share of the assets and ranges from 67-100% of total assets. This portfolio is highly focused in established hedge funds and consists of 5 to 15 funds. Individual fund weightings range from 5-15%. In other words, we are actively embracing more specific risk to achieve our double digit return target.

The seeding portfolio is opportunistic and can represent up to 33% of total assets in time. The portfolio is more diversified than the core portfolio with individual fund weightings ranging from 3-5% to compensate for the higher risk associated with start-ups. We believe that the extra performance start-ups exhibit, combined with the additional economic benefits we can negotiate with these seedings, will enable this seeding portfolio to achieve our double digit return target.

We expect the portfolio to be fully invested by end of March.

**Ken Kinsey-Quick / Alex Kuiper**

### Fund Objective

Hedge+ aims to maximise capital appreciation, in all market conditions, through hedge fund and related investments.

**Return target over a cycle:** annualised double digit returns

**Volatility tolerance:** 8% standard deviation

**Loss target:** No losing 12 months

### Charges

Initial Charge	nil
Management Fee	1.5% p.a.
Performance Fee	10% (5% hurdle)

<b>Fund Size</b>	£45m
<b>Share Classes</b>	£ / € (both hedged vs US\$)
<b>Dealing Commenced</b>	23 February 2004
<b>Opening Price / NAV</b>	£0.98 / €0.98
<b>Minimum</b>	None
<b>Dealing</b>	Live (daily)
<b>Domicile</b>	Guernsey
<b>Listings</b>	London / Guernsey
<b>Initial GBP Shares Issued</b>	41,792,831
<b>Initial Euro Shares Issued</b>	4,815,000

### Manager

Thames River Capital (UK) Limited

### Sponsor / Broker

UBS Investment Bank

### Custodian

HSBC Private Bank (Guernsey) Limited

### Administrator

Guernsey International Fund Managers

### CREST Agent

Computershare Investment Services PLC

### Prices Available From

Bloomberg	(£) TRMA LN	(€) TRMB LN	RIC Code	(£) TRM_pa.L	(€) TRM_pb.L
FT (Inv Companies)	(£) ThRvMthdg£	(€) ThRvMthdg€	Sedol (LSE)	(£)3408151	(€) 3408162
ISIN	(£)GB0034081512	(€) GB003081629			



THAMES RIVER CAPITAL

*Continued from page 1...*

some point.

**Talk me through the non-sovereign credit portion of the fund. What is your thinking on the opportunity set and valuation levels?**

One of the advantages of the distressed securities part of the portfolio is that they behave more like equities than bonds, which is an attractive attribute when there is a real risk of a rise in yields globally. However valuations of distressed securities are not equally compelling in all regions. Asian distressed debt has had a huge rally in the last couple of years. Money has poured into the region and it has become quite expensive in our opinion. Consequently we've moved out of Asia and into Europe and Latin America, where we're still finding plenty of opportunities. By way of example, we recently bought a Mexican company at a price of about 70 and the company repaid that loan above par. These opportunities exist but you've got to be in a position to find them and you have to have the skills to analyse them. Similarly with the coupon-paying corporate debt portion of the fund: there are still corporates out there yielding 8%-12% per annum, depending on credit quality, but they are mostly not well followed by the investment community and you have to do a lot of homework. Valuations are looking okay; you've just got to be very selective and "cherry-pick".

Speculative grade markets do run into trouble, that's why we can earn potentially high returns. If a big country like Brazil were to have difficulties at some point, it would create a new set of opportunities for us. One potential opportunity that we are currently monitoring is the Dominican Republic, which is in trouble. It's a difficult one to judge now, but there may be good opportunities to buy into very low bond prices if there were to be a debt restructuring. Our opportunity set might expand if the Fed started tightening. We think it's possible that there will be a big sovereign, regional or sector shakeout in the next twelve to eighteen months. We know from experience that these sorts of crises do create opportunities.

**If there were to be a flight-to-quality panic, credit markets could be severely affected, especially given big global banks' recent appetite for yield.**

I wouldn't want to give the impression that the fund is totally robust against sovereign problems, but there are a number of factors that work in our favour. Distressed securities are more sheltered under that scenario because of the nature of the holders of those securities. They tend to be research-driven seekers of long-term intrinsic value. A good example of how these securities respond in periods of high uncertainty was September 11<sup>th</sup>: the events didn't disturb the distressed universe much. However, other securities would be more sensitive to a flight to quality, were there to be one, as Treasuries would rally and spreads on credit markets could widen dramatically. There are two ways we manage this risk in the fund. Firstly, we are well diversified; for example, we own corporate bonds representing nine different industries in four regions around the world, and we seldom exceed positions of 2.5%-3% in any one corporate. The second point is one of selection. Our chief concern when buying a coupon-paying corporate is the sustainability of the coupon payment. This can mean that you are better off owning selected corporates than owning the sovereign. In Argentina in September last year, when they proposed a 75% haircut on the principal of external sovereign debt, (much greater than the market expected) sovereign debt prices fell from about 35c to 25c. However the Argentinean corporates we held rallied between 1% and 8% over the same period. More recently in Brazil, where there's been a political scandal, the very long dated 2040 benchmark sovereign bond fell almost 20 points, and the corporates, some of which we own, generally fell less than half that.

**In a crisis, though, short-term liquidity preference can overwhelm longer-term valuation criteria and reduce the benefits of selection. And that preference can be forced upon one by investors, risk managers or margin clerks.**

An important point to make is that while a flight-to-quality crisis is possible we do not believe that it is likely. We can only invest on the basis of what we regard as likely events. We can partially hedge the portfolio to give us some protection in various scenarios, but to run the portfolio with only disaster in mind would not be prudent. I think what's important with

regard to these low-probability/high-impact scenarios, is that you've got to think about them a lot, which we do, and you've got to have a plan of execution should the signs indicate that there is a rising probability of the event occurring.

We do have a number of tools at our disposal. First is speed of execution. By being small we have an execution advantage. September 11<sup>th</sup> is perhaps a good illustration. We raised cash aggressively during the first couple of days of trading after the markets opened. The fund dropped about 2%-3% while the market fell by around 8%. We limited our losses because of the selling we did. The point is that we had the ability to sell because of our small size. Second is our ability to short the sovereign bonds. Using sovereigns to hedge against the other positions is something we've done before. Other investors do this, which partly explains why sovereigns can fall quicker than corporates in a crisis.

**What might be some signs of a rising probability of particularly nasty conditions?**

I think you have to watch equity markets. It would not be a healthy signal for the credit markets, given where yields are now, if equity markets started collapsing again. Also, I'd be concerned if Treasury yields started to move more convincingly towards 4.5%.

**It is apparent that you have a diminished risk appetite, reflected in the fact that the fund's exposure has been reduced from about 110% net long in the middle of 2003 to closer to 70% today.**

We've wound our necks in slowly; it hasn't been a recent decision. We've been cautious on the main sovereign coupon-paying markets since June last year and we feel more strongly now. It was a bit premature to get cautious then but we're not inclined to change that view now when

*Continued on page 24*



THAMES RIVER CAPITAL

# Thames River TRADITIONAL FUNDS

## Dividend Information

### High Income Fund Dividends (€ per share)

Ex-date	Payable	Amount
02.01.04	29.01.04	€0.22
01.10.03	29.10.03	€0.220
01.07.03	29.07.03	€0.200
01.04.03	30.04.03	€0.200
02.01.03	29.01.03	€0.225
01.10.02	30.10.02	€0.225
01.07.02	31.07.02	€0.225
02.04.02	30.04.02	€0.165 <sup>(2)</sup>
01.02.02	27.02.02	€ 0.25
01.11.01	27.11.01	€ 0.25
01.08.01	28.08.01	€ 0.25
01.05.01	25.05.01	€ 0.30
01.02.01	26.02.01	€ 0.30
01.11.00	30.11.00	€ 0.40 <sup>(1)</sup>

(1) Long first period (4 months)

(2) Short period (2 months)

Historic € share dividend yield: 6.4% (+)

(+) Previous 12 months' dividends, divided by the current Fund price (excluding equalisation)

Next dividend: ex-date beginning of April 2004, pay date end of April 2004

### Dividends (£ per share)

Ex-date	Payable	Amount
02.01.04	29.01.04	£0.21
01.10.03	29.10.03	£0.210
01.07.03	29.07.03	£0.195
01.04.03	30.04.03	£0.195
02.01.03	29.01.03	£ 0.215
01.10.02	30.10.02	£ 0.215
01.07.02	31.07.02	£ 0.215
02.04.02	30.04.02	£ 0.19 <sup>(2)</sup>
01.02.02	27.02.02	£ 0.05 <sup>(1)</sup>

(1) Short first period (1 month)

(2) Short period (2 months)

### Dividends (\$ per share)

Ex-date	Payable	Amount
02.01.04	29.01.04	\$0.205
01.10.03	29.10.03	\$0.205
01.07.03	29.07.03	\$0.190
01.04.03	30.04.03	\$0.190
02.01.03	29.01.03	\$ 0.215
01.10.02	30.10.02	\$ 0.215
01.07.02	31.07.02	\$ 0.215
02.04.02	30.04.02	\$ 0.19 <sup>(2)</sup>
01.02.02	27.02.02	\$ 0.05 <sup>(1)</sup>

(1) Short first period (1 month)

(2) Short period (2 months)

### Global Bond Fund Dividends (£ per share)

Ex-date	Payable	Amount
01.03.04	24.03.04	£0.083

### Dividends (€ per share)

Ex-date	Payable	Amount
01.03.04	24.03.04	€0.091

### Dividends (\$ per share)

Ex-date	Payable	Amount
01.03.04	24.03.04	\$0.094

Historic £ share dividend yield: 3.9% (+)

Next dividend: ex-date beginning of June 2004, pay date end of June 2004

*Continued from page 23...*

it's more expensive. We are frustrated with ourselves for being over-cautious for too long; however, as the yield spreads get tighter we're inclined to maintain this stance and continue making money the hard way, which involves cherry-picking sovereigns and corporates around the world.

**Is there anything else that you'd care to talk about?**

Yes, a couple of things. Firstly, last year we added a euro share class to the existing dollar class and we intend adding a sterling class in April. The beauty of this

is that it allows investors to take a currency view and switch between currency classes, and to do so at exchange rates that are probably better than one could obtain as an individual. Secondly, we're looking to hire an experienced economist with a PhD. With such an added resource we could comfortably increase the size of the fund to \$350m from its current \$240m. This person would allow us to cover a larger number of sovereigns in greater depth, thereby increasing the number of opportunities (both long and short) as well as increasing the diversity of the fund.

This interview was conducted on

27/02/2004 by Justin Newdigate for

**BLUETIMBER INTERVIEWS**

For information email

[justin@bluetimber.com](mailto:justin@bluetimber.com)



THAMES RIVER CAPITAL



# Thames River TRADITIONAL FUNDS

## Performance History

### EUROPEAN FUND (€ Class) vs FTSE World Europe ex UK Index

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+3.47	+1.44											+4.95
Index-04	+3.51	+1.81											+5.39
Fund-03	-5.56	-4.62	-2.66	+10.75	+0.43	+2.96	+5.47	+2.26	-5.78	+7.45	+1.48	+2.15	+13.65
Index-03	-5.29	-4.58	-3.54	+13.31	+1.58	+3.77	+5.00	+2.50	-4.61	+6.86	+1.82	+3.22	+20.04
Fund-02	-1.97	+0.42	+3.89	-2.78	-1.87	-6.53	-10.78	+1.53	-13.47	+7.75	+5.17	-9.20	-26.45
Index-02	-2.46	-0.29	+5.03	-4.20	-2.51	-8.06	-12.93	+0.60	-16.10	+10.76	+5.94	-9.49	-31.53
Fund-01	-0.53	-6.80	-5.17	+5.15	+0.29	-1.85	-2.41	-4.11	-9.86	+1.49	+5.41	+3.37	-15.11
Index-01	+1.54	-7.82	-4.93	+6.72	-1.12	-3.89	-3.17	-6.58	-12.33	+5.18	+5.56	+3.35	-17.86
Fund-00	-2.56	+18.00	-2.10	-3.66	-0.04	+0.70	+3.30	+2.90	-2.00	-0.08	-4.30	-0.78	+7.87
Index-00	-4.60	+8.95	+0.63	+0.80	-1.10	-0.24	+1.78	+2.46	-4.20	+2.38	-5.04	-0.38	+0.65
Fund-99				+5.15	-4.01	+5.37	+0.44	+2.13	-0.92	+2.79	+9.87	+15.62	+41.14
Index-99				+5.05	-3.31	+3.78	-2.67	+3.25	-1.28	+4.67	+7.22	+11.95	+31.38

### EUROPEAN FUND (£ Class) vs FTSE World Europe ex UK Index

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+0.26	-0.53											-0.26
Index-04	+0.27	-0.11											+0.16
Fund-03	-5.40	-0.11	-1.71	+11.98	+3.22	-0.10	+6.04	+1.42	-4.87	+5.02	+3.19	+3.27	+22.79
Index-03	-5.11	-0.03	-2.68	+14.60	+4.44	+0.58	+5.64	+1.62	-3.68	+4.44	+3.58	+4.35	+29.74
Fund-02	-2.37	+0.87	+4.04	-1.90	+1.35	-5.15	-13.58	+2.54	-14.24	+8.54	+6.27	-7.40	-21.59
Index-02	-2.88	+0.10	+5.21	-3.30	+0.68	-6.70	-15.67	+1.64	-16.84	+11.57	+7.00	-7.71	-27.04
Fund-01	+0.70	-6.60	-7.51	+4.74	-3.45	-0.95	-0.48	-2.18	-10.80	+1.48	+6.83	+0.68	-17.41
Index-01	+2.82	-7.65	-7.28	+6.34	-4.79	-3.04	-1.25	-4.70	-13.25	+5.12	+7.02	+0.70	-20.05
Fund-00	-6.81	+20.45	-4.04	-6.11	+6.81	+1.47	+1.45	+2.11	-4.66	-2.24	+0.64	+1.56	+8.17
Index-00	-7.41	+10.08	-1.03	-2.13	+5.38	+1.81	-0.55	+1.19	-6.42	+0.14	-0.10	+1.97	+1.72
Fund-99				+3.20	-4.84	+5.91	+1.25	+2.18	-2.42	+1.52	+8.16	+14.66	+32.20
Index-99				+3.22	-4.28	+4.39	-1.71	+2.65	-2.82	+3.68	+5.82	+10.13	+22.18

### EUROPEAN NATIONS FUND (€ Class) vs FTSE World Europe Index

	Jan	Feb	Mar	Apr	May	Jun*	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+4.13	+3.09											+7.36
Index-04	+2.82	+2.82											+5.72
Fund-03						-1.80	+4.68	+2.59	-4.87	+6.98	+0.25	+1.92	+9.67
Index-03						-0.59	+4.23	+2.28	-3.85	+7.06	+1.06	+2.77	+13.31

### EUROPEAN NATIONS FUND (£ Class) vs FTSE World Europe Index

	Jan	Feb	Mar	Apr	May	Jun*	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+0.82	+1.17											+2.00
Index-04	-0.40	+0.88											+0.47
Fund-03						-2.80	+5.35	+1.76	-4.03	+4.60	+2.01	+3.00	+9.90
Index-03						-1.94	+4.88	+1.40	-2.90	+4.64	+2.81	+3.90	+13.52

\*06.06.03 (fund launch) to 30.06.03

### EASTERN EUROPEAN FUND (US\$ Class) vs FTSE BEMI Greater Eastern Europe Index\*\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct*	Nov	Dec	YTD
Fund-04	+5.22	+8.86											+14.54
Index-04	+4.34	+7.50											+12.17
Fund-03	-1.23	+1.71	-3.75	+15.19	+9.68	-0.90	+0.91	+11.54	+4.29	+1.37	+1.49	+8.22	+58.22
Index-03	-3.30	+2.48	-3.34	+15.32	+8.68	-1.42	-0.56	+12.38	+1.28	-1.23	+0.92	+8.27	+44.98
Fund-02	+10.18	-2.82	+9.03	+8.86	+2.12	-7.39	-7.70	+6.37	-3.14	+7.58	+7.66	-2.22	+29.44
Index-02	+8.36	-5.53	+8.68	+9.22	+0.88	-8.82	-7.88	+5.88	-3.02	+7.59	+4.04	-0.37	+17.90
Fund-01	+5.74	-9.41	-4.60	+6.70	+5.99	-2.22	-6.91	+0.71	-7.58	+12.13	+9.16	+6.16	+13.78
Index-01	+3.58	-9.20	-6.71	+5.87	+8.84	-5.31	-7.60	+0.11	-9.51	+12.88	+6.54	+6.16	+2.30
Fund-00										-0.90	-10.29	+17.55	+4.50
Index-00										-6.35	-10.36	+17.78	-1.12

\*\* (Russia 50% diluted) formerly BEMI GEEI Index; \*13.10.00 (fund launch) to 31.10.00

### GLOBAL EMERGING MARKETS FUND (US\$ Class) vs MSCI Total Return Series Emerging Markets Free Index

	Jan	Feb	Mar	Apr*	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+4.24	+4.97											+9.42
Index-04	+3.49	+4.59											+8.24
Fund-03				+2.60	+5.26	+6.30	+6.88	+8.31	+0.45	+9.89	+1.36	+6.39	+58.20
Index-03				+5.40	+7.15	+5.67	+6.22	+6.69	+0.73	+8.51	+1.22	+7.24	+60.44

### GLOBAL EMERGING MARKETS FUND (€ Class) vs MSCI Total Return Series Emerging Markets Free Index

	Jan	Feb	Mar	Apr*	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+6.11	+4.56											+10.95
Index-04	+4.34	+4.43											+8.96
Fund-03				-1.60	-0.10	+8.85	+8.88	+11.33	-6.09	+10.59	-1.63	+1.28	+34.20
Index-03				+1.14	+1.66	+8.28	+8.56	+9.29	-5.30	+9.18	-2.12	+2.34	+36.81

### GLOBAL EMERGING MARKETS FUND (£ Class) vs MSCI Total Return Series Emerging Markets Free Index

	Jan	Feb	Mar	Apr*	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+2.97	+2.61											+5.66
Index-04	+1.26	+2.17											+3.45
Fund-03				+0.10	+2.80	+5.44	+9.86	+10.23	-5.02	+8.01	-0.07	+2.38	+37.90
Index-03				+2.72	+4.69	+4.73	+9.23	+8.83	-4.51	+6.37	-0.32	+3.53	+40.34

\*04.04.03 (fund launch) to 30.04.03

### JAPAN FUND (€ Class) vs Topix Index in €

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	YTD
Fund-04	+4.80	-0.44											+4.34
Index-04	+3.25	+0.05											+3.30
Fund-03	-1.52	+0.92	-8.33	-2.55	-0.11	+14.12	+4.89	+18.27	+0.88	+8.37	-6.99	+2.14	+30.40
Index-03	-6.05	+1.09	-4.71	-1.66	-0.49	+10.52	+5.07	+13.75	+0.62	+4.27	-7.51	+1.56	+15.78
Fund-02													-1.00
Index-02													-1.76

### JAPAN FUND (£ Class) vs Topix Index in £

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec*	YTD
Fund-04	+1.76	-2.42											-0.70
Index-04	+0.25	-2.07											-1.83
Fund-03	-0.89	+4.51	-7.00	-1.65	+2.94	+10.39	+6.37	+16.48	+2.01	+6.50	-5.41	+3.12	+41.31
Index-03	-5.25	+5.20	-3.65	-0.65	+2.50	+6.53	+6.60	+11.86	+1.81	+2.51	-6.04	+2.70	+25.12
Fund-02													+0.70
Index-02													-0.25

\*06.12.02 (fund launch) to 31.12.02

### HIGH INCOME FUND (€ Class) vs JP Morgan EMBI Global Index hedged into €

	Jan	Feb	Mar	Apr	May	Jun*	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.29	+0.53											+1.82
Index-04	+0.58	+0.41											+0.98
Fund-03	+0.49	+3.26	+1.19	+3.17	+3.66	+1.52	-0.80	+1.62	+1.99	+2.06	+1.09	+2.77	+24.28
Index-03	+1.75	+3.29	+1.70	+5.78	+4.22	+0.06	-3.48	+2.50	+3.57	+0.55	+1.29	+3.00	+26.73
Fund-02	+3.87	+2.41	+2.27	+2.56	+0.26	-2.10	-0.59	+3.86	-0.27	+2.12	+1.77	+0.26	+17.51
Index-02	+1.94	+3.84	+0.19	+1.07	-0.42	-4.96	-4.44	+7.42	-2.69	+6.25	+2.94	+3.18	+14.37
Fund-01	+4.71	+0.88	-0.10	+0.68	+1.60	+3.05	+1.81	+2.30	-2.63	+1.74	+2.04	+0.86	+18.14
Index-01	+4.71	-1.37	-1.15	-0.50	+2.44	+1.56	-5.14	+4.53	-3.23	+0.13	-1.20	+1.27	+1.58
Fund-00							-0.10	+2.50	+4.69	-1.77	-2.94	-1.13	+2.78
Index-00							+1.08	+2.72	+3.05	-1.19	-2.13	-0.50	+4.31

\*26.06.00 (fund launch) to 30.06.00

### HIGH INCOME FUND (£ Class) vs JP Morgan EMBI Global Index hedged into £

	Jan
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# Thames River MULTI-MANAGER FUNDS

## Performance History

### SENTINEL FUND (CLASS A - \$)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.82	+0.42											+2.25
Fund-03	-0.17	+0.24	+0.07	+0.89	+1.21	+0.54	-0.21	-0.24	+1.34	+0.63	+0.47	+0.99	+5.90
Fund-02	+0.30	-0.19	+0.24	+0.19	+0.28	-0.49	-1.09	-0.40	+0.36	-0.08	+0.67	+0.95	+0.73
Fund-01	+1.38	+0.73	+0.41	+0.81	+1.30	-0.18	-0.17	+0.37	-0.61	+0.26	-0.25	-0.30	+3.80
Fund-00	+2.64	+3.05	+1.34	+0.84	+0.88	+1.27	+0.85	+1.11	+0.64	+0.37	-0.11	-0.18	+13.40
Fund-99	+0.96	+0.83	+1.07	+1.27	+1.21	+1.26	+0.83	+0.42	+0.88	+0.53	+1.03	-5.07	+5.16
Fund-98								-2.15	-0.14	+0.59	+1.44	+1.19	+0.89
													Est

### SENTINEL FUND (CLASS C - £)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.88	+0.62											+2.52
Fund-03						+0.73	-0.27	-0.07	+1.34	+0.78	+0.54	+1.15	+4.27
													Est

### WARRIOR FUND (CLASS A - US\$)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.36	+1.07											+2.44
Fund-03	+0.42	+0.58	+0.22	+1.16	+1.75	+0.82	-0.45	+0.63	+2.16	+1.14	+1.20	+2.46	+12.73
Fund-02	+0.09	-0.10	+1.70	+1.65	+1.19	-3.47	-1.45	-0.53	-0.75	-1.08	+0.54	+0.25	-2.05
Fund-01	+1.76	-1.31	-1.37	+0.47	+0.18	-0.51	-0.90	-1.00	-3.51	-0.66	-3.26	+2.30	-7.70
Fund-00	+3.17	+8.82	-1.14	-1.65	-2.19	+2.25	-0.37	+3.09	+0.16	-0.91	-3.90	+3.27	+10.43
Fund-99	+1.04	-0.69	+3.18	+2.58	+0.13	+2.88	+0.52	+0.58	+1.21	+1.82	+4.15	+1.84	+20.92
Fund-98								-4.88	+1.10	-0.14	+1.87	+4.04	+1.77
													Est

### WARRIOR FUND (CLASS B - €)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.40	+1.12											+2.54
Fund-03							-0.46	+0.64	+1.88	+1.11	+1.13	+2.28	+6.74
													Est

### WARRIOR FUND (CLASS C - £)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.46	+1.27											+2.75
Fund-03						+0.70	-0.75	+0.71	+2.11	+1.24	+1.27	+2.42	+7.92
													Est

### EQUITY FOCUS FUND (CLASS A - €)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	-0.46	+1.19											+0.73
Fund-03				-0.07	+1.22	+0.56	+0.83	+1.40	-0.16	+1.95	-0.30	+2.21	+7.86
													Est

### EQUITY FOCUS FUND (CLASS B - \$)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	-0.52	+1.09											+0.57
Fund-03									-0.21	+1.74	-0.27	+2.24	+3.53
													Est

### EQUITY FOCUS FUND (CLASS C - £)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	-0.44	+1.29											+0.84
Fund-03								+1.40	-0.14	+1.89	-0.24	+2.43	+5.42
													Est

### EQUITY FOCUS FUND (CLASS D - SEK)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	-0.41	+1.19											+0.78
Fund-03											-0.35	+2.37	+2.01
													Est

### DISTRESSED FOCUS FUND (CLASS A - US\$)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.72	+0.36											+2.09
Fund-03							+0.61	+0.93	+1.58	+1.47	+0.95	+1.47	+7.22
													Est

### DISTRESSED FOCUS FUND (CLASS B - €)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.81	+0.41											+2.23
Fund-03							+0.70	+1.05	+1.46	+1.55	+0.90	+1.47	+7.34
													Est

### DISTRESSED FOCUS FUND (CLASS C - £)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.83	+0.56											+2.40
Fund-03							+0.80	+1.12	+1.59	+1.61	+1.10	+1.55	+8.03
													Est

### DISTRESSED FOCUS FUND (CLASS D - SEK)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund-04	+1.87	+0.46											+2.34
Fund-03											+1.04	+1.41	+2.46
													Est

Note: NAV per share monthly return calculated net of fees. Source: International Fund Managers



THAMES RIVER CAPITAL

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