

Interim Report and Unaudited Financial Statements

**TRADITIONAL FUNDS plc**

(An investment company with variable capital structured as an umbrella fund with segregated liability between Funds and under the laws of Ireland)

For the six months ended 30 September 2010

# TRADITIONAL FUNDS plc

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**TRADITIONAL FUNDS plc  
MANAGEMENT AND ADMINISTRATION**

<b>Registered Office</b>	Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.	
<b>Directors</b>	John Fitzpatrick * Loudon Greenlees David Hammond (Chairman)* Victor Holmes * Gerald Moloney * Jonathan Quigley * (Alternate for Victor Holmes) Toby Hampden-Acton (Alternate for Loudon Greenlees)	
<b>Investment Managers</b>	Thames River Capital LLP, 51 Berkeley Square, London W1J 5BB, United Kingdom.	Nevsky Capital LLP, 10 Old Burlington Street, London W1S 3AG, United Kingdom.
<b>Administrator, Registrar and Secretary</b>	Northern Trust International Fund Administration Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.	
<b>Custodian</b>	Northern Trust Fiduciary Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.	
<b>Legal Advisers</b>	<i>In the United Kingdom</i> Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ, United Kingdom.	<i>In Ireland</i> Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland.
<b>Independent Auditors</b>	PricewaterhouseCoopers, Chartered Accountants & Registered Auditors, One Spencer Dock, North Wall Quay, Dublin 1, Ireland.	
<b>Sponsoring Broker</b>	J & E Davy, Davy House, 49 Dawson Street, Dublin 2, Ireland.	

\* Non-executive directors independent of the Investment Managers.

# **TRADITIONAL FUNDS plc**

## **INVESTMENT MANAGER'S REPORT**

### ***Thames River European Dynamic Growth Fund***

#### **Performance**

Over the reporting period from 1 April to 30 September 2010, the Net Asset Value per share of the Thames River European Dynamic Growth Fund rose by 2.76% in euro terms while the benchmark, the MSCI Europe Index returned a fall of 0.64%.

#### **Market Review**

In general, economic data was revised modestly down globally, but especially so in the West. As we have long suspected, economic recovery following a financial crisis brought on by excess debt, will be slow. The yield on Eurozone periphery debt (the so called PIGS of Portugal, Ireland, Greece and Spain, although you could add Italy) expanded in the period which brought into question the very viability of the euro. With Germany and the PIGS having such very different economic situations, the market wonders if it makes sense for them to have the same interest and exchange rates. With the governments of the PIGS viewing the pain of leaving the euro as greater than being in, they will face years of painful domestic deflation. In contrast bond yields in the non-PIGS countries continued downwards. In the UK the currency weakened on the back of growth fears which would require more Quantitative Easing.

#### **Portfolio Review**

Portfolio changes were modest over the summer. We continue to seek out unappreciated companies with superior structural growth opportunities. We believe that with an all time low spread of valuations within stock markets, this approach will produce far superior returns over the short and medium terms. One new idea purchased over the summer was Schoeller-Bleckmann the Austrian manufacturer of precision steels used in horizontal oil well drilling. Demand is set to be very strong over the next decade on the back of shale gas in the West and the introduction of higher technology products into the Gulf and Russia.

#### **Outlook**

The European economic outlook remains challenging. Europe has dangerously low inflation, surging government (and high private) debt levels, and a rapidly ageing population, not the most conducive conditions for strong domestic growth. In an effort to tackle the budget deficit, governments are cutting spending, which will further depress GDP in the short term. However globally GDP growth is back to 2007 levels, driven almost entirely by emerging markets. Against that back drop, our strategy remains to focus on structural growth and global winners. An example of the former would be; Zehnder the global leading manufacturer of energy efficient domestic heating solutions, a market experiencing strong growth on the back of regulatory changes. An example of the latter would be Tod's, a manufacturer of luxury shoes and hand bags, eagerly being purchased by the rapidly expanding emerging market middle class. Although our portfolio is constructed bottom up, it is unsurprising when looking top down that our portfolio is significantly biased geographically to Germany/Switzerland/Austria and the Nordics, regions with more exporting businesses and better government finances. Germany is positively booming with a Purchasing Managers Index (PMI) of 57 and rapidly falling unemployment (indeed it's lower than at anytime in the last decade). Equities generally look good value. Cyclically adjusted PEs are at the bottom of the range, the cost of borrowing is very low and, as previously highlighted, globally GDP growth is strong. Low borrowing costs and limited organic growth are driving a surge in M&A, and we are over weight mid-sized companies. Although we don't buy stocks exclusively on the chance of takeover, it's nice to have that optional potential upside, and at current valuations it's usually for free. We remain very confident in the prospects for our portfolio companies.

**Thames River Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

## *Thames River High Income Fund*

### Performance

For the period from 1 April to 30 September 2010, the performance of the share classes of the Thames River High Income Fund, including reinvestment of gross dividends where relevant, was:

	<u>Fund Return</u>		<u>Fund Return</u>
EUR shares old	2.63%	New EUR shares	2.60%
GBP shares old	2.78%	New GBP shares	2.71%
USD shares old	2.85%	New USD shares	2.85%
NOK shares old	3.47%	New NOK shares	3.10%
		EUR Acc. shares	2.47%

### Dividends

In respect of income earned and received, two quarterly dividends were paid during the period under review. For the Fund's distributing share classes the details are:

<u>Ex-date</u>	<u>Payable</u>	<u>Amount per Share</u>	<u>Relevant Period</u>
1 July 10	28 Jul 10	€0.193, £0.187, \$0.200, Kr1.463	1 Apr 10 to 30 Jun 10
1 April 10	28 April 10	€0.193, £0.187, \$0.200, Kr1.463	1 Jan 10 to 31 Mar 10

For the four new distributing share classes, the dividends were:

<u>Ex-date</u>	<u>Payable</u>	<u>Amount per New Share</u>	<u>Relevant Period</u>
1 Jul 10	28 Jul 10	€0.143, £0.146, \$0.146, Kr1.430	1 Apr 10 to 30 Jun 10
1 Apr 10	29 Apr 10	€0.143, £0.146, \$0.146, Kr1.430	1 Jan 10 to 31 Mar 10

These represented an annualised income yield of approximately 6.7% to investors entering the Fund at the beginning of the period.

### Market Review

The start of the period ended 30 September 2010 was characterised by market volatility caused by waves of concern surrounding sovereign risks. Over the period, we saw strong evidence of what we expect to be a key 2010 credit theme: loan finance being replaced by bond refinancing and M&A financing, generating a sustained ability to capture new issue premium.

Sovereign volatility in peripheral Europe took centre stage in May causing a contagion effect across all risk assets. The sovereign crisis came to a head in May with multiple bouts of volatility. Despite this, macro fundamentals in developed markets (excluding peripherals) proved very strong.

The latter part of the period was characterised by the market's concerns over developed-market sovereign refinancing risks ebbing away, providing a relatively calm backdrop for risk assets to benefit from the continuing supportive fundamentals and technicals. Yet mixed economic data in August ignited concerns over the deteriorating growth outlook, especially for the US. Whilst the ensuing rally in rates and flattening of yield curves in the G3 provided a supportive backdrop for credit markets, overall risk sentiment started to be challenged by slower-burning concerns over deflation and growth. The latter part of the period saw a second round of Quantitative Easing (QE2) and the Basel III directive, which resulted in lower government bond yields, higher equity markets, and tighter credit spreads. Within credit, outperforming sectors included high yield (HY) and crossover corporate credit in developed markets, bank sub-debt in Western Europe, and emerging market (EM) corporate bonds.

From the corporate credit perspective, the period saw a steady flow of primary issuance, especially in European HY and EM corporate debt, resulting from positive momentum and industry fund flows. With interest rates expected to stay lower for longer, default rates remaining low and recovery rates closing the quarter higher than expected, underlying corporate credit fundamentals are still good for strong corporate.

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

### *Thames River High Income Fund (continued)*

Going into the last quarter of 2010, we believe the macroeconomic backdrop remains favourable for credit markets, and we believe that the outperformance of credit among risk assets during the month of September is the beginning of a longer-lasting trend, but it will come at the cost of higher volatility. Whilst we expect a range-bound trading environment into year end, we have prudently constructed hedges that provide cost-efficient protection to the portfolio should our core views not align in the short term.

#### **Fund Activity**

The portfolio's core credit positions benefited at the start of the period as April saw strong primary issuance, especially in European HY and EM Corporate Debt. Risk contagion in May eventually spread across all risk assets and corporate losses spread between emerging and developed markets, with financials taking the brunt of the pressure.

Our Latam interest rates positions saw the reverse action, whereby they suffered in the month of April, notably following a rates hike in Brazil, but contributed to performance in May and June as assets with an emerging market flavour outperformed on a relative basis seeing the value divide between developed and emerging markets as a prevalent theme

While our top down macro hedges in rates, currency (especially against the euro) and credit successfully provided protection during the month of April, the flight to quality trades of May negatively impacted our interest rate hedges.

The month of June saw well diversified returns across the portfolio enhanced by the optimisation of our credit and equity index option hedges. We took profit on low beta long duration positions which had benefitted from their more defensive nature as well as a flattening of government bond curves. We reduced the portfolio's exposure to cyclical and instead added exposure to companies that have pre-funded or extended their debt maturity profile.

Early in July, we rotated out of lower beta trades with limited upside and into credits with improving fundamentals and strong ties to domestic growth stories within Asia and Latam. This had the effect of positioning the portfolio to take advantage of the market's stretch for yield and beta throughout the quarter. These positions in Asia and Latin America outperformed and we expect this trend to continue into the end of this year.

In developed markets, during the period we have been long core Western European Tier 1 bank capital, expecting the sector to outperform as a result of encouraging liability management exercises observed from several European banks. Core Western European bank capital bonds indeed performed well against the more favourable backdrop post Basel III. Further, alongside the tightening of government bond yields, the hunt for higher credit spreads favoured the performance of higher yielding and traditionally higher beta bonds in each sector.

Within the sovereign portfolio, in August and September we gained from our positions in both developed and emerging markets. Our short-risk positions in Western European sovereign CDS benefited from lingering concerns over peripheral European sovereign credit-worthiness, whilst our long-risk positions in EM sovereigns benefited from the overall EM rally.

The macroeconomic backdrop remains favourable for credit markets. We maintain our core views that interest rates will remain on hold until 2012, inflation will be subdued, and M&A activity will pick up which will be supportive for risk assets. Whilst we expect credit to outperform into year end, it will likely be accompanied by higher volatility. Thus, we have prudently constructed hedges that provide cost-efficient protection to the portfolio should our core views not align in the short term.

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

### *Thames River High Income Fund (continued)*

#### **Outlook**

##### **Growth and trade**

Our base case macroeconomic outlook remains generally unchanged from the last report. The outlook is for a sluggish recovery in the main developed markets constrained by private sector de-leveraging and public sector consolidation and one in which GDP growth is significantly more volatile than it has been in recent years as a result of its dependence upon supportive macroeconomic policy and international coordination.

First and second quarter 2010 estimates of GDP and high-frequency indicators of activity and employment confirmed this outlook. The recovery in the US reached its most dynamic point in the fourth quarter of 2009, when the economy grew at an annualised 5.0% rate. Since then, the pace of growth has moderated significantly to a currently reported 2.4% annualised rate in the second quarter, which is likely to be revised down substantially given recent trade data that has showed a greater deterioration in the trade balance than was anticipated in the early estimates.

This slowing has clearly unnerved US markets and prompted a renewed bias towards loosening in US monetary policy, with a strong possibility of further Quantitative Easing being announced in the fourth quarter. Its wider significance, however, lies in its illustration of the close link between fiscal and monetary policy and growth prospects to the extent that economies are suffering from large overhangs of debt. It is in this context that the recent data and future prospects of the UK and Euro zone, for example, should be viewed. In contrast to the US, the economic recovery in the UK gained pace in the first half of 2010, with annualised growth of 4.5% recorded in the second quarter. But this growth rate is unlikely to be sustained given the coalition government's fiscal plans, which were further elaborated in the Comprehensive Spending Review of 20 October. In the Eurozone, by contrast, the recent upward momentum in GDP may be less vulnerable to announced fiscal retrenchment because the household and corporate sectors of the core Eurozone economies have fewer balance sheet problems than their peripheral EU, UK, or US counterparts.

Unfortunately, every silver lining has a cloud in the post-credit crunch world, and there are other reasons to believe that the exceptional second quarter performance of the core Eurozone where Germany, for example, recorded annualised GDP growth of 9.0% is not a reliable indicator of longer term growth prospects. On the one hand, the Eurozone's approach to the resolution of liquidity, and potential solvency, problems in its banking sector continues to be less dynamic than the comparable initiatives in the US, UK, or Switzerland. On the other hand and connectedly the sustainability of the public debt burdens of several peripheral Eurozone sovereigns remains in doubt. This combination of financial sector challenges is likely, along with the probable slowdown in the US and UK, to weigh on the Eurozone's real sector performance in future quarters.

In the emerging markets, our central expectation continues to be for macroeconomic performance to be highly variable across regions in 2010. Economic growth in non-Japan Asia continues to outperform, despite a tightening of macroeconomic policy in China. In Latin America, the Brazilian economy has continued to grow exceptionally strongly, with domestic and foreign investors alike apparently unfazed by the upcoming Presidential election. The main risks in these two regions relate to potential overheating, especially if the US and Japan continue to loosen monetary policy, and central banks are unwilling or unable to sterilise the resulting capital inflows. The economies of Central and Eastern Europe, by contrast, are recovering less dynamically or, in the case of those that share the balance sheet problems of the peripheral Eurozone, very slowly indeed. In this region, the main risk is of the knock-on real and financial effects of sluggish Western European growth constraining activity in the medium term.

In terms of global trade and financial factors, the most important development has been the continuing reversal of the improvement in the US current account, which increased to nearly 3% of GDP in the first quarter of 2010. Whilst still far from its peak level in 2005 and 2006, the reversal of what is a critical trend in the correction of global imbalances is a timely reminder that structural reform will be required in addition to fiscal policy to generate the more balanced patterns of international trade and finance which will be necessary to underpin consistent growth performance. The recent volatility of the US dollar reflects concerns about this important metric, as well as about US growth and, earlier in the year, European sovereign creditworthiness.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River High Income Fund (continued)***

**Rates and yield curves**

Our central macroeconomic scenario clearly remains disinflationary; and as discussed in the last report, markets have begun to align themselves more with this view than was the case earlier in the year. In the main developed markets, unemployment remains stubbornly high in the advanced economies and the gap between current and peak real output remains wide; implying a substantial output gap as a result of the recession even if potential output has contracted somewhat. The shrinkage of credit to the corporate sector continues in the US, the UK, and the Eurozone; and the money supply is stagnant in all three currency zones. As a result, the underlying trend in core inflation in the US and Eurozone continues to be downward; and we expect core inflation in the UK where the impact of tax changes and the exchange rate has been more pronounced to fall in the next months as well. This remains an environment in which we expect the main central banks to continue to deploy extraordinary liquidity measures, and policy rate hikes to be delayed for some time.

In this context, the third quarter saw a continuation of the bull flattening of US dollar, euro, and sterling benchmark yield curves, with 10 year rates rallying by 30 to 40 basis points, and the differential between 2 year and 10 year rates decreasing by a similar amount in all three main currency areas. These have been significant, synchronised shifts but we believe that in addition to the bouts of short term risk aversion which have underpinned them, the structural forces behind low rates in the developed markets in a disinflationary environment will remain strong for the foreseeable future.

**Main risks**

Our central scenario represents an environment that is generally favourable to fixed income assets over the medium term; though sluggish growth prospects will make idiosyncratic credit risk an important determinant of returns, and there are significant macroeconomic risks related to policy actions by fiscal and monetary authorities. Specific, near term, potential risk triggers include the US Fed's FOMC meeting and the US mid-term congressional elections at the beginning of November and the upcoming G20 meetings.

**Thames River Capital LLP**  
**October 2010**



## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Eastern European Fund***

#### **Performance**

The Eastern European Fund fell by 1.9% during the six months ended 30 September 2010 compared to a rise of 1.4% for the MSCI Emerging Europe Index.

#### **Market Review and Fund Activity**

The first half of the year was characterised by high levels of volatility. Markets were weak in the second calendar quarter and focused on the unveiling crisis in the peripheral Eurozone states before recovering in the third quarter as the global economic outlook began to improve and sovereign bond yields declined.

April initially started well and the region enjoyed a good start to the quarter (up over 6% by mid-month) before renewed concerns over Greek funding and the inability of European governmental institutions rapidly to adopt a viable bailout solution lead to a sell off into month end.

During a turbulent May, as Europe's sovereign debt crisis worsened and the euro fell sharply, Central European markets underperformed the region with Hungary, which has the highest government debt toGDP ratio in Central Europe, falling by 22.7% in US\$ terms as weak equities combined with the impact of a weak euro and a weak forint. Elsewhere Russia fell by 12.1% on the back of a sharp fall in the oil price. This was despite the worsening environmental disaster in the US caused by the BP oil spill in the Gulf of Mexico and related exploration ban, both of which support our long held view that non-Opec production will continue to disappoint over coming years.

Volatility continued in June, with the region once again falling by 4.1% in US\$ terms. Turkey was the best performing market in the region rising by 0.7% in US\$ terms. The Fund took advantage of this outperformance, particularly in the higher beta financial names where valuations looked less attractive, to further reduce exposure. Hungary performed poorly, falling by over 10% in US\$ terms. Unhelpful comments by the recently elected Fidesz government, comparing the fiscal situation to that of Greece in order to off-load blame for forthcoming tax hikes and spending reductions on the prior government, panicked both the equity and currency market. The Fund used this opportunity to further increase exposure to Hungary.

The third quarter started on a positive note with the Fund rising by 12.1% during July on the back of improved sentiment and a strong rally in the euro. The Fund added exposure to Central Europe (Hungary and Poland) over the course of the month.

After a strong July, the region underperformed GEM during August with the MSCI Emerging Europe index falling by 3.4% in US\$ terms over the course of the month. Macro and political news flow remained light with the tone being set by quarterly corporate earnings reports.

September saw a strong recovery with the region rising by 9.6%. Turkey continued to outperform the region, rising by 15.3% in US\$ terms with financials leading the way. This was despite negative measures announced by the Central Bank that ended the payment of interest on reserves held with them. We believe that the banking sector in Turkey (trading on an average forecast 2012 P/E of 9.5x) is expensive relative to other opportunities in the region and we remain underweight the market. The fund moved further overweight in Hungary, which rose by 16.4% in US\$ terms and was buoyed by the strong euro combined with more positive comments from the ruling Fidesz party regarding the 2011 budget. Indeed following a clean sweep in local government elections towards the end of the month, in addition to a strong parliamentary majority, Fidesz now controls all of the regional governments within the country as well as three out of the four major cities. This mandate, and the lack of any further elections until 2014, should allow them sufficient time to implement further spending cuts to ensure that the budget deficit is sustainably below 3% from 2011 onwards. This in turn will help allay market worries as to the level of the debt toGDP ratio which (despite being lower than the EU average at 79%) continues to concern given the structurally high deficits that Hungary has run over the life of the previous Socialist government. We see OTP as the key beneficiary of this improved sentiment and given the very attractive valuation at which the stock trades the Fund continued to increase its exposure.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Eastern European Fund (continued)***

**Market Outlook**

The market's response to the Fed's new found commitment to actually fulfil its dual mandate of price stability and full employment has been rapid and very bullish for equities because:

- i) *Ceteris paribus* a weaker US dollar and lower bond yields will create incremental US GDP growth.
- ii) As central banks around the world intervene to prevent their currencies appreciating too quickly against the US dollar, this will create outsize increases in domestic money supply and artificially low domestic interest rates. Both will force GDP growth higher.

It is also very bullish for the rate at which these earnings should be discounted because:

- i) The risk free rate (sovereign cost of capital) is falling/very low (most global bonds are priced off of US treasuries which are being bought in by the Fed) and
- ii) the cost of equity will also fall as stronger GDP growth and corporate earnings will reduce earnings volatility, increase earnings visibility and strengthen corporate balance sheets.

Given this favourable global backdrop we are very constructive on the region, which tends to trade as a high beta global growth proxy, and the fund remains fully invested.

**Nevsky Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc

## INVESTMENT MANAGER'S REPORT

### *Global Emerging Markets Fund*

#### **Performance**

In the six months to 30 September 2010 the MSCI Emerging Markets Free Index rose 8.2%. The Global Emerging Markets Fund returned 5.3% over the same period. The relatively poor performance stemmed mainly from the fact that our investment process focuses on highly liquid large capitalisation shares which in recent months have underperformed small and medium capitalisation shares.

#### **Portfolio Review**

The first half of the year was characterised by high volatility in the second calendar quarter before a more positive global outlook, driven by a sharp fall in sovereign bond yields, developed in the third quarter, leading to a strong rally.

April was dominated by Greece with markets slavishly following headlines relating firstly to the IMF and European Union bail-out packages and then to the S&P downgrade to junk status. The crisis deepened during May sparking fears of a global double dip and both developed and emerging markets fell by almost 10% as volatility spiked, spreads widened and commodity prices collapsed. Markets steadied during June but remained very volatile as technical positioning lead to sharp rallies and equally sharp sell-offs.

July saw a strong upward move in markets as fears over the Eurozone continued to abate on the back of good German, Spanish and Greek economic data releases. Concerns over US growth returned during August causing a sharp sell-off before stronger US data releases and very bullish comments from the US Federal Reserve a further rally. The Fed suggested that they are ready to implement a significant second round of Quantitative Easing if either employment growth or inflation undershoot their mandated target and we think this is potentially a powerful new driver for markets.

Growth throughout Asia continued to surprise positively during the first half, with Q2 GDP growth of 12.5% in Taiwan, 7.2% in Korea and 8.8% in India. We continue to think that Asian currencies in general and the Korean won in particular, are very attractively valued. Within EMEA, Russia underperformed as continued uncertainty over the government's tax policy towards the oil and gas sector lead to investors switching exposure to more transparent regimes in Latam and Asia. Turkey continued to attract strong foreign inflows which have driven valuations, in this historically volatile market, to a premium against regional peers. In Latin America the larger markets of Brazil and Mexico underperformed during the first half. We reduced exposure to Mexico towards the end of the period as drug related violence has seen a marked pick up over recent months. This provides a significant threat to tourism industry as well as the long term attractiveness of Mexico as a destination for foreign investment.

#### **Outlook**

The market's response to the Fed's new found commitment to actually fulfil its dual mandate of price stability and full employment has been rapid and very bullish for equities because:

- i) *Ceteris paribus* a weaker US dollar and lower bond yields will create incremental US GDP growth.
- ii) As central banks around the world intervene to prevent their currencies appreciating too quickly against the US dollar, this will create outsize increases in domestic money supply and artificially low domestic interest rates. Both will force GDP growth higher.

It is also very bullish for the rate at which these earnings should be discounted because:

- i) The risk free rate (sovereign cost of capital) is falling/very low (most global bonds are priced off of US treasuries which are being bought in by the Fed) and
- ii) the cost of equity will also fall as stronger GDP growth and corporate earnings will reduce earnings volatility, increase earnings visibility and strengthen corporate balance sheets.

As advised in Note 12, Nevsky Capital LLP, on 8 November 2010 gave six months notice to resign as manager of the Fund. The board of the Company has been assured that Nevsky Capital LLP will continue to manage the Fund in the same way as it has historically until the end of the notice period.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Global Emerging Markets Fund (continued)***

Given this favourable global backdrop we are very constructive on the asset class and the fund remains fully invested.

As advised in Note 12, Nevsky Capital LLP, on 8 November 2010 gave six months notice to resign as manager of the Fund. The board of the Company has been assured that Nevsky Capital LLP will continue to manage the Fund in the same way as it has historically until the end of the notice period.

**Nevsky Capital LLP**  
**October 2010**

## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Thames River Global Bond Fund (£), (€), (\$) and Thames River World Government Bond Fund***

The Thames River Global Bond Fund (£), Thames River Global Bond Fund (€) and Thames River Global Bond Fund (\$) are all managed on a similar basis, reflecting identical investment themes, except that they each have a different base currency: sterling, euro and US dollar. Each Fund has a different performance benchmark corresponding to the base currency of the Fund. Thames River Global Bond Fund (£) uses a composite of the FT All Stock index and the Citigroup World Government Bond Index, the Thames River Global Bond Fund (€) uses a composite of the Citigroup Euro Government Bond Index and the Citigroup World Government Bond Index, and the Thames River Global Bond Fund (\$) uses a composite of the Citigroup U.S. Government Bond Index and the Citigroup World Government Bond Index. The investment process aims to identify value investment opportunities in investment grade government bond markets and currencies with a worldwide universe. These investment ideas and policies are reflected in each Fund with appropriate currency exposure adjustments.

Three separate funds have been created to enable investors to choose the base currency most appropriate to their liability match.

The Thames River World Government Bond Fund was launched in November 2008 and is managed on the same basis as the Thames River Global Bond Funds with the specific objective to outperform the Citigroup World Government Bond Index in sterling terms.

### **Performance**

During the half year to 30 September 2010 the Thames River Global Bond Fund (£) accumulating share class returned +4.64% compared to the Fund's benchmark return of +6.35%. The Thames River Global Bond Fund (€) accumulating share class returned +4.82% compared to the Fund's benchmark return of +4.97% and the Thames River Global Bond Fund (\$) accumulating share class returned +4.66% compared to the Fund's benchmark return of +7.96%. The Thames River World Government Bond Fund returned +4.21% compared to the index return of +4.44%.

### **Portfolio Strategy**

The first half of the period saw the Funds predominantly invested in the long end of the German bund and US Treasury strip markets in anticipation of risk assets underperforming. In addition we positioned the currency exposure in US dollars and Swiss francs as safe havens during the turmoil of the European sovereign debt crisis. Following the successful intervention by the ECB and the notion that policy makers would do everything to avoid a double dip and deflation, the Funds changed course significantly to position for a better outcome for risk assets. We built a 45% position in US TIPS, hedging out all the duration exposure by selling US long bond futures, and invested the remaining exposure in short dated commodity/growth bond markets on an unhedged currency basis, namely South Africa, Australia and Brazil. In addition we maintained our exposure to the Swiss franc.

### **Outlook**

The clear characteristic of financial markets over the past eighteen months, and a theme going forward in our view, is how the pendulum has swung dramatically to price in the extremes in terms of the macro outlook. The aggressive monetary policies that were adopted in late 2008 and early 2009, particularly with the introduction of QE by the Fed, saw markets rapidly shift from discounting Armageddon to successful reflation. 10 year US Treasury yields rose from 2.0% to 4.0% from the start of 2009 to June of this year. Over the same period the S&P 500 had rallied 80%, break even inflation rates rose by 250 basis points and the gold price almost doubled. By the spring of this year a "V" shaped global recovery with sustainability and exit strategies by the major central banks had been baked into the cake. At the time we were sceptical that this outcome was realistic and positioned the Funds to be the insurance policy against a disappointing outlook for risky assets. Investments were focused on long dated German bunds and US Treasury strips in the bond market and US dollars and Swiss francs with regard to currency exposure.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River Global Bond Fund (£), (€), (\$)* and *Thames River World Government Bond Fund***  
***(continued)***

The events in Europe that occurred in May and June as a result of the peripheral sovereign debt crisis and the contagion that would have on the European banking system marked a sharp turn around in the perceptions of the macro outlook going into 2011. The crisis caused bond yields once again to collapse from 4% to 2.5% in the US, with markets expecting barely 1% inflation out to ten years, the S&P to fall 16% and the Swiss franc to reach all time highs against both the US dollar and the euro. It was at this point that we felt the pendulum had swung far too much the other way; from pricing in strong and lasting economic growth with plenty of upside inflation potential to worrying about double dip and deflation being the major risk for policy makers. Again we felt that the double dip and deflation scenario was the least likely outcome

The Fed, the BoE and to a lesser extent the ECB have opened up their tool box for all to see and, in the event of an economic melt down, have the ability to do much more QE in the form of further buying of US Treasuries and if things get really bad, to buy the stock and property markets to bolster the wealth effect and spur consumption as the BOJ have recently embarked upon. In short, we believe that policy makers have the tools and the commitment to avoid deflation at all costs even if inflation overshoots to the upside, as William Dudley of the New York Fed has recently advocated. Consequently, a combination of growth currencies and inflation protection makes sense until financial markets begin to price in a less gloomy outlook.

Forecasting the state of global growth and inflation rates will be challenging and it might just be that developed economies muddle through while the emerging world continues to outperform.

**Thames River Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc

## INVESTMENT MANAGER'S REPORT

### *Emerging Asia Fund*

#### **Performance**

For the six months to 30 September 2010 the Emerging Asia Fund rose by 6.6% in US dollar terms. The benchmark MSCI Emerging Asia Index rose by 9.75%. The relatively poor performance stemmed mainly from the fact that our investment process focuses on highly liquid large capitalisation shares which in recent months have underperformed small and medium capitalisation shares. Returns for the major Asian MSCI indices in US dollar terms were as follows:

China	5.57%
India	12.86%
Indonesia	22.64%
Malaysia	19.12%
Philippines	32.71%
Korea	8.27%
Taiwan	7.94%
Thailand	29.94%

By way of comparison, the MSCI Pan Europe Index fell 0.7% and the S&P 500 Index fell 2.4%.

#### **Portfolio Review**

Markets started weakly in the April-June period, followed by a 15.8% increase in the Index in the subsequent quarter. This rally was due to an improvement in the outlook for global growth, with an increased likelihood of additional Quantitative Easing in the US and consequently a weaker US dollar boosting Asian markets and currencies. The Fund has under performed its benchmark, primarily due to underweight positions in Malaysia and India and weak stock selection in Korea and Taiwan. However, there have been signs of improvement in the later months.

Significant inflows into Asia and Emerging Markets more generally have unsurprisingly had the greatest impact on the smaller markets of Indonesia, the Philippines and Thailand. Despite these moves, the investment case for Indonesia and the Philippines remains strong. Indonesia benefits from attractive demographics, a declining risk premium, stable government and strong economic growth over the medium term. The election of President Aquino in the Philippines has raised hopes that a similar restructuring story will evolve here as well. Thailand however continues to suffer from a deep political split and hence the risk of a resurgence of violence cannot be discounted.

Macroeconomic data has been strong throughout the region – with Q2 GDP growing 12.5% in Taiwan, 7.2% in Korea, 8.8% in India and 11.1% in China. Inflation has generally been well controlled, even in India where inflation has begun to decline from its April peak (of 11%), helped by the process of interest rate normalisation with rate rises in most of the region over recent months. There have been few major political events during the period, but of note is the continuation of the improvement in relations between China and Taiwan, and a temporary ratcheting up of tension between North and South Korea following the sinking of a South Korean warship.

The portfolio's key positions have remained unchanged, with an overweight position in China and an underweight position in India. We believe that the macro-economic outlook for both countries is strong, but this is not reflected in valuations in China, whereas the risks in the Indian economy are being ignored by investors. The Fund remains overweight Korea, due to the positive outlook for global growth and the gains in market share and pricing power that Korean companies are achieving. We have reduced our Taiwanese position due to concerns early in the quarter on the Technology sector. In ASEAN, we remain overweight Indonesia, we added to the Philippines ahead of the election, have reduced Thailand on political concerns, and added to Malaysia following incremental structural improvements to the economy which have been ignored by foreign investors. At a sector level, the key changes have been to add to economically cyclical sectors (Industrials and Materials), funded from Consumer Staples and defensive Financials.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Emerging Asia Fund (continued)***

**Outlook**

We have become more positive on the outlook for the region over the next 12 months, given the improved global outlook. Valuations overall are not stretched, despite the strong performance over recent months. However, one cloud on the horizon is the large amount of new equity issuance, which does have the potential to dampen sentiment.

As advised in Note 12, Nevsky Capital LLP, on 8 November 2010 gave six months notice to resign as manager of the Fund. The board of the Company has been assured that Nevsky Capital LLP will continue to manage the Fund in the same way as it has done historically until the end of the notice period.

**Nevsky Capital LLP**  
**October 2010**



## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Thames River Water and Agriculture Absolute Return Fund***

Following an Extraordinary General Meeting of the shareholders of the Fund in July, with effect from 3 August 2010, the name of the Fund was changed to the "Thames River Water and Agriculture Absolute Return Fund" and the performance fee benchmark was changed to 2% over the three month London Interbank Offered Rate ("LIBOR") of the currency denomination of the relevant Share class.

#### **Performance**

In the period from 1 April to 30 September 2010, the Net Asset Value per share of the Thames River Water and Agriculture Absolute Return Fund (formerly the Thames River Water and Agriculture Fund) rose 4.2%. In the period from 1 April to 2 August, the MSCI World Index (in US dollars) fell by 4.88% and the LIBOR plus 2% yield for the period 3 August to 30 September was 0.385%. Thus the composite benchmark performance return for the half year was a fall of 4.51%. By comparison the DAX Global Agribusiness Index rose 1.6%, and the Palisades Global Water Index fell 5.0% during the half year.

#### **Fund Activity**

The Fund outperformed its benchmark over the course of the April and May market sell off through a combination of good stock and sector selection for both long and short positions, and strict risk control. On stocks and sectors, the greatest positive contribution to performance in April was from short positions in fertiliser manufacturers. Soft commodity prices determine net farm receipts and fertiliser application rates. Application rates determine the tightness in the fertiliser markets and drive prices. This segment has been under pressure since January, when we exited long positions and initiated shorts. There were only small positive contributions from core long positions in April but it is worth noting that US water utilities were among the better performing stocks. In May, the Fund was down 2.4% compared to the fall in the MSCI World Index of 10%. Our short positions in fertiliser names continued to perform well as did short positions in expensive US water capital equipment manufacturers, who had already seen the best of the fiscal stimulus hit their order books.

In 2009 excess leverage and weak balance sheets were buy signals as companies came back from the abyss. In 2010, weak franchises with too much debt were punished. In May short positions in Dean Foods and Premier Foods were both profitable. Dean Foods has sought to dominate US milk supply through acquisitions, but they found themselves squeezed by the supermarkets on one side and by their suppliers, who are also their competitors, on the other. They issued a profit warning in May and need to re-finance. Premier Foods was in a similarly uncomfortable position.

At the start of June the net position rose above 60% and subsequently oscillated between 35%-65% over the half year period. We covered fertiliser shorts; valuations were much more attractive, low prices led to capacity shut-downs and soft commodity prices seemed to be finding support. The initial performance of underlying positions was mixed. With the market down it was not surprising that short positions made positive contributions and long positions made negative contributions. However, shorts in capital equipment manufacturers supplying residential water users were particularly effective. Unfortunately this underperformance was matched in the long book. Having performed well all year, we saw profit taking in the protein manufacturers. US protein producers and Norwegian fish farmers both fell more than the market. A short position in Wolsey was one of best contributors at this time. A long position in Marine Harvest was one of the worst. There was a good positive contribution from long positions related directly to the emerging market consumer including Want Want China.

Towards the end of July and into August there were a number of major events in agriculture. Heat waves and wildfires led to an export ban of Russian wheat. This caused large share price movements and sector rotations. This signalled the starting point for the Fund's strong performance during August and September. Our best returns came from companies such as SLC Agricola in Brazil and Landkom in the Ukraine, and equipment manufacturers such as John Deere and GEA Group. We also had winning short positions in popular consumer companies where input costs are rising. These included Kellogg, Sara Lee and Unilever. We have since removed these shorts.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River Water and Agriculture Absolute Return Fund (continued)***

The strong performance of the Fund came despite downwards pressure in the broader market in August. The average net exposure in August was 36%. We delivered strong returns over the month, despite having limited market exposure, due to significant contributions from individual stocks particularly in the long book. It was at this time that we saw M&A return to the sector. BHP made a bid for Potash Corp resulting in positive contributions in the month from our long position in that company and other fertiliser companies seen by the market as beneficiaries of consolidation. The deal had been mooted for some time and Potash was one of our largest positions when the bid was announced. We also benefited as other soft commodities played catch up with wheat. ETF investments in corn and sugar also performed well.

Over the third calendar quarter, we were also pleased by the performance of emerging market food and agriculture companies such as China Foods and Asia Citrus and SLC Agricola. Share prices began to move as the market started to acknowledge the importance of food prices and looked for good companies with strong market positions and pricing power. We began September by lifting our net exposure to 55% which we reduced towards month end. We reduced this exposure because we thought that, in the short term, the effect of Quantitative Easing in the US was discounted. Our returns over the month were generated from long positions in a variety of sectors, with stocks directly related to commodities being the outstanding performers again. We also saw good contributions from some niche players including BioExx in Canada, a producer of specialty proteins and PrimeAg in Australia, an owner of land and water rights. The best performing stock in the month was Nutreco, a feed manufacturer benefiting from good volume growth. In the rising market it was the short positions that suffered the most. Our short positions in developed market capital equipment manufactures and food processors moved up with the market, even though their earnings outlook remains poor.

**Market Outlook**

The agricultural sector has seen significant price moves over the half year. As global grain inventory estimates have been reduced it has become apparent to investors that this sector is particularly vulnerable to supply shocks. This is a view we have always maintained. It is not our expectation that prices will rise continuously; at these levels farmers will once again plant every corner of every field next year. It is, however, our belief that prices will have to remain above long term averages for many years in order to stimulate a supply response. Our opportunity set is as rich as ever. Monetary stimulus and macroeconomic circumstance are also beneficial for commodity prices which help to lift the profits of many companies in our investment universe.

**Thames River Capital LLP**  
**October 2010**

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River UK Absolute Income Fund***

The Thames River UK Absolute Income Fund's portfolio was liquidated and final redemption proceeds were paid to shareholders on 25 June 2010.

**Thames River Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

## *Thames River Global Credit Fund*

### Performance

For the period from 1 April to 30 September 2010, the performance of the active share classes of the Thames River Global Credit Fund, including reinvestment of gross dividends where relevant, was:

#### Retail

<u>Distribution</u>	<u>Fund Return</u>	<u>Accumulation</u>	<u>Fund Return</u>
EUR shares	2.6%	EUR shares	2.6%
GBP shares	2.6%	GBP shares	2.6%
USD shares	2.6%	USD shares	2.6%
NOK shares	3.3%		

#### Institutional – Active

<u>Distribution</u>	<u>Fund Return</u>	<u>Accumulation</u>	<u>Fund Return</u>
EUR Shares	inactive	EUR shares	2.7%
GBP shares	2.8%	GBP shares	2.7%
USD Shares	inactive	USD shares	2.7%

### Dividends

In respect of income earned and received, two quarterly dividends were paid during the period under review. For the Fund's distributing share classes the details are:

<u>Ex-date</u>	<u>Payable</u>	<u>Amount per Share</u>	<u>Relevant Period</u>
30 July 10	03 Aug 10	£0.106, €0.106, Nok1.06 \$0.1056, £0.106	1 May 10 to 31 Jul 10
4 May 10	26 May 10	£0.118, €0.118, Nok1.18 \$0.118, £0.118	1 Feb 10 to 30 Apr 10

The prospective income yield (for investors coming into the fund today), based on the above distributions, is around 4.1% per annum.

### Market Review

The start of the period ended 30 September 2010 was characterised by market volatility caused by waves of concern surrounding sovereign risks. Over the period, we saw strong evidence of what we expect to be a key 2010 credit theme: loan finance being replaced by bond refinancing and M&A financing, generating a sustained ability to capture new issue premium.

Sovereign volatility in peripheral Europe took centre stage in May causing a contagion effect across all risk assets. The sovereign crisis came to a head in May with multiple bouts of volatility. Despite this, macro fundamentals in developed markets (excluding peripherals) proved very strong.

The latter part of the period was characterised by the market's concerns over developed market sovereign refinancing risks ebbing away, providing a relatively calm backdrop for risk assets to benefit from the continuing supportive fundamentals and technicals. Yet mixed economic data in August ignited concerns over the deteriorating growth outlook, especially for the US. Whilst the ensuing rally in rates and flattening of yield curves in the G3 provided a supportive backdrop for credit markets, overall risk sentiment started to be challenged by slower-burning concerns over deflation and growth. The latter part of the period saw a second round of Quantitative Easing (QE2) and the Basel III directive, which resulted in lower government bond yields, higher equity markets, and tighter credit spreads. Within credit, outperforming sectors included high yield (HY) and crossover corporate credit in developed markets, bank sub-debt in Western Europe, and emerging market (EM) corporate bonds.

## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Thames River Global Credit Fund (continued)***

From the corporate credit perspective, the period saw a steady flow of primary issuance, especially in European HY and EM corporate debt, resulting from positive momentum and industry fund flows. With interest rates expected to stay lower for longer, default rates remaining low and recovery rates closing the quarter higher than expected, underlying corporate credit fundamentals are still good for strong corporates.

Going into the last quarter of 2010, we believe the macroeconomic backdrop remains favourable for credit markets, and we believe that the outperformance of credit among risk assets during the month of September is the beginning of a longer-lasting trend, but it will come at the cost of higher volatility. Whilst we expect a range-bound trading environment into year end, we have prudently constructed hedges that provide cost-efficient protection to the portfolio should our core views not align in the short term.

#### **Fund Activity**

Although the portfolio's core credit positions benefited at the start of the period, May saw a different story. As risk contagion spread across all risk assets, corporate losses spread between emerging and developed markets, with financials taking the brunt of the pressure.

Our Latam rates positions saw the reverse action, whereby they suffered in the month of April, notably following a rates hike in Brazil, but benefitted in May as assets with an emerging market flavour outperformed on a relative basis seeing the value divide between developed and emerging markets as a prevalent theme. While our top down macro hedges in rates, currency (especially against the euro) and credit successfully provided protection during the month of April, the flight to quality trades of May negatively impacted our interest rate hedges.

June saw well diversified returns across the portfolio enhanced by the optimisation of our credit and equity index option hedges. We took profit on low-beta long-duration positions which had benefited from their more defensive nature as well as a flattening of government bond curves. We reduced the portfolio's exposure to cyclical and instead added exposure to companies that have pre-funded or extended their debt maturity profile.

At the beginning of August, the portfolio benefitted from a relatively calm backdrop for risk assets to benefit from the continuing supportive fundamentals and technicals. This contributed towards renewed appetite for risky assets, in particular for corporates seen as attractive acquisition targets. Whilst the pace of primary issuance remained high in corporate credit, the supply was met by continued inflows into credit markets.

We seized the opportunity to add exposure in solid names coming to the market at a concession and saw gains from financials and the consumer sector, as a result. Lower rates and flatter yield curves fuelled the rally in investment grade credit as the market stretched for yield by rotating defensive positions into cyclical names. Our long-duration sovereign positions benefited from the flattening of yield curves, while our short-risk positions on Western European sovereign CDS were also notable contributors to performance.

In developed markets, during the period, we were long core Western European Tier 1 bank capital, expecting the sector to outperform as a result of encouraging liability management exercises observed from several European banks. Core Western European bank capital bonds indeed performed well against the more favourable backdrop post Basel III. Further, alongside the tightening of government bond yields, the hunt for higher credit spreads favoured the performance of higher yielding and traditionally higher beta bonds in each sector.

The macroeconomic backdrop remains favourable for credit markets. We maintain our core views that interest rates will remain on hold until 2012, inflation will be subdued, and M&A activity will pick up which will be supportive for risk assets. Whilst we expect credit to outperform into year end, it will likely be accompanied by higher volatility.

## **TRADITIONAL FUNDS plc**

### **INVESTMENT MANAGER'S REPORT**

#### ***Thames River Global Credit Fund (continued)***

#### **Outlook**

##### **Growth and trade**

Our base case macroeconomic outlook remains generally unchanged from the last report. The outlook is for a sluggish recovery in the main developed markets, constrained by private sector de-leveraging and public sector consolidation, and one in which GDP growth is significantly more volatile than it has been in recent years as a result of its dependence upon supportive macroeconomic policy and international coordination.

First and second quarter 2010 estimates of GDP and high-frequency indicators of activity and employment confirmed this outlook. The recovery in the US reached its most dynamic point in the fourth quarter of 2009, when the economy grew at an annualised 5.0% rate. Since then, the pace of growth has moderated significantly to a currently reported 2.4% annualised rate in the second quarter, which is likely to be revised down substantially given recent trade data that has showed a greater deterioration in the trade balance than was anticipated in the early estimates.

This slowing has clearly unnerved US markets and prompted a renewed bias towards loosening in US monetary policy, with a strong possibility of further Quantitative Easing being announced in the fourth quarter. Its wider significance, however, lies in its illustration of the close link between fiscal and monetary policy and growth prospects to the extent that economies are suffering from large overhangs of debt. It is in this context that the recent data and future prospects of the UK and Eurozone, for example, should be viewed. In contrast to the US, the economic recovery in the UK gained pace in the first half of 2010, with annualised growth of 4.5% recorded in the second quarter. But this growth rate is unlikely to be sustained given the coalition government's fiscal plans, which were further elaborated in the Comprehensive Spending Review of 20 October. In the Eurozone, by contrast, the recent upward momentum in GDP may be less vulnerable to announced fiscal retrenchment because the household and corporate sectors of the core Eurozone economies have fewer balance sheet problems than their peripheral EU, UK, or US counterparts.

Unfortunately, every silver lining has a cloud in the post-credit crunch world, and there are other reasons to believe that the exceptional second quarter performance of the core Eurozone where Germany, for example, recorded annualised GDP growth of 9.0% is not a reliable indicator of longer term growth prospects. On the one hand, the Eurozone's approach to the resolution of liquidity, and potential solvency, problems in its banking sector continues to be less dynamic than the comparable initiatives in the US, UK, or Switzerland. On the other hand and connectedly the sustainability of the public debt burdens of several peripheral Eurozone sovereigns remains in doubt. This combination of financial sector challenges is likely, along with the probable slowdown in the US and UK, to weigh on the Eurozone's real sector performance in future quarters.

In the emerging markets, our central expectation continues to be for macroeconomic performance to be highly variable across regions in 2010. Economic growth in non-Japan Asia continues to outperform, despite a tightening of macroeconomic policy in China. In Latin America, the Brazilian economy has continued to grow exceptionally strongly, with domestic and foreign investors alike apparently unfazed by the upcoming Presidential election. The main risks in these two regions relate to potential overheating, especially if the US and Japan continue to loosen monetary policy, and central banks are unwilling or unable to sterilise the resulting capital inflows. The economies of Central and Eastern Europe, by contrast, are recovering less dynamically or, in the case of those that share the balance sheet problems of the peripheral Eurozone, very slowly indeed. In this region, the main risk is of the knock-on real and financial effects of sluggish Western European growth constraining activity in the medium term.

In terms of global trade and financial factors, the most important development has been the continuing reversal of the improvement in the US current account, which increased to nearly 3% of GDP in the first quarter of 2010. Whilst still far from its peak level in 2005 and 2006, the reversal of what is a critical trend in the correction of global imbalances is a timely reminder that structural reform will be required in addition to fiscal policy to generate the more balanced patterns of international trade and finance which will be necessary to underpin consistent growth performance. The recent volatility of the US dollar reflects concerns about this important metric, as well as about US growth and, earlier in the year, European sovereign creditworthiness.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River Global Credit Fund (continued)***

**Rates and yield curves**

Our central macroeconomic scenario clearly remains disinflationary; and as discussed in the last report, markets have begun to align themselves more with this view than was the case earlier in the year. In the main developed markets, unemployment remains stubbornly high in the advanced economies and the gap between current and peak real output remains wide; implying a substantial output gap as a result of the recession even if potential output has contracted somewhat. The shrinkage of credit to the corporate sector continues in the US, the UK, and the Eurozone; and the money supply is stagnant in all three currency zones. As a result, the underlying trend in core inflation in the US and Eurozone continues to be downward; and we expect core inflation in the UK where the impact of tax changes and the exchange rate has been more pronounced to fall in the next months as well. This remains an environment in which we expect the main central banks to continue to deploy extraordinary liquidity measures, and policy rate hikes to be delayed for some time.

In this context, the third quarter saw a continuation of the bull flattening of US dollar, euro, and sterling benchmark yield curves, with 10 year rates rallying by 30 to 40 basis points, and the differential between 2 year and 10 year rates decreasing by a similar amount in all three main currency areas. These have been significant, synchronised shifts but we believe that in addition to the bouts of short term risk aversion which have underpinned them, the structural forces behind low rates in the developed markets in a disinflationary environment will remain strong for the foreseeable future.

**Main risks**

Our central scenario represents an environment that is generally favourable to fixed income assets over the medium term; though sluggish growth prospects will make idiosyncratic credit risk an important determinant of returns, and there are significant macroeconomic risks related to policy actions by fiscal and monetary authorities. Specific, near term, potential risk triggers include the US Fed's FOMC meeting and the US mid-term congressional elections at the beginning of November and the upcoming G20 meetings.

**Thames River Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

## *Thames River Credit Select Fund*

### Performance

For the period from 1 April to 30 September 2010, the performance of the active share classes of the Thames River Credit Select Fund, including reinvestment of gross dividends where relevant, was:

#### Retail

<u>Distribution</u>	<u>Fund Return</u>	<u>Accumulation</u>	<u>Fund Return</u>
EUR shares	2.51%	EUR shares	3.26%
GBP shares	2.52%	GBP shares	3.36%
USD shares	2.52%	USD shares	3.27%
NOK shares	3.66%		

#### Institutional - Active

<u>Distribution</u>	<u>Fund Return</u>	<u>Accumulation</u>	<u>Fund Return</u>
EUR shares	2.71%	EUR shares	3.50%
GBP shares	2.71%	GBP shares	3.55%
USD shares	2.70%	USD shares	3.55%

### Dividends

In respect of income earned and received, two quarterly dividends were paid during the period under review. For the Fund's distributing share classes the details are:

<u>Ex-date</u>	<u>Payable</u>	<u>Amount per Share</u>	<u>Relevant Period</u>
1 Sept 10	29 Sept 10	€0.083, \$0.082, £0.082, Nok0.805, €0.083,\$0.082,£0.083	1 Jun 10 to 31 Aug 10
1 Jun 10	30 Jun 10	€0.077, \$0.076, £0.076, Nok0.05, €0.077,\$0.077,£0.077	1 Mar 10 to 31 May 10

The September distribution resulted in a prospective income yield of around 3.15% per annum.

### Market Review

The start of the period ended 30 September 2010 was characterised by market volatility caused by waves of concern surrounding sovereign risks. Over the period, we saw strong evidence of what we expect to be a key 2010 credit theme: loan finance being replaced by bond refinancing and M&A financing, generating a sustained ability to capture new issue premium.

Sovereign volatility in peripheral Europe took centre stage in May causing a contagion effect across all risk assets. The sovereign crisis came to a head in May with multiple bouts of volatility. Despite this, macro fundamentals in developed markets (excluding peripherals) proved very strong.

The latter part of the period was characterised by the market's concerns over developed market sovereign refinancing risks ebbing away, providing a relatively calm backdrop for risk assets to benefit from the continuing supportive fundamentals and technicals. Yet mixed economic data in August ignited concerns over the deteriorating growth outlook, especially for the US. Whilst the ensuing rally in rates and flattening of yield curves in the G3 provided a supportive backdrop for credit markets, overall risk sentiment started to be challenged by slower-burning concerns over deflation and growth. The latter part of the period saw a second round of Quantitative Easing (QE2) and the Basel III directive, which resulted in lower government bond yields, higher equity markets, and tighter credit spreads. Within credit, outperforming sectors included high yield (HY) and crossover corporate credit in developed markets, bank sub-debt in Western Europe, and emerging market (EM) corporate bonds.



## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Thames River Credit Select Fund (continued)***

From the corporate credit perspective, the period saw a steady flow of primary issuance, especially in European HY and EM Corporate Debt, resulting from positive momentum and industry fund flows. With interest rates expected to stay lower for longer, default rates remaining low and recovery rates closing the quarter higher than expected, underlying corporate credit fundamentals are still good for strong corporates.

Going into the last quarter of 2010, we believe the macroeconomic backdrop remains favourable for credit markets, and we believe that the outperformance of credit among risk assets during the month of September is the beginning of a longer-lasting trend, but it will come at the cost of higher volatility. Whilst we expect a range-bound trading environment into year end, we have prudently constructed hedges that provide cost-efficient protection to the portfolio should our core views not align in the short term.

#### **Fund Activity**

Although the portfolio's core credit positions benefited in April, risk contagion spread across all risk assets in May and corporate losses spread across market sectors, with financials taking the brunt of the pressure.

We believed however that financials' liability management efforts would lead to overall rising valuations. We therefore increased the financial exposure in the portfolio to reflect the enhanced value in the sector focused on companies that were felt likely to benefit from our expected core scenario of a very low and accommodative interest rate policy and historically steep yield curves.

The back up in spreads during May also represented a buying opportunity for investment grade credit, we have selectively added exposure to names that are defensive in nature but where we feel there is still solid price performance to be gained.

Finally, new issuance in highly rated emerging market corporates continued to show value with returns coming from Asian financials and Latin American industrials.

While our top down macro hedges in rates, currency (especially against the Euro) and credit successfully provided protection during the month of April, the flight to quality trades of May negatively impacted our interest rate hedges. Yet the end of the quarter saw well diversified returns across the portfolio enhanced by the optimisation of our credit and equity index option hedges.

From July, the portfolio benefited from a supportive quarter for investment grade credit, aided by reduced concerns over the European sovereign finances. As investor expectations recalibrate to a lower yield environment, investment grade credit spreads continued to offer value, whilst remaining within a relatively safe risk tolerance.

The publication of the European Bank stress tests removed much of the near-term uncertainties and reduced concerns over bank funding needs. The resulting outperformance in financials was reflected in the gains of the corporate portfolio, where we had increased our exposure to senior paper. We were long core Western European Tier 1 bank capital, expecting the sector to outperform as a result of encouraging liability management exercises observed from several European banks. Core Western European bank capital bonds indeed performed well against the more favourable backdrop post Basel III.

The consumer sector was another outperformer within the portfolio, where we have focused on corporates whose strong profiles provide insulation to performance during economic downturns but whose profitability is enhanced by any pick-up in economic activity.

The backdrop remains supportive for investment grade corporate credit. Corporates continue to deliver their balance sheets and term out the maturity profile of outstanding debt, whilst the low-growth macroeconomic backdrop is set to keep interest rates low. This leaves the yield-hunters to reach either for more duration or lower credit ratings. September has already seen the outperformance of BBB over A and AA rated corporate bonds, and the yield and spread compression between ratings and maturities is set to continue. However, we expect this broadly positive trend for investment grade credit to be accompanied by ongoing volatility.

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

### *Thames River Credit Select Fund (continued)*

#### Outlook

##### Growth and trade

Our base case macroeconomic outlook remains generally unchanged from the last report. The outlook is for a sluggish recovery in the main developed markets constrained by private sector de-leveraging and public sector consolidation and one in which GDP growth is significantly more volatile than it has been in recent years as a result of its dependence upon supportive macroeconomic policy and international coordination.

First and second quarter 2010 estimates of GDP and high-frequency indicators of activity and employment confirmed this outlook. The recovery in the US reached its most dynamic point in the fourth quarter of 2009, when the economy grew at an annualised 5.0% rate. Since then, the pace of growth has moderated significantly to a currently reported 2.4% annualised rate in the second quarter, which is likely to be revised down substantially given recent trade data that has showed a greater deterioration in the trade balance than was anticipated in the early estimates.

This slowing has clearly unnerved US markets and prompted a renewed bias towards loosening in US monetary policy, with a strong possibility of further Quantitative Easing being announced in the fourth quarter. Its wider significance, however, lies in its illustration of the close link between fiscal and monetary policy and growth prospects to the extent that economies are suffering from large overhangs of debt. It is in this context that the recent data and future prospects of the UK and Eurozone, for example, should be viewed. In contrast to the US, the economic recovery in the UK gained pace in the first half of 2010, with annualised growth of 4.5% recorded in the second quarter. But this growth rate is unlikely to be sustained given the coalition government's fiscal plans, which were further elaborated in the Comprehensive Spending Review of 20 October. In the Eurozone, by contrast, the recent upward momentum in GDP may be less vulnerable to announced fiscal retrenchment – because the household and corporate sectors of the core Eurozone economies have fewer balance sheet problems than their peripheral EU, UK, or US counterparts.

Unfortunately, every silver lining has a cloud in the post-credit crunch world, and there are other reasons to believe that the exceptional second quarter performance of the core Eurozone where Germany, for example, recorded annualised GDP growth of 9.0% is not a reliable indicator of longer term growth prospects. On the one hand, the Eurozone's approach to the resolution of liquidity, and potential solvency, problems in its banking sector continues to be less dynamic than the comparable initiatives in the US, UK, or Switzerland. On the other hand and connectedly the sustainability of the public debt burdens of several peripheral Eurozone sovereigns remains in doubt. This combination of financial sector challenges is likely, along with the probable slowdown in the US and UK, to weigh on the Eurozone's real sector performance in future quarters.

In the emerging markets, our central expectation continues to be for macroeconomic performance to be highly variable across regions in 2010. Economic growth in non-Japan Asia continues to outperform, despite a tightening of macroeconomic policy in China. In Latin America, the Brazilian economy has continued to grow exceptionally strongly, with domestic and foreign investors alike apparently unfazed by the upcoming Presidential election. The main risks in these two regions relate to potential overheating, especially if the US and Japan continue to loosen monetary policy, and central banks are unwilling or unable to sterilise the resulting capital inflows. The economies of Central and Eastern Europe, by contrast, are recovering less dynamically or, in the case of those that share the balance sheet problems of the peripheral Eurozone, very slowly indeed. In this region, the main risk is of the knock-on real and financial effects of sluggish Western European growth constraining activity in the medium term.

In terms of global trade and financial factors, the most important development has been the continuing reversal of the improvement in the US current account, which increased to nearly 3% of GDP in the first quarter of 2010. Whilst still far from its peak level in 2005 and 2006, the reversal of what is a critical trend in the correction of global imbalances is a timely reminder that structural reform will be required in addition to fiscal policy to generate the more balanced patterns of international trade and finance which will be necessary to underpin consistent growth performance. The recent volatility of the US dollar reflects concerns about this important metric, as well as about US growth and, earlier in the year, European sovereign creditworthiness.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River Credit Select Fund (continued)***

**Rates and yield curves**

Our central macroeconomic scenario clearly remains disinflationary; and as discussed in the last report, markets have begun to align themselves more with this view than was the case earlier in the year. In the main developed markets, unemployment remains stubbornly high in the advanced economies and the gap between current and peak real output remains wide; implying a substantial output gap as a result of the recession even if potential output has contracted somewhat. The shrinkage of credit to the corporate sector continues in the US, the UK, and the Eurozone; and the money supply is stagnant in all three currency zones. As a result, the underlying trend in core inflation in the US and Eurozone continues to be downward; and we expect core inflation in the UK where the impact of tax changes and the exchange rate has been more pronounced to fall in the next months as well. This remains an environment in which we expect the main central banks to continue to deploy extraordinary liquidity measures, and policy rate hikes to be delayed for some time.

In this context, the third quarter saw a continuation of the bull flattening of US dollar, euro, and sterling benchmark yield curves, with 10 year rates rallying by 30 to 40 basis points, and the differential between 2 year and 10 year rates decreasing by a similar amount in all three main currency areas. These have been significant, synchronised shifts but we believe that in addition to the bouts of short term risk aversion which have underpinned them, the structural forces behind low rates in the developed markets in a disinflationary environment will remain strong for the foreseeable future.

**Main risks**

Our central scenario represents an environment that is generally favourable to fixed income assets over the medium term; though sluggish growth prospects will make idiosyncratic credit risk an important determinant of returns, and there are significant macroeconomic risks related to policy actions by fiscal and monetary authorities. Specific, near term, potential risk triggers include the US Fed's FOMC meeting and the US mid-term congressional elections at the beginning of November and the upcoming G20 meetings.

**Thames River Capital LLP**  
**October 2010**

**TRADITIONAL FUNDS plc  
INVESTMENT MANAGER'S REPORT**

***Thames River Currency Alpha Fund***

The Thames River Currency Alpha Fund's portfolio was liquidated and final redemption proceeds were paid to shareholders on 26 May 2010.

**Thames River Capital LLP  
October 2010**

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

### *Thames River Real Estate Securities Fund*

The Thames River Real Estate Securities Fund was launched on 8 April 2010 with assets of £22.6m. The Fund's primary objective is to outperform the FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index in sterling (the Index). The Fund will be substantially invested in the market at all times but can vary its net and gross exposure by making use of both long and short stock and index positions. Net exposure can vary between 60% and 140% and gross exposure between 80% and 160%. By actively managing the net and gross exposure we aim to outperform the market and provide a degree of downside protection over the cycle.

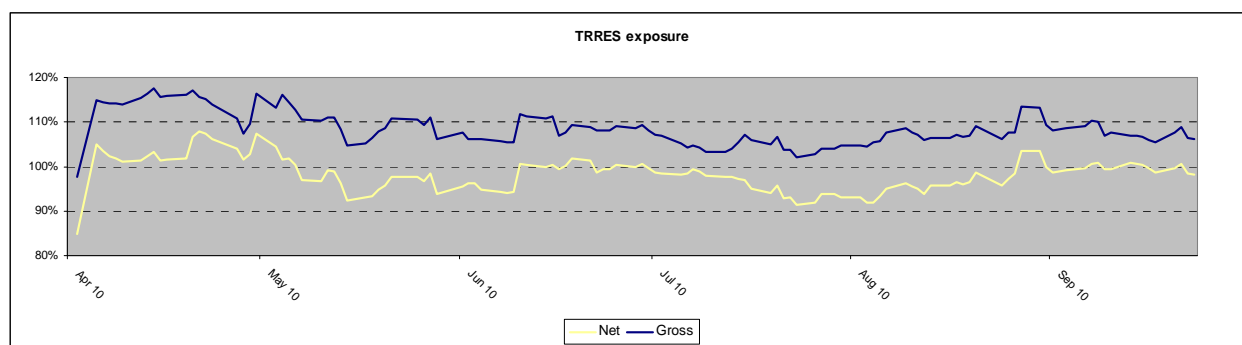
### Summary performance and activity

Following the launch, markets moved upwards for two days, following which the Fund was plunged into what proved to be the most severe correction in listed real estate markets since the first quarter of 2009. The pace and severity of the correction (the benchmark was down 19.4% between 12 April and 25 May) was reminiscent of 2008 and raised many of the same issues: sovereign risk, bank balance sheets, interbank lending markets. Volatility was also heightened and as ever, as markets fell, correlation between sectors and stocks went up and dispersion down. The 10 day annualised volatility of the Index hit 52% on 14 May, the highest level since April 2009 and in line with the volatility we lived with for much of 2008.

April and May were difficult months for markets in general and the Fund in particular. As markets fell we reduced risk, taking net exposure back to around 100% by mid-April. Through the last half of April and the first half of May we bought back into our preferred stocks, maintaining shorts in a small group of more risky stocks as hedges. High correlation and low dispersion of returns meant that there was little alpha to be had during this period.

Towards the end of the first week of May we added further to our net exposure. Markets subsequently bounced back significantly (up over 6%) post the announcement of the EU/ECB/IMF response to the ongoing sovereign debt issues.

Volatility remained high in June with the Index bouncing between a low of 1482 and a high of 1579 (a 6.5% range). We were active within the Fund; monthly turnover (purchases plus sales divided by two) reached nearly 20%. As expected, activity and consequently high levels of turnover, has been a hallmark of the fund since inception. The following chart shows the fund's net and gross exposure from inception to the time of writing.



Source: Thames River

July proved to be a positive month for most equity markets, real estate included. Financials drove the market, following the positive outcome of the European banks' stress tests. The US earnings season also proved benign and in the absence of bad news, markets were free to float higher.

The Fund started the month with net exposure of practically 100% and gross exposure of 108%. We have maintained net and gross exposure in a fairly tight range (circa 90% to 110%) over the first half due to the high level of market volatility and our expectation that this is likely to be a recurring theme going forward. Sales in July exceeded purchases as we reduced our positions through the month, closing with net exposure of 91.3% and gross exposure of 102.1%.

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

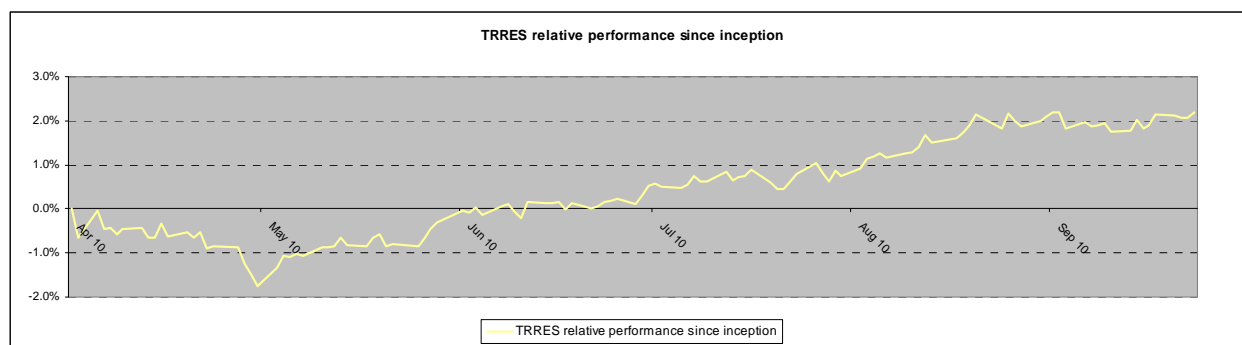
### *Thames River Real Estate Securities Fund (continued)*

Pan-European listed real estate markets were broadly flat over August, with the Fund's benchmark up just 0.09%. However, this seemingly benign picture of markets once again masked intra-month volatility, with the market trading in a 5% range and a number of individual stocks seeing 10% price movements.

We were active throughout the month, increasing net exposure from 91.3% at the start of the period to 100% before reducing it again to end the month at 95.7%. We were able to take advantage of market volatility, capturing short term relative valuation discrepancies (i.e. generating alpha).

After the relatively flat August, September saw significant gains in listed real estate markets across Europe, with the Fund's benchmark producing total return performance of 11.8%. The Nordic region was the star performer. Swedish stocks increased by an average of almost 22%, compared to 9.7% in the Eurozone and 5.2% in the UK.

The Fund has been consistently overweight Sweden since launch in April, albeit we have steadily reduced exposure as markets have run up and valuations cease to look so compelling. We believe that there is greater value in a number of UK stocks, where we increasingly expect values for prime property (especially well let Central London offices and regional shopping centres) to continue pushing upwards.



Source: Northern Trust – Sterling Class B Accumulation NAV per share

### **Market comment and Outlook**

Nine months ago our outlook for listed real estate markets could best be summarised as cautious. Today, we would re-style our stance as cautiously optimistic. We see growing interest in real estate as an asset class. Whether or not we see QE2 in Europe as well as in the US (at present it appears to us that it is the UK rather than the Eurozone that will go down this route) bond yields are likely to remain low for a significant period, reinforcing the attraction of relatively high real estate yields. Not only is the spread between real estate and bond yields attractive on a spot basis; real estate yields are also real in the sense that they offer a high degree of inflation protection useful given the continuing risk of above trend inflation.

We believe that volatility in listed real estate markets is likely to remain a risk, albeit there will be prolonged periods of apparent calm. We expect therefore to maintain net and gross exposure within a range of 90% to 110% over the coming months, taking advantage of pricing anomalies to generate alpha wherever possible.

In the short term, real estate equities will continue to be closely correlated with general equities. However, in the longer term we know that listed real estate is more closely correlated with underlying physical markets. We will therefore continue to actively position the portfolio to take account of both underlying real estate fundamentals and macro markets.

Our top-down view of markets has remained consistent over the period. From a macro perspective we prefer the Nordics, Core Europe and London. We are anticipating wider dispersion in physical property market returns across our investment universe (a good thing for seekers of alpha) with prime CBD office properties (especially those of central London, Paris and Stockholm) and prime regional shopping centres generally expected to do best. In the UK the evidence for increased dispersion is already growing.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River Real Estate Securities Fund (continued)***

The Investment Property Databank (IPD) reported capital growth for all commercial property of 0.5% in the quarter to the end of September; industrial property values fell by 0.1%. The CBRE monthly index for the same period reported 1% capital growth for all property and -0.4% for outer London/M25 offices. As a caveat, wider macro factors have the potential to upset this outlook, especially in regard to listed markets. The re-emergence of macro concerns, for example relating to the economic woes of peripheral Eurozone states, could well lead to sharper volatility, the corollary of which would almost certainly be greater correlation between stocks.

We anticipate that overall capital values as reported by the Investment Property Databank in the UK may move into negative territory over the coming months and that industrial property and offices outside London will prove especially weak. However, IPD is not reflective of our listed universe. Two thirds of this lies outside the UK and even within the UK the portfolios of listed property companies bear little resemblance to the constituents of IPD, generally comprising assets of better quality in our preferred locations and sectors. We expect the portfolios of our target companies to continue to show positive capital values throughout 2010 and into 2011.

In summary, our base case expectation is for investment returns to be positive over the medium term. However, as we have written many times elsewhere, one of the predominant features affecting markets today is the breadth of possible economic outcomes. We will therefore maintain our cautious stance and a high level of risk awareness, managing our net and gross exposure accordingly.

**Thames River Capital LLP**  
**October 2010**

## TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT

### *Thames River - BSI Bond Opportunity Fund*

#### Performance

The Fund was launched on 20 August 2010 and from inception to 30 September 2010, the performance of the two share classes of the Thames River BSI Bond Opportunity Fund was:

	<u>Fund Return</u>
EUR shares	0.70%
USD shares	0.70%

#### Market Review (1 April 2010 to 30 September 2010)

The start of the period ended 30 September 2010 was characterised by market volatility caused by waves of concern surrounding sovereign risks. Over the period, we saw strong evidence of what we expect to be a key 2010 credit theme: loan finance being replaced by bond refinancing and M&A financing, generating a sustained ability to capture new issue premium.

Sovereign volatility in peripheral Europe took centre stage in May causing a contagion effect across all risk assets. The sovereign crisis came to a head in May with multiple bouts of volatility. Despite this, macro fundamentals in developed markets (excluding peripherals) proved very strong.

The latter part of the period was characterised by the market's concerns over developed market sovereign refinancing risks ebbing away, providing a relatively calm backdrop for risk assets to benefit from the continuing supportive fundamentals and technicals. Yet mixed economic data in August ignited concerns over the deteriorating growth outlook, especially for the US. Whilst the ensuing rally in rates and flattening of yield curves in the G3 provided a supportive backdrop for credit markets, overall risk sentiment started to be challenged by slower-burning concerns over deflation and growth. The latter part of the period saw a second round of Quantitative Easing (QE2) and the Basel III directive, which resulted in lower government bond yields, higher equity markets, and tighter credit spreads. Within credit, outperforming sectors included high yield (HY) and crossover corporate credit in developed markets, bank sub-debt in Western Europe, and emerging market (EM) corporate bonds.

From the corporate credit perspective, the period saw a steady flow of primary issuance, especially in European HY and EM corporate debt, resulting from positive momentum and industry fund flows. With interest rates expected to stay lower for longer, default rates remaining low and recovery rates closing the quarter higher than expected, underlying corporate credit fundamentals are still good for strong corporates.

Going into the last quarter of 2010, we believe the macroeconomic backdrop remains favourable for credit markets, and we believe that the outperformance of credit among risk assets during the month of September is the beginning of a longer-lasting trend, but it will come at the cost of higher volatility. Whilst we expect a range-bound trading environment into year end, we have prudently constructed hedges that provide cost-efficient protection to the portfolio should our core views not align in the short term.

#### Fund Activity – September 2010

September was a transition month for the market in terms of risk after the mild risk aversion toward the second half of August. The portfolio was largely constructed during the month, which we believe is well balanced across region, sector and duration.

The key market movers for September were the much anticipated second round of Quantitative Easing (QE2), which put a solid bid underneath the credit market. The Basel III directive was also very positive for risk, particularly bank capital bonds. The net result of both these credit market positives was to take treasury, bund and gilt yields lower, equity markets higher and credit spreads tighter. We expect these trends to continue into year end, albeit with more volatility.

The Fund returned +0.7% in September, the highlights being a very good return from our Brazilian investment grade corporate exposure, which we continue to hold and from European Crossover bonds predominantly from the Food/Retail sectors. The remaining performance of the Fund came from bank capital bonds, with UK exposure contributing the most.



## **TRADITIONAL FUNDS plc INVESTMENT MANAGER'S REPORT**

### ***Thames River - BSI Bond Opportunity Fund (continued)***

The backdrop remains supportive for investment grade corporate credit. Corporates continue to deliver their balance sheets and term out the maturity profile of outstanding debt, whilst the low-growth macroeconomic backdrop is set to keep interest rates low. This leaves the yield-hunters to reach either for more duration or lower credit ratings. September has already seen the outperformance of BBB over A and AA rated corporate bonds, and the yield and spread compression between ratings and maturities is set to continue. However, we expect this broadly positive trend for investment grade credit to be accompanied by ongoing volatility.

#### **Outlook**

##### **Growth and trade**

The outlook is for a sluggish recovery in the main developed markets constrained by private sector de-leveraging and public sector consolidation and one in which GDP growth is significantly more volatile than it has been in recent years as a result of its dependence upon supportive macroeconomic policy and international coordination.

First and second quarter 2010 estimates of GDP and high-frequency indicators of activity and employment confirmed this outlook. The recovery in the US reached its most dynamic point in the fourth quarter of 2009, when the economy grew at an annualised 5.0% rate. Since then, the pace of growth has moderated significantly to a currently reported 2.4% annualised rate in the second quarter, which is likely to be revised down substantially given recent trade data that has showed a greater deterioration in the trade balance than was anticipated in the early estimates.

This slowing has clearly unnerved US markets and prompted a renewed bias towards loosening in US monetary policy, with a strong possibility of further Quantitative Easing being announced in the fourth quarter. Its wider significance, however, lies in its illustration of the close link between fiscal and monetary policy and growth prospects to the extent that economies are suffering from large overhangs of debt. It is in this context that the recent data and future prospects of the UK and Eurozone, for example, should be viewed. In contrast to the US, the economic recovery in the UK gained pace in the first half of 2010, with annualised growth of 4.5% recorded in the second quarter. But this growth rate is unlikely to be sustained given the coalition government's fiscal plans, which were further elaborated in the Comprehensive Spending Review of 20 October. In the Eurozone, by contrast, the recent upward momentum in GDP may be less vulnerable to announced fiscal retrenchment because the household and corporate sectors of the core Eurozone economies have fewer balance sheet problems than their peripheral EU, UK, or US counterparts.

Unfortunately, every silver lining has a cloud in the post-credit crunch world, and there are other reasons to believe that the exceptional second quarter performance of the core Eurozone where Germany, for example, recorded annualised GDP growth of 9.0% is not a reliable indicator of longer term growth prospects. On the one hand, the Eurozone's approach to the resolution of liquidity, and potential solvency, problems in its banking sector continues to be less dynamic than the comparable initiatives in the US, UK, or Switzerland. On the other hand and connectedly the sustainability of the public debt burdens of several peripheral Eurozone sovereigns remains in doubt. This combination of financial sector challenges is likely, along with the probable slowdown in the US and UK, to weigh on the Eurozone's real sector performance in future quarters.

In the emerging markets, our central expectation continues to be for macroeconomic performance to be highly variable across regions in 2010. Economic growth in non-Japan Asia continues to outperform, despite a tightening of macroeconomic policy in China. In Latin America, the Brazilian economy has continued to grow exceptionally strongly, with domestic and foreign investors alike apparently unfazed by the upcoming Presidential election. The main risks in these two regions relate to potential overheating, especially if the US and Japan continue to loosen monetary policy, and central banks are unwilling or unable to sterilise the resulting capital inflows. The economies of Central and Eastern Europe, by contrast, are recovering less dynamically or, in the case of those that share the balance sheet problems of the peripheral Eurozone, very slowly indeed. In this region, the main risk is of the knock-on real and financial effects of sluggish Western European growth constraining activity in the medium term.

**TRADITIONAL FUNDS plc**  
**INVESTMENT MANAGER'S REPORT**

***Thames River - BSI Bond Opportunity Fund (continued)***

In terms of global trade and financial factors, the most important development has been the continuing reversal of the improvement in the US current account, which increased to nearly 3% of GDP in the first quarter of 2010. Whilst still far from its peak level in 2005 and 2006, the reversal of what is a critical trend in the correction of global imbalances is a timely reminder that structural reform will be required in addition to fiscal policy to generate the more balanced patterns of international trade and finance which will be necessary to underpin consistent growth performance. The recent volatility of the US dollar reflects concerns about this important metric, as well as about US growth and, earlier in the year, European sovereign creditworthiness.

**Rates and yield curves**

Markets have begun to align themselves more with our disinflationary macroeconomic view than was the case earlier in the year. In the main developed markets, unemployment remains stubbornly high in the advanced economies and the gap between current and peak real output remains wide; implying a substantial output gap as a result of the recession even if potential output has contracted somewhat. The shrinkage of credit to the corporate sector continues in the US, the UK, and the Eurozone; and the money supply is stagnant in all three currency zones. As a result, the underlying trend in core inflation in the US and Eurozone continues to be downward; and we expect core inflation in the UK where the impact of tax changes and the exchange rate has been more pronounced to fall in the next months as well. This remains an environment in which we expect the main central banks to continue to deploy extraordinary liquidity measures, and policy rate hikes to be delayed for some time.

In this context, the third quarter saw a continuation of the bull flattening of US dollar, euro, and sterling benchmark yield curves, with 10 year rates rallying by 30 to 40 basis points, and the differential between 2 year and 10 year rates decreasing by a similar amount in all three main currency areas. These have been significant, synchronised shifts but we believe that in addition to the bouts of short term risk aversion which have underpinned them, the structural forces behind low rates in the developed markets in a disinflationary environment will remain strong for the foreseeable future.

**Main risks**

Our central scenario represents an environment that is generally favourable to fixed income assets over the medium term; though sluggish growth prospects will make idiosyncratic credit risk an important determinant of returns, and there are significant macroeconomic risks related to policy actions by fiscal and monetary authorities. Specific, near term, potential risk triggers include the US Fed's FOMC meeting and the US mid-term congressional elections at the beginning of November and the upcoming G20 meetings.

**Thames River Capital LLP**  
**October 2010**

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River European Dynamic Growth Fund

Financial assets at fair value through profit or loss						
Country	Equities	Currency	Nominal Holding	Fair Value €000	% of NAV	
Austria	Bwin Interactive Entertainment	EUR	4,933	188	1.69	
	Erste Bank	EUR	7,388	217	1.95	
	Schoeller-Bleckmann Oilfield Equipment	EUR	3,500	166	1.49	5.13
Belgium	Anheuser-Busch InBev	EUR	3,726	161	1.44	
	Barco	EUR	4,506	151	1.36	
	D'ieteren	EUR	742	304	2.73	5.53
Denmark	Novo-Nordisk	DKK	3,668	267	2.40	
	SimCorp	DKK	897	105	0.94	3.34
Finland	Kone	EUR	9,372	355	3.19	
	Nokian Renkaat	EUR	13,382	337	3.03	
	Vacon	EUR	7,733	271	2.43	8.65
France	Essilor International	EUR	2,179	110	0.99	
Germany	Fielmann	EUR	2,085	143	1.28	
Italy	Tod's	EUR	6,558	456	4.09	
	UniCredit	EUR	139,009	260	2.34	6.43
Netherlands	Qiagen	EUR	13,377	176	1.58	
	Randstad Holding	EUR	8,061	269	2.42	4.00
Norway	Acergy	NOK	8,205	111	1.00	
	DnB NOR	NOK	28,167	282	2.53	
	Kongsberg Gruppen	NOK	9,702	141	1.27	
	Norwegian Air Shuttle	NOK	17,152	199	1.79	
	Schibsted	NOK	12,258	225	2.02	
	Storebrand	NOK	63,160	284	2.55	
	Telenor	NOK	9,985	115	1.03	12.19
Portugal	Galp Energia	EUR	13,174	167	1.50	
Spain	Banco Bilbao Vizcaya Argentaria	EUR	20,426	202	1.81	
	Banco Santander	EUR	31,477	293	2.63	4.44
Sweden	Elekta	SEK	23,550	625	5.61	
	Hennes & Mauritz	SEK	8,135	216	1.94	
	Hexagon	SEK	20,664	325	2.92	
	Millicom International Cellular	SEK	3,048	213	1.92	
	Modern Times	SEK	3,178	174	1.56	13.95
Switzerland	EFG International	CHF	30,668	261	2.34	
	Nestle	CHF	5,933	233	2.09	
	Sika	CHF	336	456	4.10	
	Syngenta	CHF	542	99	0.89	
	Temenos	CHF	15,970	359	3.22	
	Zehnder	CHF	201	294	2.64	15.28
United Kingdom	Anglo American	GBP	4,406	129	1.16	
	Autonomy	GBP	10,807	226	2.03	
	Aveva	GBP	14,970	253	2.27	
	Cairn Energy	GBP	35,030	183	1.64	
	IG Group	GBP	63,765	366	3.29	
	Rolls-Royce	GBP	19,530	136	1.22	
	Serco	GBP	38,809	275	2.47	
	Standard Chartered	GBP	16,585	350	3.14	17.22
<b>Total Equities</b>				<b>11,128</b>	<b>99.93</b>	

*The accompanying notes form an integral part of these financial statements.*

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River European Dynamic Growth Fund (continued)

	Fair Value €000	% of NAV
<b>Total investments at fair value through profit or loss</b>	<b>11,128</b>	<b>99.93</b>
Cash at Bank	38	0.34
Margin cash	36	0.32
Other net liabilities	(66)	(0.59)
<b>Total Net Assets</b>	<b>11,136</b>	<b>100.00</b>
		<b>% of Total Assets</b>
<b>Analysis of portfolio (unaudited)</b>		
Transferable securities admitted to an official stock exchange listing or traded on a regulated market		99.23
		<b>99.23</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Thames River High Income Fund

Country	Financial assets at fair value through profit or loss		Nominal	Fair Value	% of NAV	
	Bonds	Currency	Holding	US\$000		
Argentina	Argentina (Republic of) 2.5% 31.12.2038	USD	9,000,000	3,677	0.46	
	City of Buenos Aires 12.5% 06.04.2015	USD	5,000,000	5,353	0.67	1.13
Australia	Macquarie Bank 6% 21.09.2020	EUR	5,500,000		7,545	0.95
Belgium	Sabena Interservice (JPY)* **	EUR	1,709,840	-	-	
	Sabena Interservice 0% 27.05.2002* **	EUR	8,549,201	-	-	
Bermuda	Sabena Interservice 3.62% 28.02.2049* **	EUR	6,785,398	-	-	-
	Digicel Group 10.5% 15.04.2018	USD	2,000,000	2,195	0.28	
Brazil	Digicel Group 8.875% 15.01.2015	USD	3,000,000	3,071	5,266	0.67
	BNTNB 5% 15.05.2015	BRL	10,235,000	11,595	1.46	
	BNTNB 5% 15.05.2017	BRL	30,000,000	34,180	4.30	
	BNTNB 5% 16.05.2017	BRL	5,375,000	6,124	0.77	
	Braskem Finance 7.375% 31.12.2049	USD	20,000,000	19,848	2.50	
	CSN Islands 7% 23.12.2049	USD	13,000,000	12,845	1.62	
	JBS Finance 8.25% 29.01.2018	USD	5,500,000	5,725	0.72	
	Marfrig Overseas 9.5% 04.05.2020	USD	3,000,000	3,173	0.40	
	Minerva Overseas 10.875% 15.11.2019	USD	3,000,000	3,210	0.40	
	Rearden G 7.875% 30.03.2020	USD	2,000,000	2,153	0.27	
	Suzano Trading 5.875% 23.01.2021	USD	4,000,000	4,015	102,868	12.95
Canada	BOM Capital 6.699% 11.03.2015	USD	4,000,000		4,073	0.51
Chile	Celulosa Arauco y Constitucion 5% 21.01.2021	USD	4,000,000		4,053	0.51
China	Agile Property Holdings 8.875% 28.04.2017	USD	4,000,000	4,130	0.52	
	China Oriental Group 8% 18.08.2015	USD	6,000,000	6,304	0.79	
	Country Garden 11.75% 10.09.2014	USD	2,000,000	2,199	0.28	
	Country Garden Holdings 11.25% 22.04.2017	USD	3,000,000	3,196	0.40	
	Kaisa Group Holdings 13.5% 28.04.2015	USD	2,000,000	2,021	0.25	
	Shimao Property Holdings 9.65% 03.08.2017	USD	4,000,000	4,092	21,942	2.75
Czech Republic	Czech (Republic of) 3.625% 14.04.2021	EUR	5,000,000		6,772	0.85
Egypt	Egypt Treasury Bills 0% 02.11.2010	EGP	103,500,000	18,049	2.27	
	Egypt Treasury Bills 0% 09.11.2010	EGP	28,998,386	5,042	0.63	
	Egypt Treasury Bills 0% 14.12.2010	EGP	58,210,538	10,032	33,123	4.16
Europe	European Union 2.375% 22.09.2017	EUR	8,000,000		10,947	1.38
France	Credit Logement 1.25% 31.12.2049	EUR	5,000,000	5,455	0.69	
	Credit Logement 4.604% 16.03.2011	EUR	2,100,000	2,436	7,891	1.00
Germany	Depfa Funding 0% 29.03.2049	EUR	5,550,000	1,856	0.23	
	Depfa Funding 0% 29.10.2049	EUR	4,550,000	1,537	0.19	
	Eurohypo Capital Funding Trust 6.445% 29.05.2049	EUR	3,000,000	2,426	0.31	
	HSH Nordbank 1.199% 14.02.2017	EUR	5,000,000	4,864	0.61	
	Unitymedia 8.125% 01.12.2017	EUR	5,000,000	7,165	17,848	2.24
Hong Kong	PHBS 6.625% 31.12.2049	USD	9,000,000		8,976	1.13
Indonesia	Bumi Capital 12% 10.11.2016	USD	2,000,000	2,156	0.27	
	Concourse Pow er 0% 15.10.2010*	USD	481,715	241	0.03	
	Concourse Pow er 0% 28.10.2010*	USD	4,817,148	2,409	0.30	
	Enercoal Resources 9.25% 04.08.2014	USD	1,000,000	1,022	5,828	0.73
Italy	Banco Popolare 6.156% 29.06.2049	EUR	3,000,000	3,246	0.41	
	Wind Acquisition Finance 11.75% 15.07.2017	EUR	5,000,000	7,625	10,871	1.37
Kazakhstan	JSC Astana Finance 0% 13.03.2017**	JPY	1,353,000,000		1,863	0.23
Mexico	Axtel 9% 22.09.2019	USD	5,000,000		4,625	0.58
Netherlands	ING Groep 5.14% 17.03.2049	GBP	3,028,000	4,019	0.51	
	Ziggo 8% 15.05.2018	EUR	5,000,000	7,179	11,198	1.41

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss			Nominal	Fair Value			
Country	Bonds (continued)	Currency	Holding	US\$000	% of NAV		
Poland	Poland (Republic of) 4% 23.03.2021	EUR	2,500,000	3,428	0.43		
Russia	Alfa MTN Issuance 8% 18.03.2015	USD	8,000,000	8,287	1.04		
	Finance Leasing Company 9.25% 20.06.2011**	USD	20,000,000	4,000	0.50		
	Gazprombank 6.25% 15.12.2014	USD	10,000,000	10,150	1.28		
	Lukoil International Finance 7.25% 05.11.2019	USD	4,000,000	4,370	0.55		
	Renaissance Securities Trading 12% 01.04.2011	USD	6,000,000	6,056	0.76		
	TNK-BP Finance 6.25% 02.02.2015	USD	4,000,000	4,240	0.53		
	VTB Capital 6.465% 04.03.2015	USD	4,000,000	4,150	0.52	5.18	
South Korea	Korea Finance 3.25% 20.09.2016	USD	10,000,000	9,992	1.26		
Spain	Spain Letras del Tesoro 0% 21.01.2011	EUR	35,000,000	47,653	6.00		
Sw eden	Nobina 9.125% 01.08.2012	EUR	5,600,000	7,569	0.95		
Turkey	Turkey (Republic of) 14% 19.01.2011	TRY	70,000,000	49,347	6.21		
United Arab	Nakheel Development 2.75% 16.01.2011	USD	3,000,000	3,375	0.42		
United Kingdom	Ardagh Glass Finance 8.75% 01.02.2020	EUR	4,500,000	6,137	0.77		
	Boats Inv 11% 31.03.2017	EUR	4,383,030	4,922	0.62		
	HBOS Capital Funding 6.071% 30.06.2049	USD	10,110,000	8,922	1.12		
	Ineos Finance 9.25% 15.05.2015	EUR	2,000,000	2,880	0.36		
	Ineos Group Holdings 7.875% 15.02.2016	EUR	3,000,000	3,426	0.43		
	Infinis 9.125% 15.12.2014	GBP	3,000,000	4,929	0.62		
	Inmarsat Finance 7.375% 01.12.2017	USD	6,000,000	6,270	0.79		
	Kerling 10.625% 28.01.2017	EUR	5,000,000	7,210	0.91		
	Ladbrokes Group Finance 7.625% 05.03.2017	GBP	6,000,000	9,703	1.22		
	LBG Capital 6.385% 12.05.2020	EUR	5,000,000	6,021	0.76		
	Lloyds TSB Bank 6.5% 14.09.2020	USD	11,000,000	11,180	1.41		
	Lloyds TSB Bank 6.5% 17.09.2040	GBP	10,000,000	15,960	2.01		
	Northern Rock Asset Management 5.75% 28.02.2017	GBP	2,500,000	2,982	0.38		
	Standard Bank 8.125% 02.12.2019	USD	6,000,000	6,545	0.82	12.22	
	United States	Ally Financial 7.5% 15.09.2020	USD	5,000,000	5,325	0.67	
GMAC Finance 7.5% 21.04.2015		EUR	5,000,000	7,016	0.88		
Northern Trust Cash Deposit Re: Lazard Sub Part*		USD	82,531	62	0.01		
Venezuela	US Treasury 4.375% 15.05.2040	USD	19,000,000	21,339	2.69	4.25	
	Petroleos de Venezuela 5.375% 12.04.2027	USD	3,000,000	1,475	0.19		
	Venezuela (Republic of) 7% 01.12.2018	USD	5,000,000	3,327	0.42		
	Venezuela (Republic of) 7.75% 13.10.2019	USD	13,000,000	8,561	1.08		
	Venezuela (Republic of) 9% 07.05.2023	USD	4,000,000	2,674	0.34	2.03	
Total Bonds				584,202	73.50		
Equities							
Hong Kong	iShares FTSE Xinhua A50 CHINA Index ETF	HKD	3,015,000	4,808	0.60		
Total Equities				4,808	0.60		
Options			Nominal	Fair Value			
Country	FX Options - Vanilla	Counterparty	Currency	Holding	US\$000	% of NAV	
Australia	AUD USD Call 21.10.2010 (SP 0.9545)	JP Morgan	AUD	17,500,000	338	0.04	
	AUD USD Call 21.10.2010 (SP 1.266)	UBS	EUR	21,000,000	2,118	0.27	
	AUD USD Call 21.10.2010 (SP 1.345)	Credit Suisse	EUR	21,000,000	454	0.06	
Europe	AUD USD Call 21.10.2010 (SP 6.7)	UBS	USD	21,000,000	257	0.03	0.40
	EUR RUB Call 15.10.2010 (SP 0.000001)	Morgan Stanley	EUR	800,000	261	0.03	
	EUR USD Call 07.04.2011(SP 1.163)	UBS	EUR	1,020,000	160	0.02	0.05
Total FX Options - Vanilla				3,588	0.45		

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial assets at fair value through profit or loss

Country	FX Options - Non Vanilla	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Australia	AUD CAD Put 30.09.2010 (SP 0.92) (RKO 0.87)	DMG*	AUD	14,000,000	-	-	-
Europe	EUR USD Put 06.09.2011 (SP 1.10) (RKO 0.97)	RBOS***	EUR	40,000,000	67	0.01	
	EUR USD Put 06.09.2011 (SP 1.10) (RKO 0.97)	Credit Suisse	EUR	40,000,000	67	0.01	
	EUR USD Put 06.09.2011 (SP 1.15) (RKO 1.02)	Credit Suisse	EUR	80,000,000	210	0.03	
	EUR USD Put 06.09.2011 (SP 1.15) (RKO 1.02)	Credit Suisse	EUR	60,000,000	436	0.06	
	EUR USD Put 18.04.2011 (SP 1.28) (RKO 1.13)	Credit Suisse	EUR	24,000,000	194	0.02	0.13
New Zealand	NZD CAD Put 30.09.2010 (SP 0.741) (RKO 0.705)	RBOS***	NZD	14,000,000	1	-	-
United States	USD BRL Call 17.12.2010 (SP 1.87) (RKO 2.02)	Credit Suisse	USD	20,000,000	27	-	
	USD BRL Call 17.12.2010 (SP 1.9) (RKO 2.1)	Credit Suisse	USD	20,000,000	42	0.01	
	USD BRL Call 17.12.2010 (SP 1.95) (RKO 2.2)	Credit Suisse	USD	20,000,000	25	-	
	USD KRW Put 06.10.2010 (SP 1160) (RKO 1100)	Citigroup	USD	40,000,000	770	0.10	
	USD KRW Put 06.10.2010 (SP 1200) (RKO 1130)	Citigroup	USD	16,000,000	333	0.04	
	USD KRW Put 30.09.2010 (SP 1170) (RKO 1125)	BOAML**	USD	16,000,000	410	0.05	
	USD ZAR Call 30.09.2010 (SP 7.6) (RKO 8.15)	JP Morgan	USD	16,000,000	-	1,607	0.20
<b>Total FX Options - Non Vanilla</b>					<b>2,582</b>		<b>0.33</b>

Country	FX Options Basket	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Australia	FX Basket 02.02.2011	Deutsche Bank	AUD	40,000,000	185	0.02	
Europe	FX Basket 13.10.2010 25%	Merrill Lynch	EUR	30,000,000	6,642	0.84	
United States	FX Basket 15.12.2010	JP Morgan	USD	1,440,000,000	1,151	0.14	
<b>Total FX Options Basket</b>					<b>7,978</b>		<b>1.00</b>

Country	FX Worst of Options	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Australia	Worst of AUD Put 02.11.2010 (SP 11.25)	Deutsche Bank	AUD	16,000,000	-	-	
	Worst of AUD Put 02.11.2010 (SP 11.25)	Deutsche Bank	AUD	16,000,000	-	-	
	Worst of AUD Put 04.10.2010 (SP 5.4922)	Credit Suisse	AUD	20,000,000	1	-	-
Europe	Worst of EUR Put 06.10.2010 (SP 11.25)	HSBC	EUR	25,000,000	3,162	0.40	
New Zealand	Worst of NZD Put 27.10.2010 (SP 0.7476)	Morgan Stanley	NZD	35,000,000	196	0.02	
<b>Total FX Worst of Options</b>					<b>3,359</b>		<b>0.42</b>

Country	Vanilla Index & Vanilla Treasury* Options	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Europe	DJ Euro Stock Call 15.10.2010 (SP 2850)	Goldman Sachs	EUR	1,300	248	0.03	
United States	S&P 500 Index Call 16.10.2010 (SP 1170)	Goldman Sachs	USD	650	341	0.04	
	S&P 500 Index Put 16.10.2010 (SP 1010)	Goldman Sachs	USD	975	90	0.01	
	S&P 500 Index Put 16.10.2010 (SP 1060)	Goldman Sachs	USD	650	161	0.02	
	S&P 500 Index Put 16.10.2010 (SP 1075)	Goldman Sachs	USD	350	124	0.02	
	S&P 500 Index Put 16.10.2010 (SP 1120)	Goldman Sachs	USD	1,105	1,177	0.15	
	S&P 500 Index Put 16.10.2010 (SP 950)	Goldman Sachs	USD	700	23	-	
	S&P 500 Index Put 16.10.2010 (SP 975)	Goldman Sachs	USD	350	18	-	
	S&P Quarterly Call 30.09.2010 (SP 1165)	Goldman Sachs	USD	475	-	-	
	S&P Quarterly Call 30.09.2010 (SP 1180)	Goldman Sachs	USD	400	2	-	
	S&P Quarterly Put 30.09.2010 (SP 1030)	Goldman Sachs	USD	650	3	-	
	S&P Quarterly Put 30.09.2010 (SP 1070)	Goldman Sachs	USD	650	2	-	
	S&P Quarterly Put 30.09.2010 (SP 1115)	Goldman Sachs	USD	650	3	-	
	US Treasury Note Put 22.10.2010 (SP 119.5)*	Goldman Sachs	USD	700	11	-	
	US Treasury Note Put 22.10.2010 (SP 123.5)*	Goldman Sachs	USD	700	66	0.01	0.25
<b>Total Vanilla Index &amp; Vanilla Treasury* Options</b>					<b>2,269</b>		<b>0.28</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss				Nominal	Fair Value			
Country	OTC Currency Options	Counterparty	Currency	Holding	US\$000		% of NAV	
Europe	EUR CHF Call 24.04.2014 (SP 1.55)	Merrill Lynch	EUR	15,000,000	227			0.03
	EUR CHF Call 24.04.2014 (SP 1.550)	Goldman Sachs	EUR	15,000,000	227			0.03
	EUR EUR Put 18.10.2010 (SP 1.25)	Bank of America	EUR	12,000,000	2	456	-	0.06
United States	USD BRL Put 08.11.2010 (SP 1.8)	HSBC	USD	24,000,000	1,437			0.18
	USD BRL Put 18.11.2010 (SP 1.8)	Santander	USD	8,000,000	474			0.06
	USD BRL Put 18.11.2010 (SP 1.8)	Bank of America	USD	8,000,000	474			0.06
	USD JPY Call 02.08.2012 (SP 90)	Nomura	USD	13,300,000	450			0.06
	USD JPY Call 02.08.2012 (SP 95)	Nomura	USD	12,600,000	252			0.03
	USD JPY Call 18.02.2014 (SP 105)	Morgan Stanley	USD	12,000,000	198			0.02
	USD JPY Call 21.02.2014 (SP 105)	HSBC	USD	9,000,000	149			0.02
	USD JPY Call 28.02.2014 (SP 105)	Credit Suisse	USD	5,500,000	91			0.01
	USD KRW Put 03.12.2010 (SP 1150)	Goldman Sachs	USD	24,000,000	602			0.08
	USD KRW Put 24.11.2010 (SP 1140)	Citigroup	USD	16,000,000	294			0.04
	USD MXN Put 03.12.2010 (SP 12.5)	Credit Suisse	USD	14,000,000	181			0.02
	USD MXN Put 03.12.2010 (SP 12.75)	Credit Suisse	USD	21,000,000	503			0.06
	USD SGD Put 06.01.2011 (SP 1.37)	HSBC	USD	17,000,000	758			0.10
	USD TRY Put 15.11.2010 (SP 1.5)	HSBC	USD	16,000,000	546	6,409	0.07	0.81
	Total OTC Currency Options					6,865		0.87

Country	OTC Equity Index Option Barrier	Counterparty	Currency	Nominal Holding	Fair Value US\$000		% of NAV	
United States	SPX Index Call 17.12.2010 (SP 1135) (RKO 1235)	Morgan Stanley	USD	3,000	41			0.01
United States	SPX Index Call 17.12.2010 (SP 1135) (RKO 1235)	Barclays Capital	USD	10,000	92	133	0.01	0.02
Total OTC Equity Index Option Barrier					133		0.02	

Country	Spread Options (CMS = Constant Maturity Swap)	Counterparty	Currency	Nominal Holding	Fair Value US\$000		% of NAV	
Australia	CAP AUD CMS 3 YR Call 10.02.2012 (SP 0.17)	Goldman Sachs	AUD	120,000,000	505			0.06
Europe	CAP EUR CMS 10 YR Call 10.08.2012 (SP 4.65)	Morgan Stanley	EUR	100,000,000	134			0.02
Japan	CAP JPY CMS 10 YR Call 21.08.2012 (SP 2)	Goldman Sachs	JPY	9,500,000,000	128			0.02
United Kindgom	CAP GBP CMS 10 YR Call 10.04.2012 (SP 5)	Goldman Sachs	GBP	50,000,000	72			0.01
	CAP GBP CMS 10 YR Call 10.04.2012 (SP 5)	Morgan Stanley	GBP	50,000,000	106			0.01
	CAP GBP CMS 10 YR Call 10.10.2011 (SP 4.75)	Morgan Stanley	GBP	50,000,000	64			0.01
	CAP GBP CMS 10 YR Call 10.10.2011 (SP 4.75)	Credit Suisse	GBP	100,000,000	93			0.01
	CAP GBP CMS 10 YR Call 23.04.2012 (SP 5)	Morgan Stanley	GBP	100,000,000	220	555	0.03	0.07
United States	CAP USD CMS 10 YR Call 17.08.2012 (SP 5)	Morgan Stanley	USD	100,000,000	179			0.02
	CAP USD CMS 10 YR Call 19.07.2012 (SP 5.07)	Credit Suisse	USD	100,000,000	160			0.02
	CAP USD CMS 10 YR Call 19.07.2012 (SP 5.08)	Goldman Sachs	USD	100,000,000	160			0.02
	CAP USD CMS 10 YR Call 20.07.2012 (SP 5.21)	Morgan Stanley	USD	100,000,000	143			0.02
	CAP USD CMS 10 YR VS 2 YR Call 06.02.2012 (SP 0.615)	Goldman Sachs	USD	90,000,000	1,140			0.14
	CAP USD CMS 10 YR VS 2 YR Call 15.02.2012 (SP 0.55)	Goldman Sachs	USD	60,000,000	793			0.10
	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.1) (KO 3.1)	Morgan Stanley	USD	90,000,000	-		-	
	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.6) (KO 3.60)	Morgan Stanley	USD	90,000,000	-		-	
	CAP USD CMS 2 YR Call 19.11.2010 (SP 3.1) (KO 4.1)	Morgan Stanley	USD	90,000,000	-		-	
	CAP USD CMS 2 YR Call 23.04.2012 (SP 5)	Morgan Stanley	USD	100,000,000	126			0.02
	CAP USD CMS 30 YR Call 04.04.2012 (SP 4.5)	Morgan Stanley	USD	50,000,000	142			0.02
	CAP USD CMS 30 YR Call 09.04.2012 (SP 4.5)	Goldman Sachs	USD	50,000,000	135			0.02
	CAP USD CMS 30 YR Call 20.01.2014 (SP 3.3)	Goldman Sachs	USD	100,000,000	1,304			0.16
	CAP USD CMS 30 YR Call 23.12.2013 (SP 3.3)	Goldman Sachs	USD	210,000,000	2,704			0.34
	CAP USD CMS 5 YR Call 05.10.2010 (SP 3.33)	Goldman Sachs	USD	100,000,000	-	6,986	-	0.88
Total Spread Options					8,308		1.05	

The accompanying notes form an integral part of these financial statements.



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss				Nominal	Fair Value		
Country	Vanilla Index Options	Counterparty	Currency	Holding	US\$000	% of NAV	
Hong Kong	EIO HSCEI Index Put 30.03.2011 (SP 13,316)	Societe Generale	HKD	8,730	1,570	0.20	
Kong	EIO HSCEI Index Put 30.12.2010 (SP 12,000)	Societe Generale	HKD	12,700	673	0.09	
	EIO ISHARE A50 China 2823 HK Put 29.03.2011 (SP 13.26)	Morgan Stanley	HKD	5,850,000	1,141	3,384	0.14 0.43
Total Vanilla Index Options					3,384	0.43	
Country	Dual Digital Index Spread Option	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
United States	USD Dual Digital 14.01.2011	Goldman Sachs	USD	120,000,000	533	0.07	
Total Dual Digital Index Spread Option					533	0.07	
Country	FX Option - Single Barrier Down Out	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Australia	AUD CAD Put 13.10.2010 (SP 0.99)	Credit Suisse	AUD	13,000,000	65	0.01	
	AUD CAD Put 28.10.2010 (SP 0.975)	Merrill Lynch	AUD	6,500,000	29	-	
	AUD NZD Put 13.10.2010 (SP 1.31)	Merrill Lynch	AUD	13,000,000	57	0.01	
	AUD NZD Put 28.10.2010 (SP 1.3)	Goldman Sachs	AUD	6,500,000	25	-	
	AUD NZD Put 28.10.2010 (SP 1.3)	Merrill Lynch	AUD	13,000,000	54	230	0.01 0.03
Europe	EUR EUR Put 12.10.2010 (SP 1.335)	UBS	EUR	7,000,000	15	-	
	EUR PLN Put 18.10.2010 (SP 3.94)	HSBC	EUR	8,000,000	35	-	
	EUR PLN Put 18.11.2010 (SP 3.92)	HSBC	EUR	16,000,000	90	0.01	
	EUR USD Put 12.10.2010 (SP 1.335)	RBOS***	EUR	7,000,000	15	-	
	EUR USD Put 12.10.2010 (SP 1.335)	Merrill Lynch	EUR	7,000,000	15	170	- 0.01
Japan	JPY KRW Put 19.11.2010 (SP 13.2)	Credit Suisse	JPY	1,200,000,000	58	0.01	
	JPY KRW Put 21.10.2010 (SP 13.6)	Credit Suisse	JPY	1,200,000,000	93	151	0.01 0.02
United States	USD BRL Put 21.10.2010 (SP 1.73)	Credit Suisse	USD	12,000,000	33	-	
	USD BRL Put 21.10.2010 (SP 1.73)	JP Morgan	USD	16,000,000	43	0.01	
	USD CAD Put 22.10.2010 (SP 1.05)	Goldman Sachs	USD	14,000,000	182	0.02	
	USD INR Put 21.10.2010 (SP 45.5)	HSBC	USD	16,000,000	137	0.02	
	USD INR Put 21.10.2010 (SP 45.8)	Merrill Lynch	USD	16,000,000	-	-	
	USD JPY Put 13.10.2010 (SP 83.5)	Merrill Lynch	USD	7,000,000	47	0.01	
	USD JPY Put 13.10.2010 (SP 83.5)	UBS	USD	7,000,000	47	0.01	
	USD MXN Put 19.10.2010 (SP 12.8)	JP Morgan	USD	17,500,000	92	0.01	
	USD MXN Put 24.11.2010 (SP 12.85)	Morgan Stanley	USD	14,000,000	115	0.02	
	USD MXN Put 25.10.2010 (SP 12.95)	Credit Suisse	USD	14,000,000	180	876	0.02 0.12
Total FX Option - Single Barrier Down Out					1,427	0.18	
Country	FX Option - Single Barrier Up Out	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Europe	EUR CHF Call 11.11.2010 (SP 1.345)	Merrill Lynch	EUR	14,000,000	178	0.02	
	EUR CHF Call 13.10.2010 (SP 1.3)	Credit Suisse	EUR	14,000,000	164	0.02	
	EUR SEK Call 25.10.2010 (SP 9.22)	Merrill Lynch	EUR	13,000,000	96	0.01	
	EUR SEK Call 25.11.2010 (SP 9.26)	Merrill Lynch	EUR	13,000,000	112	0.02	
	EUR USD Call 24.11.2010 (SP 1.3)	Credit Suisse	EUR	21,000,000	43	0.01	
	EUR USD Call 24.11.2010 (SP 1.355)	Merrill Lynch	EUR	10,500,000	89	0.01	
	EUR USD Call 24.11.2010 (SP 1.4)	RBOS***	EUR	21,000,000	110	792	0.01 0.10
United States	USD BRL Call 14.10.2010 (SP 1.725)	HSBC	USD	12,000,000	24	-	
	USD BRL Call 14.10.2010 (SP 1.755)	Goldman Sachs	USD	20,000,000	20	-	
	USD CHF Call 11.11.2010 (SP 1.04)	JP Morgan	USD	7,000,000	7	-	
	USD CHF Call 13.10.2010 (SP 1.015)	JP Morgan	USD	7,000,000	3	-	
	USD JPY Call 13.10.2010 (SP 84.75)	Credit Suisse	USD	14,000,000	39	0.01	
	USD MXN Call 19.10.2010 (SP 12.9)	Credit Suisse	USD	14,000,000	19	112	- 0.01
Total FX Option - Single Barrier Up Out					904	0.11	
Total Options					41,330	5.21	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss						Nominal	Fair Value		
Country	Swaptions	Maturity date	Counterparty	Currency	Holding	US\$000	% of NAV		
Brazil	Brazil Pre CDI Call 11.3%	01.10.2010	Bank of America	BRL	1,020,000,000	166			0.02
	Brazil Pre CDI Call 12.25%	01.10.2010	Credit Suisse	BRL	765,000,000	788			0.10
	Brazil Pre CDI Call 12.3%	01.04.2011	Santander	BRL	192,000,000	436			0.06
	Brazil Pre CDI Call 12.40%	03.01.2011	Credit Suisse	BRL	400,000,000	1,162			0.15
	Brazil Pre CDI Call 12.50%	03.01.2011	Merrill Lynch	BRL	225,000,000	655			0.08
	Brazil Pre CDI Call 12.55%	03.01.2011	DMG*	BRL	400,000,000	1,152			0.15
	Brazil Pre CDI Call 12.64%	03.01.2011	DMG*	BRL	400,000,000	1,233			0.16
	Brazil Pre CDI Put 12.55%	03.01.2011	DMG*	BRL	760,000,000	97	5,689		0.01
Europe	ITRAXX SR13 5YR Put (SP 1.1)	03.01.2011	Morgan Stanley	EUR	162,500,000	1,302			0.16
	ITRAXX SR13 Put (SP 1.1)	15.12.2010	Morgan Stanley	EUR	245,000,000	780	2,082		0.10
Mexico	Mexico TIE Put 5.5%	20.10.2010	DMG*	MXN	455,000,000	134			0.02
	Mexico TIE Put 5.80%	11.03.2011	DMG*	MXN	490,000,000	258	392		0.03
New Zealand	IR0 New Zealand Call 6M BBR 4.2%	23.09.2011	Morgan Stanley	NZD	52,500,000		331		-
Poland	Poland 6M WIBOR 4.57%	21.01.2011	Credit Suisse	PLN	264,000,000		162		-
South Africa	ZAR 3M JIBAR Put 7.35%	26.01.2011	DMG*	ZAR	400,000,000	19			-
Africa	ZAR JIBAR Put 6.67%	07.12.2010	DMG*	ZAR	320,000,000	275			0.04
	ZAR JIBAR Put 7.67%	17.03.2011	DMG*	ZAR	84,000,000	313	607		0.04
Turkey	X-CCY TRY USD 3M Libor 7.94%	17.03.2011	Goldman Sachs	TRY	72,000,000	383			0.05
	X-CCY TRY USD 3M Libor 8.30%	22.03.2011	Deutsche Bank	TRY	25,000,000	323			0.04
	X-CCY TRY USD 3M Libor 8.30%	14.01.2011	Goldman Sachs	TRY	40,040,000	482			0.06
	X-CCY TRY USD 3M Libor 8.6%	18.01.2011	Goldman Sachs	TRY	30,000,000	276			0.03
	X-CCY TRY USD 3M Libor 8.75%	14.03.2011	Deutsche Bank	TRY	162,000,000	1,780			0.22
	X-CCY TRY USD 3M Libor 9.08%	19.10.2010	Goldman Sachs	TRY	28,000,000	92			0.01
	X-CCY TRY USD 3M Libor 9.25%	03.02.2011	Deutsche Bank	TRY	40,000,000	95			0.01
	X-CCY TRY USD 3M Libor 9.83%	24.12.2010	Deutsche Bank	TRY	32,000,000	16	3,447		-
United States	USD 3M Libor Put 2.5%	02.12.2010	Credit Suisse	USD	50,000,000	-			-
	USD 3M Libor Put 2.50%	02.11.2010	Goldman Sachs	USD	10,000,000	1			-
	USD 3M Libor Put 2.50%	12.05.2011	Morgan Stanley	USD	25,000,000	2			-
	USD 3M Libor Put 2.505%	12.05.2011	Goldman Sachs	USD	50,000,000	-			-
	USD 3M Libor Put 3.00%	02.11.2010	Credit Suisse	USD	50,000,000	-			-
	USD 3M Libor Put 3.00%	03.11.2010	Morgan Stanley	USD	50,000,000	-			-
	USD 3M Libor Put 3.39%	03.11.2010	Morgan Stanley	USD	100,000,000	21			-
	USD 3M Libor Put 3.48%	06.10.2011	Morgan Stanley	USD	50,000,000	10			-
	USD 3M Libor Put 3.52%	09.10.2011	Credit Suisse	USD	100,000,000	19	53		-
Total Swaptions							12,763		1.60
Currency swaps									
	Fund	Fund	Maturity			Nominal	Fair Value		
Country	pays floating	receives	date	Counterparty	Currency	Holding	US\$000	% of NAV	
Colombia	USD 6M Libor	6.70	05.07.2011	Citigroup	COP	10,600,000,000	1,104		0.14
	USD 6M Libor	7.10	19.06.2012	Santander	COP	37,370,000,000	3,636	4,740	0.46
South Africa	USD 6M Libor	6.63	14.01.2011	JP Morgan	ZAR	760,000,000		9,257	1.16
Turkey	USD 3M Libor	6.50	02.12.2010	JP Morgan	TRY	155,600,000		7,547	0.95
	USD 6M Libor	6.70	08.03.2011	JP Morgan	TRY	151,400,000	4,598		0.58
	USD 3M Libor	6.89	15.11.2010	JP Morgan	TRY	153,200,000	5,900		0.74
	USD 3M Libor	10.64	07.05.2013	Citigroup	TRY	36,800,000	1,175		0.15
	USD 3M Libor	10.66	19.02.2013	Citigroup	TRY	23,000,000	803		0.10
	USD 3M Libor	10.76	11.02.2013	Citigroup	TRY	46,000,000	1,669		0.21
	USD 3M Libor	10.05	24.02.2015	RBOS***	USD	13,000,000	13,002	27,147	1.64
									3.42
Total Currency Swaps							48,691		6.13

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss									
Interest rate swaps									
Country	Fund receives	Fund pays	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Brazil	Brazil Daily CDI	11.33	02.01.2013	Goldman Sachs	BRL	88,000,000	380	0.05	
	Brazil Daily CDI	11.65	02.01.2014	Nomura	BRL	96,000,000	227	0.03	
	Brazil Daily CDI	11.65	02.01.2014	Santander	BRL	27,200,000	86	693	0.01
	Brazil Daily CDI	11.70	02.01.2014	Santander	BRL	58,800,000	106	0.01	
Chile	Chile 6M Camara	2.30	29.06.2011	Citigroup	CLP	21,250,000,000	400	0.05	
	Chile 6M Camara	3.35	14.10.2011	Citigroup	CLP	53,000,000,000	799	0.10	
	Chile 6M Camara	3.77	17.01.2012	Credit Suisse	CLP	6,000,000,000	87	0.01	
	Chile 6M Camara	3.80	11.10.2011	Citigroup	CLP	42,500,000,000	240	0.03	
	Chile 6M Camara	4.62	14.04.2012	Goldman Sachs	CLP	20,800,000,000	39	1,671	0.00
Mexico	Mexico 28 Day TIE	6.61	26.02.2021	JP Morgan	MXN	58,500,000	7	-	
South Africa	ZAR 3M Jibar	7.68	15.01.2024	DMG*	ZAR	135,000,000	215	0.03	
	ZAR 3M Jibar	7.75	15.01.2024	JP Morgan	ZAR	64,200,000	168	383	0.02
	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Australia	Australia 6M BBK	6.33	05.09.2013	Morgan Stanley	AUD	58,900,000	1,014	0.13	
Brazil	Brazil Daily CDI	10.13	03.01.2011	Citigroup	BRL	90,000,000	352	0.05	
	Brazil Daily CDI	10.72	03.01.2011	Citigroup	BRL	135,000,000	226	0.03	
	Brazil Daily CDI	11.17	01.07.2011	Morgan Stanley	BRL	128,000,000	761	0.10	
	Brazil Daily CDI	11.21	01.07.2011	Morgan Stanley	BRL	128,000,000	816	0.10	
	Brazil Daily CDI	11.26	01.07.2011	Morgan Stanley	BRL	64,000,000	427	0.05	
	Brazil Daily CDI	11.30	01.07.2011	Morgan Stanley	BRL	40,000,000	276	0.04	
	Brazil Daily CDI	11.40	01.07.2011	Goldman Sachs	BRL	100,000,000	227	0.03	
	Brazil Daily CDI	11.40	01.07.2011	Nomura	BRL	4,750,000	10	-	
	Brazil Daily CDI	11.49	01.07.2011	Nomura	BRL	92,800,000	243	0.03	
	Brazil Daily CDI	11.60	02.01.2012	Morgan Stanley	BRL	54,000,000	290	0.04	
	Brazil Daily CDI	11.64	02.01.2012	Nomura	BRL	26,000,000	47	0.01	
	Brazil Daily CDI	11.78	02.01.2012	Morgan Stanley	BRL	64,000,000	241	0.03	
	Brazil Daily CDI	11.87	01.07.2011	Morgan Stanley	BRL	88,000,000	457	0.06	
	Brazil Daily CDI	12.00	02.01.2012	Merrill Lynch	BRL	152,000,000	764	0.10	
	Brazil Daily CDI	12.05	02.01.2012	Morgan Stanley	BRL	64,000,000	356	0.04	
	Brazil Daily CDI	12.06	02.01.2012	Santander	BRL	33,600,000	191	0.02	
	Brazil Daily CDI	12.10	02.01.2014	Santander	BRL	16,000,000	270	0.03	
	Brazil Daily CDI	12.12	02.01.2012	Morgan Stanley	BRL	54,000,000	428	0.05	
	Brazil Daily CDI	12.12	02.01.2012	Nomura	BRL	63,000,000	501	0.06	
	Brazil Daily CDI	12.20	02.01.2014	Goldman Sachs	BRL	37,800,000	402	0.05	
	Brazil Daily CDI	12.22	02.01.2012	Santander	BRL	62,400,000	420	0.05	
	Brazil Daily CDI	12.50	02.01.2014	Morgan Stanley	BRL	5,400,000	68	0.01	
	Brazil Daily CDI	12.52	02.01.2014	Santander	BRL	4,500,000	91	7,864	0.01
Chile	Chile 6M Camara	4.72	18.01.2012	JP Morgan	CLP	15,000,000,000	64	0.01	
	Chile 6M Camara	4.79	24.01.2013	Barclays Capital	CLP	14,000,000,000	105	0.01	
	Chile 6M Camara	4.81	17.01.2012	JP Morgan	CLP	15,000,000,000	94	0.01	
	Chile 6M Camara	4.82	01.02.2012	JP Morgan	CLP	26,500,000,000	142	0.02	
	Chile 6M Camara	4.94	09.04.2012	Credit Suisse	CLP	21,250,000,000	100	0.01	
	Chile 6M Camara	4.99	01.03.2013	Santander	CLP	13,000,000,000	115	0.01	
	Chile 6M Camara	5.45	24.06.2014	Citigroup	CLP	7,000,000,000	116	736	0.02
	Chile 6M Camara	5.45	24.06.2014	Citigroup	CLP	7,000,000,000	116	0.02	
Mexico	Mexico 28 Day TIE	7.59	23.02.2011	Citigroup	MXN	390,000,000	331	0.04	
	Mexico 28 Day TIE	8.20	17.05.2019	Citigroup	MXN	100,000,000	1,019	0.13	
	Mexico 28 Day TIE	8.50	19.07.2019	Deutsche Bank	MXN	75,000,000	897	0.11	
	Mexico 28 Day TIE	9.10	17.11.2010	Barclays Capital	MXN	356,000,000	158	0.02	
	Mexico 28 Day TIE	6.23	24.08.2011	Citigroup	MXN	1,350,000,000	1,189	0.15	
	Mexico 28 Day TIE	8.16	17.07.2020	Citigroup	MXN	190,000,000	1,935	0.24	
	Mexico 28 Day TIE	6.20	27.06.2011	Credit Suisse	MXN	1,000,000,000	730	0.09	
	Mexico 28 Day TIE	7.03	02.12.2011	Goldman Sachs	MXN	280,000,000	434	0.06	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss									
Interest rate swaps									
Country	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Mexico	Mexico 28 Day TIE		7.18 30.07.2020	Santander	MXN	130,000,000	555	0.07	
(continued)	Mexico 28 Day TIE		6.11 10.08.2011	Santander	MXN	1,350,000,000	1,035	0.13	
	Mexico 28 Day TIE		5.99 11.10.2011	Santander	MXN	800,000,000	612	0.08	
	Mexico 28 Day TIE		6.08 03.08.2011	Santander	MXN	1,350,000,000	989	0.12	
	Mexico 28 Day TIE		6.05 16.08.2011	Santander	MXN	1,350,000,000	996	0.13	
	Mexico 28 Day TIE		6.13 29.07.2011	Santander	MXN	1,370,000,000	1,029	0.13	
	Mexico 28 Day TIE		6.21 12.07.2011	Santander	MXN	1,350,000,000	1,033	0.13	
	Mexico 28 Day TIE		6.13 06.09.2011	Santander	MXN	1,300,000,000	1,088	0.14	
	Mexico 28 Day TIE		6.11 13.09.2011	Santander	MXN	1,350,000,000	1,129	0.14	
	Mexico 28 Day TIE		6.08 26.07.2011	Santander	MXN	2,025,000,000	1,448	16,607	0.18 2.09
Poland	Poland 6M Wibor		4.97 29.07.2012	Credit Suisse	PLN	181,600,000		72	0.01
South Africa	ZAR 3M Jibar		8.45 15.01.2016	JP Morgan	ZAR	249,000,000	238		0.03
	ZAR 3M Jibar		8.50 14.01.2016	DMG*	ZAR	508,200,000	539	777	0.07 0.10
Turkey	Turkey 3M Libor		10.00 24.08.2011	Citigroup	TRY	87,500,000	846		0.11
	Turkey 3M Libor		10.90 22.02.2011	Citigroup	TRY	87,500,000	596		0.07
	Turkey 3M Libor		9.57 02.06.2011	Citigroup	TRY	83,000,000	462	1,904	0.06 0.24
United States	USD 3M Libor		4.08 21.05.2022	Morgan Stanley	USD	12,600,000		971	0.12
	Total Interest rate swaps						32,699		4.11

Country of Risk	Credit Default Swaps Fixed (Sell protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
China	People's Republic of China CDS 100BPS	20.03.2015	Nomura	USD	(8,000,000)	138	0.02	
Korea	Korea CDS 100BPS	20.06.2015	JP Morgan	USD	(8,000,000)	15	-	
Malaysia	Malaysia CDS 67BPS	20.03.2013	Credit Suisse	USD	(10,000,000)	40	0.01	
						193	0.03	

Country of Risk	Credit Default Swaps Fixed (Buy protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Argentina	Argentina CDS 500BPS	20.05.2014	UBS	USD	1,000,000	66	0.01	
	Argentina CDS 500BPS	20.05.2014	Citigroup	USD	2,000,000	133	0.02	
	Argentina CDS 500BPS	20.03.2015	Morgan Stanley	USD	3,000,000	255	0.03	
	Argentina CDS 500BPS	20.03.2015	Morgan Stanley	USD	3,000,000	255	0.03	
	Argentina CDS 500BPS	20.06.2015	HSBC	USD	5,000,000	454	0.06	
	Argentina CDS 500BPS	20.06.2015	Credit Suisse	USD	5,000,000	454	1,617	0.06 0.21
France	France Government CDS 25BPS	20.06.2020	Nomura	USD	7,500,000	403	0.05	
	France Government CDS 25BPS	20.06.2020	Nomura	USD	10,000,000	538	0.07	
	France Government CDS 25BPS	20.06.2015	Nomura	USD	10,000,000	233	1,174	0.03 0.15
Germany	Germany Government CDS 25BPS	20.06.2020	Nomura	USD	7,500,000	151	0.02	
	Germany Government CDS 36BPS	20.06.2019	Morgan Stanley	USD	10,000,000	84	235	0.01 0.03
Greece	Republic of Greece CDS 100BPS	20.06.2012	DMG*	USD	15,000,000		1,674	0.21
Ireland	Republic of Ireland CDS 100BPS	20.09.2020	Goldman Sachs	USD	7,000,000		1,491	0.19
Malaysia	Republic of Malaysia CDS 26BPS	20.12.2010	Credit Suisse	USD	20,000,000		2	-
Mexico	Mexico CDS 100BPS	20.03.2015	UBS	USD	9,000,000	47	0.01	
	Mexico CDS 100BPS	20.03.2015	Citigroup	USD	9,000,000	47	0.01	
	Mexico CDS 100BPS	20.06.2015	JP Morgan	USD	13,500,000	93	0.01	
	Mexico CDS 100BPS	20.09.2015	Citigroup	USD	14,000,000	97	284	0.01 0.04
Russia	Russia CDS 100BPS	20.09.2015	DMG*	USD	4,000,000	110	0.01	
	Russia CDS 100BPS	20.09.2015	JP Morgan	USD	4,000,000	110	0.01	
	Russia CDS 100BPS	20.06.2015	DMG*	USD	4,000,000	101	0.01	
	Russia CDS 100BPS	20.06.2015	Credit Suisse	USD	7,000,000	176	0.02	
	Russia CDS 100BPS	20.06.2015	JP Morgan	USD	9,000,000	226	0.03	
	Russia CDS 100BPS	20.06.2015	Credit Suisse	USD	10,000,000	252	975	0.03 0.11
Spain	Spain CDS 100BPS	20.03.2020	HSBC	USD	5,000,000		489	0.06
Turkey	Turkey CDS 100BPS	20.09.2015	Credit Suisse	USD	10,000,000		271	0.03

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Country of Risk	Credit Default Swaps Fixed (Buy protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV	
Venezuela	Venezuela CDS 500BPS	20.03.2015	Barclays Capital	USD	5,000,000	1,025	0.13	
	Venezuela CDS 500BPS	20.09.2015	Barclays Capital	USD	5,000,000	1,083	0.14	
	Venezuela CDS 500BPS	20.12.2010	UBS	USD	6,000,000	51	0.01	
	Venezuela CDS 500BPS	20.09.2014	UBS	USD	6,000,000	1,152	0.14	
	Venezuela CDS 500BPS	20.09.2017	UBS	USD	10,000,000	2,419	5,730	0.30
						13,942		1.75
<b>Total Credit Default Swaps</b>						<b>14,135</b>		<b>1.78</b>

## Open Forward Foreign Currency Transactions

### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV	
USD 39,186,740	EUR	Northern Trust	0.7647	09.12.2010	1,705	0.21	
USD 26,068,787	EUR	Northern Trust	0.7647	09.12.2010	1,134	0.14	
USD 3,119,647	TRY	JP Morgan	1.5940	02.12.2010	286	0.04	
TRY 39,828,050	EUR	Northern Trust	0.7633	08.10.2010	231	0.03	
USD 3,879,110	EUR	Northern Trust	0.7750	09.12.2010	223	0.03	
USD 8,000,000	CNY	Nomura	6.7620	17.06.2011	222	0.03	
USD 8,000,000	CNY	Merrill Lynch	6.7625	31.05.2011	215	0.03	
USD 32,844,575	BRL	Northern Trust	1.7050	04.10.2010	209	0.03	
USD 2,593,257	EUR	Northern Trust	0.7750	09.12.2010	149	0.02	
USD 5,600,000	CNY	Citibank	6.7020	25.07.2011	118	0.01	
USD 5,600,000	CNY	UBS Warburg	6.7010	25.07.2011	117	0.01	
USD 5,600,000	CNY	UBS Warburg	6.7010	25.07.2011	117	0.01	
USD 19,697,183	BRL	Northern Trust	1.7040	04.10.2010	114	0.01	
MYR 5,985,000	EUR	Northern Trust	0.7771	13.10.2010	110	0.01	
IDR 17,332,500,000	EUR	HSBC	0.7707	13.10.2010	109	0.01	
USD 9,260,701	TRY	Northern Trust	1.4675	27.10.2010	99	0.01	
KRW 2,243,250,000	EUR	HSBC	0.7707	13.10.2010	81	0.01	
USD 3,500,000	JPY	Northern Trust	85.3861	15.10.2010	76	0.01	
USD 3,660,709	EUR	Northern Trust	0.7479	09.12.2010	75	0.01	
USD 3,275,238	EUR	Northern Trust	0.7479	09.12.2010	67	0.01	
USD 5,403,457	EUR	Northern Trust	0.7414	09.12.2010	63	0.01	
USD 5,060,607	EUR	Northern Trust	0.7414	09.12.2010	59	0.01	
INR 89,610,000	EUR	HSBC	0.7707	13.10.2010	57	0.01	
USD 4,630,225	RUB	Citibank	31.1000	16.12.2010	55	0.01	
USD 2,647,760	EUR	Northern Trust	0.7479	09.12.2010	54	0.01	
USD 2,448,272	EUR	Northern Trust	0.7479	09.12.2010	50	0.01	
USD 6,580,378	CNY	Nomura	6.7120	16.11.2010	49	0.01	
USD 3,698,785	EUR	Northern Trust	0.7414	09.12.2010	43	0.01	
USD 13,509,266	EUR	Northern Trust	0.7347	05.10.2010	40	0.01	
USD 2,702,470	EUR	Northern Trust	0.7414	09.12.2010	32	-	
USD 1,341,195	EUR	Northern Trust	0.7479	09.12.2010	28	-	
USD 834,196	EUR	Northern Trust	0.7414	09.12.2010	10	-	
USD 3,219,771	EUR	Northern Trust	0.7348	09.12.2010	9	-	
USD 2,710,938	SGD	Northern Trust	1.3189	29.10.2010	7	-	
USD 10,000,000	CNY	Nomura	6.6300	25.01.2011	2	-	
USD 5,000,000	CNY	Nomura	6.6300	25.01.2011	1	6,016	0.76

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial assets at fair value through profit or loss

### Open Forward Foreign Currency Transactions - Euro Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 63,621,400	EUR	Northern Trust	0.7869	09.12.2010	4,699	0.59
USD 1,440,400	EUR	Northern Trust	0.7338	09.12.2010	2	-
					4,701	0.59

### Open Forward Foreign Currency Transactions - New Sterling Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 175,874,100	GBP	Northern Trust	0.6527	09.12.2010	4,936	0.62
USD 1,563,630	GBP	Northern Trust	0.6434	09.12.2010	21	-
USD 239,767	GBP	Northern Trust	0.6527	09.12.2010	7	-
GBP 57,200	USD	Northern Trust	0.6306	09.12.2010	1	-
					4,965	0.62

### Open Forward Foreign Currency Transactions - Norwegian Krone Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 1,942,400	NOK	Northern Trust	6.2400	09.12.2010	121	0.02

### Open Forward Foreign Currency Transactions - New Euro Accumulating Share Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 282,652,700	EUR	Northern Trust	0.7869	09.12.2010	20,876	2.63
USD 4,565,335	EUR	Northern Trust	0.7618	09.12.2010	181	0.02
USD 6,547,200	EUR	Northern Trust	0.7338	09.12.2010	9	-
					21,066	2.65

### Open Forward Foreign Currency Transactions - New Euro Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 1,599,500	EUR	Northern Trust	0.7338	09.12.2010	2	-
USD 34,717	EUR	Northern Trust	0.7864	09.12.2010	3	-
USD 74,509	EUR	Northern Trust	0.7704	09.12.2010	4	-
USD 69,810,500	EUR	Northern Trust	0.7869	09.12.2010	5,156	0.65
					5,165	0.65

### Open Forward Foreign Currency Transactions - GBP Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
GBP 175,200	USD	Northern Trust	0.6306	09.12.2010	2	-
USD 38,058,000	GBP	Northern Trust	0.6527	09.12.2010	1,068	0.13
					1,070	0.13

### Open Forward Foreign Currency Transactions - New NOK Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 13,129,100	NOK	Northern Trust	6.2400	09.12.2010	814	0.10
USD 46,980	NOK	Northern Trust	6.0643	09.12.2010	2	-
USD 381,496	NOK	Northern Trust	5.9424	09.12.2010	4	-
					820	0.10

### Open Forward Foreign Currency Transactions - New GBP Accumulating Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 2,214,900	GBP	Northern Trust	0.6527	09.12.2010	62	0.01
USD 53,162	GBP	Northern Trust	0.6527	09.12.2010	1	-
USD 24,491	GBP	Northern Trust	0.6451	09.12.2010	-	-
					63	0.01

<b>Total Open Forward Foreign Currency Transactions</b>					<b>43,987</b>	<b>5.53</b>
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*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial assets at fair value through profit or loss				No of	Unrealised			
Country	Futures		Currency	Contracts	Gain	US\$000	% of NAV	
Europe	Eurx Eur-Bund 126 Nov 2010		EUR	(2,800)	229		0.03	
	Eurx Eur-Bund 129 Nov 2010		EUR	(1,400)	296	525	0.04 0.07	
	Total Futures					525	0.07	
Total financial assets at fair value through profit or loss						783,140	98.53	
Financial liabilities at fair value through profit or loss								
Country	Options			Nominal	Fair Value		% of NAV	
	FX Options - Vanilla	Counterparty	Currency	Holding	US\$000			
Europe	EUR USD Call 21.10.2010 (SP 1.26)	UBS	EUR	(21,000,000)	(2,236)		(0.28)	
	EUR RUB Call 15.10.2010 (SP 43.5)	Morgan Stanley	EUR	(800,000)	(55)		(0.01)	
	EUR USD Call 21.10.2010 (SP 1.37)	Credit Suisse	EUR	(21,000,000)	(126)	(2,417)	(0.02) (0.31)	
United States	USD CNY Call 21.10.2010 (SP 6.6)	UBS	USD	(42,000,000)		(210)	(0.03)	
Total FX Options - Vanilla					(2,627)		(0.34)	
Country	FX Options - Non Vanilla	Counterparty	Currency	Nominal	Fair Value		% of NAV	
				Holding	US\$000			
United States	USD JPY Call 02.08.2012 (SP 85) (RKO 105)	JP Morgan	USD	(7,700,000)	(188)		(0.03)	
	USD JPY Call 02.08.2012 (SP 90) (RKO 115)	Credit Suisse	USD	(7,700,000)	(172)	(360)	(0.02) (0.05)	
Total FX Options - Non Vanilla					(360)		(0.05)	
Country	FX Options Basket	Counterparty	Currency	Nominal	Fair Value		% of NAV	
				Holding	US\$000			
Europe	FX Basket 13.10.2010 25%	HSBC	EUR	(30,000,000)	(863)		(0.11)	
United States	FX Basket 15.12.2010	JP Morgan	USD	(1,440,000,000)	(327)		(0.04)	
Total FX Options Basket					(1,190)		(0.15)	
Country	Vanilla Index & Vanilla Treasury* Options	Counterparty	Currency	Nominal	Fair Value		% of NAV	
				Holding	US\$000			
Europe	DJ Euro Stoxx Call 15.10.2010 (SP 2950)	Goldman Sachs	EUR	(2,600)	(87)		(0.01)	
	DJ Euro Stoxx Call 15.10.2010 (SP 2900)	Goldman Sachs	EUR	(1,300)	(107)	(194)	(0.01) (0.02)	
United States	S&P 500 Index Call 16.10.2010 (SP 1190)	Goldman Sachs	USD	(1,300)	(224)		(0.03)	
	S&P 500 Index Put 16.10.2010 (SP 1000)	Goldman Sachs	USD	(1,400)	(109)		(0.01)	
	S&P 500 Index Put 16.10.2010 (SP 1025)	Goldman Sachs	USD	(700)	(86)		(0.01)	
	S&P 500 Index Put 16.10.2010 (SP 1050)	Goldman Sachs	USD	(1,250)	(253)		(0.03)	
	S&P 500 Index Put 16.10.2010 (SP 1080)	Goldman Sachs	USD	(455)	(180)		(0.02)	
	S&P 500 Index Put 16.10.2010 (SP 1090)	Goldman Sachs	USD	(325)	(164)		(0.02)	
	S&P Quarterly Call 30.09.2010 (SP 1175)	Goldman Sachs	USD	(1,600)	(1)		-	
	S&P Quarterly Put 30.09.2010 (SP 1050)	Goldman Sachs	USD	(1,300)	(7)		-	
	S&P Quarterly Put 30.09.2010 (SP 1090)	Goldman Sachs	USD	(1,300)	(7)		-	
	US Treasury Note Put 22.10.2010 (SP 121.5)*	Goldman Sachs	USD	(1,400)	(22)	(1,053)	(0.01) (0.13)	
	Total Vanilla Index & Vanilla Treasury Options					(1,247)		(0.15)
	Country	OTC Currency Options	Counterparty	Currency	Nominal	Fair Value		% of NAV
				Holding	US\$000			
Europe	EUR USD Put 18.10.2010 (SP 1.25)	UBS	EUR	(12,000,000)		(2)	-	
	USD BRL Call 08.11.2010 (SP 2.1425)	HSBC	USD	(24,000,000)	(4)		-	
	USD BRL Call 18.11.2010 (SP 2.196)	BOAML**	USD	(8,000,000)	(2)		-	
	USD BRL Call 18.11.2010 (SP 2.202)	Santander	USD	(8,000,000)	(2)		-	
	USD KRW Call 24.11.2010 (SP 1373.5)	Citigroup	USD	(16,000,000)	(6)		-	
	USD KRW Put 06.10.2010 (SP 1200)	Citigroup	USD	(24,000,000)	(1,304)		(0.17)	
	USD MXN Put 03.12.2010 (SP 12.5)	HSBC	USD	(14,000,000)	(181)		(0.02)	
	USD MXN Put 03.12.2010 (SP 12.75)	HSBC	USD	(21,000,000)	(503)		(0.06)	
	USD SGD Put 06.01.2011 (SP 1.35)	HSBC	USD	(34,000,000)	(1,070)		(0.14)	
	USD TRY Call 15.11.2010 (SP 1.982)	HSBC	USD	(16,000,000)	(1)	(3,073)	- (0.39)	
Total OTC Currency Options					(3,075)		(0.39)	

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial liabilities at fair value through profit or loss						Nominal	Fair Value		
Country	Spread Options (CMS = Constant Maturity Swap)	Counterparty	Currency	Holding		US\$000	% of NAV		
Australia	CAP AUD CMS 10YR VS 2YR Call 10.02.2012 (SP 1.17)	Goldman Sachs	AUD	(120,000,000)		(120)	(0.02)		
Europe	CAP EUR CMS 10 YR Call 10.08.2011 (SP 4.65)	Morgan Stanley	EUR	(100,000,000)		(19)	-		
Japan	CAP JPY CMS 10 YR Call 22.08.2011 (SP 2)	Morgan Stanley	JPY	(9,500,000,000)		(12)	-		
United Kingdom	CAP GBP CMD 10 YR Call 07.04.2011 (SP 5)	Morgan Stanley	GBP	(50,000,000)		(7)	-		
	CAP GBP CMS 10 YR Call 07.04.2011 (SP 5)	Goldman Sachs	GBP	(50,000,000)		(3)	-		
	CAP GBP CMS 10 YR Call 10.10.2011 (SP 6)	Morgan Stanley	GBP	(50,000,000)		(9)	-		
	CAP GBP CMS 10 YR Call 10.10.2011 (SP 6)	Credit Suisse	GBP	(100,000,000)		(20)	-		
	CAP GBP CMS 10 YR Call 26.04.2011 (SP 5)	Morgan Stanley	GBP	(100,000,000)		(21)	(60)		
United States	CAP USD CMS 10 YR Call 05.10.2010 (SP 4.685)	Goldman Sachs	USD	(200,000,000)		-	-		
	CAP USD CMS 10 YR Call 09.04.2011 (SP 4.5)	Goldman Sachs	USD	(50,000,000)		(24)	-		
	CAP USD CMS 10 YR Call 15.02.2012 (SP 1.55)	Goldman Sachs	USD	(60,000,000)		(314)	(0.04)		
	CAP USD CMS 10 YR Call 18.02.2011 (SP 5)	Morgan Stanley	USD	(100,000,000)		(2)	-		
	CAP USD CMS 10 YR Call 21.07.2011 (SP 4.8)	Credit Suisse	USD	(100,000,000)		(35)	(0.01)		
	CAP USD CMS 10 YR Call 21.07.2011 (SP 4.81)	Goldman Sachs	USD	(100,000,000)		(35)	-		
	CAP USD CMS 10 YR Call 21.07.2011 (SP 4.99)	Morgan Stanley	USD	(100,000,000)		(28)	-		
	CAP USD CMS 10 YR Call 25.04.2011 (SP 5)	Morgan Stanley	USD	(100,000,000)		(9)	-		
	CAP USD CMS 2 YR Call 02.11.2010 (SP 4)	Goldman Sachs	USD	(150,000,000)		-	-		
	CAP USD CMS 2 YR Call 02.11.2010 (SP 4)	Credit Suisse	USD	(150,000,000)		-	-		
	CAP USD CMS 2 YR Call 06.02.2012 (SP 1.615)	Goldman Sachs	USD	(90,000,000)		(436)	(0.05)		
	CAP USD CMS 2 YR Call 06.10.2011 (SP 5)	Morgan Stanley	USD	(300,000,000)		(15)	-		
	CAP USD CMS 2 YR Call 11.10.2011 (SP 5.1)	Credit Suisse	USD	(300,000,000)		(23)	-		
	CAP USD CMS 2 YR Call 12.05.2011 (SP 4.5)	Morgan Stanley	USD	(75,000,000)		(1)	-		
	CAP USD CMS 2 YR Call 12.05.2011 (SP 4.5)	Goldman Sachs	USD	(30,000,000)		-	-		
	CAP USD CMS 2 YR Call 12.10.2011 (SP 5.1)	Morgan Stanley	USD	(150,000,000)		(7)	-		
	CAP USD CMS 30 YR Call 07.04.2011 (SP 4.5)	Morgan Stanley	USD	(50,000,000)		(27)	(956)	-	(0.10)
<b>Total Spread Options</b>							<b>(1,167)</b>	<b>(0.12)</b>	
Country Vanilla Index Options						Nominal	Fair Value		
		Counterparty	Currency	Holding		US\$000	% of NAV		
Hong Kong	EIO HSCEI Index Put 30.12.2010 (SP 12,000)	Morgan Stanley	HKD	(15,000)		(811)	(0.10)		
Brazil	EIO IDIX3 Put 03.01.2011 (SP 296,159)	Goldman Sachs	BRL	(3,034)		-	-		
	EIO IDIX3 Put 03.01.2011 (SP 296,805)	Goldman Sachs	BRL	1,517		-	-		
<b>Total Vanilla Index Options</b>							<b>(811)</b>	<b>(0.10)</b>	
<b>Total Options</b>							<b>(10,477)</b>	<b>(1.30)</b>	
Country Swaptions						Nominal	Fair Value		
		Maturity date	Counterparty	Currency	Holding	US\$000	% of NAV		
Brazil	Brazil Pre CDI Call 10.89%	01.10.2010	Bank of America	BRL	(2,040,000,000)	(613)	(0.08)		
	Brazil Pre CDI Call 11.7%	03.01.2011	Santander	BRL	(384,000,000)	(333)	(0.04)		
	Brazil Pre CDI Put 13.16%	03.01.2011	DMG*	BRL	(1,520,000,000)	(52)	(0.01)		
	Brazil Pre CDI Put 13.2%	03.01.2011	DMG*	BRL	(400,000,000)	(12)	-		
	Brazil Pre CDI Put 13.22%	01.04.2011	Credit Suisse	BRL	(765,000,000)	(74)	(0.01)		
	Brazil Pre CDI Put 13.3%	03.01.2011	DMG*	BRL	(400,000,000)	(10)	-		
	Brazil Pre CDI Put 13.5%	03.01.2011	Credit Suisse	BRL	(400,000,000)	-	-		
	Brazil Pre CDI Put 14.00%	03.01.2011	Merrill Lynch	BRL	(232,000,000)	(4)	(1,098)	-	(0.14)

The accompanying notes form an integral part of these financial statements.



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial liabilities at fair value through profit or loss

Country	Swaptions	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Europe	EUR 3M Euribor Put 4%	10.11.2010	Goldman Sachs	EUR	(35,000,000)	-	-
	ITRAXX SR13 5YR Put (SP 1.4)	15.12.2010	Morgan Stanley	EUR	(325,000,000)	(1,102)	(0.14)
	ITRAXX SR13 Call (SP 1.0)	20.10.2010	Bank of America	EUR	(245,000,000)	(504)	(0.06)
	ITRAXX SR13 Put (SP 1.40)	20.10.2010	Morgan Stanley	EUR	(367,500,000)	(113)	(1,719) (0.01) (0.21)
Mexico	Mexico TIIE Put 6%	11.03.2011	DMG*	MXN	(910,000,000)	(109)	(0.01)
	Mexico TIIE Put 6.30%	23.09.2011	DMG*	MXN	(980,000,000)	(258)	(0.03)
	Mexico TIIE Put 7.01%	10.03.2011	JP Morgan	MXN	(117,000,000)	(125)	(492) (0.02) (0.06)
New Zealand	IRO New Zealand Put 6M BBR 4.97%	21.01.2011	Morgan Stanley	NZD	(52,500,000)	(4)	-
South Africa	ZAR 3M JIBAR Put 7.95%	07.12.2010	DMG*	ZAR	(800,000,000)	(8)	-
Africa	ZAR JIBAR Put 6.49%	17.12.2010	DMG*	ZAR	(320,000,000)	(172)	(0.02)
	ZAR JIBAR Put 7.01%	22.03.2011	DMG*	ZAR	(320,000,000)	(147)	(0.02)
	ZAR JIBAR Put 7.61%	17.12.2010	DMG*	ZAR	(84,000,000)	(217)	(0.03)
	ZAR JIBAR Put 8.1%	22.03.2011	Barclays Capital	ZAR	(84,000,000)	(199)	(743) (0.03) (0.10)
Turkey	X-CCY TRY USD 3M Libor 10.00%	24.12.2010	Deutsche Bank	TRY	(80,000,000)	(72)	(0.01)
	X-CCY TRY USD 3M Libor 10.53%	02.12.2010	Deutsche Bank	TRY	(64,000,000)	(10)	-
	X-CCY TRY USD 3M Libor 7.40%	03.02.2011	Goldman Sachs	TRY	(28,000,000)	(77)	(0.01)
	X-CCY TRY USD 3M Libor 7.73%	22.12.2010	Deutsche Bank	TRY	(72,000,000)	(218)	(0.03)
	X-CCY TRY USD 3M Libor 7.80%	18.01.2011	Goldman Sachs	TRY	(80,080,000)	(453)	(0.06)
	X-CCY TRY USD 3M Libor 7.85%	14.01.2011	Deutsche Bank	TRY	(50,000,000)	(330)	(0.04)
	X-CCY TRY USD 3M Libor 7.9%	21.10.2010	Deutsche Bank	TRY	(50,000,000)	(128)	(0.02)
	X-CCY TRY USD 3M Libor 7.9%	21.10.2010	Goldman Sachs	TRY	(50,000,000)	(126)	(0.02)
	X-CCY TRY USD 3M Libor 8.92%	22.03.2011	Deutsche Bank	TRY	(48,000,000)	(409)	(0.05)
	X-CCY TRY USD 3M Libor 9.5%	14.03.2011	Deutsche Bank	TRY	(60,000,000)	(314)	(0.04)
United States	X-CCY TRY USD 3M Libor 9.50%	19.10.2010	Deutsche Bank	TRY	(162,000,000)	-	(2,137) - (0.28)
	IRO USD 3M Libor Put 4.00%	03.11.2010	Morgan Stanley	USD	(50,000,000)	-	-
United States	USD 3M Libor Put 4.00%	03.11.2010	Credit Suisse	USD	(50,000,000)	-	-
<b>Total Swaptions</b>						<b>(6,193)</b>	<b>(0.79)</b>

## Currency swaps

Country	Fund receives floating	Fund pays fixed	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Colombia	USD 6M Libor	7.95	09.06.2014	Santander	COP	(10,342,400,000)	(1,413)	(0.18)
	USD 6M Libor	7.93	17.06.2014	Santander	COP	(24,240,000,000)	(3,149)	(0.40)
	USD 6M Libor	6.85	21.05.2014	Citigroup	COP	(11,100,000,000)	(1,709)	(6,271) (0.22) (0.80)
Turkey	USD 3M Libor	11.98	20.07.2014	UBS	TRY	(15,330,000)	(1,978)	(0.25)
	USD 3M Libor	10.05	24.02.2015	RBOS***	TRY	(19,740,500)	(14,663)	(1.84)
	USD 3M Libor	10.15	13.01.2015	HSBC	TRY	(18,882,500)	(1,050)	(0.13)
	USD 3M Libor	10.68	06.05.2021	Citigroup	TRY	(10,640,000)	(1,028)	(0.13)
	USD 3M Libor	10.77	17.02.2021	Citigroup	TRY	(6,750,000)	(707)	(0.09)
	USD 3M Libor	10.84	11.02.2021	Citigroup	TRY	(13,500,000)	(1,460)	(0.18)
	USD 3M Libor	7.10	21.10.2011	HSBC	TRY	(162,000,000)	(76)	(0.01)
	USD 3M Libor	8.42	24.03.2016	Deutsche Bank	TRY	(24,000,000)	(106)	(0.01)
	USD 3M Libor	9.67	20.10.2014	JP Morgan	TRY	(20,405,000)	(892)	(0.11)
	USD 3M Libor	10.55	09.09.2014	JP Morgan	TRY	(12,016,000)	(1,008)	(22,968) (0.13) (2.88)
United States	USD 3M Libor	7.90	26.10.2015	JP Morgan	USD	(25,000,000)	(197)	(0.02)
	USD 3M Libor	7.98	23.10.2015	RBOS***	USD	(12,000,000)	(57)	(0.01)
	USD 3M Libor	8.02	26.10.2015	Deutsche Bank	USD	(14,705,882)	(40)	(0.01)
	USD 3M Libor	8.03	25.10.2015	Goldman Sachs	USD	(13,071,895)	(21)	-
United States	USD 3M Libor	8.03	28.10.2015	RBOS***	USD	(12,000,000)	(34)	(349) - (0.04)
<b>Total Currency swaps</b>							<b>(29,588)</b>	<b>(3.72)</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

Financial liabilities at fair value through profit or loss								
Interest rate swaps								
Country	Fund receives	Fund pays	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Australia	Australia 6M BBK	6.29	05.09.2021	Morgan Stanley	AUD	(14,700,000)	(699)	(0.09)
Brazil	Brazil Pre CDI	10.82	01.10.2010	Goldman Sachs	BRL	(788,000,000)	(182)	(0.02)
	Brazil Pre CDI	10.82	01.10.2010	Santander	BRL	(3,144,000,000)	(726)	(0.09)
	Brazil Pre CDI	10.86	01.10.2010	Nomura	BRL	(792,000,000)	(205)	(0.03)
	Brazil Pre CDI	10.87	01.10.2010	Goldman Sachs	BRL	(800,000,000)	(212)	(0.03)
	Brazil Pre CDI	10.91	03.01.2011	Santander	BRL	(160,000,000)	(96)	(0.01)
	Brazil Pre CDI	10.91	03.01.2011	Nomura	BRL	(182,400,000)	(109)	(0.01)
	Brazil Pre CDI	11.02	03.01.2011	Nomura	BRL	(360,000,000)	(329)	(0.04)
	Brazil Pre CDI	11.07	03.01.2011	Nomura	BRL	(180,800,000)	(187)	(0.02)
	Brazil Pre CDI	11.18	03.01.2011	Nomura	BRL	(168,000,000)	(225)	(0.03)
	Brazil Pre CDI	11.27	01.07.2011	Santander	BRL	(92,000,000)	(138)	(0.02)
	Brazil Pre CDI	11.65	02.01.2012	Goldman Sachs	BRL	(36,500,000)	(94)	(0.01)
	Brazil Pre CDI	11.93	02.01.2014	Nomura	BRL	(32,000,000)	(66)	(0.01)
	Brazil Pre CDI	11.99	02.01.2014	Citigroup	BRL	(42,000,000)	(595)	(0.07)
	Brazil Pre CDI	12.00	02.01.2014	Nomura	BRL	(44,000,000)	(134)	(0.02)
	Brazil Pre CDI	12.18	02.01.2017	Goldman Sachs	BRL	(54,000,000)	(732)	(0.09)
	Brazil Pre CDI	12.04	02.01.2017	Morgan Stanley	BRL	(28,000,000)	(242)	(0.03)
	Brazil Pre CDI	11.57	02.01.2012	Citigroup	BRL	(36,000,000)	(565)	(0.07)
	Brazil Pre CDI	11.93	02.01.2014	Citigroup	BRL	(85,000,000)	(1,126)	(0.14)
	Brazil Pre CDI	11.22	03.01.2011	Morgan Stanley	BRL	(118,800,000)	(225)	(0.03)
	Brazil Pre CDI	12.36	02.01.2012	Citigroup	BRL	(80,000,000)	(1,970)	(0.25)
Chile	Chile 6M Camara	4.70	01.02.2012	Santander	CLP	(26,500,000,000)	(111)	(1.02)
Europe	Europe 6M Euribor	2.92	12.02.2015	Goldman Sachs	EUR	(15,400,000)	(931)	(0.01)
Mexico	Mexico 28 Day TIIE	5.95	26.07.2011	Goldman Sachs	MXN	(1,350,000,000)	(855)	(0.11)
	Mexico 28 Day TIIE	6.00	06.09.2011	Societe Generale	MXN	(1,300,000,000)	(964)	(0.12)
	Mexico 28 Day TIIE	5.85	27.06.2011	Goldman Sachs	MXN	(525,000,000)	(275)	(0.03)
	Mexico 28 Day TIIE	5.85	11.10.2011	Citigroup	MXN	(800,000,000)	(527)	(0.07)
	Mexico 28 Day TIIE	5.98	13.09.2011	Citigroup	MXN	(1,350,000,000)	(998)	(0.13)
	Mexico 28 Day TIIE	6.08	12.07.2011	Morgan Stanley	MXN	(1,350,000,000)	(925)	(0.12)
	Mexico 28 Day TIIE	6.10	24.08.2011	Citigroup	MXN	(1,350,000,000)	(1,065)	(0.13)
	Mexico 28 Day TIIE	9.43	12.07.2018	Barclays Capital	MXN	(153,000,000)	(2,481)	(0.31)
	Mexico 28 Day TIIE	5.49	11.03.2013	DMG*	MXN	(140,000,000)	(9)	-
	Mexico 28 Day TIIE	5.97	29.07.2011	Citigroup	MXN	(1,370,000,000)	(894)	(0.11)
	Mexico 28 Day TIIE	5.98	10.08.2011	Citigroup	MXN	(1,350,000,000)	(916)	(0.12)
	Mexico 28 Day TIIE	8.25	17.07.2020	Santander	MXN	(190,000,000)	(2,029)	(0.26)
	Mexico 28 Day TIIE	8.26	02.12.2019	Morgan Stanley	MXN	(90,000,000)	(966)	(0.12)
	Mexico 28 Day TIIE	5.91	16.08.2011	Societe Generale	MXN	(1,350,000,000)	(866)	(0.11)
	Mexico 28 Day TIIE	5.93	03.08.2011	Santander	MXN	(1,350,000,000)	(854)	(0.11)
	Mexico 28 Day TIIE	6.90	02.12.2011	Morgan Stanley	MXN	(280,000,000)	(405)	(0.05)
	Mexico 28 Day TIIE	5.92	26.07.2011	Citigroup	MXN	(1,350,000,000)	(829)	(0.10)
	Mexico 28 Day TIIE	7.96	19.03.2019	JP Morgan	MXN	(105,000,000)	(925)	(0.12)
	Mexico 28 Day TIIE	7.96	19.03.2019	JP Morgan	MXN	(105,000,000)	(925)	(0.12)
South Africa	ZAR 3M Jibar	6.61	22.03.2013	DMG*	ZAR	(160,000,000)	(54)	(0.01)
	ZAR 3M Jibar	6.61	23.03.2021	Barclays Capital	ZAR	(42,000,000)	(59)	(113)
Turkey	Turkey 3M Libor	8.60	24.02.2011	Citigroup	TRY	(87,500,000)	(81)	(0.01)
United States	USD 3M Libor	4.05	21.05.2042	Morgan Stanley	USD	(5,900,000)	(492)	(0.06)

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial liabilities at fair value through profit or loss

### Interest rate swaps

	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Brazil	Brazil Pre CDI	11.25	02.01.2012	Santander	BRL	(67,200,000)	(81)	(0.01)
	Brazil Pre CDI	11.68	02.01.2013	Santander	BRL	(54,000,000)	(96)	(0.01)
	Brazil Pre CDI	11.68	02.01.2013	Nomura	BRL	(120,000,000)	(205)	(0.03)
	Brazil Pre CDI	11.72	02.01.2013	Santander	BRL	(75,600,000)	(105)	(0.01)
	Brazil Pre CDI	11.73	02.01.2013	Santander	BRL	(35,200,000)	(61)	(0.01)
							(548)	(0.01) (0.07)
Chile	Chile 6M Camara	2.12	08.07.2011	Credit Suisse	CLP	(19,500,000,000)	(481)	(0.06)
	Chile 6M Camara	2.62	06.10.2011	Citigroup	CLP	(21,600,000,000)	(627)	(0.08)
	Chile 6M Camara	4.53	27.01.2012	Morgan Stanley	CLP	(20,800,000,000)	(17)	(1,125) - (0.14)
<b>Total Interest rate swaps</b>							<b>(29,041)</b>	<b>(3.66)</b>

Country of Risk	Credit Default Swaps Fixed (Sell protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Argentina	Argentina CDS 500BPS	20.06.2011	Credit Suisse	USD	(5,000,000)	(9)	-
	Argentina CDS 500BPS	20.06.2011	HSBC	USD	(5,000,000)	(9) (18)	- -
Brazil	Brazil Government CDS 100BPS	20.06.2015	JP Morgan	USD	(13,500,000)	(60)	(0.01)
	Brazil Government CDS 100BPS	20.03.2015	UBS	USD	(9,000,000)	(26)	-
	Brazil Government CDS 100BPS	20.03.2015	Citigroup	USD	(9,000,000)	(26) (112)	- (0.01)
Greece	Republic of Greece CDS 100BPS	20.06.2012	Nomura	USD	(15,000,000)	(1,674)	(0.21)
						(1,804)	(0.22)

Country of Risk	Credit Default Swaps Fixed (Buy protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value US\$000	% of NAV
Austria	Austria CDS 100BPS	20.09.2020	Goldman Sachs	USD	7,000,000	(48)	(0.01)
	Austria CDS 100BPS	20.09.2020	Nomura	USD	7,000,000	(48)	(96) (0.01) (0.02)
China	People's Republic of China CDS 100BPS	20.06.2015	JP Morgan	USD	8,000,000	(134)	(0.02)
Korea	Republic of Korea CDS 100BPS	20.03.2015	Nomura	USD	8,000,000	(24)	-
						(254)	(0.04)
Total Credit Default Swaps						(2,058)	(0.26)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
EUR 188,222,941	USD	Northern Trust	0.7869	09.12.2010	(17,657)	(2.22)
ZAR 782,750,000	USD	JP Morgan	7.8275	14.01.2011	(10,460)	(1.32)
TRY 165,714,000	USD	JP Morgan	1.6025	02.12.2010	(10,066)	(1.27)
TRY 158,653,665	USD	JP Morgan	1.5826	15.11.2010	(8,684)	(1.09)
TRY 156,220,000	USD	Northern Trust	1.5622	08.03.2011	(5,192)	(0.65)
BRL 89,564,000	USD	Citibank	1.7852	04.10.2010	(2,695)	(0.34)
EUR 11,470,400	USD	Northern Trust	0.7647	09.12.2010	(653)	(0.08)
GBP 15,086,300	USD	Northern Trust	0.6527	09.12.2010	(648)	(0.08)
BRL 20,240,890	USD	Morgan	1.7822	04.10.2010	(590)	(0.07)
EUR 4,965,500	USD	Northern Trust	0.7860	09.12.2010	(458)	(0.06)
EUR 7,989,800	USD	Northern Trust	0.7647	09.12.2010	(455)	(0.06)
EUR 3,495,900	USD	Northern Trust	0.7670	09.12.2010	(213)	(0.03)

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
BRL 56,000,000	USD	Northern Trust	1.7144	03.11.2010	(186)	(0.03)
GBP 9,851,700	USD	Northern Trust	0.6404	09.12.2010	(133)	(0.02)
BRL 9,704,800	USD	Santander	1.7330	04.10.2010	(128)	(0.02)
KRW 4,685,000,000	USD	Merrill Lynch	1,174.6500	04.10.2010	(122)	(0.02)
AUD 7,700,000	USD	Northern Trust	1.0517	25.10.2010	(115)	(0.01)
EUR 1,806,400	USD	Citibank	0.7461	16.12.2010	(44)	(0.01)
JPY 295,516,550	USD	Northern Trust	84.4333	15.10.2010	(38)	(0.01)
EUR 9,924,600	USD	Northern Trust	0.7348	09.12.2010	(37)	(0.01)
ZAR 2,038,077	USD	JP Morgan	7.8360	14.01.2011	(28)	-
EUR 3,500,000	USD	Northern Trust	0.7367	08.10.2010	(27)	-
COP 17,231,000,000	USD	Northern Trust	1,805.5000	25.10.2010	(21)	-
AUD 3,500,000	USD	Northern Trust	1.0410	25.10.2010	(18)	-
CAD 2,166,377	USD	Northern Trust	1.0316	25.10.2010	(11)	-
AUD 2,800,000	USD	Northern Trust	1.0394	25.10.2010	(10)	-
TRY 280,077	USD	Northern Trust	1.5622	08.03.2011	(9)	-
KRW 7,323,840,000	USD	Northern Trust	1,144.3500	26.11.2010	(9)	-
CNY 53,432,000	USD	Northern Trust	6.6790	29.10.2010	(6)	-
USD 1,336,946	GBP	Northern Trust	0.6322	09.12.2010	(6)	(58,719) - (7.40)

### Open Forward Foreign Currency Transactions - Euro Distributing Class

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
EUR 20,800	USD	Northern Trust	0.7864	09.12.2010	(2)	-
EUR 17,600	USD	Northern Trust	0.7704	09.12.2010	(1)	-
EUR 7,300	USD	Northern Trust	0.7618	09.12.2010	-	-
EUR 19,300	USD	Northern Trust	0.7425	09.12.2010	-	(3) -

### Open Forward Foreign Currency Transactions - New Sterling Distributing Class

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
GBP 9,400	USD	Northern Trust	0.6451	09.12.2010	-	-
USD 4,213,700	GBP	Northern Trust	0.6331	09.12.2010	(12)	(12) -

### Open Forward Foreign Currency Transactions - Norwegian Krone Distributing Class

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
USD 45,500	NOK	Northern Trust	5.8530	09.12.2010	-	-
NOK 218,500	USD	Northern Trust	6.0771	09.12.2010	(1)	(1) -

### Open Forward Foreign Currency Transactions - New Euro Accumulating Share Class

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
EUR 106,500	USD	Northern Trust	0.7864	09.12.2010	(10)	-
EUR 285,000	USD	Northern Trust	0.7704	09.12.2010	(19)	-
EUR 863,600	USD	Northern Trust	0.7425	09.12.2010	(15)	(44) -

### Open Forward Foreign Currency Transactions - New Euro Distributing Class

Currency	Currency		Currency	Maturity	Unrealised	
Sold	Bought	Counterparty	Rate	Date	Loss US\$000	% of NAV
EUR 254,800	USD	Northern Trust	0.7618	09.12.2010	(13)	-
EUR 1,700	USD	Northern Trust	0.7425	09.12.2010	-	(13) -

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River High Income Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions - GBP Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
USD 899,000	GBP	Northern Trust	0.6331	09.12.2010	(3)	-
GBP 81,700	USD	Northern Trust	0.6527	09.12.2010	(4)	-
GBP 146,500	USD	Northern Trust	0.6451	09.12.2010	(4)	-
GBP 36,100	USD	Northern Trust	0.6434	09.12.2010	(1)	(12)

### Open Forward Foreign Currency Transactions - New NOK Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
USD 305,600	NOK	Northern Trust	5.8530	09.12.2010	(1)	-
NOK 694,300	USD	Northern Trust	6.2385	09.12.2010	(7)	(8)

### Open Forward Foreign Currency Transactions - New GBP Accumulating Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
USD 70,411	GBP	Northern Trust	0.6306	09.12.2010	-	-
USD 54,700	GBP	Northern Trust	0.6331	09.12.2010	-	-
GBP 5,100	USD	Northern Trust	0.6434	09.12.2010	-	-

**Total Open Forward Foreign Currency Transactions** (58,812) (7.40)

Country	Futures	Currency	No of Contracts	Unrealised Loss US\$000	% of NAV
Denmark	Eurx Eur-Bund 128 Nov 2010	EUR	1,400	(229)	(0.03)
Europe	Eurx Eur-Bund 124 Nov 2010	EUR	1,400	(57)	(0.01)
	Eurx Eur-Bund 130.50 Nov 2010	EUR	700	(153)	(0.02)
Hong Kong	H-Shares Index Future Oct 2010	HKD	94	(38)	0.00
	<b>Total Futures</b>			<b>(477)</b>	<b>(0.06)</b>

**Financial liabilities at fair value through profit or loss** (136,646) (17.19)

<b>Total investments at fair value through profit or loss</b>	<b>646,494</b>	<b>81.34</b>
Cash at Bank	49,089	6.18
Margin cash	76,839	9.67
Other Net Assets	22,366	2.81
<b>Total Net assets</b>	<b>794,788</b>	<b>100.00</b>

\* Securities valued by the directors in the absence of a readily ascertainable market value (0.34% of NAV).

\*\* Although these securities and instruments are in default, they are still traded.

## Analysis of Portfolio

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	60.79
Transferable securities other than those admitted to an official stock exchange listing or traded on a regulated market	0.90
OTC financial derivative instruments	8.36
	<b>67.71</b>

\*DMG= Deutsche Morgan Grenfell

\*\*BOAML=Bank of America Merrill Lynch

\*\*\*RBOS=Royal Bank of Scotland

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Eastern European Fund

Financial assets at fair value through profit or loss			Nominal				
Country	Equities	Currency	Holding	Fair Value US\$000	% of NAV		
Czech Republic	Ceske Energeticke Zavody	CZK	141,460	6,326		1.69	
	Komerčni Banka	CZK	17,030	3,709		0.99	
	New World Resources Class A	CZK	72,062	841		0.22	
	Telefonica O2 Czech Republic	CZK	263,400	5,617	16,493	1.50	
Hungary	Gedeon Richter	HUF	14,106	3,253		0.87	
	Mol Magyar Olaj-Es Gazipare	HUF	61,520	6,441		1.72	
	OTP Bank	HUF	1,384,000	36,121	45,815	9.64	
Kazakhstan	Kazakhgold GDR	USD	443,011	1,551		0.41	
	Kazmunaigaz GDR	USD	436,784	7,709	9,260	2.06	
Poland	Bank Pekao	PLN	54,000	3,166		0.84	
	KGHM Polska Miedz	PLN	489,700	19,664		5.25	
	Polski Koncern Naftow y	PLN	219,895	3,005		0.80	
	Pow szechna Kasa Oszczednosci Bank Polski	PLN	569,876	8,598		2.29	
	Pow szechny Zaklad Ubezpiecze	PLN	7,300	1,020		0.27	
	Telekomunikacja Polska	PLN	1,155,000	7,030	42,483	1.88	
	AK Transneft Preference	USD	2,975	3,281		0.88	
Russian Federation	Comstar United Telesystems GDR	USD	500,000	3,218		0.86	
	Evrax Group GDR	USD	100,000	2,990		0.80	
	Federal Hydrogeneration	USD	94,350,000	4,812		1.28	
	Ferrexpo	GBP	106,814	527	14,828	0.14	
	Gazprom ADR	USD	1,704,730	35,595		9.50	
	Lukoil ADR	USD	326,900	18,486		4.93	
	MMC Norilsk Nickel ADR	USD	1,010,200	17,103		4.56	
	Mobile Telesystems ADR	USD	885,073	18,737		5.00	
	Novatek GDR	USD	84,500	7,216		1.93	
	PIK Group GDR	USD	56,100	211		0.06	
	Raspadskaya	USD	550,000	3,099		0.83	
	Rosneft GDR	USD	2,494,000	16,598		4.42	
	Sberbank of Russia	USD	8,672,900	24,335		6.49	
	Surgutneftegaz ADR	USD	555,000	5,286		1.41	
	Surgutneftegaz ADR Pref	USD	570,000	2,717		0.72	
	TGK-5 GDR	USD	8	-		-	
	Uralkali GDR	USD	163,000	3,547		0.95	
	Vimpelcom ADR	USD	798,800	11,814		3.15	
	X 5 Retail Group GDR	USD	95,000	3,763	168,507	1.00	
	Turkey	Tupras Turkiye Petrol Rafin	TRY	352,168	9,430		2.52
		Turkcell Iletisim	TRY	1,356,000	9,137		2.44
		Turkiye Garanti Bankasi	TRY	1,653,000	9,595		2.56
Turkiye Is Bankasi-C		TRY	2,645,000	11,240		3.00	
Turkiye Vakiflar Bankasi		TRY	2,726,000	8,250	47,652	2.20	
Total equities				345,038	92.06		
Futures		Counterparty	Currency	No of Contracts	Unrealised Gain US\$000	% of NAV	
RTS Index Future Dec 10		Troika Dialog	USD	9,375	39	0.01	
Total futures					39	0.01	
Open Forward Foreign Currency Transactions							
Investment Level							
Currency	Currency	Currency	Maturity	Unrealised			
Sold	Bought	Counterparty	Rate	Date	Gain US\$000	% of NAV	
USD 22,700,000	EUR	Morgan Stanley	0.7722	21.10.2010	1,210	0.32	
USD 12,046,736	PLN	Deutsche Bank	3.1062	21.10.2010	764	0.21	
Total open forward currency transactions					1,974	0.53	
Total financial assets at fair value through profit or loss					347,051	92.60	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Eastern European Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency	Counterparty	Currency	Maturity	Unrealised	
Sold	Bought		Rate	Date	Loss US\$000	% of NAV
HUF 2,827,566,000	USD	Morgan Stanley	224.4100	21.10.2010	(1,310)	(0.35)
HUF 2,578,796,000	USD	Morgan Stanley	222.3100	21.10.2010	(1,087)	(0.29)
CZK 5,311,345	USD	Northern Trust	18.0510	01.10.2010	(1)	-
<b>Total open forward currency transactions</b>					<b>(2,398)</b>	<b>(0.64)</b>
<b>Total financial liabilities at fair value through profit or loss</b>					<b>(2,398)</b>	<b>(0.64)</b>
<b>Total investments at fair value through profit or loss</b>					<b>344,653</b>	<b>91.96</b>
Cash at Bank					3,385	0.90
Margin cash					27,574	7.36
Other Net Liabilities					(814)	(0.22)
<b>Total Net Assets</b>					<b>374,798</b>	<b>100.00</b>

## Analysis of Portfolio

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	90.68
Financial derivative instruments dealt on a regulated market	0.01
OTC financial derivative instruments	(0.11)
	<b>90.58</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Global Emerging Markets Fund

Country	Financial assets at fair value through profit or loss		Nominal		Fair Value US\$000	% of NAV
	Equities	Currency	Holding			
Brazil	Banco Bradesco ADR	USD	3,007,033	61,223		1.98
	Banco do Brasil	BRL	2,000	38		0.00
	Banco Santander Brasil	USD	545,000	7,494		0.24
	BRF - Brasil Foods	BRL	766,600	11,593		0.38
	Cia de Bebidas das Americas ADR Pref	USD	279,581	34,559		1.12
	Cia de Transmissao de Energia Electrica Paulista Pref	BRL	116,000	3,529		0.11
	Cia Energetica de Minas Gerais	USD	295,000	4,826		0.16
	Cia Energetica de Minas Gerais Pref	BRL	726,155	11,628		0.38
	Cia Siderurgica Nacional ADR	USD	461,075	8,133		0.26
	Cia Vale do Rio Doce Pref A	BRL	732,472	19,991		0.65
	Cielo	BRL	263,200	2,270		0.07
	Cyrela Brazil Realty	BRL	197,300	2,786		0.09
	Gerdau ADR	USD	1,730,000	23,511		0.76
	Itau Unibanco Holding ADR	USD	2,707,390	65,383		2.11
	Lojas Americanas Pref	BRL	658,400	5,997		0.19
	Lojas Renner	BRL	25,300	858		0.03
	Natura Cosmeticos	BRL	244,700	6,563		0.21
	OGX Petroleo e Gas Participacoes	BRL	366,000	4,752		0.15
	OSX Brasil	BRL	9,290	3,095		0.10
	PDG Realty	BRL	1,433,200	16,976		0.55
	PetroBras ADR	USD	3,304,244	119,779		3.87
	PetroBras Pref ADR	USD	1,021,600	33,478		1.08
	Suzano Papel e Celulose	BRL	465,000	4,381		0.14
	Tim Participacoes ADR	USD	63,200	2,082		0.07
	Vale ADR	USD	1,859,187	58,100		1.88
	Vale ADR Pref	USD	869,000	24,071		0.78
	Vivo Participacoes ADR	USD	832,256	22,587	559,683	0.73 18.09
Chile	Enersis ADR	USD	800,753	18,826		0.61
	Inversiones Aguas Metropolitanas ADR	USD	58,431	1,753	20,579	0.06 0.67
China	Angang Steel	HKD	5,300,000	8,482		0.27
	Belle International	HKD	11,566,000	23,249		0.75
	China Coal Energy	HKD	13,890,000	22,945		0.74
	China Construction Bank	HKD	89,296,000	78,243		2.53
	China Life Insurance	HKD	3,007,000	11,876		0.38
	China Life Insurance ADR	USD	164,700	9,786		0.32
	China Mobile	HKD	5,862,000	60,013		1.94
	China Mobile ADR	USD	129,800	6,630		0.21
	China National Building	HKD	10,576,000	24,585		0.80
	China Overseas Land & Investment	HKD	10,940,000	23,062		0.75
	China Railway Group	HKD	13,226,000	10,328		0.33
	China Unicom Hong Kong	HKD	11,964,000	17,482		0.57
	China Unicom Hong Kong ADR	USD	429,000	6,242		0.20
	China Yurun Food Group	HKD	6,216,000	22,948		0.74
	CNOOC	HKD	25,350,000	49,063		1.59
	COSCO Pacific	HKD	2,620,000	3,943		0.13
	Dongfeng Motor Group	HKD	9,457,000	19,351		0.63
	Esprit Holdings	HKD	1,172,400	6,337		0.20

The accompanying notes form an integral part of these financial statements.



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Global Emerging Markets Fund (continued)

Country	Financial assets at fair value through profit or loss		Nominal		Fair Value US\$000	% of NAV
	Equities (continued)	Currency	Holding			
China	Industrial & Commercial Bank	HKD	34,207,000	25,477		0.82
(continued)	Jiangxi Copper	HKD	6,230,000	15,783		0.51
	Nine Dragons Paper Holdings	HKD	5,110,000	8,823		0.29
	Parkson Retail Group	HKD	9,227,000	16,027		0.52
	PCD Stores	HKD	14,396,000	4,545		0.15
	PetroChina	HKD	4,589,000	5,340		0.17
	PetroChina ADR	USD	53,000	6,170		0.20
	Real Gold Mining	HKD	1,040,000	1,836		0.06
	Shimao Property	HKD	4,343,500	7,220		0.23
	Tencent Holdings	HKD	1,531,200	33,443		1.08
	Yanzhou Coal Mining	HKD	5,224,500	12,804	542,033	0.41
Czech Republic	CEZ AS	CZK	174,310	7,795		0.25
	Komerční Banka	CZK	14,170	3,086	10,881	0.10
Egypt	Centamin Egypt	GBP	1,098,698	3057		0.10
	Orascom Telecom GDR	USD	306,908	1,332	4,389	0.04
Hungary	Magyar Telekom Telecommunications	HUF	345,600	1,134		0.04
	Mol Magyar Olaj-Es Gazipare	HUF	31,722	3,322		0.11
	OTP Bank	HUF	657,000	17,228		0.55
	Richter Gedeon	HUF	6,493	1,505		0.05
	Richter Gedeon GDR	USD	9,000	2,078	25,267	0.07
India	Infosys Technologies ADR	USD	60,200		4,047	0.13
Indonesia	Bank Rakyat Indonesia	IDR	8,127,500	9,033		0.29
	Astra International	IDR	3,110,000	19,795		0.64
	Bank Mandiri	IDR	17,991,500	13,936		0.45
	International Nickel Indonesia	IDR	9,300,000	5,063		0.16
	Perusahaan Gas Negara	IDR	9,899,000	4,251		0.14
	Telekomunikasi Indonesia	IDR	30,936,500	31,951		1.03
	United Tractors	IDR	3,785,500	8,605	92,634	0.28
Malaysia	Axiata Group Bhd	MYR	2,081,800	2,953		0.09
	Bumiputra-Commerce	MYR	12,396,800	32,805		1.06
	Gamuda Bhd	MYR	9,306,100	11,635		0.38
	Sime Darby Bhd	MYR	3,333,000	9,176	56,569	0.30
Mexico	America Movil ADR	USD	1,375,820	73,317		2.37
	Cemex SAB de CV ADR	USD	831,913	7,071		0.23
	Corp GEO	MXN	2,068,800	5,939		0.19
	Fomento Economico Mexicano ADR	USD	568,014	28,815		0.93
	Grupo Financiero Banorte	MXN	1,174,500	4,458		0.14
	Grupo Mexico	MXN	5,805,400	16,727		0.54
	Grupo Televisa ADR	USD	830,908	15,704	152,031	0.51
Netherlands	ArcelorMittal	EUR	77,465		2,553	0.08
Panama	Copa Holdings	USD	173,011		9,325	0.30
Peru	Cia de Minas Buenaventura ADR	USD	228,742	10,321		0.33
	Credicorp	USD	40,600	4,621		0.15
	Southern Copper	USD	192,000	6,733	21,675	0.22
Philippines	Philippine Long Distance Telephone	PHP	199,000	11,863		0.39
	SM Investments	PHP	384,200	4,714	16,577	0.15

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Global Emerging Markets Fund (continued)

Country	Financial assets at fair value through profit or loss		Nominal		Fair Value US\$000	% of NAV	
	Equities (continued)	Currency	Holding				
Poland	KGHM Polska Miedz	PLN	357,104	14,340		0.46	
	Polski Koncern Naftowy	PLN	89,107	1,231		0.04	
	Polski Koncern Naftowy GDR	USD	65,000	1,554		0.05	
	Powszechna Kasa Oszczednosci Bank Polski	PLN	247,500	3,743		0.12	
	Powszechny Zaklad Ubezpieczen	PLN	9,100	1,267		0.04	
	Telekomunikacja Polska	PLN	1,100,000	6,695	28,830	0.22	0.93
Russia	Gazprom ADR	USD	2,526,000	52,844		1.71	
	Lukoil ADR	USD	413,000	23,376		0.76	
	MMC Norilsk Nickel ADR	USD	1,028,800	17,444		0.56	
	Mobile Telesystems ADR	USD	1,325,175	28,107		0.91	
	NovaTek GDR	USD	85,000	7,289		0.24	
	Rosneft Oil GDR	USD	1,228,000	8,160		0.26	
	Federal Hydrogeneration	USD	94,000,000	4,794		0.15	
	Sberbank of Russia	USD	8,531,000	23,247		0.75	
	Surgutneftegaz ADR	USD	378,500	3,558		0.12	
	TGK-5 GDR	USD	3	-		-	
	Vimpelcom ADR	USD	1,042,450	15,439	184,258	0.50	5.96
Singapore	Indofood Agri Resources	SGD	3,375,000		5,799		0.19
South Africa	ABSA Group Ltd	ZAR	585,339	11,197		0.36	
	AngloGold Ashanti	ZAR	383,087	17,692		0.57	
	AngloGold Ashanti ADR	USD	238,000	10,988		0.36	
	Aveng	ZAR	520,545	3,219		0.10	
	FirstRand	ZAR	3,068,280	9,392		0.30	
	Foschini Group	ZAR	952,374	11,002		0.35	
	Gold Fields	ZAR	585,680	8,835		0.29	
	Impala Platinum	ZAR	603,200	15,397		0.50	
	Imperial Holdings	ZAR	340,000	5,481		0.18	
	JD Group	ZAR	500,000	3,378		0.11	
	MTN Group	ZAR	1,628,573	29,221		0.94	
	Murray & Roberts Holdings	ZAR	822,098	5,191		0.17	
	Naspers	ZAR	405,267	19,729		0.64	
	Nedbank Group	ZAR	166,000	3,482		0.11	
	Sanlam	ZAR	2,065,000	7,744		0.25	
	Sasol	ZAR	394,032	17,576		0.57	
	Standard Bank	ZAR	1,398,026	22,126		0.72	
	Vodacom	ZAR	775,000	7,649	209,299	0.25	6.77
South Korea	Doosan Heavy Industries and Construction	KRW	194,567	14,488		0.47	
	GS Engineering & Construction	KRW	144,702	11,130		0.36	
	Hotel Shilla	KRW	261,350	7,472		0.24	
	Hynix Semiconductor	KRW	397,000	7,695		0.25	
	Hyundai Engineering & Construction	KRW	142,590	9,054		0.29	
	Hyundai Heavy Industries	KRW	75,355	21,611		0.70	
	Hyundai Motor	KRW	334,833	44,783		1.45	
	Industrial Bank of Korea	KRW	368,620	5,043		0.16	
	KB Financial Group	KRW	296,000	12,708		0.41	
	Korea Electric Power	KRW	358,440	9,242		0.30	
	LG Chem Ltd	KRW	74,324	21,707		0.70	
	LG Display	KRW	634,500	21,898		0.71	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Global Emerging Markets Fund (continued)

		Financial assets at fair value through profit or loss		Nominal				
Country	Equities (continued)	Currency	Holding	Fair Value	US\$000	% of NAV		
South Korea (continued)	LG Electronics	KRW	129,300	10,898		0.35		
	Lotte Shopping	KRW	42,459	17,595		0.57		
	POSCO	KRW	64,240	29,072		0.94		
	Samsung Card	KRW	90,273	4,537		0.15		
	Samsung Electronics	KRW	97,050	66,051		2.13		
	Samsung Electronics GDR	USD	47,630	16,337		0.53		
	Samsung Electronics GDR Pref	USD	8,300	2,049		0.07		
	Samsung Electronics Pref	KRW	2,750	1,339		0.04		
	Samsung Life Insurance	KRW	180,972	16,427		0.53		
	Shinhan Financial Group	KRW	861,502	32,981		1.06		
	Shinsegae	KRW	58,318	30,586		0.99		
	SK Energy	KRW	189,630	24,115	438,818	0.78	14.18	
Taiwan	Acer	TWD	1,262,501	3,205		0.11		
	Advanced Semiconductor Engineering	TWD	14,186,249	11,465		0.37		
	AU Optronics	TWD	16,712,000	17,331		0.56		
	Chinatrust Financial Holding	TWD	52,732,904	33,167		1.07		
	Chunghwa Telecom	TWD	4,090,000	9,151		0.29		
	Far Eastern Department Stores	TWD	7,586,025	9,543		0.31		
	Far Eastern Textile	TWD	17,818,130	24,496		0.79		
	First Financial Holding	TWD	30,074,525	19,878		0.64		
	Formosa Plastics	TWD	10,354,080	25,353		0.82		
	Hon Hai Precision Industry	TWD	11,839,572	44,339		1.43		
	KGI Securities	TWD	19,260,000	8,662		0.28		
	MediaTek	TWD	102,000	1,432		0.05		
	Pegatron	TWD	1,700,000	2,215		0.07		
	Synnex Technology International	TWD	7,653,551	17,687		0.57		
	Taiwan Fertilizer	TWD	1,977,000	6,176		0.20		
	Taiwan Semiconductor	TWD	20,768,566	41,149		1.33		
	Unimicron Technology	TWD	6,191,000	10,859		0.35		
	Young Fast	TWD	21,328	46		0.00		
Thailand	Young Fast Optoelectronics	TWD	818,000	9,295	295,449	0.30	9.54	
	Banpu PCL NVDR	THB	503,000	11,890		0.39		
	PTT PCL NVDR	THB	1,048,300	10,244		0.33		
	Siam Commercial Bank PCL NVDR	THB	7,760,600	26,390		0.85		
	Thai Oil NVDR	THB	3,200,000	5,546	54,070	0.18	1.75	
Turkey	Tupras Turkiye Petrol Rafine	TRY	266,000	7,122		0.23		
	Turkcell Iletisim Hizmet	TRY	1,379,000	9,291		0.30		
	Turkiye Garanti Bankasi	TRY	3,290,000	19,096		0.62		
	Turkiye Is Bankasi	TRY	4,435,117	18,847		0.61		
	Turkiye Vakiflar Bankasi Tao	TRY	704,000	2,131	56,487	0.07	1.83	
United States	Freeport-McMoRan Copper & Gold	USD	69,000		5,887		0.19	
<b>Total Equities</b>					<b>2,797,140</b>		<b>90.41</b>	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Global Emerging Markets Fund (continued)

Financial assets at fair value through profit or loss				Nominal			
	Equity Linked Notes	Currency	Holding	Fair Value US\$000	% of NAV		
China	Industrial & Commercial Bank (MS Warrant)	HKD	23,095,000	17,201	0.56		
India	Gujarat NRE Coke (MACQ Warrant)	USD	1,395,742	1,917	0.06		
	HDFC Bank (DB Warrant)	USD	131,800	7,245	0.24		
	Housing Development (CS Warrant)	USD	373,250	20,664	0.67		
	ICICI Bank (CLSA Warrant)	USD	248,000	6,096	0.20		
	ICICI Bank (CS Warrant)	USD	497,610	12,293	0.40		
	ICICI Bank (DB Warrant)	USD	162,000	3,981	0.13		
	ICICI Bank (MS Warrant)	USD	467,400	11,647	0.37		
	Infosys Technologies (CS Warrant)	USD	323,800	21,977	0.71		
	Infosys Technologies (DB Warrant)	USD	472,274	31,814	1.03		
	Larsen & Toubro (DB Warrant)	USD	345,086	15,646	0.51		
	Larsen & Toubro (MACQ Warrant)	USD	47,000	2,147	0.07		
	Larsen & Toubro (MS Warrant)	USD	73,400	3,331	0.11		
	Reliance Industries (Citi Warrant)	USD	82,000	1,808	0.06		
	Reliance Industries (DB Warrant)	USD	914,550	19,938	0.64		
	Sterlite Industries India (MS Warrant)	USD	1,254,400	4,696	0.15		
	Tata Consultancy Services (DB Warrant)	USD	578,000	11,831	0.38		
	Tata Motors (CLSA Warrant)	USD	108,000	2,619	0.08		
	Tata Motors (MACQ Warrant)	USD	455,000	11,115	0.36		
	Tata Motors Ltd (CS Warrant)	USD	185,000	4,517	0.15		
	Tata Steel (DB Warrant)	USD	515,700	7,423	0.24		
	Tata Steel (MS Warrant)	USD	351,200	5,136	0.17		
	United Phosphorus (DB Warrant)	USD	720,000	2,852	0.09		
	United Phosphorus (MACQ Warrant)	USD	729,991	2,913	213,606	0.09	6.91
	Malaysia	Axiata Group (DB Warrant)	USD	6,921,200	9,745	0.31	
	Taiwan	Acer (MS Warrant)	USD	5,112,484	12,977	0.42	
Mediatek (MS Warrant)		USD	519,144	7,286	0.23		
Mediatek (MS Warrant)		USD	368,964	5,179	25,442	0.17	0.82
Total Equity Linked Notes				265,994	8.60		
Open Forward Foreign Currency Transactions							
Investment Level							
Currency	Currency	Counterparty	Currency	Maturity	Unrealised	% of NAV	
Sold	Bought		Rate	Date	Gain US\$000		
USD 12,223,094	CLP	Deutsche Bank	519.4000	22.10.2010	907	0.03	
USD 1,543,640	HKD	Northern Trust	7.7608	05.10.2010	-	-	
USD 30,000,000	MYR	Morgan Stanley	3.1375	22.10.2010	440	0.01	
USD 8,359,150	PLN	Deutsche Bank	3.1062	21.10.2010	530	0.02	
USD 1,961,767	KRW	Northern Trust	1141.4999	01.10.2010	2	-	
TWD 95,954,746	USD	Northern Trust	31.2250	01.10.2010	2	-	
MYR 9,172,581	USD	Northern Trust	3.0845	01.10.2010	4	-	
HKD 23,870,775	USD	Northern Trust	7.7589	04.10.2010	1	-	
Total Open Forward Foreign Currency Transactions					1,886	0.06	
Total financial assets at fair value through profit or loss					3,065,020	99.07	

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Global Emerging Markets Fund (continued)

## Financial liabilities held at fair value through profit or loss

Contracts for Difference	Counterparty	Currency	Nominal Holding	Unrealised Loss US\$000	% of NAV
China Life Insurance	Morgan Stanley	USD	3,734,600	(3,255)	(0.11)
Qatar Telecom	Morgan Stanley	USD	55,640	(74)	-
<b>Total Contracts for Difference</b>				<b>(3,329)</b>	<b>(0.11)</b>

## Open Forward Foreign Currency Transactions

### Investment Level

Currency	Currency	Counterparty	Currency	Maturity	Unrealised Loss US\$000	% of NAV
Sold	Bought		Rate	Date		
USD 3,148,787	HKD	Northern Trust	7.7589	04.10.2010	(1)	-
ZAR 62,100,000	USD	Morgan Stanley	7.0145	04.10.2010	(19)	-
MYR 24,000,000	USD	Morgan Stanley	3.0925	22.10.2010	(1)	-
USD 19,273,549	MXN	Northern Trust	12.4881	01.10.2010	(10)	-
USD 3,078,434	MYR	Northern Trust	3.0845	01.10.2010	(4)	-
KRW 2,757,908,065	USD	Northern Trust	1141.5000	01.10.2010	(3)	-
HKD 12,058,694	USD	Northern Trust	7.7608	05.10.2010	-	-
<b>Total Open Forward Foreign Currency Transactions</b>					<b>(38)</b>	<b>-</b>

**Total financial liabilities held at fair value through profit or loss** **(3,367)** **(0.11)**

	Fair Value US\$000	% of NAV
<b>Total investments at fair value through profit or loss</b>	<b>3,061,653</b>	<b>98.96</b>
Cash at Bank	17,346	0.56
Margin cash	17,684	0.57
Other Net Liabilities	(2,983)	(0.09)
<b>Total Net Assets</b>	<b>3,093,700</b>	<b>100.00</b>

## Analysis of Portfolio % of Total Assets

Transferable securities admitted to an official stock exchange listing or traded on a regulated market	97.59
OTC financial derivative instruments	0.06
Financial derivative instrument dealt on a regulated market	(0.11)
	<b>97.54</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (£)

## Financial assets at fair value through profit or loss

Country	Bonds	Currency	Nominal Holding	Fair Value £000	% of NAV	
Australia	Australia Government 5.75% Bonds 15.06.2011	AUD	144,000,000	89,144		10.12
Brazil	Brazil Government 10% Bonds 01.01.2012	BRL	230,000,000	84,648		9.61
Germany	Germany Government Treasury 0% Bills 13.10.2010	EUR	27,480,000	23,800		2.70
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	912,000,000	83,843		9.52
United Kingdom	United Kingdom Treasury 0% Bills 13.12.2010	GBP	20,000,000	19,978		2.27
	United Kingdom Treasury 0% Bills 21.02.2011	GBP	40,000,000	39,908		4.53
	United Kingdom Treasury 0% Bills 25.10.2010	GBP	30,000,000	29,991		3.41
	United Kingdom Treasury 0% Bills 29.11.2010	GBP	65,000,000	64,944	154,821	7.37
United States	United States Treasury 2% Bonds 15.01.2026	USD	22,930,000	17,575		2.00
	United States Treasury 2.375% Bonds 15.01.2027	USD	22,260,000	17,627		2.00
	United States Treasury 1.75% Bonds 15.01.2028	USD	25,220,000	17,653		2.00
	United States Treasury 2.5% Bonds 15.01.2029	USD	113,700,000	86,432		9.81
	United States Treasury 2.125% Bonds 15.02.2040	USD	239,813,000	171,526		19.48
	United States Treasury 1.25% Bonds 15.07.2020	USD	129,825,000	86,417	397,230	9.81
<b>Total Bonds</b>				<b>833,486</b>		<b>94.64</b>

Country	Options	Counterparty	Currency	Nominal Holding	Fair Value £000	% of NAV	
United Kingdom	FXO GBP USD 18 Jan 2011 Put @1.00	Societe Generale	GBP	2,000,000,000	277		0.03
<b>Total Options</b>					<b>277</b>		<b>0.03</b>

## Open Forward Foreign Currency Transactions

### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain £000	% of NAV	
GBP 90,116,186	CHF	Societe Generale	1.5536	28.10.2010	860		0.10
USD 132,150,457	CAD	Barclays Capital	1.5884	28.10.2010	224		0.02
EUR 50,467,925	USD	Societe Generale	1.15257	04.10.2010	64		0.01
USD 265,190,000	GBP	Societe Generale	1.5497	28.10.2010	2,802	3,950	0.32
<b>Total Open Forward Foreign Currency Transactions</b>					<b>3,950</b>		<b>0.45</b>

**Total financial assets at fair value through profit or loss**

**837,713 95.12**

## Financial liabilities held at fair value through profit or loss

## Open Forward Foreign Currency Transactions

### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss £000	% of NAV	
EUR 21,500,000	AUD	Goldman Sachs	1.6319	28.10.2010	(17)		-
EUR 25,830,000	AUD	Barclays Capital	1.6516	28.10.2010	(111)		(0.01)
EUR 26,090,000	AUD	Societe Generale	1.6435	28.10.2010	(270)		(0.03)
EUR 26,090,000	AUD	Societe Generale	1.6487	28.10.2010	(440)		(0.05)
EUR 88,000,000	GBP	Societe Generale	1.1943	28.10.2010	(2,553)		(0.29)
USD 69,000,000	EUR	Societe Generale	1.1543	28.10.2010	(66)	(3,457)	(0.01)
					<b>(3,457)</b>		<b>(0.39)</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (£) (continued)

## Financial liabilities held at fair value through profit or loss

<b>Futures</b>	<b>Currency</b>	<b>No of Contracts</b>	<b>Unrealised Loss US\$000</b>	<b>% of NAV</b>
Dec 10 U.S T-Bonds	USD	(3,613)	(6,335)	(0.72)
<b>Total futures</b>			<b>(6,335)</b>	<b>(0.72)</b>

## Financial liabilities held at fair value through profit or loss

(9,792) (1.11)

## Total investments at fair value through profit or loss

827,921 94.01

Cash at Bank 22,851 2.60

Margin Cash 15,163 1.72

Other Net Assets 14,737 1.67

**Total Net Assets** **880,672** **100.00**

## Analysis of portfolio

% of  
Total  
Assets

Transferable securities admitted to an official stock exchange listing  
or traded on a regulated market 89.24

Financial derivative instrument dealt on a regulated market (0.68)

OTC financial derivative instrument 0.08

**88.64**

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (€)

Financial assets at fair value through profit or loss			Nominal		
Country	Bonds	Currency	Holding	Fair Value €000	% of NAV
Australia	Australia Government 5.75% Bonds 15.06.2011	AUD	27,300,000	19,507	9.22
Brazil	Brazil Government 10% Bonds 01.01.2012	BRL	45,000,000	19,117	9.04
Germany	Germany Government 0% Bills 20.04.2011	EUR	10,500,000	10,460	4.94
	Germany Government 0% Bills 18.05.2011	EUR	7,000,000	6,969	3.30
	Germany Government 0% Bills 27.07.2011	EUR	7,000,000	6,959	3.29
Norway	Norway Government 5% Bonds 15.05.2015	NOK	136,800,000	18,882	8.92
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	178,500,000	18,941	8.95
United States	United States Treasury 1.75% Bonds 15.01.2028	USD	4,960,000	4,007	1.89
	United States Treasury 2.5% Bonds 15.01.2029	USD	22,850,000	20,050	9.48
	United States Treasury 2% Bonds 15.01.2026	USD	4,510,000	3,990	1.89
	United States Treasury 2.125% Bonds 15.02.2040	USD	47,819,000	39,479	18.66
	United States Treasury 2.375% Bonds 15.01.2027	USD	4,380,000	4,004	1.89
	United States Treasury 1.25% Bonds 15.07.2020	USD	20,610,000	15,835	7.49
<b>Total Bonds</b>				<b>188,200</b>	<b>88.96</b>

			Nominal		
Options	Counterparty	Currency	Holding	Fair Value €000	% of NAV
FXO EUR USD Jan 2011 Put @0.80	Societe Generale	EUR	1,410,000,000	65	0.03
<b>Total Options</b>				<b>65</b>	<b>0.03</b>

## Open Forward Foreign Currency Transactions

### Investment Level

Currency	Currency	Currency	Maturity	Unrealised	% of NAV
Sold	Bought	Counterparty	Date	Gain €000	
USD 25,847,075	CAD	Barclays Capital	28.10.2010	51	0.02
EUR 10,605,579	USD	Societe Generale	04.10.2010	16	0.01
USD 56,650,000	EUR	Societe Generale	28.10.2010	2,197	1.04
<b>Total Forward Foreign Currency Transactions</b>				<b>2,264</b>	<b>1.07</b>

**Total financial assets at fair value through profit or loss** **190,529** **90.06**

## Financial liabilities at fair value through profit or loss

Futures	Currency	Number of Contracts	Unrealised Loss €000	% of NAV
U.S. T-Bonds Dec 2010	USD	(699)	(1,498)	(0.71)
<b>Total futures</b>			<b>(1,498)</b>	<b>(0.71)</b>

The accompanying notes form an integral part of these financial statements.



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (€) (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency		Currency	Maturity	Unrealised	% of NAV
Sold	Bought	Counterparty	Rate	Date	Loss €000	
EUR 19,314,261	CHF	Societe Generale	1.3014	28.10.2010	(460)	(0.22)
EUR 5,330,000	AUD	Societe Generale	1.3863	28.10.2010	(104)	(0.05)
EUR 5,330,000	AUD	Societe Generale	1.3969	28.10.2010	(64)	(0.03)
EUR 5,330,000	AUD	Barclays Capital	1.4068	28.10.2010	(26)	(0.01)
USD 14,500,000	EUR	Societe Generale	1.3670	28.10.2010	(16)	(0.01)
EUR 6,400,000	AUD	Goldman Sachs	1.4125	28.10.2010	(6)	-
<b>Total Forward Foreign Currency Transactions</b>					<b>(676)</b>	<b>(0.32)</b>

### Total financial liabilities at fair value through profit or loss

(2,174) (1.03)

### Total investments at fair value through profit or loss

188,355 89.03

Cash at Bank

5,097 2.41

Margin Cash

3,594 1.70

Other Net Assets

14,521 6.86

**Total Net Assets**

**211,567 100.00**

## Analysis of Portfolio

% of  
Total Assets

Transferable securities admitted to an official stock exchange listing  
or traded on a regulated market  
Financial derivative instrument dealt on a regulated market  
OTC financial derivative instrument

88.25

(0.70)

0.77

**88.32**

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (\$)

Financial assets at fair value through profit or loss					Nominal	Fair Value				
Country	Bonds		Currency	Holding		US\$000		% of NAV		
Australia	Australia Government 5.75% Bonds 15.06.2011		AUD	3,360,000		3,278			9.36	
Brazil	Brazil Government 10% Bonds 01.01.2012		USD	5,200,000		3,016			8.61	
Germany	Germany Government 0% Bills 13.10.2010		EUR	210,000		287		0.82		
	Germany Government 0% Bills 29.06.2011		EUR	700,000		951	1,238	2.72	3.53	
South Africa	South Africa Government 7.5% Bonds 15.01.2014		ZAR	20,600,000			2,984		8.52	
United States	United States Treasury 1.75% Bonds 15.01.2028		USD	559,000		616		1.76		
	United States Treasury 2.5% Bonds 15.01.2029		USD	2,575,000		3,084		8.81		
	United States Treasury 0% Bills 24.02.2011		USD	3,600,000		3,598		10.27		
	United States Treasury 2% Bonds 15.01.2026		USD	508,000		614		1.75		
	United States Treasury 2.125% Bonds 15.02.2040		USD	6,751,000		7,609		21.72		
	United States Treasury 2.375% Bonds 15.01.2027		USD	494,000		616		1.76		
	United States Treasury 0% Bills 26.11.2010		USD	2,820,000		2,819		8.05		
	United States Treasury 1.25% Bonds 15.07.2020		USD	4,600,000		4,825	23,781	13.78	67.90	
	Total Bonds						34,297		97.92	
	Open Forward Foreign Currency Transactions									
Investment level										
Currency	Currency		Currency	Maturity		Unrealised				
Sold	Bought	Counterparty	Rate	Date		Gain US\$000		% of NAV		
USD 2,915,084	CAD	Barclays Capital	1.0291	28.10.2010		8		0.02		
Total Forward Foreign Currency Transactions						8		0.02		
Total financial assets at fair value through profit or loss						34,305		97.94		
Financial liabilities at fair value through profit or loss										
Open Forward Foreign Currency Transactions										
Investment level										
Currency	Currency		Currency	Maturity		Unrealised				
Sold	Bought	Counterparty	Rate	Date		Loss US\$000		% of NAV		
EUR 675,000	AUD	Societe Generale	1.3863	28.10.2010		(18)		(0.06)		
EUR 675,000	AUD	Societe Generale	1.3969	28.10.2010		(11)		(0.03)		
EUR 660,000	AUD	Barclays Capital	1.0432	28.10.2010		(4)		(0.01)		
EUR 690,000	AUD	Goldman Sachs	1.0358	28.10.2010		(1)		-		
EUR 990,000	USD	Societe Generale	0.7714	28.10.2010		(68)	(102)	(0.19)	(0.29)	
Total Forward Foreign Currency Transactions						(102)		(0.29)		
Futures										
			Currency	No of contracts		Unrealised		% of NAV		
Dec 10 U.S T-Bonds			USD	(93)		(271)		(0.77)		
Total Futures						(271)		(0.77)		
Total financial liabilities at fair value through profit or loss						(373)		(1.06)		

The accompanying notes form an integral part of these financial statements.

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Bond Fund (\$) (continued)

	Fair Value US\$000	% of NAV
<b>Total investments at fair value through profit or loss</b>	<b>33,932</b>	<b>96.88</b>
Bank overdraft	(259)	(0.74)
Margin cash	651	1.86
Other Net Assets	701	2.00
<b>Total Net Assets</b>	<b>35,025</b>	<b>100.00</b>

Analysis of portfolio	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	92.12
Financial derivative instrument dealt on a regulated market	(0.73)
OTC financial derivative instruments	(0.25)
	<b>91.14</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Emerging Asia Fund

Financial assets at fair value through profit or loss			Nominal				
Country	Equities	Currency	Holding	Fair value	US\$000	% of NAV	
China	Angang Steel	HKD	435,000	696		0.40	
	Belle International	HKD	840,000	1,688		0.98	
	China Coal Energy	HKD	1,244,000	2,055		1.19	
	China Construction Bank	HKD	8,618,000	7,551		4.38	
	China Life Insurance	HKD	147,000	581		0.34	
	China Life Insurance ADR	USD	300	18		0.01	
	China Mobile	HKD	410,000	4,197		2.43	
	China Mobile ADR	USD	24,960	1,275		0.74	
	China National Building	HKD	984,000	2,287		1.33	
	China Overseas Land & Investment	HKD	995,000	2,098		1.22	
	China Railw ay	HKD	1,155,000	902		0.52	
	China Unicom Hong Kong ADR	USD	75,670	1,101		0.64	
	China Unicom Hong Kong	HKD	1,103,000	1,612		0.93	
	China Yurun Food Group	HKD	419,000	1,547		0.90	
	CNOOC	HKD	1,832,000	3,546		2.07	
	COSCO Pacific	HKD	322,000	485		0.28	
	Dongfeng Motor Group	HKD	841,000	1,721		1.00	
	Esprit	HKD	133,700	723		0.42	
	Industrial & Commercial Bank	HKD	2,955,500	2,201		1.28	
	Jiangxi Copper	HKD	649,000	1,644		0.95	
	Kunlun Energy	HKD	760,000	981		0.57	
	Nine Dragons Paper Holdings	HKD	380,000	656		0.38	
	Parkson Retail	HKD	1,085,500	1,885		1.09	
	PCD Stores	HKD	3,076,000	971		0.56	
	PetroChina ADR	USD	7,990	930		0.54	
	Real Gold Mining	HKD	519,000	916		0.53	
	Shimao Property	HKD	462,000	768		0.45	
	Tencent Holdings	HKD	148,100	3,235		1.87	
	Yanzhou Coal Mining	HKD	428,000	1,049	49,319	0.61	28.61
India	ICICI Bank ADR	USD	27,530		1,372	0.80	
Indonesia	Bank Rakyat Indonesia	IDR	824,500	916		0.53	
	International Nickel Indonesia	IDR	1,372,000	747		0.43	
	Astra International	IDR	274,500	1,747		1.01	
	Bank Mandiri	IDR	1,667,500	1,292		0.75	
	United Tractors	IDR	386,000	877		0.51	
Malaysia	Telekomunikasi Indonesia	IDR	2,816,500	2,909	8,488	1.69	4.92
	Axiata Group	MYR	93,200	132		0.08	
	CIMB Group	MYR	1,110,700	2,939		1.70	
	Gamuda Berhad	MYR	869,000	1,087		0.63	
	Sime Darby Berhad	MYR	375,000	1,032	5,190	0.60	3.01
Philippines	DMCI Holdings	PHP	1,409,500	874		0.51	
	SM Investments	PHP	115,900	1,422	2,296	0.82	1.33
Singapore	Indofood Agri Resources	SGD	433,000		744		0.43

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Emerging Asia Fund (continued)

Financial assets at fair value through profit or loss			Nominal			% of NAV
Country	Equities (continued)	Currency	Holding	Fair value US\$000		
South Korea	Doosan Heavy Industries and Construction	KRW	13,200	983		0.57
	GS Engineering & Construction	KRW	15,317	1,178		0.68
	Hotel Shilla	KRW	48,380	1,383		0.80
	Hynix Semiconductor	KRW	39,000	756		0.44
	Hyundai Engineering & Construction	KRW	10,320	655		0.38
	Hyundai Heavy Industries	KRW	7,568	2,170		1.26
	Hyundai Motor	KRW	29,891	3,998		2.32
	Industrial Bank of Korea	KRW	32,010	438		0.25
	KB Financial Group	KRW	27,850	1,196		0.69
	Korea Electric Power	KRW	36,840	950		0.55
	LG Chem	KRW	5,996	1,751		1.01
	LG Display	KRW	59,620	2,058		1.19
	LG Electronics	KRW	12,546	1,057		0.61
	Lotte Shopping	KRW	3,899	1,616		0.94
	Posco	KRW	6,850	3,100		1.80
	Samsung Card	KRW	9,759	490		0.28
	Samsung Electronics	KRW	10,311	7,017		4.07
	Samsung Electronics GDR	USD	3,000	1,022		0.59
	Samsung Life Insurance	KRW	15,885	1,442		0.84
	Shinhan Financial	KRW	81,830	3,133		1.82
	Shinsegae	KRW	3,851	2,020		1.17
	SK Energy	KRW	19,120	2,432	40,845	1.41
Taiwan	Advanced Semiconductor Engineering	TWD	1,259,734	1,018		0.59
	AU Optronics	TWD	1,663,000	1,725		1.00
	Chinatrust Financial Holding	TWD	4,234,720	2,664		1.54
	Chunghwa Telecom	TWD	303,000	678		0.39
	Far Eastern Department Stores	TWD	765,600	963		0.56
	Far Eastern Textile	TWD	1,611,078	2,215		1.28
	First Financial Holding	TWD	3,331,125	2,202		1.28
	Formosa Plastics	TWD	665,470	1,629		0.94
	Hon Hai Precision	TWD	1,110,475	4,159		2.41
	KGI Securities	TWD	1,473,000	663		0.38
	MediaTek	TWD	22,000	309		0.18
	Pegatron	TWD	239,000	311		0.18
	Synnex Technology International	TWD	661,737	1,529		0.89
	Taiwan Fertilizer	TWD	126,000	394		0.23
	Taiwan Semiconductor Manufacturing	TWD	1,429,483	2,832		1.64
	Taiwan Semiconductor Manufacturing ADR	USD	86,900	881		0.51
	Unimicron Technology	TWD	771,000	1,352		0.78
	Young Fast Rights	TWD	2,391	5		-
	Young Fast Optoelectronics	TWD	92,000	1,045	26,574	0.61
Thailand	Banpu PCL NVDR	THB	37,200	879		0.51
	PTT Exploration & Production PCL NDVR	THB	114,000	578		0.33
	PTT PCL NVDR	THB	97,800	956		0.55
	Siam Commercial Bank NVDR	THB	700,300	2,382		1.38
	Thai Oil NVDR	THB	505,000	875	5,670	0.51
<b>Total Equities</b>				<b>140,498</b>		<b>81.44</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Emerging Asia Fund (continued)

Financial assets at fair value through profit or loss			Nominal			
Country	Equity Linked Notes	Currency	Holding	Fair value	US\$000	% of NAV
China	Industrial & Commercial Bank (MS Warrant)	HKD	1,052,500	784		0.45
	Industrial & Commercial Bank (DB Warrant)	USD	1,699,000	1,018	1,802	0.59
India	Axiata Group Bhd (DB Warrant)	USD	578,800	815		0.47
	Gujarat NRE Coke (MACQ Warrant)	USD	260,907	358		0.21
	Housing Development (CS Warrant)	USD	24,820	1,375		0.80
	ICICI Bank (CLSA Warrant)	USD	34,000	836		0.48
	ICICI Bank (DB Warrant)	USD	17,000	418		0.24
	ICICI Bank (MACQ Warrant)	USD	7,700	191		0.11
	Infosys Technologies (CS Warrant)	USD	29,700	2,016		1.17
	Infosys Technologies (DB Warrant)	USD	38,366	2,584		1.50
	Infosys Technologies (MS Warrant)	USD	2,740	186		0.11
	Larsen & Toubro (CS Warrant)	USD	18,100	827		0.48
	Larsen & Toubro (DB Warrant)	USD	18,100	821		0.48
	Larsen & Toubro (MS Warrant)	USD	14,100	640		0.37
	Reliance Industries (CS Warrant)	USD	11,600	255		0.15
	Reliance Industries (DB Warrant)	USD	65,210	1,422		0.82
	Reliance Industries (MS Warrant)	USD	15,700	345		0.20
	Tata Consultancy Services (DB Warrant)	USD	55,100	1,128		0.65
	Tata Motors (DB Warrant)	USD	26,700	647		0.37
	Tata Motors (MACQ Warrant)	USD	35,800	875		0.51
	Tata Steel (DB Warrant)	USD	90,200	1,298		0.75
	United Phosphorus (DB Warrant)	USD	105,000	415		0.24
	United Phosphorus (MACQ Warrant)	USD	95,030	379	17,831	0.22
Taiwan	Mediatek (MS Warrant)	USD	41,724	585		0.34
	Mediatek (MS Warrant)	USD	41,082	577		0.33
	Acer (MS Warrant)	USD	614,849	1,560		0.91
	Far Eastern Textile (DB Warrant)	USD	67,461	92	2,814	0.05
<b>Total Equity Linked Notes</b>					<b>22,447</b>	<b>13.00</b>
<b>Contracts for Difference</b>			<b>No of</b>	<b>Unrealised</b>		
	<b>Counterparty</b>	<b>Currency</b>	<b>contracts</b>	<b>Gain US\$000</b>		<b>% of NAV</b>
Xstrata	Deutsche Bank	INR	71,000	106	106	0.06
<b>Total Contract for Difference</b>					<b>106</b>	<b>0.06</b>
<b>Open Forward Foreign Currency Transactions</b>						
<b>Investment Level</b>						
<b>Currency</b>	<b>Currency</b>	<b>Currency</b>	<b>Maturity</b>			
<b>Sold</b>	<b>Bought</b>	<b>Counterparty</b>	<b>Rate</b>	<b>Date</b>	<b>Fair value US\$000</b>	<b>% of NAV</b>
USD 1,600,000	MYR	Morgan Stanley	3.1430	22.10.2010	27	0.02
USD 1,600,000	MYR	Morgan Stanley	3.1375	22.10.2010	24	0.01
HKD 2,657,567	USD	Northern Trust	7.7589	04.10.2010	-	-
USD 172,078	HKD	Northern Trust	7.7608	05.10.2010	-	0.03
<b>Total open forward foreign currency transactions</b>					<b>51</b>	<b>0.03</b>
<b>Futures</b>			<b>No of</b>	<b>Unrealised</b>		
	<b>Currency</b>		<b>contracts</b>	<b>Gain US\$000</b>		<b>% of NAV</b>
H-Shares Index Oct 10	USD		43	18		0.01
<b>Total Futures</b>				<b>18</b>		<b>0.01</b>
<b>Total financial assets at fair value through profit or loss</b>					<b>163,120</b>	<b>94.54</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Emerging Asia Fund (continued)

## Financial Liabilities at fair value through profit or loss

Contracts for Difference	Counterparty	Currency	No of contracts	Unrealised Loss US\$000	% of NAV
China Life Insurance	Morgan Stanley	USD	640,300	(558)	(0.33)
<b>Total Contracts for Difference</b>				<b>(558)</b>	<b>(0.33)</b>

Futures	Currency	No of contracts	Unrealised Loss US\$000	% of NAV
S&P Nifty Index Oct 10	INR	146	(4)	0.00
<b>Total Futures</b>			<b>(4)</b>	<b>0.00</b>

**Total financial liabilities at fair value through profit or loss** (562) (0.33)

<b>Total investments at fair value through profit or loss</b>	<b>162,558</b>	<b>94.21</b>
Cash at Bank	5,086	2.95
Margin cash	2,622	1.52
Other Net Assets	2,288	1.32
<b>Total Net Assets</b>	<b>172,554</b>	<b>100.00</b>

## Analysis of Portfolio

	% of Net Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	80.03
Financial derivative instruments dealt on a regulated market	12.54
OTC financial derivative instruments	0.03
	<b>92.60</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River World Government Bond Fund

## Financial assets at fair value through profit or loss

Country	Bonds	Currency	Nominal Holding	Fair Value £000	% of NAV	
Australia	Australia Government 5.75% Bonds 15.06.2011	AUD	12,970,000	8,029	9.55	
Brazil	Brazil Government 10% Bonds 01.01.2012	BRL	20,940,000	7,707	9.17	
Germany	Germany Government 0% Bills 13.10.2010	EUR	2,570,000	2,226	2.65	
	Germany Government 0% Bills 23.02.2011	EUR	4,500,000	3,889	4.63	
	Germany Government 0% Bills 29.06.2011	EUR	3,500,000	3,016	3.59	10.87
	Germany Government 0% Bills 29.06.2011	EUR	3,500,000	3,016	3.59	10.87
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	85,780,000	7,886	9.38	
United Kingdom	United Kingdom Treasury 0% Bills 29.11.2010	GBP	4,480,000	4,476	5.32	
United States	United States Treasury 0% Bills 26.11.2010	USD	8,000,000	5,076	6.04	
	United States Treasury 1.25% Bonds 15.07.2020	USD	4,820,000	3,208	3.82	
	United States Treasury 1.75% Bonds 15.01.2028	USD	2,720,000	1,904	2.26	
	United States Treasury 2.125% Bonds 15.02.2040	USD	26,537,000	18,981	22.58	
	United States Treasury 2% Bonds 15.01.2026	USD	2,470,000	1,893	2.25	
	United States Treasury 2.5% Bonds 15.01.2029	USD	6,475,000	4,922	5.85	
	United States Treasury 2.375% Bonds 15.01.2027	USD	2,400,000	1,901	2.26	45.06
<b>Total Bonds</b>				<b>75,114</b>	<b>89.35</b>	

## Open Forward Foreign Currency Transactions Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain £000	% of NAV	
USD 6,524,929	CAD	Barclays Capital	1.5884	28.10.2010	11	0.01	
GBP 6,871,359	CHF	Societe Generale	1.5535	28.10.2010	66	0.08	
GBP 3,198,620	EUR	Societe Generale	1.1943	28.10.2010	111	0.13	
USD 32,000,000	GBP	Societe Generale	1.5497	28.10.2010	338	0.40	
GBP 16,234,503	JPY	Societe Generale	132.126	28.10.2010	66	0.08	
USD 1,270,000	JPY	Societe Generale	133.463	28.10.2010	20	0.03	
EUR 4,900,509	USD	Societe Generale	1.5757	04.10.2010	6	0.01	
GBP 439,975	USD	Societe Generale	1.5909	04.10.2010	6	0.01	
CHF 10,675,000	USD	Goldman Sachs	1.5755	28.10.2010	21	0.02	0.77
<b>Total Open Forward Foreign Currency Transactions</b>					<b>645</b>	<b>0.77</b>	

**Total Financial assets at fair value through profit or loss** **75,759** **90.12**

## Financial liabilities at fair value through profit or loss

Futures	Currency	No of Contracts	Unrealised Loss £000	% of NAV
Dec 10 U.S. T-Bonds	USD	(326)	(604)	(0.72)
<b>Total futures</b>			<b>(604)</b>	<b>(0.72)</b>

## Open Forward Foreign Currency Transactions Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss £000	% of NAV	
USD 6,700,000	EUR	Societe Generale	1.1543	28.10.2010	(6)	(0.01)	
CAD 6,715,000	USD	Goldman Sachs	1.5755	28.10.2010	(24)	(0.03)	(0.04)
<b>Total Open Forward Foreign Currency Transactions</b>					<b>(30)</b>	<b>(0.04)</b>	

**Total financial liabilities at fair value through profit or loss** **(634)** **(0.76)**

*The accompanying notes form an integral part of these financial statements.*



## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River World Government Bond Fund (continued)

	Fair Value £000	% of NAV
<b>Total investments at fair value through profit or loss</b>	<b>75,125</b>	<b>89.36</b>
Cash at bank	1,635	1.94
Margin cash	1,451	1.73
Other Net Assets	5,859	6.97
<b>Total Net Assets</b>	<b>84,070</b>	<b>100.00</b>

<b>Analysis of Portfolio</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	88.85
Financial derivative instrument dealt on a regulated market	(0.71)
OTC financial derivative instruments	0.73
	<b>88.86</b>

*The accompanying notes form an integral part of these financial statements*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Thames River Water and Agriculture Absolute Return Fund

Country	Financial assets held at fair value through profit or loss		Nominal		US\$000	% of NAV	
	Equities	Currency	Holding	Fair Value			
Australia	Nufarm	AUD	100,000	349		0.81	
	PrimeAg	AUD	297,820	389	738	0.91	1.72
Belgium	Devgen	EUR	10,000		99		0.23
Brazil	Cia De Saneamento Basico Do Estado De O Paulo ADR	USD	20,000	881		2.06	
	SLC Agricola	BRL	100,000	1,111	1,992	2.59	4.65
Canada	Allana Potash	CAD	296,500	126		0.29	
	BioExx Specialty Proteins	CAD	150,000	384		0.90	
	GLV	CAD	15,000	114		0.27	
	Phoscan Chemical	CAD	300,000	105		0.24	
China	Potash	USD	15,000	2,168		5.06	
	Pure Technologies	CAD	36,000	147	3,044	0.34	7.10
	China BlueChemical	HKD	1,000,000	722		1.68	
	Origin Agritech	USD	50,000	411		0.96	
	Tri -Tech	USD	20,000	217		0.51	
	Want Want China	HKD	1,000,000	923		2.15	
	Zhongpin	USD	25,000	404	2,677	0.94	6.24
Faeroe Island	Bakkafrost	NOK	150,000		1,049		2.45
France	Danone	EUR	15,000	904		2.11	
	Virbac	EUR	2,000	278	1,182	0.65	2.76
Germany	GEA	EUR	40,000	1,010		2.36	
	ITN Nanovation	EUR	20,000	172		0.40	
	Joyou	EUR	30,000	487		1.14	
	K&S	EUR	15,000	906	2,575	2.11	6.01
Greece	Thessaloniki Water Supply & Sew age	EUR	20,000		107		0.25
Hong Kong	Asian Citrus	HKD	750,000	721		1.68	
	China Foods	HKD	1,000,000	867		2.02	
	Sinofert	HKD	1,500,000	864		2.02	
	Vitasoy International	HKD	200,000	157	2,609	0.37	6.09
Isle of Man	Landkom International	GBP	1,500,000		171		0.40
Japan	Kubota	JPY	100,000		914		2.13
Jersey	ETFS Forw ard Live Cattle	USD	50,000	630		1.47	
	ETFS Corn	USD	500,000	763		1.78	
	ETFS Short Wheat	USD	10,000	670		1.56	
	ETFS Sugar	USD	40,000	814	2,877	1.90	6.71
Lithuania	Linas Agro	LTL	184,809		139		0.32
Malaysia	Kuala Lumpur Kepong	MYR	80,000	438		1.02	
	PureCircle	GBP	50,000	118	556	0.28	1.30
Netherlands	CSM	EUR	50,000	1,473		3.44	
	Nutreco	EUR	15,000	1,107	2,580	2.58	6.02
Norway	Austevoll Seafood	NOK	50,000	324		0.76	
	Cermaq Asa	NOK	63,300	692		1.61	
	Marine Harvest	NOK	1,000,000	883		2.06	
	Morpol Asa	NOK	52,400	167		0.39	
	Yara International	NOK	20,000	926	2,992	2.16	6.98
Sw itzerland	Nestle	CHF	25,000		1,345		3.14
United States	American States Water	USD	20,000	719		1.68	
	American Water Works	USD	30,000	701		1.63	
	California Water Service	USD	25,000	928		2.17	
	Campbell Soup	USD	20,000	719		1.68	

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Water and Agriculture Absolute Return Fund (continued)

Financial assets held at fair value through profit or loss			Nominal				
Country	Equities (continued)	Currency	Holding	Fair Value	US\$000	% of NAV	
United States	Deere	USD	10,000	707		1.65	
	General Mills	USD	40,000	1,467		3.42	
(continued)	Heckmann	USD	100,000	391		0.91	
	Kraft Foods	USD	30,000	935		2.18	
	Monsanto	USD	20,000	972		2.26	
	Pentair	USD	30,000	1,011		2.36	
	Sanderson Farms	USD	13,000	540		1.26	
	Smithfield Foods	USD	40,000	672		1.57	
	Tyson Foods	USD	40,000	626	10,388	1.46	24.24
	<b>Total Equities</b>				<b>38,034</b>		<b>88.74</b>

			Nominal				
Country	Exchange Traded Notes	Currency	Holding	Fair Value		% of NAV	
United States	iPath S&P 500 VIX	USD	60,000	1,018		2.38	
	<b>Total Exchange Traded Notes</b>			<b>1,018</b>		<b>2.38</b>	

			Nominal			Unrealised			
Country	Contracts for Difference	Counterparty	Currency	Holding		Gain	US\$000	% of NAV	
China	China Mengniu Dairy	BOAML*	HKD	(200,000)			10	0.02	
United Kingdom	Pennon Group	BOAML*	GBP	100,000		109		0.25	
	Severn Trent	BOAML*	GBP	(40,000)		7	116	0.02	0.27
United States	Kellogg	BOAML*	USD	(15,000)		7		0.02	
	Sara Lee	BOAML*	USD	(75,000)		48	55	0.11	0.13
	<b>Total Contracts for Difference</b>						<b>181</b>		<b>0.42</b>

			Nominal				
Options	Counterparty	Currency	Holding	Fair Value		% of NAV	
Monsanto Call 21.01.2012 (SP 100)	Merrill Lynch	USD	500	23		-	
Potash Put 19.03.2011 (SP 145)	Merrill Lynch	USD	100	113	136	0.32	
<b>Total Options</b>					<b>136</b>	<b>0.32</b>	

## Open Forward Foreign Currency Transactions EUR Accumulating Class

Currency	Currency			Currency	Maturity	Unrealised			
Sold	Bought	Counterparty	Rate		Date	Gain	US\$000	% of NAV	
USD 11,575,350	EUR	Northern Trust	0.7775		21.01.2011		692	1.61	
							<b>692</b>		<b>1.61</b>

## Open Forward Foreign Currency Transactions EUR Distributing Class

Currency	Currency			Currency	Maturity	Unrealised			
Sold	Bought	Counterparty	Rate		Date	Gain	US\$000	% of NAV	
USD 2,572,300	EUR	Northern Trust	0.7775		21.01.2011		154	0.36	
							<b>154</b>		<b>0.36</b>

## Open Forward Foreign Currency Transactions GBP Accumulating Class

Currency	Currency			Currency	Maturity	Unrealised			
Sold	Bought	Counterparty	Rate		Date	Gain	US\$000	% of NAV	
USD 1,543,950	GBP	Northern Trust	0.6477		21.01.2011		29	0.07	
							<b>29</b>		<b>0.07</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Water and Agriculture Absolute Return Fund (continued)

## Financial assets held at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### GBP Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain US\$000	% of NAV
USD 21,615,300	GBP	Northern Trust	0.6477	21.01.2011	413	0.96
<b>Total Open Forward Foreign Currency Transactions</b>					<b>1,288</b>	<b>3.00</b>

**Total financial assets held at fair value through profit or loss** **40,657** **94.85**

## Financial Liabilities at fair value through profit or loss

Country	Contracts for Difference	Counterparty	Currency	Nominal Holdings	Unrealised Loss US\$000	% of NAV
Brazil	BRF Brasil Foods	BOAML*	USD	(80,000)	(59)	(0.13)
Chile	Sociedad Quimica Y Minera	BOAML*	USD	(20,000)	(7)	(0.02)
United Kingdom	Wolseley	BOAML*	GBP	(50,000)	(41)	(0.10)
United States	Agrium	BOAML*	USD	(10,000)	(37)	(0.09)
	Caterpillar	BOAML*	USD	(10,000)	(70)	(0.16)
	H.J.Heinz	BOAML*	USD	(20,000)	(6)	(0.01)
	Joy Global	BOAML*	USD	(15,000)	(67)	(0.16)
	Polypore International	BOAML*	USD	(20,000)	(13)	(0.03)
<b>Total Contracts for Difference</b>					<b>(300)</b>	<b>(0.70)</b>

Futures	Currency	No of Contracts	Unrealised Loss US\$000	% of NAV
10 Yr T-Notes 22.12.2010	USD	(15)	(9)	(0.02)
EMINI S&P 500 17.12.2010	USD	(50)	(53)	(0.13)
DJ Eurostoxx 50 Index 17.12.2010	EUR	(100)	(26)	(0.06)
Euro Currency 13.12.2010	USD	(20)	(74)	(0.17)
IMM Japanese Yen 13.12.2010	USD	(5)	(5)	(0.01)
IMM Swiss Franc 13.12.2010	USD	(20)	(94)	(0.22)
<b>Total futures</b>			<b>(261)</b>	<b>(0.61)</b>

### Open Forward Foreign Currency Transactions

#### EUR Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
EUR 115,000	USD	Northern Trust	0.7435	21.01.2011	(2)	-
					<b>(2)</b>	<b>-</b>

### Open Forward Foreign Currency Transactions

#### GBP Distributing Class

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss US\$000	% of NAV
USD 1,027,910	GBP	Northern Trust	0.6324	21.01.2011	(5)	(0.01)
GBP 1,200,000	USD	Northern Trust	0.6540	21.01.2011	(53)	(0.13)
<b>Total Open Forward Foreign Currency Transactions</b>					<b>(60)</b>	<b>(0.14)</b>

**Financial liabilities held at fair value through profit or loss** **(621)** **(1.45)**

*The accompanying notes form an integral part of these financial statements*

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Water and Agriculture Absolute Return Fund (continued)

	Fair Value US\$000	% of NAV
<b>Total investments at fair value through profit or loss</b>	<b>40,036</b>	<b>93.40</b>
Cash at Bank	3,185	7.43
Other Net Liabilities	(358)	(0.83)
<b>Total Net Assets</b>	<b><u>42,863</u></b>	<b><u>100.00</u></b>

Analysis of portfolio	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	87.46
Financial derivative instrument dealt on a regulated market	(0.85)
OTC financial derivative instruments	3.05
	<b><u>89.66</u></b>

\*BOAML=Bank of America Merrill Lynch

*The accompanying notes form an integral part of these financial statements*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

Financial assets at fair value through profit or loss						
Country	Bonds	Currency	Nominal Holding	Fair Value €000	% of NAV	
Australia	Macquarie Bank 6% 21.9.2020	EUR	2,000,000	2,010		0.98
Bahrain	Bahrain (Kingdom of) 5.5% 31.03.2020	USD	5,500,000	4,236	2.06	
	Bahrain Mumtalakat Holding 5% 30.06.2015	USD	3,000,000	2,261	6,497	3.16
Bermuda	Bermuda (Government of) 5.60% 20.07.2020	USD	4,000,000	3,159	1.10	1.53
Brazil	Banco Panamericano 5.5% 04.08.2015	USD	2,000,000	1,491	0.72	
	Braskem Finance 7% 07.05.2020	USD	3,000,000	2,326	1.13	
	Braskem Finance 7.375% 31.12.2049	USD	3,500,000	2,544	1.24	
	CSN Islands 7% 23.12.2049	USD	5,000,000	3,619	1.76	
	Gerdau Trade 5.75% 30.01.2021	USD	4,000,000	2,971	1.44	
	JBS Finance 8.25% 29.01.2018	USD	1,500,000	1,144	0.56	
	Notas do Tesouro 6% 15.08.2020	BRL	10,000,000	8,332	4.04	
	Odebrecht Finance 7.5% 31.12.2049	USD	4,000,000	2,951	1.43	
	Suzano Trading 5.875% 23.01.2021	USD	3,000,000	2,205	1.07	
	Telemar Norte Leste 5.5% 23.10.2020	USD	3,000,000	2,224	29,807	14.47
Canada	BOM Capital 6.699% 11.03.2015	USD	1,500,000	1,119	1.08	0.54
Czech Republic	Czech (Republic of) 3.625% 14.04.2021	EUR	5,500,000	5,457		2.65
Egypt	Egypt Treasury Bills 0% 02.11.2010	EGP	40,250,000	5,141	2.50	
	Egypt Treasury Bills 0% 09.11.2010	EGP	28,998,386	3,693	1.79	
	Nile Finance 5.25% 05.08.2015	USD	3,000,000	2,263	11,097	5.38
El Salvador	EDF 5.125% 22.09.2050	GBP	1,750,000	2,042	0.99	
	Suez Environment 4.8% 21.09.2049	EUR	1,500,000	1,466	0.71	
	Telemovil Finance 8% 01.10.2017	USD	2,000,000	1,530	5,038	2.44
Europe	European Community 2.375% 22.09.2017	EUR	6,000,000	6,015	0.74	2.92
Germany	Conti-Gummi Finance 7.5% 15.09.2017	EUR	3,000,000	3,058	1.49	
	Germany (Fed Rep) 3% 04.07.2020	EUR	5,700,000	6,063	9,121	4.43
Hong Kong	Bank of East Asia 6.125% 16.07.2020	USD	3,000,000	2,352	1.14	
	PCCW 4.25% 24.02.2016	USD	3,250,000	2,422	4,774	2.32
Mexico	Grupo KUO SAB De 9.75% 17.10.2017	USD	1,000,000	791		0.39
Philippines	Alliance Global 6.5% 18.08.2017	USD	3,250,000	2,382		1.16
Poland	Poland (Republic of) 4% 23.03.2021	EUR	2,000,000	2,008		0.97
Qatar	Qatari Diar Finance 5% 21.07.2020	USD	1,500,000	1,153		0.56
Russia	Alfa MTN Issuance 8% 18.03.2015	USD	1,500,000	1,138	0.55	
	Gazprombank 6.25% 15.12.2014	USD	4,000,000	2,974	1.44	
	Lukoil International Finance 7.25% 05.11.2019	USD	1,500,000	1,200	0.58	
	SB Capital 5.4% 24.03.2017	USD	4,000,000	2,933	1.43	
	TNK-BP Finance 6.25% 02.02.2015	USD	2,000,000	1,553	0.75	
	VTB Capital 6.465% 04.03.2015	USD	1,500,000	1,140	10,938	5.31
Singapore	PSA International 3.875% 11.02.2021	USD	3,000,000	2,256	1.09	
	STATS ChipPAC 7.5% 12.08.2015	USD	2,000,000	1,581	3,837	1.86
South Korea	Korea Finance 3.25% 20.09.2016	USD	5,000,000	3,660	1.78	
South Korea	Korea Hydro & Nuclear Power 3.125% 16.09.2015	USD	1,500,000	1,102	4,762	2.31
United Kingdom	Ardagh Glass Finance 9.25% 01.07.2016	EUR	1,500,000	1,626	0.79	
	BAA Funding 6.25% 10.09. 2018	GBP	1,500,000	1,748	0.85	
	Barclays Bank 6.0% 14.01.2021	EUR	1,500,000	1,601	0.78	
	BAT International Finance 6% 24.11.2034	GBP	1,500,000	1,906	0.92	
	Inmarsat Finance 7.375% 01.12.2017	USD	2,500,000	1,914	0.93	

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial assets at fair value through profit or loss

Country	Bonds (continued)	Currency	Nominal Holding	Fair Value €000	% of NAV
United Kingdom	Kerling 10.625% 28.01.2017	EUR	1,000,000	1,056	0.50
(continued)	Ladbroses Group Finance 7.625% 05.03.2017	GBP	3,000,000	3,554	1.73
	Lloyds TSB Bank 6.5% 14.09.2020	USD	5,000,000	3,722	1.81
	Lloyds TSB Bank 6.5% 17.09.2040	GBP	5,000,000	5,845	2.84
	Scottish & South 5.025% 30.09.2049	EUR	2,000,000	1,978	0.96
	Standard Bank 8.125% 02.12.2019	USD	2,000,000	1,598	0.78
	Thames Water Utilities Cayman Finance 5.75% 13.09.2030	GBP	1,500,000	1,716	0.83
	William Hill 7.125% 11.11.2016	GBP	3,000,000	3,541	1.72
United States	American Express Credit 2.75% 15.09.2015	USD	4,000,000	2,952	1.43
	Case New Holland 7.875% 01.12.2017	USD	1,000,000	796	0.39
	Crown European 7.125% 15.08.2018	EUR	1,500,000	1,575	0.76
	GMAC Finance 7.5% 21.04.2015	EUR	1,500,000	1,542	0.75
	Ol European Group 6.75% 15.09.2020	EUR	2,250,000	2,303	1.12
Venezuela	Venezuela(Republic of) 7% 01.12.2018	USD	5,000,000	2,437	1.18
<b>Total Bonds</b>				<b>153,375</b>	<b>74.45</b>

## Options

Country	Dual Digital Index Spread Option	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	USD Dual Digital 14.01.2011	Goldman Sachs	USD	60,000,000	195	0.09
<b>Total Dual Digital Index Spread Option</b>					<b>195</b>	<b>0.09</b>

Country	FX Options - Vanilla	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	AUD USD Call 21.10.2010 (SP 0.9545)	JP Morgan	AUD	5,000,000	71	0.03
	AUD USD Call 21.10.2010 (SP 1.345)	Credit Suisse	EUR	6,000,000	95	0.05
	AUD USD Call 21.10.2010 (SP 1.266)	UBS AG London	EUR	6,000,000	443	0.21
	AUD USD Call 21.10.2010 (SP 6.7)	UBS AG London	USD	6,000,000	54	0.03
Europe	EUR RUB Call 15.10.2010 (SP 0.000001)	Morgan Stanley	EUR	200,000	48	0.02
	EUR USD Call 07.04.2011 (SP 1.163)	UBS Warburg	EUR	120,000	14	0.01
<b>Total FX Options - Vanilla</b>					<b>725</b>	<b>0.35</b>

Country	FX Options - Non Vanilla	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	AUD CAD Put 30.09.2010 (SP 0.92) (RKO 0.87)	DMG*	AUD	4,000,000	-	-
Europe	EUR USD Put 18.04.2011 (SP 1.28) (RKO 1.13)	Credit Suisse	EUR	4,500,000	27	0.01
New Zealand	NZD CAD Put 30.09.2010 (SP 0.741) (RKO 0.705)	RBOS***	NZD	4,000,000	-	-
United States	USD BRL Call 17.12.2010 (SP 1.87) (RKO 2.02)	Credit Suisse	USD	5,000,000	5	-
	USD BRL Call 17.12.2010 (SP 1.9) (RKO 2.1)	Credit Suisse	USD	5,000,000	8	0.01
	USD BRL Call 17.12.2010 (SP 1.95) (RKO 2.2)	Credit Suisse	USD	5,000,000	5	-
	USD KRW Put 06.10.2010 (SP 1160) (RKO 1100)	Citigroup	USD	10,000,000	141	0.07
	USD KRW Put 06.10.2010 (SP 1200) (RKO 1130)	Citigroup	USD	4,000,000	61	0.03
	USD KRW Put 30.09.2010 (SP 1170) (RKO 1125)	BOAML**	USD	4,000,000	75	0.04
	USD ZAR Call 30.09.2010 (SP 7.6) (RKO 8.15)	JP Morgan	USD	4,000,000	-	0.15
<b>Total FX Options - Non Vanilla</b>					<b>322</b>	<b>0.16</b>

Country	FX Options Basket	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	FX Basket 02.02.2011	Deutsche Bank	AUD	10,000,000	34	0.02
United States	FX Basket 15.12.2010	JP Morgan	USD	360,000,000	211	0.10
<b>Total FX Options Basket</b>					<b>245</b>	<b>0.12</b>

Country	FX Worst of Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	Worst of AUD Put 04.10.2010 (SP 5.4922)	Credit Suisse	AUD	3,750,000	-	-
	Worst of AUD Put 02.11.2010 (SP 11.25)	Deutsche Bank	AUD	4,000,000	-	-
	Worst of AUD Put 02.11.2010 (SP 11.25)	Deutsche Bank	AUD	4,000,000	-	-
New Zealand	Worst of NZD Put 27.10.2010 (SP 0.7476)	Morgan Stanley	NZD	10,000,000	41	0.02
<b>Total FX Worst of Options</b>					<b>41</b>	<b>0.02</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

Financial assets at fair value through profit or loss

Country	Vanilla Index & Vanilla Treasury* Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Europe	DJ Euro Stock Call 15.10.2010 (SP 2850)	Goldman Sachs	EUR	400	56	0.03	
United States	S&P 500 Index Call 16.10.2010 (SP 1170)	Goldman Sachs	USD	200	77	0.04	
	S&P 500 Index Put 16.10.2010 (SP 1010)	Goldman Sachs	USD	300	20	0.01	
	S&P 500 Index Put 16.10.2010 (SP 1060)	Goldman Sachs	USD	200	36	0.02	
	S&P 500 Index Put 16.10.2010 (SP 1075)	Goldman Sachs	USD	100	26	0.01	
	S&P 500 Index Put 16.10.2010 (SP 1120)	Goldman Sachs	USD	340	265	0.13	
	S&P 500 Index Put 16.10.2010 (SP 950)	Goldman Sachs	USD	200	5	-	
	S&P 500 Index Put 16.10.2010 (SP 975)	Goldman Sachs	USD	100	4	-	
	S&P Quarterly Call 30.09.2010 (SP 1165)	Goldman Sachs	USD	50	-	-	
	S&P Quarterly Call 30.09.2010 (SP 1180)	Goldman Sachs	USD	75	-	-	
	S&P Quarterly Put 30.09.2010 (SP 1030)	Goldman Sachs	USD	200	1	-	
	S&P Quarterly Put 30.09.2010 (SP 1070)	Goldman Sachs	USD	200	-	-	
	S&P Quarterly Put 30.09.2010 (SP 1115)	Goldman Sachs	USD	200	1	-	
	US Treasury Note Put 22.10.2010 (SP 119.5)*	Goldman Sachs	USD	200	2	-	
	US Treasury Note Put 22.10.2010 (SP 123.5)*	Goldman Sachs	USD	200	14	0.01	0.22
<b>Total Vanilla Index &amp; Vanilla Treasury Options</b>					<b>507</b>	<b>0.25</b>	
Country	OTC Currency Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Europe	EUR EUR Put 18.10.2010 (SP 1.25)	BOAML**	EUR	2,250,000	-	-	
United States	USD BRL Put 08.11.2010 (SP 1.8)	HSBC	USD	6,000,000	263	0.13	
	USD BRL Put 18.11.2010 (SP 1.8)	Santander	USD	2,000,000	87	0.04	
	USD BRL Put 18.11.2010 (SP 1.8)	BOAML**	USD	2,000,000	87	0.04	
	USD JPY Call 02.08.2012 (SP 90)	Nomura	USD	3,800,000	94	0.05	
	USD JPY Call 02.08.2012 (SP 95)	Nomura	USD	3,600,000	53	0.03	
	USD KRW Put 03.12.2010 (SP 1150)	Goldman Sachs	USD	6,000,000	110	0.05	
	USD KRW Put 24.11.2010 (SP 1140)	Citigroup	USD	4,000,000	54	0.03	
	USD MXN Put 03.12.2010 (SP 12.5)	Credit Suisse	USD	4,000,000	38	0.02	
	USD MXN Put 03.12.2010 (SP 12.75)	Credit Suisse	USD	6,000,000	105	0.05	
	USD SGD Put 06.01.2011 (SP 1.37)	HSBC	USD	2,000,000	65	0.03	
	USD TRY Put 15.11.2010 (SP 1.5)	HSBC	USD	4,000,000	100	1,056	0.05 0.52
<b>Total OTC Currency Options</b>					<b>1,056</b>	<b>0.52</b>	
Country	OTC Equity Index Option Barrier	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
United States	SPX Index Call 17.12.2010 (SP 1135) (RKO 1235)	Morgan Stanley	USD	4,000	40	0.02	
<b>Total OTC Equity Index Option - Barrier</b>					<b>40</b>	<b>0.02</b>	
Country	Spread Options (CMS = Constant Maturity Swap)	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
United States	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.1) (KO 3.1)	Morgan Stanley	USD	45,000,000	-	-	
	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.6) (KO 3.60)	Morgan Stanley	USD	45,000,000	-	-	
	CAP USD CMS 2 YR Call 19.11.2010 (SP 3.1) (KO 4.1)	Morgan Stanley	USD	45,000,000	-	-	
<b>Total Spread Options</b>					-	-	
Country	Vanilla Index Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	EIO IDIX3 Put 03.01.2011 (SP 296,805)	Goldman Sachs	BRL	268	-	-	
	EIO IDIX3 Put 03.01.2011 (SP 296,159)	Goldman Sachs	BRL	(536)	-	-	
<b>Total Vanilla Index Options</b>					-	-	

The accompanying notes form an integral part of these financial statements



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial assets at fair value through profit or loss

Country	FX Option - Single Barrier Down Out	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Australia	AUD CAD Put 13.10.2010 (SP 0.99)	Credit Suisse	AUD	4,000,000	15	0.01	
	AUD CAD Put 28.10.2010 (SP 0.975)	Merill Lynch	AUD	2,000,000	7	-	
	AUD NZD Put 13.10.2010 (SP 1.31)	Merill Lynch	AUD	4,000,000	13	0.01	
	AUD NZD Put 28.10.2010 (SP 1.3)	Merill Lynch	AUD	4,000,000	12	0.01	
	AUD NZD Put 28.10.2010 (SP 1.3)	Goldman Sachs	AUD	2,000,000	6	-	0.03
Europe	EUR EUR Put 12.10.2010 (SP 1.335)	UBS	EUR	2,000,000	3	-	
	EUR PLN Put 18.10.2010 (SP 3.94)	HSBC	EUR	2,000,000	6	-	
	EUR PLN Put 18.11.2010 (SP 3.92)	HSBC	EUR	4,000,000	17	0.01	
	EUR USD Put 12.10.2010 (SP 1.335)	RBOS**	EUR	2,000,000	3	-	
	EUR USD Put 12.10.2010 (SP 1.335)	Merill Lynch	EUR	2,000,000	3	-	0.01
Japan	JPY KRW Put 19.11.2010 (SP 13.2)	Credit Suisse	JPY	300,000,000	11	0.01	
	JPY KRW Put 21.10.2010 (SP 13.6)	Credit Suisse	JPY	300,000,000	17	0.01	0.02
United States	USD BRL Put 21.10.2010 (SP 1.73)	Credit Suisse	USD	4,000,000	8	-	
	USD BRL Put 21.10.2010 (SP 1.73)	JP Morgan	USD	4,000,000	8	-	
	USD CAD Put 22.10.2010 (SP 1.05)	Goldman Sachs	USD	4,000,000	38	0.03	
	USD INR Put 21.10.2010 (SP 45.5)	HSBC	USD	4,000,000	25	0.01	
	USD INR Put 21.10.2010 (SP 45.8)	Merill Lynch	USD	4,000,000	0	-	
	USD JPY Put 13.10.2010 (SP 83.5)	Merill Lynch	USD	2,000,000	10	-	
	USD JPY Put 13.10.2010 (SP 83.5)	UBS	USD	2,000,000	10	-	
	USD MXN Put 19.10.2010 (SP 12.8)	JP Morgan	USD	5,000,000	19	0.01	
	USD MXN Put 24.11.2010 (SP 12.85)	Morgan Stanley	USD	4,000,000	24	0.01	
	USD MXN Put 25.10.2010 (SP 12.95)	Credit Suisse	USD	4,000,000	38	0.02	0.08
<b>Total FX Option - Single Barrier Down Out</b>					<b>293</b>	<b>0.14</b>	
Country	FX Option - Single Barrier Up Out	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Europe	EUR CHF Call 11.11.2010 (SP 1.345)	Merill Lynch	EUR	4,000,000	37	0.02	
	EUR CHF Call 13.10.2010 (SP 1.3)	Credit Suisse	EUR	4,000,000	34	0.02	
	EUR SEK Call 25.10.2010 (SP 9.22)	Merill Lynch	EUR	4,000,000	22	0.01	
	EUR SEK Call 25.11.2010 (SP 9.26)	Merill Lynch	EUR	4,000,000	25	0.01	
	EUR USD Call 24.11.2010 (SP 1.3)	Credit Suisse	EUR	6,000,000	9	-	
	EUR USD Call 24.11.2010 (SP 1.355)	Merill Lynch	EUR	3,000,000	19	0.01	
	EUR USD Call 24.11.2010 (SP 1.4)	RBOS**	EUR	6,000,000	23	0.01	0.08
		HSBC	USD	3,000,000	4	-	
United States	USD BRL Call 14.10.2010 (SP 1.725)	Goldman Sachs	USD	5,000,000	4	-	
	USD BRL Call 14.10.2010 (SP 1.755)						
	USD CHF Call 11.11.2010 (SP 1.04)	JP Morgan	USD	2,000,000	1	-	
	USD CHF Call 13.10.2010 (SP 1.015)	JP Morgan	USD	2,000,000	1	-	
	USD JPY Call 13.10.2010 (SP 84.75)	Credit Suisse	USD	4,000,000	8	-	
	USD MXN Call 19.10.2010 (SP 12.9)	Credit Suisse	USD	4,000,000	4	22	-
<b>Total FX Option - Single Barrier Up Out</b>					<b>191</b>	<b>0.08</b>	
<b>Total Options</b>					<b>3,615</b>	<b>1.75</b>	

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial assets at fair value through profit or loss

Country	Swaptions	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Pre CDI Call 11.3%	01.10.2010	BOAML**	BRL	180,000,000	21	0.01
	Brazil Pre CDI Call 12.25%	01.04.2011	Credit Suisse	BRL	90,000,000	68	0.03
	Brazil Pre CDI Call 12.3%	03.01.2011	Santander	BRL	48,000,000	80	0.04
	Brazil Pre CDI Call 12.40%	03.01.2011	Credit Suisse	BRL	100,000,000	213	0.11
	Brazil Pre CDI Call 12.55%	03.01.2011	DMG*	BRL	100,000,000	211	0.10
	Brazil Pre CDI Call 12.64%	03.01.2011	DMG*	BRL	100,000,000	226	0.11
	Brazil Pre CDI Put 12.55%	03.01.2011	DMG*	BRL	190,000,000	18	0.01
Europe	ITRAXX SR13 5YR Put (SP 1.1)	15.12.2010	Morgan Stanley	EUR	50,000,000	294	0.14
	ITRAXX SR13 Put (SP 1.1)	20.10.2010	Morgan Stanley	EUR	70,000,000	163	0.08
Mexico	Mexico TIE Put 5.5%	11.03.2011	DMG*	MXN	130,000,000	28	0.01
	Mexico TIE Put 5.80%	23.09.2011	DMG*	MXN	140,000,000	54	0.02
New Zealand	IR0 New Zealand Call 6M BBR 4.2%	21.01.2011	Morgan Stanley	NZD	15,000,000	69	0.03
Poland	Poland 6M WIBOR 4.57%	26.01.2011	Credit Suisse	PLN	66,000,000	30	0.02
South Africa	ZAR 3M JIBAR Put 7.35%	07.12.2010	DMG*	ZAR	100,000,000	3	-
	ZAR JIBAR Put 6.67%	17.03.2011	DMG*	ZAR	80,000,000	50	0.03
	ZAR JIBAR Put 7.67%	17.03.2011	DMG*	ZAR	21,000,000	57	0.03
Turkey	X-CCY TRY USD 3M Libor 7.94%	22.03.2011	Goldman Sachs	TRY	18,000,000	70	0.03
	X-CCY TRY USD 3M Libor 8.75%	19.10.2010	Deutsche Bank	TRY	18,000,000	145	0.07
	X-CCY TRY USD 3M Libor 9.08%	03.02.2011	Goldman Sachs	TRY	7,000,000	17	0.01
	X-CCY TRY USD 3M Libor 9.25%	24.12.2010	Deutsche Bank	TRY	10,000,000	17	0.01
	X-CCY TRY USD 3M Libor 9.83%	02.12.2010	Deutsche Bank	TRY	8,000,000	3	-
United States	USD 3M Libor Put 2.5%	02.11.2010	Credit Suisse	USD	25,000,000	-	-
	USD 3M Libor Put 2.50%	12.05.2011	Goldman Sachs	USD	10,000,000	1	-
	USD 3M Libor Put 2.505%	02.11.2010	Goldman Sachs	USD	25,000,000	-	-
<b>Total Swaptions</b>						<b>1,838</b>	<b>0.89</b>

## Currency swaps

Country	Fund pays floating	Fund receives	Maturity date	Counterparty	Currency	Nominal holding	Fair Value €000	% of NAV
Turkey	USD 3M Libor	10.64	07.05.2013	Citigroup	TRY	9,200,000	215	0.10
	USD 3M Libor	10.66	19.02.2013	Citigroup	TRY	23,000,000	588	0.29
<b>Total Currency swaps</b>							<b>803</b>	<b>0.39</b>

## Interest rate swaps

Country	Fund receives	Fund pays	Maturity date	Counterparty	Currency	Nominal holding	Fair Value €000	% of NAV
Brazil	Brazil Daily CDI	11.33	02.01.2013	Goldman Sachs	BRL	22,000,000	70	0.03
	Brazil Daily CDI	11.70	02.01.2014	Santander	BRL	8,400,000	11	0.01
	Brazil Daily CDI	11.65	02.01.2014	Nomura	BRL	24,000,000	42	0.02
	Brazil Daily CDI	11.65	02.01.2014	Santander	BRL	6,800,000	16	0.01
	Brazil Daily CDI	11.68	02.01.2014	Goldman Sachs	BRL	8,340,000	6	0.00
	Brazil Daily CDI	11.69	02.01.2014	Morgan Stanley	BRL	25,500,000	35	0.02
	Brazil Daily CDI	11.70	02.01.2014	Santander	BRL	16,800,000	22	0.01
	Brazil Daily CDI	11.73	02.01.2014	Goldman Sachs	BRL	16,800,000	3	-
	Brazil Daily CDI	11.11	03.01.2011	Goldman Sachs	BRL	40,000,000	49	0.02
	Brazil Daily CDI	11.22	03.01.2011	Morgan Stanley	BRL	29,700,000	-	-
Chile	Chile 6M Camara	3.80	11.10.2011	Citigroup	CLP	5,000,000,000	21	0.01
	Chile 6M Camara	4.62	14.04.2012	Goldman Sachs	CLP	3,900,000,000	5	-
	Chile 6M Camara	3.77	17.01.2012	Credit Suisse	CLP	3,000,000,000	32	0.02
	Chile 6M Camara	2.30	29.06.2011	Citigroup	CLP	2,500,000,000	34	0.02
Mexico	Mexico 28 Day TIE	6.61	26.02.2021	JP Morgan	MXN	18,000,000	2	-

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial assets at fair value through profit or loss

Interest rate swaps (continued)								
Country	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal holding	Fair Value €000	% of NAV
Brazil	Brazil Daily CDI	11.26	01.07.2011	Morgan Stanley	BRL	16,000,000	78	0.04
	Brazil Daily CDI	11.30	01.07.2011	Morgan Stanley	BRL	10,000,000	51	0.02
	Brazil Daily CDI	11.87	01.07.2011	Morgan Stanley	BRL	22,000,000	84	0.04
	Brazil Daily CDI	11.40	01.07.2011	Goldman Sachs	BRL	25,000,000	42	0.02
	Brazil Daily CDI	11.40	01.07.2011	Nomura	BRL	12,750,000	20	0.01
	Brazil Daily CDI	11.49	01.07.2011	Nomura	BRL	23,200,000	44	0.02
	Brazil Daily CDI	11.17	01.07.2011	Morgan Stanley	BRL	32,000,000	139	0.07
	Brazil Daily CDI	11.21	01.07.2011	Morgan Stanley	BRL	32,000,000	149	0.07
	Brazil Daily CDI	11.60	02.01.2012	Morgan Stanley	BRL	6,000,000	24	0.01
	Brazil Daily CDI	12.00	02.01.2012	Merill Lynch	BRL	38,000,000	140	0.07
	Brazil Daily CDI	12.05	02.01.2012	Morgan Stanley	BRL	16,000,000	65	0.03
	Brazil Daily CDI	12.06	02.01.2012	Santander	BRL	8,400,000	35	0.02
	Brazil Daily CDI	12.12	02.01.2012	Nomura	BRL	7,000,000	41	0.02
	Brazil Daily CDI	12.12	02.01.2012	Morgan Stanley	BRL	6,000,000	35	0.02
	Brazil Daily CDI	12.22	02.01.2012	Santander	BRL	15,600,000	77	0.04
	Brazil Daily CDI	11.64	02.01.2012	Nomura	BRL	6,500,000	9	0.00
	Brazil Daily CDI	11.78	02.01.2012	Morgan Stanley	BRL	16,000,000	44	0.02
	Brazil Daily CDI	12.20	02.01.2014	Goldman Sachs	BRL	4,200,000	33	0.02
	Brazil Daily CDI	12.50	02.01.2014	Morgan Stanley	BRL	600,000	6	-
	Brazil Daily CDI	10.29	03.01.2011	Goldman Sachs	BRL	11,400,000	6	-
	Brazil Daily CDI	10.72	03.01.2011	Citigroup	BRL	15,000,000	18	0.01
	Brazil Daily CDI	10.38	03.01.2011	Citigroup	BRL	100,000,000	274	0.13
Chile	Chile 6M Camara	4.94	09.04.2012	Credit Suisse	CLP	2,500,000,000	9	-
	Chile 6M Camara	4.87	14.03.2013	Citigroup	CLP	9,450,000,000	21	0.01
	Chile 6M Camara	4.81	17.01.2012	JP Morgan	CLP	7,500,000,000	35	0.02
	Chile 6M Camara	4.72	18.01.2012	JP Morgan	CLP	7,500,000,000	23	0.01
	Chile 6M Camara	5.45	24.06.2014	Citigroup	CLP	2,000,000,000	24	0.01
Mexico	Mexico 28 Day TIE	7.03	02.12.2011	Goldman Sachs	MXN	420,000,000	476	0.23
	Mexico 28 Day TIE	5.99	11.10.2011	Santander	MXN	1,200,000,000	672	0.33
	Mexico 28 Day TIE	5.99	14.10.2011	Santander	MXN	1,300,000,000	728	0.35
	Mexico 28 Day TIE	5.97	17.10.2011	Santander	MXN	2,000,000,000	1,093	0.54
	Mexico 28 Day TIE	5.95	24.10.2011	Santander	MXN	1,350,000,000	727	0.35
Poland	Poland 6M Wibor	4.97	29.07.2012	Credit Suisse	PLN	45,400,000	13	0.01
<b>Total Interest rate swaps</b>							<b>5,583</b>	<b>2.71</b>
Country of Risk	Credit Default Swaps Fixed (Buy protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
France	France Government CDS 25BPS	20.06.2020	Nomura	USD	1,800,000	71	0.03	
Germany	Germany Government CDS 25BPS	20.06.2020	Nomura	USD	1,800,000	27	0.01	
Ireland	Republic of Ireland CDS 100BPS	20.09.2020	Goldman Sachs	USD	2,000,000	312	0.15	
Mexico	Mexico CDS 100BPS	20.03.2015	UBS	USD	1,000,000	4	-	
	Mexico CDS 100BPS	20.03.2015	Citigroup	USD	1,000,000	4	-	
	Mexico CDS 100BPS	20.06.2015	JP Morgan	USD	1,500,000	8	-	
	Mexico CDS 100BPS	20.09.2015	Citigroup	USD	3,500,000	18	0.02	
	Mexico CDS 100BPS	20.09.2015	DMG*	USD	1,000,000	20	0.01	
Russia	Russia CDS 100BPS	20.09.2015	JP Morgan	USD	1,000,000	20	0.01	
	Russia CDS 100BPS	20.06.2015	JP Morgan	USD	1,000,000	18	0.01	
	Russia CDS 100BPS	20.06.2015	Credit Suisse	USD	2,000,000	37	0.02	
	Russia CDS 100BPS	20.06.2015	Citigroup	USD	10,000,000	184	0.09	
	Russia CDS 100BPS	20.09.2017	UBS	USD	5,000,000	886	0.43	
Venezuela	Venezuela CDS 500BPS	20.09.2017	UBS	USD	5,000,000	886	0.43	
							<b>1,609</b>	<b>0.78</b>

The accompanying notes form an integral part of these financial statements

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

### Financial assets at fair value through profit or loss

Country of Risk	Credit Default Swaps Fixed (Sell protection)	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
China	People's Republic of China CDS 100BPS	20.03.2015	Nomura	USD	(2,000,000)	25	0.01
Korea	Republic of Korea CDS 100BPS	20.06.2015	JP Morgan	USD	(2,000,000)	3	-
						28	0.01
<b>Total Credit Default Swaps</b>						<b>1,637</b>	<b>0.79</b>

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
USD 65,185,756	EUR	Northern Trust	1.2707	09.12.2010	3,527	1.71
USD 10,934,049	EUR	Northern Trust	1.2714	04.10.2010	591	0.29
GBP 8,173,099	EUR	Northern Trust	0.8291	09.12.2010	424	0.21
USD 4,969,600	EUR	Northern Trust	1.2723	09.12.2010	264	0.13
USD 4,000,000	EUR	Northern Trust	1.2722	09.12.2010	213	0.10
USD 3,976,600	EUR	Northern Trust	1.2723	09.12.2010	212	0.10
GBP 4,925,900	EUR	Northern Trust	0.8374	09.12.2010	197	0.09
USD 5,000,000	EUR	Northern Trust	1.3037	09.12.2010	171	0.08
USD 4,993,800	EUR	Northern Trust	1.3076	09.12.2010	159	0.08
USD 4,302,500	EUR	Northern Trust	1.3076	09.12.2010	137	0.07
USD 2,943,500	EUR	Northern Trust	1.3037	09.12.2010	101	0.05
USD 2,999,700	EUR	Northern Trust	1.3077	09.12.2010	96	0.05
USD 2,578,800	EUR	Northern Trust	1.3077	09.12.2010	82	0.04
USD 1,481,300	EUR	Northern Trust	1.2720	09.12.2010	79	0.04
GBP 1,716,000	EUR	Northern Trust	0.8374	09.12.2010	69	0.03
GBP 1,489,100	EUR	Northern Trust	0.8339	09.12.2010	67	0.03
GBP1,488,000	EUR	Northern Trust	0.8340	09.12.2010	67	0.03
USD 4,000,000	EUR	Northern Trust	1.3370	09.12.2010	60	0.03
USD 3,000,000	EUR	Northern Trust	1.3370	09.12.2010	45	0.02
USD 2,000,000	CNY	Northern Trust	1.2135	17.06.2011	41	0.02
USD 2,000,000	CNY	Northern Trust	1.2287	31.05.2011	39	0.02
USD 8,211,144	BRL	Northern Trust	1.3624	04.10.2010	38	0.02
USD 1,105,100	EUR	Northern Trust	1.3077	09.12.2010	35	0.02
USD 3,962,000	EUR	Northern Trust	1.3487	09.12.2010	34	0.02
USD 11,446,439	EUR	Northern Trust	1.3611	03.11.2010	24	0.01
USD 1,400,000	CNY	Northern Trust	1.2799	25.07.2011	22	0.01
USD 1,400,000	CNY	UBS Warburg	1.2801	25.07.2011	21	0.01
USD 1,400,000	CNY	UBS Warburg	1.2801	25.07.2011	21	0.01
USD 3,543,281	CNY	Northern Trust	9.2357	16.11.2010	19	0.01
USD 1,000,000	JPY	Northern Trust	1.3064	15.10.2010	16	0.01
USD 3,204,019	BRL	Northern Trust	1.3632	04.10.2010	14	0.01
USD 1,157,556	RUB	Northern Trust	1.3403	16.12.2010	10	0.01
USD 3,500,000	EUR	Northern Trust	1.3609	09.12.2010	7	-
USD 1,628,400	EUR	Northern Trust	1.3609	09.12.2010	3	-
USD 1,111,100	EUR	Northern Trust	1.3612	01.10.2010	2	-
USD 318,934	SGD	Northern Trust	1.3555	29.10.2010	1	-
USD 2,000,000	CNY	Northern Trust	9.3584	25.01.2011	- 6,908	- 3.36

*The accompanying notes form an integral part of these financial statements*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Thames River Global Credit Fund (continued)

### Financial assets at fair value through profit or loss

#### Open Forward Foreign Currency Transactions - USD Accumulating Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
USD 130,400	EUR	Northern Trust	1.2717	09.12.2010	7	-
USD 82,900	EUR	Northern Trust	1.3127	09.12.2010	2	-
USD 5,800	EUR	Northern Trust	1.3469	09.12.2010	-	9 - -

#### Open Forward Foreign Currency Transactions - GBP Accumulating Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
GBP 12,600	EUR	Northern Trust	0.8300	09.12.2010	1	-

#### Open Forward Foreign Currency Transactions - USD Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
USD 32,900	EUR	Northern Trust	1.2717	09.12.2010	2	-

#### Total Open Forward Foreign Currency Transactions

6,920 3.36

Country	Futures	Currency	No of Contracts	Unrealised Gain €000	% of NAV
Europe	Eurx Eur-Bund 126 Nov 2010	EUR	(800)	48	0.02
	Eurx Eur-Bund 129 Nov 2010	EUR	(400)	62	110 0.03 0.05
	<b>Total Futures</b>			<b>110</b>	<b>0.05</b>

#### Total financial assets at fair value through profit or loss

173,881 84.39

#### Financial liabilities at fair value through profit or loss

Country	Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Europe	<b>FX Options - Vanilla</b>					
	EUR USD Call 21.10.2010 (SP 1.26)	UBS	EUR	(6,000,000)	(468)	(0.23)
	EUR RUB Call 15.10.2010 (SP 43.5)	Morgan Stanley	EUR	(200,000)	(10)	-
	EUR USD Call 21.10.2010 (SP 1.37)	Credit Suisse	EUR	(6,000,000)	(26)	(504) (0.01) (0.24)
United States	USD CNY Call 21.10.2010 (SP 6.6)	UBS	USD	(12,000,000)	(44)	(0.02)
	<b>Total FX Options - Vanilla</b>				<b>(548)</b>	<b>(0.26)</b>

Country	FX Options - Non Vanilla	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	USD JPY Call 02.08.2012 (SP 85) (RKO 105)	JP Morgan	USD	(2,200,000)	(39)	(0.02) -
	USD JPY Call 02.08.2012 (SP 90) (RKO 115)	Credit Suisse	USD	(2,200,000)	(36)	(75) (0.02) (0.04)
	<b>Total FX Options - Non Vanilla</b>				<b>(75)</b>	<b>(0.04)</b>

Country	FX Options Basket	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	FX Basket 15.12.2010	JP Morgan	USD	(360,000,000)	(60)	(0.03)
	<b>Total FX Options Basket</b>				<b>(60)</b>	<b>(0.03)</b>

Country	Vanilla Index & Vanilla Treasury* Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Europe	DJ Euro Stoxx Call 15.10.2010 (SP 2950)	Goldman Sachs	EUR	(800)	(20)	(0.01)
	DJ Euro Stoxx Call 15.10.2010 (SP 2900)	Goldman Sachs	EUR	(400)	(24)	(44) (0.01) (0.02)
United States	S&P 500 Index Put 16.10.2010 (SP 1000)	Goldman Sachs	USD	(400)	(23)	(0.01)
	S&P 500 Index Put 16.10.2010 (SP 1025)	Goldman Sachs	USD	(200)	(18)	(0.01)
	S&P 500 Index Put 16.10.2010 (SP 1050)	Goldman Sachs	USD	(400)	(59)	(0.04)
	S&P 500 Index Call 16.10.2010 (SP 1190)	Goldman Sachs	USD	(400)	(51)	(0.02)
	S&P 500 Index Put 16.10.2010 (SP 1080)	Goldman Sachs	USD	(140)	(41)	(0.02)
	S&P 500 Index Put 16.10.2010 (SP 1090)	Goldman Sachs	USD	(100)	(37)	(0.02)
	S&P Quarterly Call 30.09.2010 (SP 1175)	Goldman Sachs	USD	(300)	-	-
	S&P Quarterly Put 30.09.2010 (SP 1050)	Goldman Sachs	USD	(400)	(1)	-
	S&P Quarterly Put 30.09.2010 (SP 1090)	Goldman Sachs	USD	(400)	(1)	-
	US Treasury Note Put 22.10.2010 (SP 121.5)*	Goldman Sachs	USD	(400)	(5)	(236) - (0.12)
	<b>Total Vanilla Index &amp; Vanilla Treasury* Options</b>				<b>(280)</b>	<b>(0.14)</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial liabilities at fair value through profit or loss

Financial liabilities (fair value through profit or loss)									
Country	OTC Currency Options			Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Europe	EUR USD Put 18.10.2010 (SP 1.25)			UBS Warburg	EUR	(2,250,000)	-	-	
United States	USD BRL Call 18.11.2010 (SP 2.196)			BOAML**	USD	(2,000,000)	-	-	
	USD KRW Call 24.11.2010 (SP 1373.5)			Citigroup	USD	(4,000,000)	(1)	-	
	USD KRW Put 06.10.2010 (SP 1200)			Citigroup	USD	(6,000,000)	(239)	(0.11)	
	USD BRL Call 08.11.2010 (SP 2.1425)			HSBC	USD	(6,000,000)	(1)	-	
	USD MXN Put 03.12.2010 (SP 12.5)			HSBC	USD	(4,000,000)	(38)	(0.02)	
	USD MXN Put 03.12.2010 (SP 12.75)			HSBC	USD	(6,000,000)	(105)	(0.05)	
	USD SGD Put 06.01.2011 (SP 1.35)			HSBC	USD	(4,000,000)	(93)	(0.05)	
	USD TRY Call 15.11.2010 (SP 1.982)			HSBC	USD	(4,000,000)	-	-	
	USD BRL Call 18.11.2010 (SP 2.202)			Santander	USD	(2,000,000)	-	(477) (0.23)	
Total OTC Currency Options							(477)	(0.23)	
Country	Spread Options (CMS = Constant Maturity Swap)			Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
United States	CAP USD CMS 2 YR Call 02.11.2010 (SP 4)			Credit Suisse	USD	(75,000,000)	-	-	
	CAP USD CMS 2 YR Call 02.11.2010 (SP 4)			Goldman Sachs	USD	(75,000,000)	-	-	
	CAP USD CMS 2 YR Call 12.05.2011 (SP 4.5)			Goldman Sachs	USD	(30,000,000)	-	-	
Total Spread Options							-	-	
Total Options							(1,440)	(0.70)	
Country	Swaptions		Maturity	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	Brazil Pre CDI Call 10.89%		01.10.2010	BOAML**	BRL	(360,000,000)	(79)	(0.04)	
	Brazil Pre CDI Put 13.22%		01.04.2011	Credit Suisse	BRL	(90,000,000)	(6)	-	
	Brazil Pre CDI Put 13.5%		03.01.2011	Credit Suisse	BRL	(100,000,000)	-	-	
	Brazil Pre CDI Put 13.2%		03.01.2011	DMG*	BRL	(100,000,000)	(2)	-	
	Brazil Pre CDI Put 13.16%		03.01.2011	DMG*	BRL	(380,000,000)	(10)	(0.01)	
	Brazil Pre CDI Put 13.3%		03.01.2011	DMG*	BRL	(100,000,000)	(2)	-	
	Brazil Pre CDI Call 11.7%		03.01.2011	Santander	BRL	(96,000,000)	(61)	(160) (0.03)	
Europe	ITRAXX SR13 Call (SP 1.0)		20.10.2010	BOAML**	EUR	(70,000,000)	(106)	(0.05)	
	EUR 3M Euribor Put 4%		10.11.2010	Goldman Sachs	EUR	(10,000,000)	-	-	
	ITRAXX SR13 5YR Put (SP 1.4)		15.12.2010	Morgan Stanley	EUR	(100,000,000)	(248)	(0.12)	
	ITRAXX SR13 Put (SP 1.4)		20.10.2010	Morgan Stanley	EUR	(105,000,000)	(24)	(378) (0.01)	
Mexico	Mexico TIIE Put 6%		11.03.2011	DMG*	MXN	(260,000,000)	(23)	(0.01)	
	Mexico TIIE Put 6.30%		23.09.2011	DMG*	MXN	(280,000,000)	(54)	(0.03)	
	Mexico TIIE Put 7.01%		10.03.2011	JP Morgan	MXN	(36,000,000)	(28)	(105) (0.01)	
New Zealand	IRO New Zealand Put 6M BBR 4.97%		21.01.2011	Morgan Stanley	NZD	(15,000,000)	(1)	-	
South Africa	ZAR JIBAR Put 8.1%		22.03.2011	Barclays Capital	ZAR	(21,000,000)	(36)	(0.02)	
	ZAR 3M JIBAR Put 7.95%		07.12.2010	DMG*	ZAR	(200,000,000)	(1)	-	
	ZAR JIBAR Put 6.49%		17.12.2010	DMG*	ZAR	(80,000,000)	(32)	(0.02)	
	ZAR JIBAR Put 7.01%		22.03.2011	DMG*	ZAR	(80,000,000)	(27)	(0.01)	
	ZAR JIBAR Put 7.61%		17.12.2010	DMG*	ZAR	(21,000,000)	(40)	(136) (0.02)	
Turkey	X-CCY TRY USD 3M Libor 7.73%		22.12.2010	Deutsche Bank	TRY	(18,000,000)	(40)	(0.02)	
	X-CCY TRY USD 3M Libor 7.94%		22.03.2011	Deutsche Bank	TRY	(12,000,000)	(75)	(0.04)	
	X-CCY TRY USD 3M Libor 10.00%		24.12.2010	Deutsche Bank	TRY	(20,000,000)	(13)	-	
	X-CCY TRY USD 3M Libor 10.53%		02.12.2010	Deutsche Bank	TRY	(16,000,000)	(2)	-	
	X-CCY TRY USD 3M Libor 9.50%		19.10.2010	Deutsche Bank	TRY	(18,000,000)	-	-	
	X-CCY TRY USD 3M Libor 7.40%		03.02.2011	Goldman Sachs	TRY	(7,000,000)	(14)	(144) (0.01)	
Total Swaptions							(924)	(0.45)	
Country	Currency swaps		Fund	Maturity	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
	receives floating	pays fixed	date						
Turkey	USD 3M Libor		10.77	17.02.2021	Citigroup	TRY	(6,750,000)	(518)	(0.25)
	USD 3M Libor		10.68	06.05.2021	Citigroup	TRY	(2,660,000)	(188)	(0.09)
	USD 3M Libor		8.42	24.03.2016	Deutsche Bank	TRY	(6,000,000)	(20)	(0.01)
	USD 3M Libor		7.10	21.10.2011	HSBC	TRY	(18,000,000)	(5)	(731) (0.35)
Total Currency swaps							(731)	(0.35)	

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial liabilities at fair value through profit or loss

### Interest rate swaps

Country	Fund receives	Fund pays	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Daily CDI	10.82	01.10.2010	Santander	BRL	(786,000,000)	(133)	(0.06)
	Brazil Pre CDI	10.82	01.10.2010	Goldman Sachs	BRL	(197,000,000)	(33)	(0.02)
	Brazil Pre CDI	10.86	01.10.2010	Nomura	BRL	(198,000,000)	(38)	(0.02)
	Brazil Pre CDI	10.87	01.10.2010	Goldman Sachs	BRL	(200,000,000)	(39)	(0.02)
	Brazil Pre CDI	10.91	03.01.2011	Santander	BRL	(90,000,000)	(39)	(0.02)
	Brazil Pre CDI	10.91	03.01.2011	Nomura	BRL	(45,600,000)	(20)	(0.01)
	Brazil Pre CDI	11.02	03.01.2011	Nomura	BRL	(90,000,000)	(60)	(0.02)
	Brazil Pre CDI	11.07	03.01.2011	Nomura	BRL	(45,200,000)	(34)	(0.02)
	Brazil Pre CDI	11.18	03.01.2011	Nomura	BRL	(42,000,000)	(41)	(0.02)
	Brazil Pre CDI	11.27	01.07.2011	Santander	BRL	(23,000,000)	(25)	(0.01)
	Brazil Pre CDI	11.65	02.01.2012	Goldman Sachs	BRL	(13,500,000)	(25)	(0.01)
	Brazil Pre CDI	11.93	02.01.2014	Nomura	BRL	(8,000,000)	(12)	(0.01)
	Brazil Pre CDI	12.00	02.01.2014	Nomura	BRL	(11,000,000)	(24)	(0.01)
	Brazil Pre CDI	12.18	02.01.2017	Goldman Sachs	BRL	(13,500,000)	(134)	(0.07)
	Brazil Pre CDI	12.04	02.01.2017	Morgan Stanley	BRL	(7,000,000)	(44)	(0.02)
	Brazil Pre CDI	11.14	03.01.2011	Morgan Stanley	BRL	(4,000,000)	(5)	-
	Brazil Pre CDI	11.22	03.01.2011	Morgan Stanley	BRL	(29,700,000)	(41)	(0.02)
	Brazil Pre CDI	12.01	02.01.2014	Santander	BRL	(8,500,000)	(23)	(0.36)
Europe	Europe 6M Euribor	2.92	12.02.2015	Goldman Sachs	EUR	(4,400,000)	(195)	(0.09)
Mexico	Mexico 28 Day TIE	5.49	11.03.2013	DMG*	MXN	(40,000,000)	(2)	-
	Mexico 28 Day TIE	5.81	24.10.2011	Citigroup	MXN	(1,350,000,000)	(618)	(0.30)
	Mexico 28 Day TIE	5.85	11.10.2011	Citigroup	MXN	(1,200,000,000)	(579)	(0.28)
	Mexico 28 Day TIE	5.85	17.10.2011	Citigroup	MXN	(2,000,000,000)	(956)	(0.46)
	Mexico 28 Day TIE	5.86	14.10.2011	JP Morgan	MXN	(1,300,000,000)	(632)	(0.31)
	Mexico 28 Day TIE	6.90	02.12.2011	Morgan Stanley	MXN	(420,000,000)	(445)	(1.57)
South Africa	ZAR 3M Jibar	6.61	22.03.2013	DMG*	ZAR	(40,000,000)	(10)	-
	ZAR 3M Jibar	6.61	23.03.2021	Barclays Capital	ZAR	(10,500,000)	(11)	(0.02)

Country	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Pre CDI	11.25	02.01.2012	Santander	BRL	(16,800,000)	(15)	(0.01)
	Brazil Pre CDI	11.45	02.01.2012	Morgan Stanley	BRL	(68,000,000)	(9)	-
	Brazil Pre CDI	11.67	02.01.2013	Morgan Stanley	BRL	(33,000,000)	(45)	(0.02)
	Brazil Pre CDI	11.68	02.01.2013	Nomura	BRL	(30,000,000)	(38)	(0.02)
	Brazil Pre CDI	11.72	02.01.2013	Santander	BRL	(21,600,000)	(22)	(0.01)
	Brazil Pre CDI	11.73	02.01.2013	Santander	BRL	(8,800,000)	(11)	(0.01)
	Brazil Pre CDI	11.76	02.01.2013	Goldman Sachs	BRL	(11,000,000)	(3)	-
	Brazil Pre CDI	11.78	02.01.2013	Goldman Sachs	BRL	(21,600,000)	(2)	(0.07)
Chile	Chile 6M Camara	2.12	08.07.2011	Credit Suisse	CLP	(3,900,000,000)	(71)	(0.04)
	Chile 6M Camara	2.62	06.10.2011	Citigroup	CLP	(4,050,000,000)	(86)	(0.04)
	Chile 6M Camara	4.53	27.01.2012	Morgan Stanley	CLP	(5,200,000,000)	(3)	(0.08)
<b>Total Interest rate swaps</b>							<b>(4,523)</b>	<b>(2.19)</b>

Country of Risk	Credit Default Swaps Fixed (Sell protection)	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Government CDS 100BPS	JP Morgan	USD	(1,500,000)	(5)	-
	Brazil Government CDS 100BPS	UBS	USD	(1,000,000)	(2)	-
	Brazil Government CDS 100BPS	Citigroup	USD	(1,000,000)	(2)	-
Russia	Russia CDS 100BPS	DMG*	USD	(4,000,000)	(81)	(0.04)
						<b>(90)</b>

Country of Risk	Credit Default Swaps Fixed (Buy protection)	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Austria	Austria CDS 100BPS	Nomura	USD	2,000,000	(10)	-
	Austria CDS 100BPS	Goldman Sachs	USD	2,000,000	(10)	(0.01)
China	People's Republic of China CDS 100BPS	JP Morgan	USD	2,000,000	(24)	(0.01)
Korea	Republic of Korea CDS 100BPS	Nomura	USD	2,000,000	(4)	-
						<b>(48)</b>
<b>Total Credit Default Swaps</b>						<b>(138)</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV	
CNY 13,358,000	USD	Northern Trust	1.3469	29.10.2010	(1)	-	-
CNY 13,358,000	USD	Northern Trust	1.3469	29.10.2010	(1)	-	-
CAD 618,965	USD	Northern Trust	1.3131	25.10.2010	(2)	-	-
AUD 800,000	USD	Northern Trust	1.3545	25.10.2010	(2)	-	-
KRW 1,830,960,000	USD	Northern Trust	1.3596	26.11.2010	(2)	-	-
EUR 816,475	USD	Northern Trust	1.3608	09.12.2010	(2)	-	-
AUD 1,000,000	USD	Northern Trust	1.3545	25.10.2010	(4)	-	-
EUR 1,196,297	USD	Northern Trust	1.3612	01.10.2010	(4)	-	-
EUR 1,000,000	USD	Northern Trust	1.3575	08.10.2010	(6)	-	-
EUR 451,600	USD	Northern Trust	1.3403	16.12.2010	(8)	-	-
JPY 84,433,300	USD	Northern Trust	1.3475	15.10.2010	(8)	-	-
EUR 2,571,280	USD	Northern Trust	1.3612	04.10.2010	(8)	-	-
EUR 812,017	USD	Northern Trust	1.3487	09.12.2010	(9)	-	-
BRL 8,243,360	USD	Northern Trust	1.3598	03.11.2010	(18)	(0.01)	(0.01)
KRW 1,171,250,000	USD	Northern Trust	1.2853	04.10.2010	(22)	(0.01)	(0.01)
BRL 2,426,200	USD	Northern Trust	1.2862	04.10.2010	(23)	(0.01)	(0.01)
AUD 2,200,000	USD	Northern Trust	1.3410	25.10.2010	(24)	(0.01)	(0.01)
EUR 8,600,000	USD	Northern Trust	1.3612	04.10.2010	(25)	(0.01)	(0.01)
EUR 794,555	USD	Northern Trust	1.3076	09.12.2010	(33)	(0.02)	(0.02)
BRL 14,000,000	USD	Northern Trust	1.3598	03.11.2010	(34)	(0.02)	(0.02)
EUR 2,936,990	USD	Northern Trust	1.3490	01.10.2010	(35)	(0.02)	(0.02)
EUR 1,663,023	USD	Northern Trust	1.3037	09.12.2010	(74)	(0.04)	(0.04)
BRL 5,817,160	USD	Northern Trust	1.2626	04.10.2010	(124)	(0.06)	(0.06)
BRL 19,459,648	USD	Northern Trust	1.2626	04.10.2010	(429)	(898)	(0.21) (0.42)

### Open Forward Foreign Currency Transactions - USD Accumulating Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV	
EUR 15,331	USD	Northern Trust	1.2981	09.12.2010	(1)	-	-
EUR 5,519,200	USD	Northern Trust	1.2708	09.12.2010	(379)	(380)	(0.18) (0.19)

### Open Forward Foreign Currency Transactions - GBP Accumulating Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV	
EUR 79,832	GBP	Northern Trust	0.8493	09.12.2010	(2)	-	-
EUR 222,917	GBP	Northern Trust	0.8447	09.12.2010	(6)	-	-
EUR 1,038,387	GBP	Northern Trust	0.8373	09.12.2010	(35)	(0.02)	(0.02)
EUR 22,029,700	GBP	Northern Trust	0.8291	09.12.2010	(947)	(990)	(0.46) (0.48)

### Open Forward Foreign Currency Transactions - GBP Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV	
EUR 67,469	GBP	Northern Trust	0.8493	09.12.2010	(1)	-	-
EUR 55,542	GBP	Northern Trust	0.8300	09.12.2010	(2)	-	-
EUR 66,887	GBP	Northern Trust	0.8447	09.12.2010	(2)	-	-
EUR 173,065	GBP	Northern Trust	0.8373	09.12.2010	(6)	-	-
EUR 22,957,300	GBP	Northern Trust	0.8291	09.12.2010	(987)	(998)	(0.48) (0.48)

The accompanying notes form an integral part of these financial statements



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Global Credit Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions - USD Accumulating Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 8,964,449	USD	Northern Trust	1.2717	09.12.2010	(610)	(0.30)
EUR 10,240,400	USD	Northern Trust	1.2708	09.12.2010	(704)	(1,314) (0.34) (0.64)

### Open Forward Foreign Currency Transactions - GBP Accumulating Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 74,819	GBP	Northern Trust	0.8300	09.12.2010	(3)	-
EUR 838,300	GBP	Northern Trust	0.8291	09.12.2010	(36)	(39) (0.02) (0.02)

### Open Forward Foreign Currency Transactions - GBP Distributing Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 20,480	GBP	Northern Trust	0.8447	09.12.2010	(1)	-
EUR 18,208,200	GBP	Northern Trust	0.8291	09.12.2010	(783)	(784) (0.38) (0.38)

### Open Forward Foreign Currency Transactions - NOK Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 37,775	NOK	Northern Trust	7.9550	09.12.2010	-	-
EUR 36,682	NOK	Northern Trust	8.0012	09.12.2010	-	-
EUR 135,302	NOK	Northern Trust	7.8920	09.12.2010	(2)	-
EUR 929,360	NOK	Northern Trust	7.9190	09.12.2010	(12)	(0.01)
EUR 5,647,400	NOK	Northern Trust	7.9303	09.12.2010	(63)	(77) (0.03) (0.04)

### Open Forward Foreign Currency Transactions - USD Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 1,697,800	USD	Northern Trust	1.2708	09.12.2010	(117)	(0.06)

### Total Open Forward Foreign Currency Transactions

(5,597) (2.71)

Country	Futures	Currency	No of Contracts	Unrealised Loss €000	% of NAV
Europe	Eurx Eur-Bund 124 Nov 2010	EUR	400	(11)	(0.01)
	Eurx Eur-Bund 130.50 Nov 2010	EUR	200	(32)	(43) (0.02) (0.02)
Denmark	Eurx Eur-Bund 128 Nov 2010	EUR	400	(48)	(0.02)
	Eurx Eur-Bund Dec 2010	EUR	(50)	(30)	(78) (0.01) (0.04)
United States	10 Yr Treasury Note Dec 2010	USD	(40)	(20)	(0.01)
<b>Total Futures</b>				<b>(141)</b>	<b>(0.07)</b>

### Total financial liabilities at fair value through profit or loss

(13,494) (6.53)

### Total investments at fair value through profit or loss

Cash at bank	30,666	14.89
Margin cash	7,532	3.65
Other net assets	7,400	3.60
<b>Total net assets</b>	<b>205,985</b>	<b>100.00</b>

### Analysis of Portfolio

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	66.68
Transferable securities other than those admitted to an official stock exchange listing or traded on a regulated market	0.84
OTC financial derivative instruments	3.02
Financial derivative instruments dealt on a regulated market	0.07
	<b>70.61</b>

\*DMG=Deutsche Morgan Grenfell

\*\*BOAML=Bank of America Merrill Lynch

\*\*\*RBS=Royal Bank of Scotland

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund

Financial assets at fair value through profit or loss					
Country	Bonds	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	Macquarie Bank 6% 21.09.2020	EUR	500,000	502	0.69
Bahrain	Bahrain (Kingdom of) 5.5% 31.03.2020	USD	2,500,000	1,926	2.64
	Bahrain Mumtalakat Holding 5% 30.06.2015	USD	1,000,000	754	1.03
Bermuda	Bermuda (Government of) 5.60% 20.07.2020	USD	2,000,000	1,580	2.16
Brazil	Banco Panamericano 5.5% 04.08.2015	USD	500,000	373	0.51
	Braskem Finance 7% 07.05.2020	USD	500,000	388	0.53
	Braskem Finance 7.375% 31.12.2049	USD	500,000	363	0.50
	Gerda Trade 5.75% 30.01.2021	USD	1,000,000	743	1.02
	Suzano Trading 5.875% 23.01.2021	USD	1,000,000	735	1.01
Chile	Celulosa Arauco y Constitucion 5% 21.01.2021	USD	1,000,000	742	1.02
Czech Republic	Czech (Republic of) 3.625% 14.04.2021	EUR	1,500,000	1,488	2.04
Egypt	Egypt Treasury Bills 0% 04.01.2011	EGP	58,133,124	7,330	10.03
	Nile Finance 5.25% 05.08.2015	USD	1,000,000	754	1.03
Europe	European Union 2.375% 22.09.2017	EUR	3,000,000	3,007	4.11
France	Electricite de France 5.125% 22.09.2050	GBP	500,000	583	0.80
Germany	Germany (Fed Republic) 3% 04.07.2020	EUR	2,800,000	2,979	4.08
Hong Kong	Bank of East Asia 6.125% 16.07.2020	USD	1,000,000	784	1.07
	PCCW 4.25% 24.02.2016	USD	1,750,000	1,304	1.78
	PHBS 6.625% 31.12.2049	USD	1,000,000	731	1.00
Italy	Italy Buoni Ordinari del Tesoro 0% 31.01.2011	EUR	2,000,000	1,994	2.73
Poland	Poland (Republic of) 4% 23.03.2021	EUR	500,000	502	0.69
Qatar	Qatari Diar Finance 5% 21.07.2020	USD	1,000,000	769	1.05
Russia	Gazprombank 6.25% 15.12.2014	USD	1,000,000	743	1.02
	Lukoil International Finance 7.25% 05.11.2019	USD	500,000	400	0.55
	SB Capital 5.4% 24.03.2017	USD	1,000,000	733	1.00
	TNK-BP Finance 6.25% 02.02.2015	USD	750,000	582	0.80
	VTB Capital 6.465% 04.03.2015	USD	500,000	380	0.52
Singapore	PSA International 3.875% 11.02.2021	USD	1,000,000	752	1.03
South Korea	Korea Finance 3.25% 20.09.2016	USD	2,000,000	1,464	2.01
	Korea Hydro & Nuclear Power 3.125% 16.09.2015	USD	1,500,000	1,102	1.51
Spain	Spain Letras del Tesoro 0% 19.11.2010	EUR	3,500,000	3,496	4.78
United Kingdom	Anglo American Capital 4.45% 27.09.2020	USD	1,000,000	754	1.03
	BAA Funding 6.25% 10.09.2018	GBP	1,000,000	1,165	1.59
	Barclays Bank 6% 14.01.2021	EUR	500,000	534	0.73
	BAT International Finance 6% 24.11.2034	GBP	500,000	635	0.87
	Co-operative Bank 5.125% 20.09.2017	GBP	750,000	874	1.20
	Inmarsat Finance 7.375% 01.12.2017	USD	1,500,000	1,148	1.57
	Ladbrokes Group Finance 7.625% 05.03.2017	GBP	1,000,000	1,185	1.62
	Lloyds TSB Bank 6.5% 14.09.2020	USD	1,500,000	1,117	1.53
	Lloyds TSB Bank 6.5% 17.09.2040	GBP	2,000,000	2,338	3.20
	Scottish & Southern Energy 5.453% 31.10.2049	GBP	1,000,000	1,143	1.56
	Standard Bank 8.125% 02.12.2019	USD	500,000	400	0.55
	Thames Water Utilities Cayman Finance 5.75% 13.09.2030	GBP	500,000	572	0.78
	William Hill 7.125% 11.11.2016	GBP	1,000,000	1,180	1.61
United States	American Express Credit 2.75% 15.09.2015	USD	3,000,000	2,214	3.03
<b>Total Bonds</b>				<b>55,242</b>	<b>75.61</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial assets at fair value through profit or loss

				Number of	Unrealised			
	Futures		Currency	Contracts	Gain	€000	% of NAV	
Europe	Eurx Eur-Bund Nov 2010		EUR	(200)	31		0.04	
	Eurx Eur-Bund Nov 2010		EUR	(400)	24		0.03	
	10 Yr T-Note December 2010		USD	45	22	77	0.03	0.10
	Total Futures					77		0.10
Options								
Country	Dual Digital Index Spread Option	Counterparty	Currency	Nominal Holding	Fair Value		% of NAV	
					€000			
United States	USD Dual Digital 14.01.2011	Goldman Sachs	USD	20,000,000	65		0.09	
Total Dual Digital Index Spread Option					65		0.09	
	FX Options - Vanilla	Counterparty	Currency	Nominal Holding	Fair Value		% of NAV	
					€000			
Australia	AUD USD Call 21.10.2010 (SP 0.9545)	JP Morgan	AUD	2,500,000	35		0.05	
	AUD USD Call 21.10.2010 (SP 1.345)	Credit Suisse	EUR	3,000,000	48	0.07		
	AUD USD Call 21.10.2010 (SP 1.266)	UBS	EUR	3,000,000	222	270	0.30	0.37
Europe	EUR USD Call 07.04.2011(SP 1.163)	UBS	EUR	60,000	7		0.01	
Total FX Options - Vanilla					312		0.43	
	FX Options - Non Vanilla	Counterparty	Currency	Nominal Holding	Fair Value		% of NAV	
					€000			
Australia	AUD CAD Put 30.09.2010 (SP 0.92) (RKO 0.87)	DMG*	AUD	2,000,000	-	-	-	-
Europe	EUR USD Put 18.04.2011 (SP 1.28) (RKO 1.13)	Credit Suisse	EUR	1,500,000	9	9	0.01	0.01
New Zealand	NZD CAD Put 30.09.2010 (SP 0.741) (RKO 0.705)	RBOS**	NZD	2,000,000	-	-	-	-
Total FX Options - Non Vanilla					9		0.01	
	FX Options - Single Barrier Down Out	Counterparty	Currency	Nominal Holding	Fair Value		% of NAV	
					€000			
Australia	AUD CAD Put 13.10.2010 (SP 0.99)	Credit Suisse	AUD	1,000,000	4		0.01	
	AUD CAD Put 28.10.2010 (SP 0.975)	Merrill Lynch	AUD	500,000	2		-	
	AUD NZD Put 13.10.2010 (SP 1.31)	Merrill Lynch	AUD	1,000,000	3		-	
	AUD NZD Put 28.10.2010 (SP 1.3)	Merrill Lynch	AUD	1,000,000	3		-	
	AUD NZD Put 28.10.2010 (SP 1.3)	Goldman Sachs	AUD	500,000	1	13	-	0.01
Europe	EUR USD Put 12.10.2010 (SP 1.335)	RBOS**	EUR	1,000,000	2		-	
	EUR EUR Put 12.10.2010 (SP 1.335)	UBS	EUR	1,000,000	2		-	
	EUR USD Put 12.10.2010 (SP 1.335)	Merrill Lynch	EUR	1,000,000	2	6	-	-
United States	USD CAD Put 22.10.2010 (SP 1.05)	Goldman Sachs	USD	2,000,000	19		0.03	
	USD JPY Put 13.10.2010 (SP 83.5)	Merrill Lynch	USD	1,000,000	5		0.01	
	USD JPY Put 13.10.2010 (SP 83.5)	UBS	USD	1,000,000	5		0.01	
	USD MXN Put 19.10.2010 (SP 12.8)	JP Morgan	USD	2,500,000	10		0.01	
	USD MXN Put 24.11.2010 (SP 12.85)	Morgan Stanley	USD	2,000,000	12		0.02	
	USD MXN Put 25.10.2010 (SP 12.95)	Credit Suisse	USD	2,000,000	19	70	0.03	0.11
Total FX Options - Single Barrier Down Out					89		0.12	
	FX Options - Single Barrier Up Out	Counterparty	Currency	Nominal Holding	Fair Value		% of NAV	
					€000			
Europe	EUR CHF Call 11.11.2010 (SP 1.345)	Merrill Lynch	EUR	2,000,000	19		0.03	
	EUR CHF Call 13.10.2010 (SP 1.3)	Credit Suisse	EUR	2,000,000	17		0.02	
	EUR SEK Call 25.10.2010 (SP 9.22)	Merrill Lynch	EUR	1,000,000	5		0.01	
	EUR SEK Call 25.11.2010 (SP 9.26)	Merrill Lynch	EUR	1,000,000	6		0.01	
	EUR USD Call 24.11.2010 (SP 1.3)	Credit Suisse	EUR	3,000,000	4		0.01	
	EUR USD Call 24.11.2010 (SP 1.355)	Merrill Lynch	EUR	1,500,000	9		0.01	
	EUR USD Call 24.11.2010 (SP 1.4)	RBOS**	EUR	3,000,000	11	71	0.02	0.11

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial assets at fair value through profit or loss

### FX Options - Single Barrier Up Out (continued)

Country	FX Options - Single Barrier Up Out	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	USD CHF Call 11.11.2010 (SP 1.04)	JP Morgan	USD	1,000,000	1	-
	USD CHF Call 13.10.2010 (SP 1.015)	JP Morgan	USD	1,000,000	-	-
	USD JPY Call 13.10.2010 (SP 84.75)	Credit Suisse	USD	2,000,000	4	0.01
	USD MXN Call 19.10.2010 (SP 12.9)	Credit Suisse	USD	2,000,000	2	7
<b>Total FX Options - Single Barrier Up Out</b>					<b>78</b>	<b>0.12</b>
Country	FX Worst of Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	Worst of AUD Put 04.10.2010 (SP 5.4922)	Credit Suisse	AUD	1,250,000	-	-
New Zealand	Worst of NZD Put 27.10.2010 (SP 0.7476)	Morgan Stanley	NZD	5,000,000	21	0.03
<b>Total FX Worst of Options</b>					<b>21</b>	<b>0.03</b>
Country	Vanilla Index & Vanilla Treasury * Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Europe	DJ Euro Stoxx Call 15.10.2010 (SP 2850)	Goldman Sachs	EUR	100	14	0.02
United States	S&P 500 Index Call 16.10.2010 (SP 1170)	Goldman Sachs	USD	100	38	0.06
	S&P 500 Index Put 16.10.2010 (SP 1075)	Goldman Sachs	USD	25	7	0.01
	S&P 500 Index Put 16.10.2010 (SP 950)	Goldman Sachs	USD	50	1	-
	S&P 500 Index Put 16.10.2010 (SP 975)	Goldman Sachs	USD	25	1	-
	S&P 500 Index Put 16.10.2010 (SP 1010)	Goldman Sachs	USD	150	10	0.01
	S&P 500 Index Put 16.10.2010 (SP 1060)	Goldman Sachs	USD	100	18	0.02
	S&P 500 Index Put 16.10.2010 (SP 1120)	Goldman Sachs	USD	170	133	0.18
	S&P Quarterly Call 30.09.2010 (SP 1180)	Goldman Sachs	USD	25	-	-
	S&P Quarterly Put 30.09.2010 (SP 1030)	Goldman Sachs	USD	100	-	-
	S&P Quarterly Put 30.09.2010 (SP 1070)	Goldman Sachs	USD	100	-	-
	S&P Quarterly Put 30.09.2010 (SP 1115)	Goldman Sachs	USD	100	-	-
	US Treasury Note Put 22.10.2010 (SP 119.5)*	Goldman Sachs	USD	100	1	-
	US Treasury Note Put 22.10.2010 (SP 123.5)*	Goldman Sachs	USD	100	7	0.01
<b>Total Vanilla Index &amp; Vanilla Treasury Options</b>					<b>230</b>	<b>0.31</b>
Country	OTC Currency Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Europe	EUR EUR Put 18.10.2010 (SP 1.25)	Bank of America	EUR	750,000	-	-
United States	USD JPY Call 02.08.2012 (SP 90)	Nomura	USD	1,900,000	47	0.06
	USD JPY Call 02.08.2012 (SP 95)	Nomura	USD	1,800,000	26	0.04
	USD MXN Put 03.12.2010 (SP 12.5)	Credit Suisse	USD	2,000,000	19	0.03
	USD MXN Put 03.12.2010 (SP 12.75)	Credit Suisse	USD	3,000,000	53	0.07
	USD SGD Put 06.01.2011 (SP 1.37)	HSBC	USD	1,000,000	33	0.05
<b>Total OTC Currency Options</b>					<b>178</b>	<b>0.25</b>
Country	OTC Equity Index Option - Barrier	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	SPX Index Call 17.12.2010 (SP 1135) (RKO 1235)	Morgan Stanley	USD	1,000	10	0.01
<b>Total OTC Equity Index Option - Barrier</b>					<b>10</b>	<b>0.01</b>
Country	Spread Options (CMS = Constant Maturity Swap)	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
United States	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.1) (KO 3.1)	Morgan Stanley	USD	15,000,000	-	-
	CAP USD CMS 2 YR Call 19.11.2010 (SP 2.6) (KO 3.60)	Morgan Stanley	USD	15,000,000	-	-
	CAP USD CMS 2 YR Call 19.11.2010 (SP 3.1) (KO 4.1)	Morgan Stanley	USD	15,000,000	-	-
<b>Total Spread Options</b>					<b>-</b>	<b>-</b>
<b>Total Options</b>					<b>992</b>	<b>1.37</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial assets at fair value through profit or loss

Country	Interest Rate Swaps Fund receives	Fund Pays	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Daily CDI	11.70	02.01.2014	Santander	BRL	8,400,000	11	0.02
	Brazil Pre CDI	11.68	02.01.2014	Goldman Sachs	BRL	8,330,000	6	0.01
	Brazil Pre CDI	11.73	02.01.2014	Goldman Sachs	BRL	8,400,000	2	-
Chile	Chile 6M Camara	2.30	29.06.2011	Citigroup	CLP	1,250,000,000	17	0.02
	Chile 6M Camara	3.80	11.10.2011	Citigroup	CLP	2,500,000,000	10	0.01
	Chile 6M Camara	3.77	17.01.2012	Credit Suisse	CLP	1,000,000,000	11	0.02
	Chile 6M Camara	4.62	14.04.2012	Goldman Sachs	CLP	1,300,000,000	2	-

Country	Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
Brazil	Brazil Pre CDI	10.54	03.01.2011	Morgan Stanley	BRL	38,000,000	32	0.05
	Brazil Pre CDI	11.45	02.01.2012	Goldman Sachs	BRL	34,000,000	2	-
Chile	Chile 6M Camara	4.81	17.01.2012	JP Morgan	CLP	2,500,000,000	12	0.02
	Chile 6M Camara	4.72	18.01.2012	JP Morgan	CLP	2,500,000,000	8	0.01
	Chile 6M Camara	4.94	09.04.2012	Credit Suisse	CLP	1,250,000,000	4	0.01
	Chile 12M Camara	4.87	14.03.2013	Citigroup	CLP	4,050,000,000	9	0.01
	Chile 6M Camara	5.45	24.06.2014	Citigroup	CLP	1,000,000,000	12	0.02
Mexico	Mexico 28 Days TIE	5.65	08.11.2011	Santander	MXN	1,350,000,000	480	0.67
	Mexico 28 Days TIE	5.61	11.11.2011	Santander	MXN	1,300,000,000	425	0.58
	Mexico 28 Days TIE	5.61	24.11.2011	Santander	MXN	2,700,000,000	854	1.17
	Mexico 28 Days TIE	5.54	14.12.2011	Santander	MXN	1,330,000,000	360	0.49
	Mexico 28 Days TIE	5.41	23.12.2011	Santander	MXN	2,600,000,000	494	0.68
	Mexico 28 Days TIE	5.33	20.02.2012	Santander	MXN	2,800,000,000	283	0.39
	Mexico 28 Days TIE	5.27	23.02.2012	Santander	MXN	1,400,000,000	89	0.12
<b>Total Interest Rate Swaps</b>							<b>3,123</b>	<b>4.25</b>

		Maturity			Nominal	Fair Value		
	Swaptions	date	Counterparty	Currency	Holding	€000	% of NAV	
Brazil	Brazil Pre CDI Call 12.25%	01.04.2011	Credit Suisse	BRL	45,000,000	34		0.05
Europe	ITRAXX SR13 5YR Put (SP 1.1)	15.12.2010	Morgan Stanley	EUR	12,500,000	73	0.10	
	ITRAXX SR13 Put (SP 1.1)	20.10.2010	Morgan Stanley	EUR	17,500,000	41	0.06	0.16
Mexico	Mexico TIE Put 5.5%	11.03.2011	DMG*	MXN	65,000,000	14	0.02	
	Mexico TIE Put 5.80%	23.09.2011	DMG*	MXN	70,000,000	27	0.03	0.05
New Zealand	IR0 New Zealand Call 6M BBR 4.2%	21.01.2011	Morgan Stanley	NZD	7,500,000	35		0.05
United States	USD 3M Libor Put 2.50%	12.05.2011	Goldman Sachs	USD	5,000,000	-	-	
Total Swaptions						224		0.31

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial assets at fair value through profit or loss

Country of Risk	Credit Default Swaps Fixed (Buy Protection)	Maturity Date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
France	France Government CDS 25BPS	20.06.2020	Nomura	USD	700,000	28	0.04
Germany	Germany Government CDS 25BPS	20.06.2020	Nomura	USD	700,000	10	0.01
Greece	Republic of Greece CDS 100BPS	20.06.2012	Goldman Sachs	USD	10,000,000	818	1.12
Ireland	Republic of Ireland CDS 100BPS	20.09.2020	Goldman Sachs	USD	1,000,000	156	0.22
Russia	Russia CDS 100BPS	20.06.2015	JP Morgan	USD	2,000,000	37	0.05
	Russia CDS 100BPS	20.06.2015	Credit Suisse	USD	1,000,000	18 55	0.02 0.07
<b>Total Credit Default swaps</b>						<b>1,067</b>	<b>1.46</b>

## Open Forward Foreign Currency Transactions

### Investment Level

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
GBP 1,000,000	EUR	Northern Trust	0.8239	09.12.2010	60	0.08
GBP 1,970,300	EUR	Northern Trust	0.8374	09.12.2010	79	0.11
GBP 2,657,861	EUR	Northern Trust	0.8291	09.12.2010	138	0.18
GBP 490,300	EUR	Northern Trust	0.8374	09.12.2010	19	0.03
GBP 496,000	EUR	Northern Trust	0.8339	09.12.2010	22	0.03
GBP 744,800	EUR	Northern Trust	0.8374	09.12.2010	30	0.04
GBP 992,800	EUR	Northern Trust	0.8339	09.12.2010	45	0.06
USD 10,000,000	EGP	Northern Trust	1.3612	04.10.2010	5	0.01
USD 1,000,000	EUR	Northern Trust	1.3370	09.12.2010	15	0.02
USD 1,000,000	EUR	Northern Trust	1.3370	09.12.2010	15	0.02
USD 1,075,600	EUR	Northern Trust	1.3076	09.12.2010	34	0.05
USD 1,481,300	EUR	Northern Trust	1.2720	09.12.2010	79	0.11
USD 1,490,900	EUR	Northern Trust	1.2722	09.12.2010	79	0.11
USD 1,997,500	EUR	Northern Trust	1.3077	09.12.2010	64	0.09
USD 159,467	SGD	Northern Trust	1.3555	29.10.2010	-	-
USD 19,802,723	EUR	Northern Trust	1.2708	09.12.2010	1,071	1.46
USD 2,982,500	EUR	Northern Trust	1.2722	09.12.2010	158	0.22
USD 500,000	EUR	Northern Trust	1.3609	09.12.2010	1	-
USD 500,000	JPY	Northern Trust	111.5456	15.10.2010	8	0.01
USD 542,800	EUR	Northern Trust	1.3609	09.12.2010	1	-
USD 981,200	EUR	Northern Trust	1.3037	09.12.2010	34	0.05
USD 990,500	EUR	Northern Trust	1.3487	09.12.2010	9	0.01
USD 990,900	EUR	Northern Trust	1.3077	09.12.2010	32	0.04
USD 999,800	EUR	Northern Trust	1.3371	09.12.2010	15 2,013	0.02 2.75

## Open Forward Foreign Currency Transactions - USD Accumulating Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
USD 12,500	EUR	Northern Trust	1.3469	09.12.2010	-	-
USD 45,000	EUR	Northern Trust	1.2717	09.12.2010	3 3	- -

## Open Forward Foreign Currency Transactions - USD Accumulating Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
USD 47,200	EUR	Northern Trust	1.3469	09.12.2010	-	-

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial assets at fair value through profit or loss

### Open Forward Foreign Currency Transactions - GBP Distributing Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Gain €000	% of NAV
GBP 1,170,400	EUR	Northern Trust	0.8373	09.12.2010	47	0.06
<b>Total Open Forward Foreign Currency Transactions</b>					<b>2,063</b>	<b>2.81</b>

**Total financial assets at fair value through profit or loss**

**62,788 85.91**

## Financial liabilities at fair value through profit or loss

		Currency	Number of Contracts	Unrealised Loss €000	% of NAV
<b>Futures</b>					
Europe	Eurx Eur-Bund Nov 2010	EUR	200	(6)	(0.01)
	Eurx Eur-Bund Nov 2010	EUR	100	(16)	(0.02)
	Eurx Eur-Bund Nov 2010	EUR	200	(24)	(0.03)
	Eurx Eur-Bund Dec 2010	EUR	(25)	(15) (61)	(0.02) (0.08)
<b>Total Futures</b>				<b>(61)</b>	<b>(0.08)</b>

## Options

		Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
<b>FX Options - Vanilla</b>						
Europe	EUR USD Call 06.10.2010 (SP 1.37)	Credit Suisse	EUR	(3,000,000)	(13)	(0.02)
	EUR USD Call 24.11.2010 (SP 1.26)	UBS	EUR	(3,000,000)	(234) (247)	(0.32) (0.34)
<b>Total FX Options - Vanilla</b>					<b>(247)</b>	<b>(0.34)</b>

		Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
<b>FX Options - Non Vanilla</b>						
United States	USD JPY Call 02.08.2012 (SP 85) (RKO 105)	JP Morgan	USD	(1,100,000)	(20)	(0.03)
	USD JPY Call 02.08.2012 (SP 90) (RKO 115)	Credit Suisse	USD	(1,100,000)	(18) (38)	(0.02) (0.05)
<b>Total FX Options - Non Vanilla</b>					<b>(38)</b>	<b>(0.05)</b>

		Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
<b>OTC Currency Options</b>						
Europe	EUR USD Put 18.10.2010 (SP 1.25)	UBS	EUR	(750,000)	-	-
United States	USD MXN Put 03.12.2010 (SP 12.50)	HSBC	USD	(2,000,000)	(19)	(0.03)
	USD MXN Put 03.12.2010 (SP 12.75)	HSBC	USD	(3,000,000)	(53)	(0.07)
	USD SGD Put 06.10.2011 (SP 1.3)	HSBC	USD	(2,000,000)	(46) (118)	(0.06) (0.16)
<b>Total OTC Currency Options</b>					<b>(118)</b>	<b>(0.16)</b>

		Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
<b>Spread Options (CMS = Constant Maturity Swap)</b>						
United States	CAP USD CMS 2 YR Call 12.05.2011 (SP 4.5)	Goldman Sachs	USD	(15,000,000)	-	-
<b>Total Spread Options</b>					<b>-</b>	<b>-</b>

		Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV
<b>Vanilla Index &amp; Vanilla Treasury* Options</b>						
Europe	DJ Euro Stoxx Call 15.10.2010 (SP 2950)	Goldman Sachs	EUR	(200)	(5)	(0.01)
	DJ Euro Stoxx Call 15.10.2010 (SP 2900)	Goldman Sachs	EUR	(100)	(6)	(0.01)
United States	S&P 500 Index Call 16.10.2010 (SP 1190)	Goldman Sachs	USD	(200)	(25)	(0.03)
	S&P 500 Index Put 16.10.2010 (SP 1025)	Goldman Sachs	USD	(50)	(5)	(0.01)
	S&P 500 Index Put 16.10.2010 (SP 1000)	Goldman Sachs	USD	(100)	(6)	(0.01)
	S&P 500 Index Put 16.10.2010 (SP 1090)	Goldman Sachs	USD	(50)	(18)	(0.02)
	S&P 500 Index Put 16.10.2010 (SP 1080)	Goldman Sachs	USD	(70)	(20)	(0.03)
	S&P 500 Index Put 16.10.2010 (SP 1050)	Goldman Sachs	USD	(250)	(37)	(0.05)
	S&P Quarterly Call 30.09.2010 (SP 1175)	Goldman Sachs	USD	(100)	-	-
	S&P Quarterly Put 30.09.2010 (SP 1090)	Goldman Sachs	USD	(200)	(1)	-
	S&P Quarterly Put 30.09.2010 (SP 1050)	Goldman Sachs	USD	(200)	(1)	-
	US Treasury Note Put 22.10.2010 (SP 121.5)*	Goldman Sachs	USD	(200)	(2) (115)	- (0.15)
<b>Total Vanilla Index &amp; Vanilla Treasury Options</b>					<b>(115)</b>	<b>(0.15)</b>

**Total Options**

**(518) (0.70)**

*The accompanying notes form an integral part of these financial statements*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial liabilities at fair value through profit or loss

Interest Rate Swaps		Fund	Maturity						
Country	Fund receives	Pays	date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	Brazil Pre CDI	11.19	03.01.2011	Santander	BRL	(38,000,000)	(52)		(0.08)
	Brazil Pre CDI	11.11	01.07.2011	Nomura	BRL	(35,000,000)	(18)	(70)	(0.02) (0.10)
Europe	Europe 6M Euribor	2.92	12.02.2015	Goldman Sachs	EUR	(2,200,000)	-	(97)	(0.13)
Mexico	Mexico 28 Days TIIE	5.56	08.11.2011	Goldman Sachs	MXN	(1,350,000,000)	(406)		(0.56)
	Mexico 28 Days TIIE	5.55	11.11.2011	Citigroup	MXN	(1,300,000,000)	(381)		(0.52)
	Mexico 28 Days TIIE	5.54	24.11.2011	JP Morgan	MXN	(2,700,000,000)	(747)		(1.02)
	Mexico 28 Days TIIE	5.46	14.12.2011	Societe Generale	MXN	(1,330,000,000)	(299)		(0.41)
	Mexico 28 Days TIIE	5.35	23.12.2011	Societe Generale	MXN	(2,600,000,000)	(404)		(0.55)
	Mexico 28 Days TIIE	5.28	20.02.2012	Societe Generale	MXN	(2,800,000,000)	(203)		(0.28)
	Mexico 28 Days TIIE	5.22	23.02.2012	Societe Generale	MXN	(1,400,000,000)	(50)		(0.07)
	Mexico 28 Days TIIE	5.49	11.03.2013	DMG*	MXN	(20,000,000)	(1)	(2,491)	- (3.41)
Country	Fund Pays	receives	date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	Brazil Pre CDI	11.78	02.01.2013	Goldman Sachs	BRL	(10,800,000)	(1)		-
	Brazil Pre CDI	11.76	02.01.2013	Goldman Sachs	BRL	(11,000,000)	(3)		-
	Brazil Daily CDI	11.72	02.01.2013	Santander	BRL	(10,800,000)	(11)		(0.02)
	Brazil Pre CDI	11.73	02.01.2014	Goldman Sachs	BRL	(8,400,000)	-	(15)	- (0.02)
Chile	Chile 6M Camara	2.12	08.07.2011	Credit Suisse	CLP	(2,600,000,000)	(47)		(0.06)
	Chile 6M Camara	2.62	06.10.2011	Citigroup	CLP	(1,350,000,000)	(29)	(76)	(0.04) (0.10)
Total Interest Rate Swaps							(2,749)		(3.76)
	Swaptions	Maturity Date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV		
Brazil	Brazil Pre CDI Put 13.22%	01.04.2011	Credit Suisse	BRL	(45,000,000)	(3)		-	
Europe	EUR 3M Euribor Put 4%	10.11.2010	Goldman Sachs	EUR	(5,000,000)	-		-	
	ITRAXX SR13 5YR Put (SP 1.4)	15.12.2010	Morgan Stanley	EUR	(25,000,000)	(62)		(0.08)	
	ITRAXX SR13 Put (SP 1.40)	20.10.2010	Morgan Stanley	EUR	(26,250,000)	(6)		(0.01)	
	ITRAXX SR13 Call (SP 1.0)	20.10.2010	Bank of America	EUR	(17,500,000)	(26)	(94)	(0.04) (0.13)	
Mexico	Mexico TIIE Put 6%	11.03.2011	DMG*	MXN	(130,000,000)	(12)		(0.02)	
	Mexico TIIE Put 6.30%	23.09.2011	DMG*	MXN	(140,000,000)	(27)		(0.04)	
	Mexico TIIE Put 7.01%	10.03.2011	JP Morgan	MXN	(9,000,000)	(7)	(46)	(0.01) (0.07)	
New Zealand	IRO New Zealand Put 6M BBR 4.97%	21.01.2011	Morgan Stanley	NZD	(7,500,000)	-		-	
Total Swaptions							(143)		(0.20)
Country of Risk	Credit Default Swaps Fixed (Buy Protection)	Maturity Date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV		
Austria	Austria CDS 100BPS	20.09.2020	Nomura	USD	1,000,000	(5)		(0.01)	
	Austria CDS 100BPS	20.09.2020	Goldman Sachs	USD	1,000,000	(5)	(10)	(0.01) (0.02)	
							(10)		(0.02)

The accompanying notes form an integral part of these financial statements



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

Financial liabilities at fair value through profit or loss							
Credit Default Swaps		Maturity	Counterparty	Currency	Nominal Holding	Fair Value	% of NAV
Fixed (Sell Protection)	Date	€000					
Greece	Republic of Greece CDS 100BPS	20.06.2012	Nomura	USD	(10,000,000)	(817)	(1.12)
						<u>(817)</u>	<u>(1.12)</u>
Total Credit Default swaps						(827)	(1.14)

## Open Forward Foreign Currency Transactions

### Investment Level

Currency	Currency	Counterparty	Currency	Maturity Date	Unrealised		% of NAV
Sold	Bought		Rate		Loss	€000	
AUD 1,100,000	USD	Northern Trust	1.3410	25.10.2010	(12)		(0.02)
AUD 400,000	USD	Northern Trust	1.3545	25.10.2010	(1)		-
AUD 500,000	USD	Northern Trust	1.3545	25.10.2010	(2)		-
CAD 309,482	USD	Northern Trust	1.3037	25.10.2010	(1)		-
EUR 500,000	USD	Northern Trust	1.3575	08.10.2010	(3)		-
EUR 734,248	USD	Northern Trust	1.3490	01.10.2010	(9)		(0.01)
EUR 831,550	USD	Northern Trust	1.3037	09.12.2010	(37)		(0.05)
EUR 398,766	USD	Northern Trust	1.3612	01.10.2010	(1)		-
EUR 367,326	USD	Northern Trust	1.3612	04.10.2010	(1)		-
JPY 42,216,650	USD	Northern Trust	113.7775	15.10.2010	(4)	(71)	(0.01) (0.09)

### Open Forward Foreign Currency Transactions - USD Accumulating Class A

Currency	Currency	Counterparty	Currency	Maturity Date	Unrealised		% of NAV
Sold	Bought		Rate		Loss	€000	
EUR 2,270,900	USD	Northern Trust	1.2708	09.12.2010		(156)	(0.21)

### Open Forward Foreign Currency Transactions - GBP Accumulating Class A

Currency	Currency	Counterparty	Currency	Maturity Date	Unrealised		% of NAV
Sold	Bought		Rate		Loss	€000	
EUR 107,729	GBP	Northern Trust	0.8447	09.12.2010	(3)		-
EUR 17,349	GBP	Northern Trust	0.8300	09.12.2010	(1)		-
EUR 239	GBP	Northern Trust	0.8373	09.12.2010	-		-
EUR 6,336,500	GBP	Northern Trust	0.8291	09.12.2010	(272)	(276)	(0.38) (0.38)

### Open Forward Foreign Currency Transactions - GBP Distributing Class A

Currency	Currency	Counterparty	Currency	Maturity Date	Unrealised		% of NAV
Sold	Bought		Rate		Loss	€000	
EUR 11,186	GBP	Northern Trust	0.8493	09.12.2010	-		-
EUR 4,566,100	GBP	Northern Trust	0.8291	09.12.2010	(196)	(196)	(0.27) (0.27)

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Credit Select Fund (continued)

## Financial liabilities at fair value through profit or loss

### Open Forward Foreign Currency Transactions - USD Accumulating Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 934,500	USD	Northern Trust	1.2708	09.12.2010	(64)	(0.09)

### Open Forward Foreign Currency Transactions - GBP Accumulating Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 1,211,500	GBP	Northern Trust	0.8291	09.12.2010	(52)	(0.07)

### Open Forward Foreign Currency Transactions - GBP Distributing Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 2,911,643	GBP	Northern Trust	0.8493	09.12.2010	(57)	(0.08)
EUR 21,928	GBP	Northern Trust	0.8300	09.12.2010	(1)	-
EUR 34,022,200	GBP	Northern Trust	0.8291	09.12.2010	(1,463)	(2.00)
EUR 628,973	GBP	Northern Trust	0.8447	09.12.2010	(16) (1,537)	(0.02) (2.10)

### Open Forward Foreign Currency Transactions - USD Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 2,398,600	USD	Northern Trust	1.2708	09.12.2010	(165)	(0.23)

### Open Forward Foreign Currency Transactions - USD Distributing Class B

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 1,359,900	USD	Northern Trust	1.2708	09.12.2010	(93)	(0.13)

### Open Forward Foreign Currency Transactions - NOK Distributing Class A

Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 365,500	NOK	Northern Trust	7.9303	09.12.2010	(4)	(0.01)
<b>Total Open Forward Foreign Currency Transactions</b>					<b>(2,614)</b>	<b>(3.58)</b>

## Financial liabilities at fair value through profit or loss

**(6,923) (9.48)**

## Total investments at fair value through profit or loss

**55,865 76.43**

Cash at Bank

17,097 23.39

Margin cash

6,622 9.06

Other Net Liabilities

(6,492) (8.88)

**Total Net assets**

**73,092 100.00**

## Analysis of Portfolio

**% of  
Total Assets**

Transferable securities admitted to an official stock exchange listing  
or traded on a regulated market

63.46

OTC financial derivative instruments

0.68

Financial derivative instruments dealt on a regulated market

0.03

**64.17**

\*DMG=Deutsche Morgan Grenfell

\*\*RBOS=Royal Bank of Scotland

*The accompanying notes form an integral part of these financial statements*

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

## Thames River Real Estate Securities Fund

### Financial assets at fair value through profit or loss

Country	Equities	Currency	Nominal Holding	Fair Value £000	% of NAV	
Austria	Conwert Immobilien Invest	EUR	2,079	19		0.06
Finland	Citycon	EUR	69,388	188		0.55
France	Fonciere Des Regions	EUR	8,567	578		1.68
	Gecina	EUR	5,832	438		1.27
	Icade	EUR	9,000	600		1.74
	Klepierre	EUR	62,750	1,536		4.46
	Mercialys	EUR	3,699	91		0.26
	SILIC	EUR	13,867	1,133		3.29
	Unibail-Rodamco	EUR	19,439	2,735	7,111	7.94
Germany	Alstria Office	EUR	162,324	1,392		4.04
	Deutsche Wohnen	EUR	57,529	432	1,824	1.25
Italy	Beni Stabili	EUR	158,563	94		0.27
	Beni Stabili	EUR	67,194	39		0.12
Luxembourg	Immobiliare Grande Distribuzione	EUR	104,000	107	240	0.31
	Prologis European Property	EUR	76,824		293	0.85
Netherlands	Corio	EUR	42,372	1,841		5.34
	Eurocommercial Properties	EUR	25,918	760		2.21
	Nieuwe Steen Investments Fund	EUR	12,250	154		0.45
	Vastned Offices/Industrial	EUR	5,197	54		0.16
	Vastned Retail	EUR	3,616	156		0.45
	Wereldhave	EUR	8,636	532	3,497	1.54
	Norwegian Property	NOK	525,035		577	1.68
Sweden	Atrium Ljungberg	SEK	100,000	716		2.08
	Fabege	SEK	100,806	643		1.87
	Hufvudstaden	SEK	245,000	1,675		4.86
	Kloven	SEK	40,607	122		0.35
	Wihlborgs Fastigheter	SEK	12,890	224	3,380	0.65
Switzerland	PSP Swiss Property	CHF	27,656	1,302		3.78
	Swiss Prime Site	CHF	31,200	1,413	2,715	4.10
<b>Total Equities</b>				<b>19,844</b>		<b>57.61</b>
Contracts for Difference		Counterparty	Currency	Nominal Holding	Unrealised Gain £000	% of NAV
GS Custom Basket		Goldman Sachs	EUR	1,000	241	0.70
Hammerson		Goldman Sachs	GBP	400,000	104	0.30
Castellum		Goldman Sachs	SEK	75,251	87	0.25
Great Port		Goldman Sachs	GBP	419,108	59	0.17
Derwent Valley		Goldman Sachs	GBP	78,383	58	0.17
Capital & Counties		Goldman Sachs	GBP	976,241	52	0.15
Segro		Goldman Sachs	GBP	423,241	27	0.08
ELUK FTSE Index		Goldman Sachs	GBP	950	12	0.04
Shaftesbury		Goldman Sachs	GBP	138,702	7	0.02
Land Securities		Goldman Sachs	GBP	409,866	1	0.00
<b>Total Contracts for Difference</b>					<b>648</b>	<b>1.88</b>

The accompanying notes form an integral part of these financial statements

# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Real Estate Securities Fund (continued)

## Financial assets at fair value through profit or loss

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency	Counterparty	Currency	Maturity	Unrealised		
Sold	Bought		Rate	Date	Gain £000	% of NAV	
GBP 3,915,325	EUR	Northern Trust	1.1843	07.10.2010	102	0.30	
GBP 285,478	SEK	Northern Trust	10.6278	07.10.2010	1	-	0.30
					103		

### Open Forward Foreign Currency Transactions - EUR Accumulating Class A

Currency	Currency	Counterparty	Currency	Maturity	Unrealised		
Sold	Bought		Rate	Date	Gain £000	% of NAV	
GBP 12,304,564	EUR	Northern Trust	1.1846	07.10.2010	323	0.94	
GBP 212,702	EUR	Northern Trust	1.1750	07.10.2010	4	0.01	
GBP 214,352	EUR	Northern Trust	1.1634	07.10.2010	2	0.01	0.96
					329		

### Open Forward Foreign Currency Transactions - EUR Accumulating Class B

Currency	Currency	Counterparty	Currency	Maturity	Unrealised		
Sold	Bought		Rate	Date	Gain £000	% of NAV	
GBP 43,058	EUR	Northern Trust	1.1845	07.10.2010	1	-	-
					1		
<b>Total Open Forward Foreign Currency Transactions</b>					<b>433</b>	<b>1.26</b>	

**Total financial assets at fair value through profit or loss** **20,925** **60.75**

## Financial liabilities at fair value through profit or loss

Contracts for Difference	Counterparty	Currency	Nominal Holding	Unrealised Loss £000	% of NAV	
Grainger Trust	Goldman Sachs	GBP	22,044	(1)	-	
Songbird Estates	Goldman Sachs	GBP	200,000	(2)	(0.01)	
Gagfah	Goldman Sachs	EUR	(45,959)	(7)	(0.02)	
Capital Shopping	Goldman Sachs	GBP	(43,759)	(10)	(0.03)	
British Land	Goldman Sachs	GBP	511,940	(10)	(0.03)	
Unite Group	Goldman Sachs	GBP	(160,000)	(18)	(0.05)	
Sponda	Goldman Sachs	EUR	(80,000)	(31)	(0.09)	
Deutsche Euroshop	Goldman Sachs	EUR	(24,969)	(46)	(0.13)	(0.36)
<b>Total Contracts for Difference</b>				<b>(125)</b>	<b>(0.36)</b>	

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency	Counterparty	Currency	Maturity	Unrealised		
Sold	Bought		Rate	Date	Loss £000	% of NAV	
CHF 871,000	GBP	Northern Trust	1.5594	07.10.2010	(7)	(0.02)	
NOK 2,837,000	GBP	Northern Trust	9.3713	07.10.2010	(5)	(0.01)	
SEK 9,249,000	GBP	Northern Trust	10.8251	07.10.2010	(18)	(0.05)	
EUR 134,000	GBP	Northern Trust	1.1755	07.10.2010	(2)	(0.01)	
EUR 127,000	GBP	Northern Trust	1.1607	07.10.2010	(1)	-	(0.09)
					(33)		

*The accompanying notes form an integral part of these financial statements*

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River Real Estate Securities Fund (continued)

Open Forward Foreign Currency Transactions - EUR Accumulating Class A						Unrealised Loss £000	% of NAV
Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date			
EUR 105,191	GBP	Northern Trust	1.1789	07.10.2010		(2)	(0.01)
<b>Total Open Forward Foreign Currency Transactions</b>						<b>(35)</b>	<b>(0.10)</b>
<b>Financial liabilities at fair value through profit or loss</b>						<b>(160)</b>	<b>(0.46)</b>
<b>Total investments at fair value through profit or loss</b>						<b>20,765</b>	<b>60.29</b>
Cash at bank						13,713	39.81
Other net liabilities						(33)	(0.10)
<b>Total Net Assets</b>						<b>34,445</b>	<b>100.00</b>
<b>Analysis of portfolio</b>							<b>% of Total Assets</b>
Transferable securities admitted to an official stock exchange listing or traded on a regulated market							56.57
Financial derivative instruments dealt on a regulated market							1.49
OTC financial derivative instruments							1.13
							<b>59.20</b>

*The accompanying notes form an integral part of these financial statements*

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River - BSI Bond Opportunity Fund

Financial assets at fair value through profit or loss					
Country	Bonds	Currency	Nominal Holding	Fair Value €000	% of NAV
Australia	Macquarie Bank 6% 21.09.2020	EUR	1,000,000	1,005	0.85
Brazil	Banco Cruzeiro 8.875% 22.09.2020	USD	2,000,000	1,539	1.31
	Braskem Finance 7% 07.05.2020	USD	2,000,000	1,551	1.32
	Braskem Finance 7.375% 31.12.2049	USD	1,000,000	727	0.62
	CSN Islands 7% 23.12.2049	USD	2,000,000	1,448	1.23
	Gerdau Trade 5.75% 30.01.2021	USD	2,000,000	1,486	1.26
	Odebrecht Finance 7.5% 31.12.2049	USD	2,000,000	1,476	1.25
	Suzano Trading 5.875% 23.01.2021	USD	2,000,000	1,470	1.25
	Telemar Norte Leste 5.5% 23.10.2020	USD	3,000,000	2,224	1.89
Chile	Celulosa Arauco y Constitucion 5% 21.01.2021	USD	2,000,000	1,484	1.26
Czech Republic	Czech (Republic of) 3.625% 14.04.2021	EUR	3,000,000	2,976	2.52
Europe	European Union 2.375% 22.09.2017	EUR	3,000,000	3,007	2.55
Egypt	Egypt Treasury Bills 0% 04.01.2011	EGP	116,266,249	14,661	12.43
	Egypt Treasury Bills 0% 21.12.2010	EGP	29,082,934	3,665	3.11
El Salvador	Telemovil Finance 8% 01.10.2017	USD	2,000,000	1,530	1.30
France	EDF 5.125% 22.09.2050	GBP	1,000,000	1,167	0.99
	Picard Bondco 9% 01.10.2018	EUR	2,000,000	2,092	1.77
	Rhodia 6.875% 15.09.2020	USD	2,000,000	1,494	1.27
Germany	Conti-Gummi Finance 7.5% 15.09.2017	EUR	2,000,000	2,039	1.73
Hong Kong	PHBS 6.625% 31.12.2049	USD	2,000,000	1,461	1.24
Luxembourg	Hannover Finance Luxembourg 5.75% 14.09.2040	EUR	2,500,000	2,513	2.13
Mexico	Grupo KUO SAB De 9.75% 17.10.2017	USD	1,000,000	791	0.67
Poland	Poland (Republic of) 4% 23.03.2021	EUR	1,000,000	1,004	0.85
Russia	Gazprombank 6.25% 15.12.2014	USD	2,000,000	1,487	1.26
	Sberbank Via SB Capital 5.4% 24.03.2017	USD	2,000,000	1,466	1.24
South Korea	Korea Hydro & Nuclear Power 3.125% 16.09.2015	USD	1,500,000	1,102	0.93
	Korea Finance 3.25% 20.09.2016	USD	3,000,000	2,196	1.86
Spain	Spain Letras del Tesoro 0% 19.11.2010	EUR	12,000,000	11,988	10.17
United Kingdom	Anglo American Capital 4.45% 27.09.2020	USD	2,000,000	1,507	1.28
	Ardagh Glass Finance 9.25% 01.07.2016	EUR	1,500,000	1,641	1.39
	BAA Funding 6.25% 10.09.2018	GBP	1,000,000	1,161	0.98
	Co-Operative Bank 5.125% 20.09.2017	GBP	1,250,000	1,456	1.23
	Inmarsat Finance 7.375% 01.12.2017	USD	2,000,000	1,531	1.30
	Lloyds TSB Bank 6.5% 14.09.2020	USD	2,500,000	1,861	1.58
	Lloyds TSB Bank 6.5% 17.09.2040	GBP	3,000,000	3,507	2.97
	Scottish & Southern Energy 5.453% 31.10.2049	GBP	2,000,000	2,286	1.94
	Thames Water Utilities Cayman Finance 5.75% 13.09.2030	GBP	1,000,000	1,144	0.97
United States	American Express Credit 2.75% 15.09.2015	USD	3,000,000	2,214	1.88
	Ol European Group 6.75% 15.09.2020	EUR	2,250,000	2,303	1.95
	Pinafore 9% 01.10.2018	USD	1,000,000	762	0.65
	Suez Environnement 4.82% 21.09.2049	EUR	1,500,000	1,466	1.24
<b>Total Bonds</b>				<b>93,888</b>	<b>79.62</b>

*The accompanying notes form an integral part of these financial statements*

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River - BSI Bond Opportunity Fund (continued)

Financial assets at fair value through profit or loss									
Options									
Country	FX Options - Vanilla	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV			
Australia	AUD USD Call 21.10.2010 (SP 6.7)	UBS	USD	3,000,000	27	0.02			
	<b>Total FX Options - Vanilla</b>				<b>27</b>	<b>0.02</b>			
	Vanilla Index & Vanilla Treasury* Options	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV			
Germany	DJ Euro Stoxx Call 15.10.2010 (SP 2850)	Goldman Sachs	EUR	200	28	0.02			
United States	S&P 500 Index Call 16.10.2010 (SP 1170)	Goldman Sachs	USD	50	19	0.02			
	S&P 500 Index Put 16.10.2010 (SP 1010)	Goldman Sachs	USD	75	5	-			
	S&P 500 Index Put 16.10.2010 (SP 1060)	Goldman Sachs	USD	50	9	0.01			
	S&P 500 Index Put 16.10.2010 (SP 1075)	Goldman Sachs	USD	25	7	0.01			
	S&P 500 Index Put 16.10.2010 (SP 1120)	Goldman Sachs	USD	85	66	0.05			
	S&P 500 Index Put 16.10.2010 (SP 950)	Goldman Sachs	USD	50	1	-			
	S&P 500 Index Put 16.10.2010 (SP 975)	Goldman Sachs	USD	25	1	-			
	S&P Quarterly Put 30.09.2010 (SP 1030)	Goldman Sachs	USD	50	-	-			
	S&P Quarterly Put 30.09.2010 (SP 1070)	Goldman Sachs	USD	50	-	-			
	S&P Quarterly Put 30.09.2010 (SP 1115)	Goldman Sachs	USD	50	-	-			
	S&P Quarterly Put 30.09.2010 (SP 1145)	Goldman Sachs	USD	0	-	-			
	US Treasury Note Put 26.11.2010 (SP 121)*	Goldman Sachs	USD	100	9	0.01			
	US Treasury Note Put 26.11.2010 (SP 123)*	Goldman Sachs	USD	100	27	144	0.02	0.12	
	<b>Total Vanilla Index &amp; Vanilla Treasury Options</b>				<b>172</b>		<b>0.14</b>		
	OTC Equity Index Option - Barrier	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV			
United States	SPX Index Call 17.12.2010 (SP 1135) (RKO 1235)	Morgan Stanley	USD	2,000	20	0.02			
	<b>Total OTC Equity Index Option - Barrier</b>				<b>20</b>	<b>0.02</b>			
	FX Options - Single Barrier Down Out	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV			
Australia	AUD CAD Put 13.10.2010 (SP 0.99)	Credit Suisse	AUD	2,000,000	7	0.01			
	AUD NZD Put 13.10.2010 (SP 1.31)	HSBC	AUD	2,000,000	7	0.01			
	AUD NZD Put 28.10.2010 (SP 1.3)	Merrill Lynch	AUD	2,000,000	6	-			
	AUD CAD Put 28.10.2010 (SP 0.975)	HSBC	AUD	1,000,000	3	23	-	0.02	
United States	USD BRL Put 21.10.2010 (SP 1.73)	Credit Suisse	USD	4,000,000	8	0.01			
	<b>Total FX Options - Single Barrier Down Out</b>				<b>31</b>		<b>0.03</b>		
	FX Options - Single Barrier Up Out	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV			
Europe	EUR SEK Call 25.11.2010 (SP 9.26)	HSBC	EUR	2,000,000	13	0.01			
	EUR SEK Call 25.10.2010 (SP 9.22)	HSBC	EUR	2,000,000	11	24	0.01	0.02	
	<b>Total FX Options - Single Barrier Up Out</b>				<b>24</b>		<b>0.02</b>		
	<b>Total Options</b>				<b>274</b>		<b>0.23</b>		
	Swaptions	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV		
Europe	ITRAXX SR13 5YR Put (SP 1.1)	15.12.2010	Morgan Stanley	EUR	25,000,000	147	0.13		
	ITRAXX SR13 Put (SP 1.1)	20.10.2010	Morgan Stanley	EUR	17,500,000	41	188	0.03	0.16
	<b>Total Swaptions</b>					<b>188</b>		<b>0.16</b>	
Country	Interest Rate Swaps	Fund Pays	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	Brazil Pre CDI	11.69	02.01.2014	Morgan Stanley	BRL	17,000,000	24	0.02	
	Brazil Pre CDI	11.68	02.01.2014	Goldman Sachs	BRL	8,330,000	5	0.01	
	Brazil Pre CDI	11.73	02.01.2014	Goldman Sachs	BRL	16,800,000	3	32	0.03
Mexico	Mexico 28 Days TIE	6.61	23.01.2021	JP Morgan	MXN	9,000,000	1	1	-
							<b>33</b>		<b>0.03</b>

The accompanying notes form an integral part of these financial statements

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River - BSI Bond Opportunity Fund (continued)

Financial assets at fair value through profit or loss							Fair Value €000	% of NAV
Country	Interest Rate Swaps Fund pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding		
Brazil	Brazil Pre CDI	11.45	02.01.2012	Goldman Sachs	BRL	51,000,000	4	-
Total Interest Rate Swaps							37	0.03

### Open Forward Foreign Currency Transactions

#### Investment Level

Currency	Currency	Currency	Maturity	Unrealised		
Sold	Bought	Counterparty	Rate	Date	Gain €000	% of NAV
USD 2,982,500	EUR	Northern Trust	1.2722	09.12.2010	159	0.13
USD 2,484,800	EUR	Northern Trust	1.2723	09.12.2010	132	0.11
GBP 2,000,000	EUR	Northern Trust	0.8238	09.12.2010	119	0.10
GBP 2,955,500	EUR	Northern Trust	0.8374	09.12.2010	118	0.10
USD 2,110,600	EUR	Northern Trust	1.2722	09.12.2010	112	0.10
USD 2,000,000	EUR	Northern Trust	1.2722	09.12.2010	106	0.09
USD 2,999,700	EUR	Northern Trust	1.3077	09.12.2010	96	0.08
USD 2,996,300	EUR	Northern Trust	1.3076	09.12.2010	96	0.08
USD 2,023,000	EUR	Northern Trust	1.2904	09.12.2010	85	0.07
USD 1,481,300	EUR	Northern Trust	1.2720	09.12.2010	79	0.07
USD 5,000,000	EUR	Northern Trust	1.3371	09.12.2010	75	0.06
USD 2,151,300	EUR	Northern Trust	1.3077	09.12.2010	69	0.06
USD 2,000,000	EUR	Northern Trust	1.3037	09.12.2010	69	0.06
USD 1,962,300	EUR	Northern Trust	1.3037	09.12.2010	67	0.06
USD 1,983,700	EUR	Northern Trust	1.3076	09.12.2010	63	0.05
USD 1,981,900	EUR	Northern Trust	1.3077	09.12.2010	63	0.05
GBP 1,241,300	EUR	Northern Trust	0.8374	09.12.2010	50	0.04
USD 1,547,300	EUR	Northern Trust	1.3077	09.12.2010	49	0.04
GBP 992,800	EUR	Northern Trust	0.8339	09.12.2010	45	0.04
GBP 992,000	EUR	Northern Trust	0.8339	09.12.2010	45	0.04
GBP 980,600	EUR	Northern Trust	0.8374	09.12.2010	39	0.03
USD 1,105,100	EUR	Northern Trust	1.3077	09.12.2010	35	0.03
USD 2,000,000	EUR	Northern Trust	1.3371	09.12.2010	30	0.03
USD 2,000,000	EUR	Northern Trust	1.3371	09.12.2010	30	0.03
USD 1,999,500	EUR	Northern Trust	1.3370	09.12.2010	30	0.03
USD 1,973,700	EUR	Northern Trust	1.3371	09.12.2010	30	0.03
USD 2,000,000	EUR	Northern Trust	1.3487	09.12.2010	17	0.01
USD 1,981,000	EUR	Northern Trust	1.3487	09.12.2010	17	0.01
USD 20,000,000	EGP	Northern Trust	7.7548	01.10.2010	10	0.01
USD 1,000,000	EUR	Northern Trust	1.3370	09.12.2010	15	0.01
USD 3,030,000	EUR	Northern Trust	1.3612	04.10.2010	7	0.01
USD 3,000,000	EUR	Northern Trust	1.3608	09.12.2010	6	0.01
USD 2,171,200	EUR	Northern Trust	1.3608	09.12.2010	4	-
USD 1,000,000	EUR	Northern Trust	1.3608	09.12.2010	2	1,969
Total Open Forward Foreign Currency Transactions					1,969	1.67

The accompanying notes form an integral part of these financial statements



# TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River - BSI Bond Opportunity Fund (continued)

## Financial liabilities at fair value through profit or loss

### Options

Country	FX Options - Vanilla	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
United States	USD CNY Call 21.10.2010 (SP 6.6)	UBS	USD	(6,000,000)	(22)	(0.02)	(0.02)
	<b>Total FX Options - Vanilla</b>				<b>(22)</b>	<b>(0.02)</b>	
<b>Vanilla Index &amp; Vanilla Treasury* Options</b>							
Europe	DJ Euro Stoxx Call 15.10.2010 (SP 2950)	Goldman Sachs	EUR	(400)	(10)	(0.01)	
	DJ Euro Stoxx Call 15.10.2010 (SP 2900)	Goldman Sachs	EUR	(200)	(12)	(0.01)	(0.02)
United States	S&P Quarterly Call 30.09.2010 (SP 1165)	Goldman Sachs	USD	(25)	-	-	
	S&P Quarterly Put 30.09.2010 (SP 1090)	Goldman Sachs	USD	(100)	-	-	
	S&P Quarterly Put 30.09.2010 (SP 1050)	Goldman Sachs	USD	(100)	-	-	
	S&P 500 Index Put 16.10.2010 (SP 1025)	Goldman Sachs	USD	(50)	(5)	-	
	S&P 500 Index Put 16.10.2010 (SP 1000)	Goldman Sachs	USD	(100)	(6)	-	
	S&P 500 Index Put 16.10.2010 (SP 1090)	Goldman Sachs	USD	(25)	(9)	(0.01)	
	S&P 500 Index Put 16.10.2010 (SP 1080)	Goldman Sachs	USD	(35)	(10)	(0.01)	
	S&P 500 Index Call 16.10.2010 (SP 1190)	Goldman Sachs	USD	(100)	(13)	(0.01)	
	S&P 500 Index Put 16.10.2010 (SP 1050)	Goldman Sachs	USD	(100)	(15)	(0.01)	
	US Treasury Note Put 22.10.2010 (SP 121.50)*	Goldman Sachs	USD	(200)	(32)	(0.03)	(0.07)
	<b>Total Vanilla Index &amp; Vanilla Treasury Options</b>				<b>(112)</b>	<b>(0.09)</b>	
	<b>Total Options</b>				<b>(134)</b>	<b>(0.11)</b>	

	Swaptions	Maturity Date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Europe	ITRAXX SR13 Put (SP 1.40)	20.10.2010	Morgan Stanley	EUR	(26,250,000)	(6)	(0.01)	
	ITRAXX SR13 Call (SP 1.0)	20.10.2010	Bank of America	EUR	(17,500,000)	(25)	(0.02)	
	ITRAXX SR13 5YR Put (SP 1.4)	15.12.2010	Morgan Stanley	EUR	(50,000,000)	(124)	(0.11)	(0.13)
Mexico	Mexico TIE Put 7.01%	10.03.2011	JP Morgan	MXN	(18,000,000)	(14)	(0.01)	(0.01)
	<b>Total Swaptions</b>					<b>(169)</b>	<b>(0.14)</b>	

Country	Interest Rate Swaps	Fund Pays	Fund receives	Maturity date	Counterparty	Currency	Nominal Holding	Fair Value €000	% of NAV	
Brazil	Brazil Pre CDI	11.78	02.01.2013	Goldman Sachs	BRL	(21,600,000)	(2)	-	-	
	Brazil Pre CDI	11.45	02.01.2012	Morgan Stanley	BRL	(17,000,000)	(2)	-	-	
	Brazil Pre CDI	11.76	02.01.2013	Goldman Sachs	BRL	(11,000,000)	(2)	-	-	
	Brazil Pre CDI	11.67	02.01.2013	Morgan Stanley	BRL	(22,000,000)	(31)	(37)	(0.03)	(0.03)
	<b>Total Interest Rate Swaps</b>						<b>(37)</b>	<b>(0.03)</b>		

## Open Forward Foreign Currency Transactions

### Investment Level

Currency	Currency Bought	Currency	Rate	Maturity Date	Unrealised Loss	€000	% of NAV	
Sold		Counterparty						
EUR 734,651	USD	Northern Trust	1.3612	04.10.2010	(2)	-	-	
EUR 1,595,063	USD	Northern Trust	1.3612	04.10.2010	(5)	(0.01)		
EUR 2,226,550	USD	Northern Trust	1.3609	09.12.2010	(6)	(0.01)		
EUR 2,203,954	USD	Northern Trust	1.3612	04.10.2010	(7)	(0.01)		
EUR 1,468,495	USD	Northern Trust	1.3490	01.10.2010	(17)	(0.01)		
EUR 1,191,833	USD	Northern Trust	1.3076	09.12.2010	(50)	(0.04)		
EUR 1,663,023	USD	Northern Trust	1.3037	09.12.2010	(74)	(161)	(0.06)	(0.14)

The accompanying notes form an integral part of these financial statements

## TRADITIONAL FUNDS plc

Portfolio Statement as at 30 September 2010

Thames River - BSI Bond Opportunity Fund (continued)

Financial liabilities at fair value through profit or loss						
Open Forward Foreign Currency Transactions						
USD Accumulating Class						
Currency Sold	Currency Bought	Counterparty	Currency Rate	Maturity Date	Unrealised Loss €000	% of NAV
EUR 22,348	USD	Northern Trust	1.3469	09.12.2010	-	-
EUR 320,492	USD	Northern Trust	1.3127	09.12.2011	(12)	(0.01)
EUR 285,041	USD	Northern Trust	1.2981	09.12.2012	(14)	(0.01)
EUR 1,072,274	USD	Northern Trust	1.2717	09.12.2013	(73)	(0.06)
EUR 34,359,500	USD	Northern Trust	1.2708	09.12.2014	(2,362)	(2.00)
<b>Total Open Forward Foreign Currency Transactions</b>					<b>(2,622)</b>	<b>(2.22)</b>
<b>Financial liabilities at fair value through profit or loss</b>					<b>(2,962)</b>	<b>2.51</b>
<b>Total investments at fair value through profit or loss</b>					<b>93,394</b>	<b>79.21</b>
Cash at Bank					9,620	8.16
Other Net Assets					14,897	12.63
<b>Total Net Assets</b>					<b>117,911</b>	<b>100.00</b>

### Analysis of Portfolio

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	66.37
OTC financial derivative instruments	(0.38)
Financial derivative instruments dealt on a regulated market	0.03
	<b>66.02</b>

*The accompanying notes form an integral part of these financial statements*

**TRADITIONAL FUNDS plc**  
Balance Sheet as at 30 September 2010

		Thames River European Dynamic Growth Fund Sept 2010 €000	Thames River High Income Fund Sept 2010 US\$000	Eastern European Fund Sept 2010 US\$000	Global Emerging Markets Fund Sept 2010 US\$000	Thames River Global Bond Fund (£) Sept 2010 £000	Thames River Global Bond Fund (€) Sept 2010 €000	Thames River Global Bond Fund (\$) Sept 2010 US\$000	Emerging Asia Fund Sept 2010 US\$000	Thames River World Government Bond Fund Sept 2010 £000	Thames River Water and Agriculture Absolute Return Fund Sept 2010 US\$000	Thames River UK Absolute Income Fund* Sept 2010 £000	Thames River Global Credit Fund Sept 2010 €000	Thames River Credit Select Fund Sept 2010 €000	Thames River Currency Alpha Fund** Sept 2010 €000	Thames River Real Estate Securities Fund Sept 2010 £000	Thames River - BSI Bond Opportunity Fund Sept 2010 €000	Total Fund Sept 2010 €000
<b>Current Assets</b>																		
Cash at bank		38	49,089	3,385	17,346	22,851	5,097	-	5,086	1,635	3,185	3	30,666	17,097	8	13,713	9,620	163,822
Margin cash		36	76,839	27,574	17,684	15,163	3,594	651	2,622	1,451	-	-	7,532	6,622	-	-	-	128,794
Debtors		12	45,676	2,507	38,877	58,295	14,032	2,534	4,722	5,695	810	3	15,055	2,648	-	439	35,441	211,239
Financial assets at fair value through profit or loss	1	11,128	783,140	347,051	3,065,020	837,713	190,529	34,305	163,120	75,759	40,657	-	173,881	62,788	-	20,925	96,356	4,860,578
<b>Total current assets</b>		<b>11,214</b>	<b>954,744</b>	<b>380,517</b>	<b>3,138,927</b>	<b>934,022</b>	<b>213,252</b>	<b>37,490</b>	<b>175,550</b>	<b>84,540</b>	<b>44,652</b>	<b>6</b>	<b>227,134</b>	<b>89,155</b>	<b>8</b>	<b>35,077</b>	<b>141,417</b>	<b>5,364,433</b>
<b>Current Liabilities</b>																		
Financial liabilities at fair value through profit or loss	1	-	(136,646)	(2,398)	(3,367)	(9,792)	(2,174)	(373)	(562)	(634)	(621)	-	(13,494)	(6,923)	-	(160)	(2,962)	(143,227)
Bank overdraft		-	-	-	-	-	-	(259)	-	-	-	-	-	-	-	-	-	(190)
Creditors - Amounts falling due w ithin one year		(86)	(23,530)	(3,870)	(45,537)	(46,247)	(134)	(1,944)	(2,942)	(78)	(1,282)	(6)	(7,760)	(9,163)	(8)	(555)	(20,563)	(149,777)
		<b>(86)</b>	<b>(160,176)</b>	<b>(6,268)</b>	<b>(48,904)</b>	<b>(56,039)</b>	<b>(2,308)</b>	<b>(2,576)</b>	<b>(3,504)</b>	<b>(712)</b>	<b>(1,903)</b>	<b>(6)</b>	<b>(21,254)</b>	<b>(16,086)</b>	<b>(8)</b>	<b>(715)</b>	<b>(23,525)</b>	<b>(293,194)</b>
<b>Net Assets attributable to holders of redeemable participating shares (at bid market prices)</b>		<b>11,128</b>	<b>794,568</b>	<b>374,249</b>	<b>3,090,023</b>	<b>877,983</b>	<b>210,944</b>	<b>34,914</b>	<b>172,046</b>	<b>83,828</b>	<b>42,749</b>	<b>-</b>	<b>205,880</b>	<b>73,069</b>	<b>-</b>	<b>34,362</b>	<b>117,892</b>	<b>5,071,239</b>
<b>Adjustment from bid market prices to last traded market prices</b>		<b>8</b>	<b>220</b>	<b>549</b>	<b>3,677</b>	<b>2,689</b>	<b>623</b>	<b>111</b>	<b>508</b>	<b>242</b>	<b>114</b>	<b>-</b>	<b>105</b>	<b>23</b>	<b>-</b>	<b>83</b>	<b>19</b>	<b>8,051</b>
<b>Net Assets attributable to holders of redeemable participating shares (at last traded market prices)</b>		<b>11,136</b>	<b>794,788</b>	<b>374,798</b>	<b>3,093,700</b>	<b>880,672</b>	<b>211,567</b>	<b>35,025</b>	<b>172,554</b>	<b>84,070</b>	<b>42,863</b>	<b>-</b>	<b>205,985</b>	<b>73,092</b>	<b>-</b>	<b>34,445</b>	<b>117,911</b>	<b>5,079,290</b>

\*Fund closed on 25 June 2010

\*\*Fund closed on 28 April 2010

*The accompanying notes form an integral part of these financial statements*

**TRADITIONAL FUNDS plc**  
Balance Sheet as at 31 March 2010

		Thames															
		Thames River European Dynamic Growth Fund Mar 2010	Thames River High Income Fund Mar 2010	Thames River Eastern European Fund Mar 2010	Thames River Global Emerging Markets Fund Mar 2010	Thames River Global Bond Fund (£) Mar 2010	Thames River Global Bond Fund (€) Mar 2010	Thames River Global Bond Fund (\$) Mar 2010	Thames River Emerging Asia Fund Mar 2010	Thames River European Select Fund Mar 2010	Thames River Government Bond Fund Mar 2010	Thames River Water and Agriculture Absolute Return Fund Mar 2010	Thames River UK Absolute Income Fund Mar 2010	Thames River Global Credit Fund Mar 2010	Thames River Credit Select Fund Mar 2010	Thames River Currency Alpha Fund Mar 2010	Total Mar 2010
	Notes	€000	US\$000	US\$000	US\$000	£000	€000	US\$000	US\$000	€000	£000	US\$000	£000	€000	€000	€000	€000
Current Assets																	
Cash at bank		86	49,052	29,953	20,162	14,189	9,413	1,207	2,520	36	7,029	2,523	1,906	16,278	8,524	12,040	150,208
Margin cash		36	23,038	5,337	18,868	-	-	-	3,915	-	-	586	1,305	1,255	402	7,217	48,613
Debtors		24	56,596	12,052	51,202	5,215	790	420	2,306	3	792	570	48	3,558	1,178	6	103,357
Financial assets at fair value through profit or loss	1	9,394	848,186	392,406	3,279,843	752,329	113,210	52,607	239,417	-	85,608	31,322	6,611	146,811	60,207	507	4,856,676
Total current assets		9,540	976,872	439,748	3,370,075	771,733	123,413	54,234	248,158	39	93,429	35,001	9,870	167,902	70,311	19,770	5,158,854
Current Liabilities																	
Financial liabilities at fair value through profit or loss	1	-	(86,609)	(157)	(308)	-	(28)	(45)	-	-	(958)	(2,314)	(378)	(3,606)	(1,207)	(2)	(72,436)
Bank overdraft		-	-	-	-	-	-	-	-	-	-	(991)	-	-	-	-	(731)
Creditors - Amounts falling due within one year		(110)	(48,552)	(9,748)	(49,205)	(1,603)	(4,503)	(413)	(5,647)	(39)	(4,194)	(319)	(662)	(19,681)	(7,867)	(78)	(123,686)
		(110)	(135,161)	(9,905)	(49,513)	(1,603)	(4,531)	(458)	(5,647)	(39)	(5,152)	(3,624)	(1,040)	(23,287)	(9,074)	(80)	(196,853)
Net Assets attributable to holders of redeemable participating shares (at bid market prices)																	
		9,430	841,711	429,843	3,320,562	770,130	118,882	53,776	242,511	-	88,277	31,377	8,830	144,615	61,237	19,690	4,962,001
Adjustment from bid market prices to last traded market prices																	
		27	469	962	4,037	142	26	6	556	-	18	41	4	123	37	-	4,885
Net Assets attributable to holders of redeemable participating shares (at last traded market prices)																	
		9,457	842,180	430,805	3,324,599	770,272	118,908	53,782	243,067	-	88,295	31,418	8,834	144,738	61,274	19,690	4,966,886

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

## Profit and Loss Account for the six months ended 30 September 2010

	Notes	Thames European Dynamic Growth Fund Sept 2010 €000	Thames River High Income Fund Sept 2010 US\$000	Thames Eastern European Fund Sept 2010 US\$000	Thames Global Emerging Markets Fund Sept 2010 US\$000	Thames River Global Bond Fund (£) Sept 2010 £000	Thames River Global Bond Fund (€) Sept 2010 €000	Thames River Global Bond Fund (\$) Sept 2010 US\$000	Thames River Global Emerging Asia Fund Sept 2010 US\$000
<b>Income</b>	1								
Investment income		125	110	7,619	52,745	-	-	-	3,563
Bank deposit interest		-	83	47	93	14	6	1	8
Bond interest income		-	22,235	-	-	10,852	2,057	377	-
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss		311	10,610	(16,520)	105,032	30,712	3,645	1,139	6,834
<b>Total investment income/(expense)</b>		<b>436</b>	<b>33,038</b>	<b>(8,854)</b>	<b>157,870</b>	<b>41,578</b>	<b>5,708</b>	<b>1,517</b>	<b>10,405</b>
<b>Expenses</b>	1								
Investment Management fee		(65)	(5,745)	(3,264)	(26,625)	(4,225)	(848)	(156)	(1,358)
Performance fee		(38)	(524)	-	-	-	(397)	-	(1)
Administration fee		(5)	(392)	(170)	(1,373)	(2,644)	(75)	(14)	(86)
Custody fee		(3)	(304)	(314)	(1,834)	(319)	(63)	(12)	(138)
General expenses		(32)	(372)	(111)	(579)	(132)	(477)	(57)	(96)
<b>Total operating expenses</b>		<b>(143)</b>	<b>(7,337)</b>	<b>(3,859)</b>	<b>(30,411)</b>	<b>(7,320)</b>	<b>(1,860)</b>	<b>(239)</b>	<b>(1,679)</b>
<b>Net income/(expense) before finance costs</b>		<b>293</b>	<b>25,701</b>	<b>(12,713)</b>	<b>127,459</b>	<b>34,258</b>	<b>3,848</b>	<b>1,278</b>	<b>8,726</b>
<b>Finance costs</b>									
Bank interest expense		(4)	(125)	(47)	(26)	(14)	(10)	(1)	(16)
Distributions	2	-	(16,221)	(572)	(61)	(2,964)	(32)	(39)	(128)
Net equalisation	1	-	(736)	(165)	(1,248)	31	21	14	(310)
<b>Total finance costs</b>		<b>(4)</b>	<b>(17,082)</b>	<b>(784)</b>	<b>(1,335)</b>	<b>(2,947)</b>	<b>(21)</b>	<b>(26)</b>	<b>(454)</b>
<b>Profit/(Loss) for the financial year</b>		<b>289</b>	<b>8,619</b>	<b>(13,497)</b>	<b>126,124</b>	<b>31,311</b>	<b>3,827</b>	<b>1,252</b>	<b>8,272</b>
Withholding tax		(31)	(52)	(1,042)	(6,012)	-	-	-	(429)
<b>Operating profit/(loss)</b>		<b>258</b>	<b>8,567</b>	<b>(14,539)</b>	<b>120,112</b>	<b>31,311</b>	<b>3,827</b>	<b>1,252</b>	<b>7,843</b>
Adjustment from bid market prices to last traded prices		(19)	(249)	(413)	(360)	2,547	597	105	(48)
<b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating shares from operations</b>		<b>239</b>	<b>8,318</b>	<b>(14,952)</b>	<b>119,752</b>	<b>33,858</b>	<b>4,424</b>	<b>1,357</b>	<b>7,795</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

## Profit and Loss Account for the six months ended 30 September 2010 (continued)

		Thames River World Government Bond Fund Sept 2010 £000	Thames River Water and Agriculture Absolute Return Fund Sept 2010 US\$000	Thames River UK Absolute Income Fund* Sept 2010 £000	Thames River Global Credit Fund Sept 2010 €000	Thames River Credit Select Fund Sept 2010 €000	Thames River Currency Alpha Fund** Sept 2010 €000	Thames River Real Estate Securities Fund*** Sept 2010 £000	Thames River - BSI Bond Opportunity Fund**** Sept 2010 €000	Total Sept 2010 €000
<b>Income</b>	Notes 1									
Investment income		1	275	59	-	-	-	331	-	50,777
Bank deposit interest		-	12	3	23	4	5	14	-	265
Bond interest income		1,155	44	-	3,223	987	-	-	174	38,365
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss		2,856	3,225	(51)	4,362	3,005	277	2,758	(1,569)	139,155
<b>Total investment income/(expense)</b>		<b>4,012</b>	<b>3,556</b>	<b>11</b>	<b>7,608</b>	<b>3,996</b>	<b>282</b>	<b>3,103</b>	<b>(1,395)</b>	<b>228,562</b>
<b>Expenses</b>	1									
Investment Management fee		(466)	(302)	(21)	(1,155)	(286)	(23)	(145)	(234)	(37,598)
Performance fee		-	(219)	-	(707)	(256)	6	(122)	(113)	(2,230)
Administration fee		(42)	(17)	(2)	(78)	(158)	(3)	(11)	(11)	(5,133)
Custody fee		(36)	(12)	(1)	(71)	(26)	-	(9)	(9)	(2,645)
General expenses		(38)	(56)	(5)	(90)	(106)	(19)	(23)	(6)	(1,957)
<b>Total operating expenses</b>		<b>(582)</b>	<b>(606)</b>	<b>(29)</b>	<b>(2,101)</b>	<b>(832)</b>	<b>(39)</b>	<b>(310)</b>	<b>(373)</b>	<b>(49,563)</b>
<b>Net income/(expense) before finance costs</b>		<b>3,430</b>	<b>2,950</b>	<b>(18)</b>	<b>5,507</b>	<b>3,164</b>	<b>243</b>	<b>2,793</b>	<b>(1,768)</b>	<b>178,999</b>
<b>Finance costs</b>										
Bank interest expense		(8)	(10)	(8)	(48)	(21)	(2)	(59)	(1)	(367)
Distributions	2	(341)	-	(19)	(1,043)	(726)	-	-	-	(19,027)
Net equalisation	1	(35)	74	(44)	295	4	(1)	96	-	(1,474)
<b>Total finance costs</b>		<b>(384)</b>	<b>64</b>	<b>(71)</b>	<b>(796)</b>	<b>(743)</b>	<b>(3)</b>	<b>37</b>	<b>(1)</b>	<b>(20,868)</b>
<b>Profit/(Loss) for the financial year</b>		<b>3,046</b>	<b>3,014</b>	<b>(89)</b>	<b>4,711</b>	<b>2,421</b>	<b>240</b>	<b>2,830</b>	<b>(1,769)</b>	<b>158,131</b>
Withholding tax		-	(81)	(7)	(3)	(1)	-	(85)	(2)	(6,090)
<b>Operating profit/(loss)</b>		<b>3,046</b>	<b>2,933</b>	<b>(96)</b>	<b>4,708</b>	<b>2,420</b>	<b>240</b>	<b>2,745</b>	<b>(1,771)</b>	<b>152,041</b>
Adjustment from bid market prices to last traded prices		224	73	-	(18)	(14)	-	83	19	3,254
<b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating shares from operations</b>		<b>3,270</b>	<b>3,006</b>	<b>(96)</b>	<b>4,690</b>	<b>2,406</b>	<b>240</b>	<b>2,828</b>	<b>(1,752)</b>	<b>155,295</b>

Gains and losses arose solely from continuing operations except for the Thames River UK Absolute Income Fund and Thames River Currency Alpha Fund  
There were no gains or losses other than those dealt with in the Profit and Loss Account.

\*Terminated 25 June 2010

\*\*Terminated 17 May 2010

\*\*\* For the period from 9 April 2010 to 30 September 2010

\*\*\*\* For the period from 20 August 2010 to 30 September 2010

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

Profit and Loss Account for the six months ended 30 September 2009

		Thames River European Dynamic Fund Sept 2009 €000	Thames River High Income Fund Sept 2009 US\$000	Eastern European Fund Sept 2009 US\$000	Global Emerging Markets Fund Sept 2009 US\$000	Thames River Global Bond Fund (£) Sept 2009 £000	Thames River Global Bond Fund (€) Sept 2009 €000
	Notes						
<b>Income</b>	1						
Investment income		201	13,614	4,437	33,190	-	-
Bank deposit interest		1	122	5	28	6	7
Bond interest income		-	21,087	-	-	8,476	1,806
Net gain on financial assets and financial liabilities at fair value through profit or loss		1,586	156,495	92,742	827,899	5,226	1,626
<b>Total investment income</b>		<b>1,788</b>	<b>191,318</b>	<b>97,184</b>	<b>861,117</b>	<b>13,708</b>	<b>3,439</b>
<b>Expenses</b>	1						
Investment Management fee		(55)	(5,028)	(1,430)	(17,465)	(2,887)	(640)
Performance fee		(1)	(193)	(17)	(5)	(2)	(238)
Administration fee		(4)	(369)	(89)	(1,090)	(326)	(71)
Custody fee		(4)	(287)	(129)	(1,214)	(213)	(50)
General expenses		(27)	(320)	(138)	(447)	(164)	(54)
<b>Total operating expenses</b>		<b>(91)</b>	<b>(6,197)</b>	<b>(1,803)</b>	<b>(20,221)</b>	<b>(3,592)</b>	<b>(1,053)</b>
<b>Net income before finance costs</b>		<b>1,697</b>	<b>185,121</b>	<b>95,381</b>	<b>840,896</b>	<b>10,116</b>	<b>2,386</b>
<b>Finance costs</b>							
Bank interest expense		-	(21)	(1)	(38)	-	(2)
Distributions	2	(136)	(16,882)	(1,802)	(5,586)	(4,466)	(98)
Net equalisation	1	2	2,160	358	2,771	(682)	2,932
<b>Total finance costs</b>		<b>(134)</b>	<b>(14,743)</b>	<b>(1,445)</b>	<b>(2,853)</b>	<b>(5,148)</b>	<b>2,832</b>
<b>Profit for the financial year</b>		<b>1,563</b>	<b>170,378</b>	<b>93,936</b>	<b>838,043</b>	<b>4,968</b>	<b>5,218</b>
Withholding tax		(46)	(6)	(613)	(3,652)	-	-
<b>Operating profit</b>		<b>1,517</b>	<b>170,372</b>	<b>93,323</b>	<b>834,391</b>	<b>4,968</b>	<b>5,218</b>
Adjustment from bid market prices to last traded prices		(1)	726	189	1,140	427	41
<b>Increase in net assets for the year attributable to holders of redeemable participating shares from operations</b>		<b>1,516</b>	<b>171,098</b>	<b>93,512</b>	<b>835,531</b>	<b>5,395</b>	<b>5,259</b>

The accompanying notes form an integral part of these financial statements.

# TRADITIONAL FUNDS plc

Profit and Loss Account for the six months ended 30 September 2009 (continued)

		Thames River Global Bond Fund (\$) Sept 2009	Emerging Asia Fund Sept 2009	European Select Fund Sept 2009	Thames River World Government Bond Fund Sept 2009	Thames River Water and Agriculture Fund Sept 2009	Total Sept 2009
	Notes	US\$000	US\$000	€000	£000	US\$000	€000
<b>Income</b>	1						
Investment income		-	2,374	208	-	231	39,007
Bank deposit interest		-	1	1	-	8	133
Bond interest income		464	-	-	1,118	9	28,211
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss		1,857	49,669	2,359	(3,090)	4,204	820,071
<b>Total investment income/(expense)</b>		<b>2,321</b>	<b>52,044</b>	<b>2,568</b>	<b>(1,972)</b>	<b>4,452</b>	<b>887,422</b>
<b>Expenses</b>	1						
Investment Management fee		(187)	(902)	(66)	(449)	(201)	(22,642)
Performance fee		-	-	(2)	(2)	(2)	(401)
Administration fee		(21)	(69)	(4)	(50)	(13)	(1,692)
Custody fee		(16)	(47)	(51)	(34)	(16)	(1,612)
General expenses		(50)	(59)	(5)	(23)	(24)	(1,042)
<b>Total operating expenses</b>		<b>(274)</b>	<b>(1,077)</b>	<b>(128)</b>	<b>(558)</b>	<b>(256)</b>	<b>(27,389)</b>
<b>Net income/(expense) before finance costs</b>		<b>2,047</b>	<b>50,967</b>	<b>2,440</b>	<b>(2,530)</b>	<b>4,196</b>	<b>860,033</b>
<b>Finance costs</b>							
Bank interest expense		(1)	(18)	(4)	-	(7)	(68)
Distributions	2	(66)	(148)	-	(442)	-	(23,387)
Net equalisation	1	1,147	1,458	-	46	-	7,867
<b>Total finance costs</b>		<b>1,080</b>	<b>1,292</b>	<b>(4)</b>	<b>(396)</b>	<b>(7)</b>	<b>(15,588)</b>
<b>Profit/(Loss) for the financial year</b>		<b>3,127</b>	<b>52,259</b>	<b>2,436</b>	<b>(2,926)</b>	<b>4,189</b>	<b>844,445</b>
Withholding tax		-	(294)	(40)	-	(41)	(3,388)
<b>Operating profit/(loss)</b>		<b>3,127</b>	<b>51,965</b>	<b>2,396</b>	<b>(2,926)</b>	<b>4,148</b>	<b>841,057</b>
Adjustment from bid market prices to last traded prices		15	292	5	53	9	2,292
<b>Increase/(decrease) in net assets for the year attributable to holders of redeemable participating shares from operations</b>		<b>3,142</b>	<b>52,257</b>	<b>2,401</b>	<b>(2,873)</b>	<b>4,157</b>	<b>843,349</b>

Gains and losses arose solely from continuing operations.

There were no gains or losses other than those dealt with in the Profit and Loss Account.

*The accompanying notes form an integral part of these financial statements.*



## TRADITIONAL FUNDS plc

### Statement of Changes in Net Assets Attributable to Participating Shareholders for the six months ended 30 September 2010

	Thames River European Dynamic Growth Fund Sept 2010 €000	Thames River High Income Fund Sept 2010 US\$000	Eastern European Fund Sept 2010 US\$000	Global Emerging Markets Fund Sept 2010 US\$000	Thames River Global Bond Fund (£) Sept 2010 £000	Thames River Global Bond Fund (€) Sept 2010 €000	Thames River Global Bond Fund (\$) Sept 2010 US\$000	Emerging Asia Fund Sept 2010 US\$000	Thames River Government Bond Fund Sept 2010 £000	Thames River Water and World Agriculture Absolute Return Fund Sept 2010 US\$000	Thames River UK Absolute Income Fund Sept 2010 £000	Thames River Global Credit Fund Sept 2010 €000	Thames River Credit Select Fund Sept 2010 €000	Thames River Currency Alpha Fund Sept 2010 €000	Thames River Real Estate Securities Fund Sept 2010 £000	Thames River - BSI Bond Opportunity Fund Sept 2010 €000	Total Sept 2010 €000
Net assets attributable to redeemable participating shareholders at the beginning of the period	9,457	842,180	430,805	3,324,599	770,272	118,908	53,782	243,067	88,295	31,418	8,834	144,738	61,274	19,690	-	-	4,966,886
Notional exchange adjustment																	12,069
Increase/(decrease) in assets attributable to redeemable participating shareholders from operations	239	8,318	(14,952)	119,752	33,858	4,424	1,357	7,795	3,270	3,006	(96)	4,690	2,406	240	2,828	(1,752)	155,295
<b>Share Transactions</b>																	
Proceeds from redeemable participating shares issued	7,184	98,379	84,474	365,288	148,983	133,406	16,408	27,457	13,893	10,807	131	65,405	16,848	656	33,187	119,720	1,046,382
Cost of redeemable participating shares redeemed	(5,744)	(154,089)	(125,529)	(715,939)	(72,441)	(45,171)	(36,522)	(105,765)	(21,388)	(2,368)	(8,869)	(8,848)	(7,436)	(20,586)	(1,570)	(57)	(1,101,342)
<b>Net increase/(decrease) in net assets from share transactions</b>	1,440	(55,710)	(41,055)	(350,651)	76,542	88,235	(20,114)	(78,308)	(7,495)	8,439	(8,738)	56,557	9,412	(19,930)	31,617	119,663	(54,960)
<b>Net assets attributable to redeemable participating shareholders at the end of period</b>	<b>11,136</b>	<b>794,788</b>	<b>374,798</b>	<b>3,093,700</b>	<b>880,672</b>	<b>211,567</b>	<b>35,025</b>	<b>172,554</b>	<b>84,070</b>	<b>42,863</b>	<b>-</b>	<b>205,985</b>	<b>73,092</b>	<b>-</b>	<b>34,445</b>	<b>117,911</b>	<b>5,079,290</b>

*The accompanying notes form an integral part of these financial statements.*

## TRADITIONAL FUNDS plc

### Statement of Changes in Net Assets Attributable to Participating Shareholders for the six months ended 30 September 2009

	Thames River European Dynamic Fund Sept 2009 €000	Thames River High Income Fund Sept 2009 US\$000	Eastern European Fund Sept 2009 US\$000	Global Emerging Markets Fund Sept 2009 US\$000	Thames River Global Bond Fund (£) Sept 2009 £000	Thames River Global Bond Fund (€) Sept 2009 €000	Thames River Global Bond Fund (\$) Sept 2009 US\$000	Emerging Asia Fund Sept 2009 US\$000	European Select Fund Sept 2009 €000	Thames World Government Bond Fund Sept 2009 £000	Thames Water and Agriculture Absolute Return Fund Sept 2009 US\$000	Total Sept 2009 €000
Net assets attributable to redeemable participating shareholders at the beginning of the period	7,557	542,348	96,428	1,144,356	654,782	104,014	32,552	47,394	6,108	91,505	13,711	2,330,649
Notional exchange adjustment												(176,948)
Increase/(decrease) in assets attributable to redeemable participating shareholders from operations	1,516	171,098	93,512	835,531	5,395	5,259	3,142	52,257	2,401	(2,873)	4,157	843,349
<b>Share Transactions</b>												
Proceeds from redeemable participating shares issued	1,098	209,035	63,245	1,094,096	94,965	51,190	25,236	104,151	-	18,605	11,794	1,262,565
Cost of redeemable participating shares redeemed	(2,318)	(148,861)	(27,057)	(343,933)	(185,561)	(28,788)	(20,470)	(26,638)	-	(16,227)	(1,360)	(668,813)
<b>Net increase/(decrease) in net assets from share transactions</b>	(1,220)	60,174	36,188	750,163	(90,596)	22,402	4,766	77,513	-	2,378	10,434	593,752
<b>Net assets attributable to redeemable participating shareholders at the end of period</b>	<b>7,853</b>	<b>773,620</b>	<b>226,128</b>	<b>2,730,050</b>	<b>569,581</b>	<b>131,675</b>	<b>40,460</b>	<b>177,164</b>	<b>8,509</b>	<b>91,010</b>	<b>28,302</b>	<b>3,590,802</b>

*The accompanying notes form an integral part of these financial statements.*

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 1. Principal Accounting Policies

The financial statements of Traditional Funds plc (the "Company") have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (as amended). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the financial statements have been adapted from those contained in the Companies (Amendment) Act, 1986 and FRS 3 "Reporting Financial Performance" so that, in the opinion of the directors, they more appropriately reflect the nature of the Company's business as an investment fund. These financial statements are prepared on the basis of the accounting policies set out in the 31 March 2010 annual financial statements.

The Company has availed itself of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement.

### 2. Distributions

#### Thames River High Income Fund Euro Distributing Class

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.04.10	28.04.10	0.193	5,203,939	1,004,360	01.01.10 to 31.03.10
01.07.10	28.07.10	0.193	4,449,865	858,824	01.04.10 to 30.06.10
				<b>1,863,184</b>	

#### US Dollar Distributing Class

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.10	28.04.10	0.187	3,455,121	646,108	01.01.10 to 31.03.10
01.07.10	28.07.10	0.187	3,017,325	564,240	01.04.10 to 30.06.10
				<b>1,210,348</b>	

#### Sterling Distributing Class

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.04.10	28.04.10	0.200	2,321,801	464,360	01.01.10 to 31.03.10
01.07.10	28.07.10	0.200	2,144,216	428,843	01.04.10 to 30.06.10
				<b>893,203</b>	

#### Norwegian Krone Distributing Class

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
01.04.10	28.04.10	1.463	149,372	218,531	01.01.10 to 31.03.10
01.07.10	28.07.10	1.463	143,733	210,282	01.04.10 to 30.06.10
				<b>428,813</b>	

#### New Euro Distributing Class

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.04.10	28.04.10	0.143	7,262,868	1,038,590	01.01.10 to 31.03.10
01.07.10	28.07.10	0.143	6,833,511	977,192	01.04.10 to 30.06.10
				<b>2,015,782</b>	

#### New US Dollar Distributing Class

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.10	28.04.10	0.146	7,601,837	1,109,868	01.01.10 to 31.03.10
01.07.10	28.07.10	0.146	7,191,355	1,049,938	01.04.10 to 30.06.10
				<b>2,159,806</b>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 2. Distributions (continued)

#### Thames River High Income Fund (continued)

##### New Sterling Distributing Class

Date	Date	Rate per			
Declared	Paid	Share £	No. of Shares	Amount £	Relevant Period
01.04.10	28.04.10	0.146	13,655,315	1,993,676	01.01.10 to 31.03.10
01.07.10	28.07.10	0.146	13,389,100	1,954,809	01.04.10 to 30.06.10
				<b>3,948,485</b>	

##### New Norwegian Krone Distributing Class

Date	Date	Rate per			
Declared	Paid	Share NOK	No. of Shares	Amount NOK	Relevant Period
01.04.10	28.04.10	1.430	1,007,553	1,440,801	01.01.10 to 31.03.10
01.07.10	28.07.10	1.430	947,468	1,354,880	01.04.10 to 30.06.10
				<b>2,795,681</b>	

##### Eastern European Fund

Date	Date	Rate per			
Declared	Paid	Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.10	28.04.10	0.10702	5,340,775	571,570	01.01.10 to 31.03.10
				<b>571,570</b>	

##### Global Emerging Markets Fund

##### US Dollar Distributing Class

Date	Date	Rate per			
Declared	Paid	Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.10	28.04.10	0.00344	16,252,187	55,908	01.01.10 to 31.03.10
				<b>55,908</b>	

##### Euro Distributing Class

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
01.04.10	28.04.10	0.001	4,645,015	4,320	01.01.10 to 31.03.10
				<b>4,320</b>	

##### Thames River Global Bond Fund (£)

##### US Dollar Distributing Class

Date	Date	Rate per			
Declared	Paid	Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.10	30.06.10	0.0455	119,222	5,425	01.03.10 to 28.05.10
01.09.10	29.09.10	0.03605	116,676	4,206	29.05.10 to 31.08.10
				<b>9,631</b>	

##### Euro Distributing Class

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
01.06.10	30.06.10	0.02628	60,183	1,582	01.03.10 to 28.05.10
01.09.10	29.09.10	0.02877	57,928	1,667	29.05.10 to 31.08.10
				<b>3,249</b>	

##### Sterling Distributing Class

Date	Date	Rate per			
Declared	Paid	Share £	No. of Shares	Amount £	Relevant Period
01.06.10	30.06.10	0.04141	51,079,818	2,115,215	01.03.10 to 28.05.10
01.09.10	29.09.10	0.01533	54,785,678	839,864	29.05.10 to 31.08.10
				<b>2,955,079</b>	

##### Thames River Global Bond Fund (€)

##### Euro Distributing Class

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
01.06.10	30.06.10	0.02900	445,503	12,920	01.03.10 to 28.05.10
01.09.10	29.09.10	0.02667	735,067	19,604	29.05.10 to 31.08.10
				<b>32,524</b>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 2. Distributions (continued)

#### Thames River Global Bond Fund (\$)

##### US Dollar Distributing Class

Date	Date	Rate per	No. of Shares	Amount US\$	Relevant Period
Declared	Paid	Share US\$			
01.06.10	30.06.10	0.01133	1,072,868	12,156	01.03.10 to 28.05.10
01.09.10	29.09.10	0.02492	1,078,418	26,874	29.05.10 to 31.08.10
				<b>39,030</b>	

#### Emerging Asia Fund

##### Class A Sterling Distributing

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
01.04.10	28.04.10	0.02490	3,370,520	83,926	01.01.10 to 31.03.10
				<b>83,926</b>	

#### Thames River World Government Bond Fund

##### Sterling Distributing Class

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
01.06.10	30.06.10	0.03130	5,826,391	182,366	01.03.10 to 28.05.10
01.09.10	29.09.10	0.02854	5,540,995	158,140	29.05.10 to 31.08.10
				<b>340,506</b>	

#### Thames River UK Absolute Income Fund

##### Class A Sterling Distributing

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
09.04.10	28.04.10	0.01011	605,377	6,120	01.01.10 to 31.03.10
				<b>6,120</b>	

##### Class X Sterling Distributing

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
09.04.10	28.04.10	0.02635	488,509	12,872	01.01.10 to 31.03.10
				<b>12,872</b>	

#### Thames River Global Credit Fund

##### Class A Sterling Distributing

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
04.05.10	26.05.10	0.1179	1,571,714	185,305	01.02.10 to 30.04.10
03.08.10	25.08.10	0.1059	1,735,197	183,757	01.05.10 to 30.07.10
				<b>369,062</b>	

##### Class B Sterling Distributing

Date	Date	Rate per	No. of Shares	Amount £	Relevant Period
Declared	Paid	Share £			
04.05.10	26.05.10	0.1181	1,448,423	171,059	01.02.10 to 30.04.10
03.08.10	25.08.10	0.1061	1,449,327	153,774	01.05.10 to 30.07.10
				<b>324,833</b>	

##### Class A NOK Distributing

Date	Date	Rate per	No. of Shares	Amount NOK	Relevant Period
Declared	Paid	Share NOK			
04.05.10	26.05.10	1.1800	235,084	277,400	01.02.10 to 30.04.10
03.08.10	25.08.10	1.0637	406,369	432,254	01.05.10 to 30.07.10
				<b>709,654</b>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 2. Distributions (continued)

#### Thames River Global Credit Fund (continued)

##### Class A Euro Distributing

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
04.05.10	26.05.10	0.118	437,571	51,633	01.02.10 to 30.04.10
03.08.10	25.08.10	0.1059	414,956	43,944	01.05.10 to 30.07.10
				<u>95,577</u>	

##### Class A US Dollar Distributing

Date	Date	Rate per			
Declared	Paid	Share \$	No. of Shares	Amount \$	Relevant Period
04.05.10	26.05.10	0.1178	203,619	23,986	01.02.10 to 30.04.10
03.08.10	25.08.10	0.1056	194,177	20,505	01.05.10 to 30.07.10
				<u>44,491</u>	

#### Thames River Credit Select Fund

##### Class A Sterling Distributing

Date	Date	Rate per			
Declared	Paid	Share £	No. of Shares	Amount £	Relevant Period
01.06.10	30.06.10	0.076	315,330	24,091	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0824	355,790	29,317	29.05.10 to 31.08.10
				<u>53,408</u>	

##### Class B Sterling Distributing

Date	Date	Rate per			
Declared	Paid	Share £	No. of Shares	Amount £	Relevant Period
01.06.10	30.06.10	0.077	2,703,639	207,099	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0827	2,659,994	219,981	29.05.10 to 31.08.10
				<u>427,080</u>	

##### Class A US Dollar Distributing

Date	Date	Rate per			
Declared	Paid	Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.10	30.06.10	0.076	358,817	27,414	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0823	358,617	29,514	29.05.10 to 31.08.10
				<u>56,928</u>	

##### Class A Euro Distributing

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
01.06.10	30.06.10	0.077	366,415	28,031	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0826	471,804	38,971	29.05.10 to 31.08.10
				<u>67,002</u>	

##### Class B US Dollar Distributing

Date	Date	Rate per			
Declared	Paid	Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.10	30.06.10	0.077	162,043	12,396	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0826	162,043	13,385	29.05.10 to 31.08.10
				<u>25,781</u>	

##### Class B Euro Distributing

Date	Date	Rate per			
Declared	Paid	Share €	No. of Shares	Amount €	Relevant Period
01.06.10	30.06.10	0.077	126,381	9,681	01.03.10 to 28.05.10
01.09.10	29.09.10	0.0827	127,251	10,524	29.05.10 to 31.08.10
				<u>20,204</u>	

##### Class A NOK Distributing

Date	Date	Rate per			
Declared	Paid	Share NOK	No. of Shares	Amount NOK	Relevant Period
01.06.10	30.06.10	0.500	20,000	10,000	01.03.10 to 28.05.10
01.09.10	29.09.10	0.8049	20,000	16,098	29.05.10 to 31.08.10
				<u>26,098</u>	

# TRADITIONAL FUNDS plc

Notes to the Financial Statements

30 September 2010

## 3. Share Capital

### *Subscriber Shares*

The Company issued 30,000 subscriber shares of €1.27 each to comply with incorporation requirements.

Those subscriber shares were held as follows:

- 7 subscriber shares in a nominee capacity on behalf of Thames River Capital (UK) Limited – fully paid.
- 29,993 subscriber shares by Thames River Capital Holdings Limited.

As all but seven subscriber shares were not required after the launch of the Company, the balance were redeemed on 24 August 1999.

The subscriber share capital does not form part of the Net Asset Value of the Company and is stated here for reference only.

### *Participating Shares*

The Company has an authorised share capital of 500 million shares of no par value. As at 30 September 2010 the Company had the following participating shares of no par value in issue. The issued redeemable participating share capital is at all times equal to the net asset value attributable to the relevant class of shares of the Company.

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities at fair value through profit or loss. In the six months ending 30 September 2010, the movement in the number of participating shares was as follows:

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River European Dynamic Growth Fund</b>				
Class A Old Euro Accumulating (€)				
Opening Shares	310,832		474,851	
Subscriptions	-	-	121,972	2,207,586
Redemptions	(261,432)	(5,211,426)	(285,991)	(4,596,905)
Closing Shares	<u>49,400</u>		<u>310,832</u>	
Class A Old Sterling Distributing (£)				
Opening Shares	50,069		48,708	
Subscriptions	-	-	8,374	135,997
Redemptions	(6,146)	(99,261)	(7,013)	(97,707)
Closing Shares	<u>43,923</u>		<u>50,069</u>	
Class A New Euro Accumulating Class (€)				
Opening Shares	43,790		-	
Subscriptions	169,266	1,898,848	52,850	530,032
Redemptions	(6,021)	(65,522)	(9,060)	(96,000)
Closing Shares	<u>207,035</u>		<u>43,790</u>	
Class A New Sterling Distributing Class (£)				
Opening Shares	121,507		-	
Subscriptions	-	-	121,507	1,255,000
Redemptions	-	-	-	-
Closing Shares	<u>121,507</u>		<u>121,507</u>	
Class A GBP Accumulating Class (£)				
Opening Shares	37,131		-	
Subscriptions	13,640	130,985	37,141	357,427
Redemptions	(19,055)	(183,821)	(10)	(100)
Closing Shares	<u>31,716</u>		<u>37,131</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River European Dynamic Growth Fund (continued)</b>				
Class B GBP Distributing Class (£)				
Opening Shares	500	-	-	-
Subscriptions	-	-	500	5,000
Redemptions	-	-	-	-
Closing Shares	<u>500</u>		<u>500</u>	
Class B Euro Accumulating Class (€)				
Opening Shares	-	-	-	-
Subscriptions	513,073	5,128,911	-	-
Redemptions	(13,346)	(130,833)	-	-
Closing Shares	<u>499,727</u>		<u>-</u>	
<b>Thames River High Income Fund</b>				
Euro Distributing Class (€)				
Opening Shares	5,203,995		6,978,616	
Subscriptions	66,012	722,219	215,729	2,185,666
Redemptions	(849,726)	(9,297,311)	(1,990,350)	(20,508,858)
Closing Shares	<u>4,420,281</u>		<u>5,203,995</u>	
Sterling Distributing Class (£)				
Opening Shares	2,343,708		2,941,900	
Subscriptions	23,916	274,124	44,505	472,649
Redemptions	(301,199)	(3,470,759)	(642,697)	(6,991,152)
Closing Shares	<u>2,066,425</u>		<u>2,343,708</u>	
US Dollar Distributing Class (\$)				
Opening Shares	3,455,121		4,081,995	
Subscriptions	37,339	400,078	106,698	1,046,822
Redemptions	(522,541)	5,583,598	(733,572)	(7,520,174)
Closing Shares	<u>2,969,919</u>		<u>3,455,121</u>	
NOK Distributing Class (NOK)				
Opening Shares	149,372		312,482	
Subscriptions	3,992	338,548	24,819	1,909,499
Redemptions	(18,305)	(1,551,665)	(187,929)	(14,895,663)
Closing Shares	<u>135,059</u>		<u>149,372</u>	
New Euro Accumulating Class (€)				
Opening Shares	21,140,500		14,670,662	
Subscriptions	3,318,688	38,281,071	16,641,189	165,153,077
Redemptions	(5,428,586)	(61,721,707)	(10,171,351)	(100,219,415)
Closing Shares	<u>19,030,602</u>		<u>21,140,500</u>	
New Euro Distributing Class (€)				
Opening Shares	7,335,225		6,873,639	
Subscriptions	520,480	4,131,546	2,525,912	18,870,689
Redemptions	(1,124,078)	(8,933,471)	(2,064,326)	(15,347,765)
Closing Shares	<u>6,731,627</u>		<u>7,335,225</u>	



# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010	Sept 2010	Mar 2010	Mar 2010
	Shares	Value	Shares	Value
<b>Thames River High Income Fund (continued)</b>				
New Sterling Distributing Class (£)				
Opening Shares	13,656,477		11,418,696	
Subscriptions	1,384,916	11,414,187	8,286,937	64,698,275
Redemptions	(1,221,206)	(10,015,185)	(6,049,156)	(47,839,229)
Closing Shares	<u>13,820,187</u>		<u>13,656,477</u>	
New US Dollar Distributing Class (\$)				
Opening Shares	7,608,692		3,533,497	
Subscriptions	1,450,319	11,926,725	6,440,464	50,586,090
Redemptions	(2,553,249)	(20,820,380)	(2,365,269)	(18,339,610)
Closing Shares	<u>6,505,762</u>		<u>7,608,692</u>	
New NOK Distributing Class (NOK)				
Opening Shares	1,009,058		736,739	
Subscriptions	153,892	12,819,137	437,676	33,199,153
Redemptions	(142,680)	(11,679,776)	(165,357)	(12,367,977)
Closing Shares	<u>1,020,270</u>		<u>1,009,058</u>	
New USD Accumulating Class (\$)				
Opening Shares	199,145		-	
Subscriptions	741,031	7,736,455	199,145	2,029,034
Redemptions	(370,971)	(3,874,036)	-	-
Closing Shares	<u>569,205</u>		<u>199,145</u>	
New GBP Accumulating Class (£)				
Opening Shares	20,558		-	
Subscriptions	141,335	1,473,648	20,558	208,548
Redemptions	(9,760)	(100,425)	-	-
Closing Shares	<u>152,133</u>		<u>20,558</u>	
<b>Thames River Eastern European Fund (\$)</b>				
Opening Shares	5,340,241		2,695,768	
Subscriptions	1,119,436	84,473,360	3,637,769	245,918,996
Redemptions	(1,719,270)	(125,528,916)	(993,296)	(60,015,756)
Closing Shares	<u>4,740,407</u>		<u>5,340,241</u>	
<b>Global Emerging Markets Fund</b>				
Euro Distributing Class (€)				
Opening Shares	5,042,267		3,132,799	
Subscriptions	486,205	17,891,016	2,388,167	67,294,044
Redemptions	(2,574,579)	(94,379,261)	(478,699)	(15,022,774)
Closing Shares	<u>2,953,893</u>		<u>5,042,267</u>	
Sterling Distributing Class (£)				
Opening Shares	6,586,431		3,608,997	
Subscriptions	1,296,811	57,687,896	5,030,789	192,887,894
Redemptions	(2,234,336)	(101,264,988)	(2,053,355)	(81,421,978)
Closing Shares	<u>5,648,906</u>		<u>6,586,431</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010	Sept 2010	Mar 2010	Mar 2010
	Shares	Value	Shares	Value
<b>Global Emerging Markets Fund (continued)</b>				
US Dollar Distributing Class (\$)				
Opening Shares	16,267,188		10,862,560	
Subscriptions	2,854,431	126,368,175	10,050,135	381,713,941
Redemptions	(3,127,704)	(135,458,604)	(4,645,507)	(181,510,546)
Closing Shares	<u>15,993,915</u>		<u>16,267,188</u>	
Euro Accumulating Class (€)				
Opening Shares	32,589,663		20,023,323	
Subscriptions	2,523,137	54,969,758	20,425,822	366,871,898
Redemptions	(7,983,063)	(171,087,613)	(7,859,482)	(150,098,886)
Closing Shares	<u>27,129,737</u>		<u>32,589,663</u>	
US Dollar Accumulating Class (\$)				
Opening Shares	64,258,023		35,526,618	
Subscriptions	13,158,524	184,253,892	59,248,756	724,685,804
Redemptions	(16,339,668)	(223,557,167)	(30,517,351)	(377,666,614)
Closing Shares	<u>61,076,879</u>		<u>64,258,023</u>	
<b>Thames River Global Bond Fund (£)</b>				
US Dollar Class (\$)				
Opening Shares	119,222		124,162	
Subscriptions	349	4,562	828	10,215
Redemptions	(2,727)	(36,017)	(5,768)	(71,572)
Closing Shares	<u>116,844</u>		<u>119,222</u>	
Euro Class (€)				
Opening Shares	63,522		76,955	
Subscriptions	213	2,703	685	8,231
Redemptions	(6,039)	(77,584)	(14,118)	(166,909)
Closing Shares	<u>57,696</u>		<u>63,522</u>	
Sterling Accumulating Class (£)				
Opening Shares	4,828,691		4,944,511	
Subscriptions	2,431,188	39,655,598	2,624,090	36,888,128
Redemptions	(1,536,069)	(25,013,238)	(2,739,910)	(38,300,469)
Closing Shares	<u>5,723,810</u>		<u>4,828,691</u>	
Sterling Distributing Class (£)				
Opening Shares	50,262,816		41,930,316	
Subscriptions	7,692,809	109,322,162	26,072,802	356,122,532
Redemptions	(3,315,410)	(47,338,094)	(17,740,302)	(237,060,719)
Closing Shares	<u>54,640,215</u>		<u>50,262,816</u>	
<b>Thames River Global Bond Fund (€)</b>				
Euro Accumulating Class (€)				
Opening Shares	8,420,408		6,714,184	
Subscriptions	8,949,590	128,322,140	5,682,129	68,030,908
Redemptions	(3,065,711)	(43,977,672)	(3,975,905)	(47,476,794)
Closing Shares	<u>14,304,287</u>		<u>8,420,408</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010	Sept 2010	Mar 2010	Mar 2010
Thames River Global Bond Fund (€) (continued)	Shares	Value	Shares	Value
Euro Distributing Class (€)				
Opening Shares	444,700		1,475,723	
Subscriptions	399,134	5,098,466	257,089	3,021,789
Redemptions	(93,774)	(1,193,137)	(1,288,112)	(15,107,579)
Closing Shares	<u>750,060</u>		<u>444,700</u>	
<b>Thames River Global Bond Fund (\$)</b>				
US Dollar Accumulating Class (\$)				
Opening Shares	3,528,224		1,290,379	
Subscriptions	1,096,435	13,479,794	3,183,982	35,177,190
Redemptions	(2,717,481)	(32,772,930)	(946,137)	(10,427,968)
Closing Shares	<u>1,907,178</u>		<u>3,528,224</u>	
US Dollar Distributing Class (\$)				
Opening Shares	1,058,569		1,615,822	
Subscriptions	268,200	2,927,906	847,321	9,210,947
Redemptions	(341,245)	(3,748,708)	(1,404,574)	(14,991,376)
Closing Shares	<u>985,524</u>		<u>1,058,569</u>	
<b>Emerging Asia Fund</b>				
Class A Euro Accumulating (€)				
Opening Shares	3,987,582		1	
Subscriptions	155,320	1,638,813	4,055,756	39,684,759
Redemptions	(3,012,872)	(32,120,265)	(68,175)	(642,526)
Closing Shares	<u>1,130,030</u>		<u>3,987,582</u>	
Class B Euro Accumulating (€)				
Opening Shares	978,611		894,106	
Subscriptions	489,813	4,373,215	1,381,252	10,284,716
Redemptions	(461,720)	(4,226,508)	(1,296,747)	(9,655,355)
Closing Shares	<u>1,006,704</u>		<u>978,611</u>	
Class B Euro Distributing (€)				
Opening Shares	17,539		14,633	
Subscriptions	2,108	19,309	2,906	21,910
Redemptions	(700)	(5,975)	-	-
Closing Shares	<u>18,947</u>		<u>17,539</u>	
Class A Sterling Distributing (£)				
Opening Shares	3,389,220		100,681	
Subscriptions	156,861	1,853,522	3,533,637	37,162,896
Redemptions	(301,625)	(3,514,459)	(245,098)	(2,817,600)
Closing Shares	<u>3,244,456</u>		<u>3,389,220</u>	
Class B Sterling Distributing (£)				
Opening Shares	1,162,222		1,617,122	
Subscriptions	323,651	3,606,030	569,110	5,741,119
Redemptions	(49,872)	(543,597)	(1,024,010)	(10,046,366)
Closing Shares	<u>1,436,001</u>		<u>1,162,222</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Emerging Asia Fund (continued)</b>				
Class A US Dollar Accumulating (\$)				
Opening Shares	6,449,303		1,777,372	
Subscriptions	937,747	8,386,827	11,844,525	82,160,325
Redemptions	(3,952,487)	(35,304,998)	(7,172,594)	(61,503,215)
Closing Shares	<u>3,434,563</u>		<u>6,449,303</u>	
Class B US Dollar Accumulating (\$)				
Opening Shares	3,522,498		2,600,315	
Subscriptions	360,566	2,868,968	1,645,555	12,110,545
Redemptions	(2,087,248)	(16,821,998)	(723,372)	(4,897,522)
Closing Shares	<u>1,795,816</u>		<u>3,522,498</u>	
Class B US Dollar Distributing (\$)				
Opening Shares	112,502		34,605	
Subscriptions	10,593	89,514	85,129	662,356
Redemptions	(6,308)	(51,320)	(7,232)	(57,765)
Closing Shares	<u>116,787</u>		<u>112,502</u>	
<b>European Select Fund</b>				
Euro Distributing Class (€)				
Opening Shares	-		1,000,000	
Subscriptions	-	-	-	-
Redemptions	-	-	(1,000,000)	(8,690,000)
Closing Shares	<u>-</u>		<u>-</u>	
<b>Thames River World Government Bond Fund</b>				
Sterling Distributing Class (£)				
Opening Shares	5,474,902		5,796,650	
Subscriptions	1,110,520	11,772,110	2,057,432	21,154,154
Redemptions	(1,328,872)	(14,124,349)	(2,379,180)	(23,597,699)
Closing Shares	<u>5,256,550</u>		<u>5,474,902</u>	
Sterling Accumulating Class (£)				
Opening Shares	2,900,761		2,554,170	
Subscriptions	196,200	2,120,399	680,851	6,747,844
Redemptions	(671,376)	(7,263,833)	(334,260)	(3,386,061)
Closing Shares	<u>2,425,585</u>		<u>2,900,761</u>	
<b>Thames River Water and Agriculture Absolute Return Fund</b>				
Euro Accumulating Class (€)				
Opening Shares	658,297		162,210	
Subscriptions	305,096	3,495,200	692,424	7,547,101
Redemptions	(116,207)	(1,318,104)	(196,337)	(2,180,529)
Closing Shares	<u>847,186</u>		<u>658,297</u>	
Euro Distributing Class (€)				
Opening Shares	144,036		25,000	
Subscriptions	5,080	57,285	154,379	1,709,199
Redemptions	(5,280)	(58,203)	(35,343)	(392,084)
Closing Shares	<u>143,836</u>		<u>144,036</u>	

# TRADITIONAL FUNDS PLC

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River Water and Agriculture Absolute Return Fund (continued)</b>				
US Dollar Accumulating Class (\$)				
Opening Shares	115,319		16,738	
Subscriptions	130,470	1,474,063	130,793	1,439,519
Redemptions	(3,353)	(38,383)	(32,212)	(355,148)
Closing Shares	<u>242,436</u>		<u>115,319</u>	
Sterling Distributing Class (£)				
Opening Shares	995,002		770,576	
Subscriptions	174,320	2,018,880	278,336	2,984,863
Redemptions	(27,931)	(318,811)	(53,910)	(593,300)
Closing Shares	<u>1,141,391</u>		<u>995,002</u>	
Sterling Accumulating Class (£)				
Opening Shares	21,630		-	
Subscriptions	100,289	1,020,037	21,732	216,343
Redemptions	(1,519)	(14,878)	(102)	(1,020)
Closing Shares	<u>120,400</u>		<u>21,630</u>	
US Dollar Distributing Class (\$)				
Opening Shares	10,372		-	
Subscriptions	9,167	94,026	10,372	105,000
Redemptions	-	-	-	-
Closing Shares	<u>19,539</u>		<u>10,372</u>	
NOK Accumulating Class (NOK)				
Opening Shares	1,817		-	
Subscriptions	-	-	1,817	181,722
Redemptions	-	-	-	-
Closing Shares	<u>1,817</u>		<u>1,817</u>	
<b>Thames River UK Absolute Income Fund</b>				
Sterling Distributing Class A (£)				
Opening Shares	635,399		-	
Subscriptions	17,678	131,028	891,914	6,832,876
Redemptions	(653,077)	(4,802,785)	(256,515)	(1,929,215)
Closing Shares	<u>-</u>		<u>635,399</u>	
Sterling Accumulating Class B (£)				
Opening Shares	500		-	
Subscriptions	-	-	500	5,000
Redemptions	(500)	(4,802)	-	-
Closing Shares	<u>-</u>		<u>500</u>	
Sterling Distributing Class X (£)				
Opening Shares	488,509		-	
Subscriptions	-	-	572,170	4,954,989
Redemptions	(488,509)	(4,056,688)	(83,661)	(718,649)
Closing Shares	<u>-</u>		<u>488,509</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River UK Absolute Income Fund (continued)</b>				
Sterling Accumulating Class Y (£)				
Opening Shares	500	-	-	-
Subscriptions	-	-	500	5,000
Redemptions	(500)	(4,802)	-	-
Closing Shares	<u>500</u>		<u>500</u>	
<b>Thames River Global Credit Fund</b>				
Class A Euro Accumulating (€)				
Opening Shares	5,494,733	-	-	-
Subscriptions	2,097,553	21,943,110	6,351,831	64,085,869
Redemptions	(304,234)	(3,198,644)	(857,098)	(8,928,607)
Closing Shares	<u>7,288,052</u>		<u>5,494,733</u>	
Class A US Dollar Accumulating (\$)				
Opening Shares	469,714	-	-	-
Subscriptions	218,828	2,292,282	943,640	9,587,217
Redemptions	(85,780)	(910,538)	(473,926)	(4,959,085)
Closing Shares	<u>602,762</u>		<u>469,714</u>	
Class A Sterling Accumulating (£)				
Opening Shares	975,233	-	-	-
Subscriptions	886,254	9,372,798	995,825	10,069,803
Redemptions	(167,749)	(1,759,774)	(20,592)	(212,812)
Closing Shares	<u>1,693,738</u>		<u>975,233</u>	
Class A Sterling Distributing (£)				
Opening Shares	1,439,641	-	-	-
Subscriptions	383,917	3,970,687	1,510,452	15,260,692
Redemptions	(20,200)	(210,512)	(70,811)	(732,375)
Closing Shares	<u>1,803,358</u>		<u>1,439,641</u>	
Class B Euro Accumulating (€)				
Opening Shares	1,823,466	-	-	-
Subscriptions	1,032,367	10,945,412	1,823,466	18,806,328
Redemptions	(2,000)	(21,379)	-	-
Closing Shares	<u>2,853,833</u>		<u>1,823,466</u>	
Class B US Dollar Accumulating (\$)				
Opening Shares	1,114,113	-	-	-
Subscriptions	1,197,149	12,869,809	1,114,113	11,417,091
Redemptions	(75,829)	(797,961)	-	-
Closing Shares	<u>2,235,433</u>		<u>1,114,113</u>	
Class B Sterling Accumulating (£)				
Opening Shares	61,523	-	-	-
Subscriptions	8,741	93,465	85,603	858,046
Redemptions	(1,582)	(16,665)	(24,080)	(248,060)
Closing Shares	<u>68,682</u>		<u>61,523</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River Global Credit Fund (continued)</b>				
Class B Sterling Distributing (£)				
Opening Shares	1,448,423		-	
Subscriptions	17,604	183,628	1,454,923	14,606,655
Redemptions	(81,249)	(848,003)	(6,500)	(67,330)
Closing Shares	<u>1,384,778</u>		<u>1,448,423</u>	
Class A NOK Distributing (NOK)				
Opening Shares	199,988		-	
Subscriptions	311,894	32,525,665	229,480	23,454,039
Redemptions	(5,725)	(590,790)	(29,492)	(3,043,586)
Closing Shares	<u>506,157</u>		<u>199,988</u>	
Class A Euro Distributing (€)				
Opening Shares	433,273		-	
Subscriptions	40,205	416,156	436,773	4,398,529
Redemptions	(67,387)	(697,647)	(3,500)	(36,290)
Closing Shares	<u>406,091</u>		<u>433,273</u>	
Class A US Dollar Distributing (\$)				
Opening Shares	196,469		-	
Subscriptions	15,346	158,948	196,469	1,980,728
Redemptions	(17,123)	(174,814)	-	-
Closing Shares	<u>194,692</u>		<u>196,469</u>	
<b>Thames River Credit Select Fund</b>				
Class A Euro Accumulating (€)				
Opening Shares	1,176,528		-	
Subscriptions	306,348	3,249,620	1,268,811	12,764,738
Redemptions	(226,512)	(2,346,955)	(92,283)	(923,465)
Closing Shares	<u>1,256,364</u>		<u>1,176,528</u>	
Class A US Dollar Accumulating (\$)				
Opening Shares	245,257		-	
Subscriptions	33,682	350,159	278,667	2,805,361
Redemptions	(19,439)	(203,620)	(33,410)	(345,889)
Closing Shares	<u>259,500</u>		<u>245,257</u>	
Class A Sterling Accumulating (£)				
Opening Shares	419,961		-	
Subscriptions	87,115	910,042	495,359	5,007,193
Redemptions	(10,410)	(109,940)	(75,398)	(772,332)
Closing Shares	<u>496,666</u>		<u>419,961</u>	
Class A Sterling Distributing (£)				
Opening Shares	148,323		-	
Subscriptions	210,617	2,170,923	172,819	1,746,648
Redemptions	(1,961)	(19,984)	(24,496)	(249,003)
Closing Shares	<u>356,979</u>		<u>148,323</u>	
Class B US Dollar Accumulating (\$)				
Opening Shares	43,385		-	
Subscriptions	67,573	705,025	43,385	433,846
Redemptions	(9,195)	(98,362)	-	-
Closing Shares	<u>101,763</u>		<u>43,385</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River Credit Select Fund (continued)</b>				
Class B Sterling Accumulating (£)				
Opening Shares	500		-	
Subscriptions	94,340	996,800	500	5,000
Redemptions	-	-	-	-
Closing Shares	<u>94,840</u>		<u>500</u>	
Sterling Distributing Class B (£)				
Opening Shares	2,795,608		-	
Subscriptions	416,155	4,347,791	2,941,792	29,833,921
Redemptions	(368,709)	(3,813,744)	(146,184)	(1,494,398)
Closing Shares	<u>2,843,054</u>		<u>2,795,608</u>	
US Dollar Distributing Class A (\$)				
Opening Shares	318,123		-	
Subscriptions	60,361	624,915	326,205	3,290,710
Redemptions	(19,522)	(201,422)	(8,082)	(82,190)
Closing Shares	<u>358,962</u>		<u>318,123</u>	
Euro Distributing Class A (€)				
Opening Shares	366,404		-	
Subscriptions	109,934	1,154,154	367,885	3,696,669
Redemptions	(4,676)	(48,485)	(1,481)	(15,158)
Closing Shares	<u>471,662</u>		<u>366,404</u>	
US Dollar Distributing Class B (\$)				
Opening Shares	45,981		-	
Subscriptions	116,062	1,192,577	59,363	603,884
Redemptions	-	-	(13,382)	(137,306)
Closing Shares	<u>162,043</u>		<u>45,981</u>	
Euro Distributing Class B (€)				
Opening Shares	126,381		-	
Subscriptions	1,798	18,714	126,381	1,288,370
Redemptions	-	-	-	-
Closing Shares	<u>128,179</u>		<u>126,381</u>	
NOK Distributing Class A (NOK)				
Opening Shares	-		-	
Subscriptions	20,000	2,000,000	-	-
Redemptions	-	-	-	-
Closing Shares	<u>20,000</u>		<u>-</u>	
<b>Thames River Currency Alpha Fund</b>				
Sterling Accumulating Class (£)				
Opening Shares	509,807		-	
Subscriptions	1,462	14,913	520,182	5,201,818
Redemptions	(511,269)	(5,163,819)	(10,375)	(101,775)
Closing Shares	<u>-</u>		<u>509,807</u>	
US Dollar Distributing Class (\$)				
Opening Shares	14,314		-	
Subscriptions	-	-	288,733	2,887,330
Redemptions	(14,314)	(144,433)	(274,419)	(2,689,302)
Closing Shares	<u>-</u>		<u>14,314</u>	



# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River Currency Alpha Fund (continued)</b>				
Euro Accumulating Class (€)				
Opening Shares	1,185,645		-	
Subscriptions	-	-	1,195,907	11,959,073
Redemptions	(1,185,645)	(11,963,160)	(10,262)	(100,568)
Closing Shares	<u>-</u>		<u>1,185,645</u>	
Sterling Distributing Class (£)				
Opening Shares	152,863		-	
Subscriptions	54,687	560,000	152,863	1,515,744
Redemptions	(207,550)	(2,096,257)	-	-
Closing Shares	<u>-</u>		<u>152,863</u>	
<b>Thames River Real Estate Securities Fund</b>				
Sterling Distributing Class A (£)				
Opening Shares	-		-	
Subscriptions	104,445	1,044,748	-	-
Redemptions	-	-	-	-
Closing Shares	<u>104,445</u>		<u>-</u>	
Sterling Distributing Class B (£)				
Opening Shares	-		-	
Subscriptions	516,537	5,143,681	-	-
Redemptions	-	-	-	-
Closing Shares	<u>516,537</u>		<u>-</u>	
Sterling Accumulating Class A (£)				
Opening Shares	-		-	
Subscriptions	232,159	2,235,224	-	-
Redemptions	(16,800)	(144,747)	-	-
Closing Shares	<u>215,359</u>		<u>-</u>	
Sterling Accumulating Class B (£)				
Opening Shares	-		-	
Subscriptions	1,191,336	11,496,386	-	-
Redemptions	-	-	-	-
Closing Shares	<u>1,191,336</u>		<u>-</u>	
Euro Accumulating Class A (€)				
Opening Shares	-		-	
Subscriptions	1,574,804	15,355,621	-	-
Redemptions	(194,806)	(1,706,087)	-	-
Closing Shares	<u>1,379,998</u>		<u>-</u>	
Euro Accumulating Class B (€)				
Opening Shares	-		-	
Subscriptions	5,000	50,000	-	-
Redemptions	2,010	2,010	-	-
Closing Shares	<u>7,010</u>		<u>-</u>	

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 3. Share Capital (continued)

	Sept 2010 Shares	Sept 2010 Value	Mar 2010 Shares	Mar 2010 Value
<b>Thames River - BSI Bond Opportunity Fund</b>				
Euro Accumulating Class (€)				
Opening Shares	-		-	
Subscriptions	8,312,500	83,126,595	-	-
Redemptions	(4,500)	(45,060)	-	-
Closing Shares	<u>8,308,000</u>		<u>-</u>	
 US Dollar Accumulating Class A (\$)				
Opening Shares	-		-	
Subscriptions	4,648,000	83,126,595	-	-
Redemptions	(1,500)	(45,060)	-	-
Closing Shares	<u>4,646,500</u>		<u>-</u>	

### 4. Statement of Portfolio Movements

A statement of changes in the composition of the investment portfolio will be issued to shareholders, free of charge, on request. An analysis of significant portfolio movements is included on pages 136-149. Significant portfolio movements display the top 20 securities purchased and sold for each sub-fund.

### 5. Commission Sharing

During the period the Investment Managers entered into commission sharing arrangements with brokers in respect of which certain goods and services used to support the investment decision making process were received. The Investment Managers do not make direct payment for these services but transact business with the brokers on behalf of the Company and commission is paid on these transactions. The goods and services utilised for the Company are for execution and research services only. The Investment Managers consider these arrangements are to the benefit of the Company and have satisfied themselves that they obtains best execution on behalf of the Company and the brokerage rates are not in excess of customary institutional full service brokerage rates.

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 6. Comparative Statistics

<b>Net Asset Value</b>	<b>Unaudited 30.09.2010</b>	<b>Audited 31.03.2010</b>	<b>Audited 31.03.2009</b>	<b>Audited 31.03.2008</b>
Thames River European Dynamic Growth Fund (€000)	€11,136	€9,457	€7,557	€20,327
Thames River High Income Fund (US\$000)	US\$794,788	US\$842,180	US\$542,348	US\$1,663,275
Eastern European Fund (US\$000)	US\$374,798	US\$430,805	US\$96,428	US\$358,524
Global Emerging Markets Fund (US\$000)	US\$3,093,700	US\$3,324,599	US\$1,144,356	US\$1,368,240
Global Bond Fund (£) (£000)	£880,672	£770,272	£654,782	£345,628
Global Bond Fund (€) (€000)	€211,567	€118,908	€104,014	€28,969
Global Bond Fund (\$) (US\$000)	US\$35,025	US\$53,782	US\$32,552	US\$8,322
Emerging Asia Fund (US\$000)	US\$172,554	US\$243,067	US\$47,394	US\$19,756
Thames River World Government Bond Fund (£000)	£84,070	£88,295	£91,505	-
Thames River Water and Agriculture Absolute Return Fund (US\$000)	US\$42,863	US\$31,418	US\$13,711	-
Thames River UK Absolute Income Fund (£000)	-	£8,834	-	-
Thames River Global Credit Fund (€000)	€205,985	€144,738	-	-
Thames River Credit Select Fund (€000)	€73,092	€61,274	-	-
Thames River Currency Alpha Fund (€000)	-	€19,690	-	-
Thames River Real Estate Securities Fund (£000)	£34,445	-	-	-
Thames River - BSI Bond Opportunity Fund (€000)	€117,911	-	-	-
<b>Net Asset Value per Share</b>	<b>Unaudited 30.09.2010</b>	<b>Audited 31.03.2010</b>	<b>Audited 31.03.2009</b>	<b>Audited 31.03.2008</b>
Thames River European Dynamic Growth Fund				
- Class A Old Euro Accumulating	€20.48	€19.67	€14.43	€22.81
- Class A Old Sterling Distributing	£17.72	£17.54	£13.36	£18.18
- Class A New Euro Accumulating Class	€11.18	€10.81	-	-
- Class A New Sterling Distributing	£10.70	£10.64	-	-
- Class A Sterling Accumulating	£10.38	£10.35	-	-
- Class B Sterling Distributing	£10.83	£10.74	-	-
- Class B Euro Accumulating	€10.05	-	-	-
Thames River High Income Fund				
- Euro Distributing Class	€11.31	€11.41	€9.17	€13.36
- Sterling Distributing Class	£11.96	£12.04	£9.68	£14.11
- US Dollar Distributing Class	US\$11.09	US\$11.16	US\$8.97	US\$13.10
- NOK Distributing Class	NOK87.98	NOK87.98	NOK69.93	NOK100.72
- New Euro Accumulating Class	€12.03	€11.74	€8.75	€11.88
- New Euro Distributing Class	€8.22	€8.30	€6.68	€9.74
- New Sterling Distributing Class	£8.53	£8.60	£6.92	£10.09
- New US Dollar Distributing Class	US\$8.47	US\$8.53	US\$6.87	US\$10.06
- New Norwegian Krone Distributing Class	NOK85.05	NOK85.37	NOK67.88	NOK98.17
- New US Dollar Accumulating Class	US\$10.86	US\$10.59	-	-
- New Sterling Accumulating Class	£10.80	£10.55	-	-
Eastern European Fund - US Dollar Class	US\$79.10	US\$80.67	US\$35.77	US\$89.72
Global Emerging Markets Fund				
- Euro Distributing Class	€37.71	€36.12	€21.16	€32.22
- Sterling Distributing Class	£47.63	£47.08	£28.69	£37.45
- US Dollar Distributing Class	US\$48.07	US\$45.66	US\$26.32	US\$47.86
- Euro Accumulating Class	€22.44	€21.49	€12.47	€18.97
- US Dollar Accumulating Class	US\$15.05	US\$14.29	US\$8.15	US\$14.83

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 6. Comparative Statistics (continued)

	Unaudited 30.09.2010	Audited 31.03.2010	Audited 31.03.2009	Audited 31.03.2008
Thames River Global Bond Fund (£)				
- Euro Class	€12.67	€12.17	€12.22	€9.96
- US Dollar Class	US\$13.07	US\$12.55	US\$12.62	US\$10.39
- Sterling Accumulating Class	£16.46	£15.73	£15.47	£11.96
- Sterling Distributing Class	£14.36	£13.78	£13.75	£10.99
Thames River Global Bond Fund (€)				
- Euro Accumulating Class	€14.13	€13.48	€12.91	€10.77
- Euro Distributing Class	€12.62	€12.10	€11.73	€10.00
Thames River Global Bond Fund (\$)				
- US Dollar Accumulating Class	US\$12.59	US\$12.03	US\$11.88	US\$11.02
- US Dollar Distributing Class	US\$11.17	US\$10.71	US\$10.66	US\$10.11
Emerging Asia Fund				
- Class A Euro Accumulating	€11.05	€10.43	€6.33	€8.74
- Class B Euro Accumulating	€9.29	€8.79	€5.36	€7.50
- Class B Euro Distributing	€9.24	€8.74	€5.35	€7.50
- Class A Sterling Distributing	£12.60	£12.30	£7.88	£9.37
- Class B Sterling Distributing	£11.48	£11.21	£7.16	£8.59
- Class A US Dollar Accumulating	US\$10.33	US\$9.67	US\$5.76	US\$9.59
- Class B US Dollar Accumulating	US\$8.74	US\$8.20	US\$4.92	US\$8.22
- Class B US Dollar Distributing	US\$8.73	US\$8.19	US\$4.93	US\$8.23
Thames River World Government Bond Fund				
- Sterling Accumulating Class	£11.13	£10.68	£11.00	-
- Sterling Distributing Class	£10.86	£10.47	£10.94	-
Thames River Water and Agriculture Absolute Return Fund				
- Euro Distributing Class	€11.92	€11.33	€10.02	-
- US Dollar Accumulating Class	US\$12.01	US\$11.49	US\$10.02	-
- Euro Accumulating Class	€12.03	€11.46	€10.02	-
- Sterling Distributing Class	£11.94	£11.43	£10.01	-
- Sterling Accumulating Class	£10.59	£10.12	-	-
- US Dollar Distributing Class	US\$10.63	US\$10.16	-	-
- Norwegian Krone Accumulating Class	NOK105.1	NOK100.76	-	-
Thames River UK Absolute Income Fund				
- Class B Sterling Accumulating	-	£9.78	-	-
- Class A Sterling Distributing	-	£7.43	-	-
- Class Y Sterling Accumulating	-	£9.80	-	-
- Class X Sterling Distributing	-	£8.40	-	-
Thames River Global Credit Fund				
- Class A Euro Accumulating	€10.85	€10.58	-	-
- Class A US Dollar Accumulating	US\$10.83	US\$10.57	-	-
- Class A Sterling Accumulating	£10.85	£10.58	-	-
- Class A Sterling Distributing	£10.50	£10.46	-	-
- Class B Euro Accumulating	€10.89	€10.60	-	-
- Class B US Dollar Accumulating	US\$10.88	US\$10.59	-	-
- Class B Sterling Accumulating	£10.88	£10.59	-	-
- Class B Sterling Distributing	£10.54	£10.48	-	-
- Class A Norwegian Krone Distributing	NOK106.08	NOK104.93	-	-
- Class A Euro Distributing	€10.50	€10.46	-	-
- Class A US Dollar Distributing	US\$10.48	US\$10.44	-	-

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

### 6. Comparative Statistics (continued)

	Unaudited 30.09.2010	Audited 31.03.2010	Audited 31.03.2009	Audited 31.03.2008
Thames River Credit Select Fund				
- Class A Euro Accumulating	€10.76	€10.42	-	-
- Class A US Dollar Accumulating	US\$10.74	US\$10.40	-	-
- Class A Sterling Accumulating	£10.76	£10.41	-	-
- Class A Sterling Distributing	£10.47	£10.29	-	-
- Class B US Dollar Accumulating	US\$10.79	US\$10.42	-	-
- Class B Sterling Accumulating	£10.64	£10.28	-	-
- Class B Sterling Distributing	£10.52	£10.32	-	-
- Class A US Dollar Distributing	US\$10.46	US\$10.28	-	-
- Class A Euro Distributing	€10.48	€10.30	-	-
- Class B US Dollar Distributing	US\$10.50	US\$10.30	-	-
- Class B Euro Distributing	€10.52	€10.32	-	-
- Class A Norwegian Krone Distributing	NOK103.14	-	-	-
Thames River Currency Alpha Fund				
- Sterling Accumulating	-	£10.16	-	-
- US Dollar Accumulating	-	US\$10.15	-	-
- Euro Accumulating	-	€10.15	-	-
- Sterling Distributing	-	£10.17	-	-
Thames River Real Estate Securities Fund				
- Class A Sterling Distributing	£10.67	-	-	-
- Class A Sterling Accumulating	£10.67	-	-	-
- Class A Euro Accumulating	€10.63	-	-	-
- Class B Sterling Distributing	£10.70	-	-	-
- Class B Sterling Accumulating	£10.70	-	-	-
- Class B Euro Accumulating	€10.65	-	-	-
Thames River - BSI Bond Opportunity Fund				
- US Dollar Accumulating	US\$10.07	-	-	-
- Euro Accumulating	€10.07	-	-	-

# TRADITIONAL FUNDS plc

## Notes to the Financial Statements

30 September 2010

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### 7. Exchange rates

	Exchange Rate to € Sept 2010	Exchange Rate to € Mar 2010
Australian dollar	1.41	1.47
Argentine peso	5.41	5.25
Brazilian real	2.31	2.41
Canadian dollar	1.40	1.37
Chilean peso	659.66	710.04
Chinese renminbi	9.13	9.24
Colombian peso	2,459.34	2,600.18
Czech koruna	24.57	25.41
Danish krone	7.45	7.44
Egyptian pound	7.77	7.45
Hong Kong dollar	10.60	10.51
Hungarian forint	276.53	265.74
Indian rupee	61.35	60.75
Indonesian rupiah	12,184.41	12,312.53
Israeli shekel	4.96	5.00
Japanese yen	114.05	126.43
Malaysian ringgit	4.21	4.41
Mexican peso	17.11	16.68
New Taiwan dollar	42.65	42.97
New Turkish lira	1.97	2.06
New Zealand dollar	1.86	1.91
Norwegian krone	7.99	8.03
Peruvian sol	3.81	3.85
Philippine peso	59.91	61.15
Polish zloty	3.98	3.86
Romanian leu	4.27	4.10
Russian rouble	41.73	39.81
Singapore dollar	1.80	1.89
South African rand	9.52	9.94
South Korean won	1,556.67	1,530.96
Sterling pound	0.87	0.89
Swedish krona	9.19	9.74
Swiss franc	1.33	1.42
Thai baht	41.43	43.75
UAE dirham	5.01	4.97
United States dollar	1.37	1.35
Uruguayan peso	27.65	26.45

## TRADITIONAL FUNDS plc

### Notes to the Financial Statements

30 September 2010

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#### 8. Related Party Disclosures

The Company has appointed Thames River Capital LLP and Nevsky Capital LLP as Investment Managers. Loudon Greenlees is a member of Thames River Capital LLP and was a member of Nevsky Capital LLP until 1 September 2010. He was also a director and a shareholder of Thames River Capital Holdings Limited until that company was acquired by F&C Asset Management plc on 1 September 2010. He is also an alternate director of Nevsky Capital Holdings Limited which has been appointed as a sub-distributor of the sub-funds managed by Nevsky Capital LLP. Victor Holmes was until 30 June 2010 a director of Thames River Capital Holdings Limited and is a senior employee of the Northern Trust Group in Guernsey.

At 30 September, Loudon Greenlees held shares in the following funds:

	September <u>2010</u>	March <u>2010</u>
Direct:		
Thames River Global Bond Fund (£) – sterling class shares	12,805	12,574
Thames River High Income Fund – sterling distributing class shares	11,504	11,121
Global Emerging Markets Fund – sterling class shares	4,896	4,896
Thames River Water and Agriculture Absolute Return Fund	12,810	-
Personal Pension Plan:		
Thames River High Income Fund – new sterling distributing class shares	4,715	4,554
Thames River Global Bond Fund (£) – accumulating sterling class shares	4,991	4,991
Eastern European Fund – US dollar class	1,010	1,010
Thames River Water and Agriculture Absolute Return Fund	9,775	-
Close Family Members:		
Global Emerging Markets Fund - sterling class shares	1,326	1,326
Thames River High Income Fund - sterling distributing class shares	787	762

At 30 September, Gerald Moloney held shares in the following fund:

	September <u>2010</u>	March <u>2010</u>
Thames River Water and Agriculture Absolute Return Fund	2,493	-

David Hammond is a director of Bridge Consulting which provides certain oversight functions for the Company. Fees amounting to €29,048 (year ending March 2010: €67,820) have been accrued to Bridge Consulting during the period.

All fees in relation to the Investment Managers are disclosed separately in the Profit and Loss Account on pages 108-111.

Gerald Moloney, Victor Holmes, Loudon Greenlees and John Fitzpatrick each receive a fee of €50,000 per year and, as Chairman David Hammond receives a fee of €60,000.

**9. Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended on that basis. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise in respect of chargeable events in respect of:-

(a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended are held by the Company; and

(b) Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

**10. Segregated Liability between the Funds**

The Company is an umbrella fund with segregated liability between Funds. Accordingly, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund, and the assets of other Funds may not be used to satisfy the liability. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund(s) in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

**11. Distributor Status**

HM Revenue and Customs has certified Traditional Funds plc as a distributing fund in respect of the year ended 31 March 2010.

The Company intends to apply for distributor status for all distributing classes of its redeemable participating shares for the accounting period ended 31 March 2011. Thereafter, the Company anticipates applying for reporting fund status under the successor regime for the accounting period ended 31 March 2012.

**12. Subsequent Events**

On 8 November 2010, Nevsky Capital LLP gave six months notice to terminate its investment management contract for the management of the Global Emerging Markets Fund and the Emerging Asia Fund following the decision by two of the senior fund managers at Nevsky Capital LLP not to continue to act as fund managers. The Board of Directors announced on 10 November that it had decided, subject to final approval by the Central Bank of Ireland, to appoint F&C Management Ltd as the investment manager of both of those funds.

No other significant events have occurred in respect of the Company subsequent to the period end that may be deemed relevant to the accuracy of these financial statements.

**13. Approval of Financial Statements**

The financial statements were approved by the directors on 23 November 2010.



## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

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Thames River European Dynamic Growth Fund	Nominal Purchases	Nominal Sales
Autonomy	10,807	
Aveva		9,931
Banco Bilbao Vizcaya Argentaria	20,426	6,244
Banco Santander	31,477	
BG		8,305
BP	49,346	49,346
Cairn Energy	13,546	17,804
Capita	19,541	19,541
Centrotherm Photovoltaics		5,273
DnB NOR	11,149	
EFG International	6,418	
Gestevis Telecinco	12,183	12,183
Hexagon	6,251	
IG Group	36,091	29,341
Intermediate Capital Group	20,900	20,900
Kongsberg Gruppen	9,702	
Meda		13,574
Norwegian Air Shuttle	7,024	
Petroleum Geo Services	16,652	16,652
Qiagen		9,816
Rolls Royce		1,581,300
Roth & Rau		5,186
Schibsted	9,218	
Storebrand	14,693	
Telenor		10,274
Temenos	7,605	
Tesco		19,454
TGS Nopec Geophysical		9,031
UniCredit	78,014	31,200
Xchanging	17,126	68,089

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River High Income Fund	Nominal Purchases	Nominal Sales
America Movil 5% 30.03.2020		
Argentina (Republic of) 2.5% 31.12.2038		21,000,000
Axa 5.25% 16.04.2040	15,000,000	
Banco JP Morgan 6.43% 27.11.2034		64,958,616
Braskem Finance 7.375% 31.12.2049	20,000,000	22,000,000
Brazil(Federative Republic of) 0% 01.01.2011		81,950,000
Callahan 16% 15.07.2010		29,450,000
Chile (Republic of) 5.5% 05.08.2020	2,094,000,000	2,094,000,000
Colombia (Republic of) 7.75% 14.04.2021	5,733,000,000	5,733,000,000
Coltes 13.5% 12.09.2014		10,000,000,000
Egypt Treasury Bills 0% 02.11.2010	103,500,000	
Egypt Treasury Bills 0% 05.08.2010	55,000,000	110,000,000
Egypt Treasury Bills 0% 09.11.2010	28,998,386	
Egypt Treasury Bills 0% 14.12.2010	58,210,538	
Egypt Treasury Bills 0% 25.05.2010		55,000,000
Egypt Treasury Bills 0% 27.04.2010		55,000,000
Gazprombank 6.25% 15.12.2014	18,000,000	
Germany(Federal Republic) 3% 04.07.2020	20,000,000	20,000,000
Italy Treasury Bills 0% 31.01.2011	35,000,000	35,000,000
JBS Finance 8.25% 29.01.2018	14,000,000	
JP Morgan Finance 5.6% 01.02.2036		40,104,448
Korea Finance 3.25% 20.09.2016	15,000,000	
LBG Capital 6.385% 12.05.2020		28,000,000
Netherlands Treasury Bills 0% 29.10.2010	35,000,000	35,000,000
Netherlands Treasury Bills 0% 30.11.2010	35,000,000	35,000,000
Netherlands Treasury Bills 0% 31.12.2010	30,000,000	30,000,000
Russian (Federation Ministry Finance) 3.625% Bond 29.04.2015	15,000,000	
Spain Letras del Tesoro 0% 21.01.2011	35,000,000	
Turkey (Republic of) 14% 19.01.2011	70,000,000	
United States Treasury Bills 3.375% 15.11.2019		20,200,000
United States Treasury Bills 3.625% 15.02.2020		27,200,000
US Treasury 4.375% 15.05.2040	19,000,000	

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Eastern European Fund	Nominal Purchases	Nominal Sales
Ceske Energeticke Zavody	293,000	279,940
Ferrexpo	390,000	697,700
Gazprom ADR	680,000	
Kazakhgold GDR	246,923	
Kazmunaigaz GDR		177,520
KGHM Polska Miedz	165,000	
Lukoil ADR	160,000	264,000
Magyar Telekom		598,500
Mechel ADR		160,000
MMC Norilsk Nickel ADR	1,236,000	1,351,800
Mobile Telesystems ADR	176,198	
New World Resources		1,397,938
OTP Bank	1,142,000	110,000
Pow szechna Kasa Oszczednosci Bank Polski	569,876	
Raspadskaya	550,000	530,000
Rosneft GDR	1,805,000	3,227,000
Sberbank Of Russia	5,910,000	9,807,100
Severstal GDR		202,000
Telekomunikacja Polska	795,000	
Turk Telekomunikas		370,000
Turkcell Iletisim	1,356,000	
Turkiye Garanti Bankasi	2,950,000	6,810,000
Turkiye Halk Bankasi		465,000
Turkiye Is Bankasi-C	4,423,000	8,802,812
Turkiye Petrol Rafinerileri	174,168	
Turkiye Vakiflar Bankasi	2,650,000	4,454,000
Vimpelcom ADR		322,800
Yapi Ve Kredi Bankasi	1,860,000	1,860,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Global Emerging Markets Fund	Nominal Purchases	Nominal Sales
Acer		9,760,500
Advanced Semiconductor Engineering		18,697,000
Axiata Group Bhd	11,086,000	9,004,200
Bakrie Land	162,228,000	162,228,000
Bakrieland Development	22,228,000	162,228,000
Bank Mandiri	20,330,000	24,963,500
Bank of China	24,518,000	80,493,000
Bank of Communications	20,583,850	20,583,850
Belle International		14,345,000
China Construction Bank	31,648,000	51,826,000
China COSCO		18,856,000
China National Building	13,076,000	
China Petroleum & Chemical		13,924,078
China Railway Group	13,226,000	
China Shipping Container Lines	39,189,000	39,189,000
China Unicom	13,116,000	
Chinatrust Financial Holding	49,561,000	
Gamuda Bhd	9,306,100	
Hidili Industry International Development		9,544,000
Huaneng Power International		9,586,000
Industrial & Commercial Bank	16,000,000	
International Nickel Indonesia	9,300,000	
KGI Securities	19,260,000	
Nine Dragons Paper Holdings	9,370,000	
PCD Stores	14,396,000	
Perusahaan Gas Negara		37,701,000
Powerlong Real Estate Holdings		22,576,000
Siam Commercial Bank PCL NVDR	10,273,400	
SinoPac Financial Holdings		23,794,000
SJM Holdings		15,189,000
Taiwan Semiconductor		12,634,000
Telekomunikasi Indonesia	15,436,500	

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Global Bond Fund (£)	Nom inal Purchases	Nom inal Sales
Australia 5.75% Bonds 15.06.2011	144,000,000	
Brazil Government 10% Bonds 01.01.2012	345,000,000	115,000,000
Germany Government 0% Bills 13.10.2010	118,000,000	90,520,000
Germany Government 0% Bills 26.01.2011	49,000,000	49,000,000
Germany Government 4.75% Bonds 04.07.2040		38,450,000
South Africa Government 7.5% Bonds 15.01.2014	960,000,000	48,000,000
United Kingdom Treasury 0% Bills 01.11.2010	42,300,000	42,300,000
United Kingdom Treasury 0% Bills 02.08.2010	29,000,000	
United Kingdom Treasury 0% Bills 04.05.2010		50,000,000
United Kingdom Treasury 0% Bills 07.06.2010		80,000,000
United Kingdom Treasury 0% Bills 18.10.2010	50,000,000	50,000,000
United Kingdom Treasury 0% Bills 21.02.2011	40,000,000	
United Kingdom Treasury 0% Bills 25.10.2010	30,000,000	
United Kingdom Treasury 0% Bills 26.07.2010		70,000,000
United Kingdom Treasury 0% Bills 29.11.2010	65,000,000	
United Kingdom Treasury 4.75% Bonds 07.09.2015		52,000,000
United Kingdom Treasury 5% Bonds 07.09.2014		40,500,000
United States Treasury 0% Bills 14.10.2010	104,300,000	104,300,000
United States Treasury 0% Bills 05.08.2010	75,150,000	75,150,000
United States Treasury 0% Bills 19.08.2010	106,000,000	106,000,000
United States Treasury 0% Strips 15.02.2040	288,600,000	389,600,000
United States Treasury 0% Strips 15.11.2039	180,000,000	387,000,000
United States Treasury 0% Strips 15.11.2039		
United States Treasury 1.25% Bonds 15.07.2020	194,650,000	64,825,000
United States Treasury 1.75% Bonds 15.01.2028	25,220,000	
United States Treasury 2.125% Bonds 15.02.2040	239,813,000	
United States Treasury 2.5% Bonds 15.01.2029	113,700,000	
United States Treasury 3.5% Bonds 15.02.2039		121,700,000
United States Treasury 4.25% Bonds 15.05.2039		148,000,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Global Bond Fund (€)	Nominal Purchases	Nominal Sales
Australia Government 5.75% Bonds 15.06.2011	27,300,000	
Brazil Government 10% Bonds 01.01.2012	45,000,000	
Germany Government 0% Bills 11.08.2010	8,000,000	8,000,000
Germany Government 0% Bills 13.10.2010	12,425,000	12,425,000
Germany Government 0% Bills 14.04.2010		11,500,000
Germany Government 0% Bills 14.07.2010	19,600,000	19,600,000
Germany Government 0% Bills 16.06.2010		7,300,000
Germany Government 0% Bills 20.04.2011	10,500,000	
Germany Government 0% Bills 23.02.2011	15,000,000	15,000,000
Germany Government 0% Bills 26.01.2011	12,640,000	12,640,000
Germany Government 0% Bills 18.05.2011	7,000,000	
Germany Government 0% Bills 28.04.2010		8,600,000
Germany Government 0% Bills 29.06.2011	20,600,000	20,600,000
Germany Government 0% Bills 30.03.2011	10,500,000	10,500,000
Germany Government 4.75% Bonds 04.07.2040		14,410,000
Norway Government 5% Bonds 15.05.2015	136,800,000	
South Africa Government 7.5% Bonds 15.01.2014	184,000,000	
United Kingdom 5% Bond 07.09.2014		9,690,000
United States Treasury 0% Bills 05.08.2010	10,440,000	10,440,000
United States Treasury 0% Bills 15.04.2010		16,280,000
United States Treasury 0% Bills 15.07.2010	26,550,000	26,550,000
United States Treasury 0% Bills 19.08.2010		6,120,000
United States Treasury 0% Strips 15.02.2040	34,100,000	34,100,000
United States Treasury 0% Strips 15.11.2039	19,000,000	33,710,000
United States Treasury 1.25% Bonds 15.07.2020	25,710,000	
United States Treasury 2.5% Bonds 15.01.2029	22,850,000	
United States Treasury 2.125% Bonds 15.02.2040	47,819,000	
United States Treasury 3.5% Bonds 15.02.2039		14,630,000
United States Treasury 4.25% Bonds 15.05.2039		14,200,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Global Bond Fund (\$)	Nominal Purchases	Nominal Sales
Australia Government 5.75% Bonds 15.06.2011	3,360,000	
Brazil Government 10% Bonds 01.01.2012	5,200,000	
Germany Government 0% Bills 13.10.2010	1,940,000	1,730,000
Germany Government 0% Bills 29.06.2011	700,000	
South Africa Government 7.5% Bonds 15.01.2014	22,400,000	1,800,000
United Kingdom Treasury 5% Bonds 07.09.2014		1,515,000
United States Treasury 0% 15.02.2040	8,670,000	8,670,000
United States Treasury 0% Bills 05.08.2010	3,190,000	3,190,000
United States Treasury 0% Bills 09.09.2010	520,000	520,000
United States Treasury 0% Bills 14.10.2010	7,430,000	7,430,000
United States Treasury 0% Bills 19.08.2010	4,600,000	4,600,000
United States Treasury 0% Bills 22.07.2010	4,130,000	4,130,000
United States Treasury 0% Bills 24.02.2011	4,100,000	
United States Treasury 0% Bills 26.08.2010	5,410,000	5,410,000
United States Treasury 0% Bills 26.11.2010	4,620,000	1,800,000
United States Treasury 1.25% Bonds 15.07.2020	4,600,000	
United States Treasury 1.75% Bonds 15.01.2028	559,000	
United States Treasury 2.13% Bonds 15.02.2040	6,751,000	
United States Treasury 2.16% Bonds 15.01.2026	508,000	
United States Treasury 2.5% Bonds 15.01.2029	2,575,000	
United States Treasury 0% Bills 06.05.2010		2,800,000
United States Treasury 0% Bills 08.04.2010		17,050,000
United States Treasury 0% Bills 15.04.2010		1,150,000
United States Treasury 0% Bills 20.05.2010		6,810,000
United States Treasury 0% Bills 22.04.2010		1,900,000
United States Treasury 0% Bills 29.04.2010		3,680,000
United States Treasury 0% Strips 15.11.2039		6,438,000
United States Treasury 3.5% Bonds 15.02.2039		8,340,000
United States Treasury 4.25% Bonds 15.05.2039		8,280,000
United States Treasury 0% Strips 15.11.2039	638,000	

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Emerging Asia Fund	Nominal Purchases	Nominal Sales
Adaro Energy		3,050,000
Advanced Semiconductor Engineering		1,623,000
PT Bakrieland (Rights)	23,300,000	23,300,000
PT Bakrieland Development	10,300,000	29,300,000
PT Bank Mandiri	2,860,000	3,145,500
Bank of China	1,821,000	9,491,000
Bank of Communication	2,045,850	2,045,850
Belle International		2,025,000
China Construction Bank	1,642,000	7,955,000
China COSCO		2,168,000
China Molybdenum	1,403,000	
China National Building	1,192,000	
China Railway Group	1,155,000	
China Shipping Container Lines	3,989,000	3,989,000
China Unicom	1,311,000	
China Vanadium Titano-Magnetite	1,849,000	1,849,000
Chinatrust Financial Holding	4,262,000	
DMCI Holdings	1,409,500	
First Financial Holding	2,039,000	
Industrial & Commercial Bank	2,430,000	3,125,000
PT International Nickel Indonesia	2,082,000	2,420,000
KGI Securities	3,339,000	1,866,000
PCD Stores	3,076,000	
PT Perusahaan Gas Negara		4,416,000
Pow erlong Real Estate Holdings		2,750,000
Sinopac Financial		2,350,000
SJM		2,530,000
Taiw an Semiconductor Manufacturing		2,813,000
PT Telekomunikasi Indonesia	1,676,000	



## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River World Government Bond Fund	Nom inal Purchases	Nom inal Sales
Australia Government 5.75% Bonds 15.06.2011	16,600,000	
Brazil Government 10% Bonds 01.01.2012	26,400,000	5,460,000
Germany Government 0% Bills 13.10.2010	15,000,000	12,430,000
Germany Government 0% Bills 16.06.2010	4,500,000	
Germany Government 0% Bills 23.02.2011	4,500,000	
Germany Government 0% Bills 26.01.2011	5,700,000	5,700,000
Germany Government 0% Bills 29.06.2011	3,500,000	
South Africa Government 7.5% Bonds 15.01.2014	112,000,000	26,220,000
United Kingdom Treasury 0% Bills 06.09.2010	4,700,000	4,700,000
United Kingdom Treasury 0% Bills 07.06.2010		16,000,000
United Kingdom Treasury 0% Bills 29.11.2010	17,100,000	12,620,000
United Kingdom Treasury 5% Bonds 07.09.2014		7,500,000
United States Treasury 0% Bills 02.09.2010	4,500,000	
United States Treasury 0% Bills 05.08.2010	8,760,000	8,760,000
United States Treasury 0% Bills 15.04.2010		6,470,000
United States Treasury 0% Bills 15.07.2010	10,930,000	10,930,000
United States Treasury 0% Bills 19.08.2010	5,100,000	5,100,000
United States Treasury 0% Bills 20.05.2010		5,100,000
United States Treasury 0% Bills 22.04.2010		6,950,000
United States Treasury 0% Bills 26.11.2010	8,000,000	
United States Treasury 1.25% Bonds 15.07.2020	14,820,000	10,000,000
United States Treasury 2.125% Bonds 15.02.2040	26,537,000	
United States Treasury 2.5% Bonds 15.01.2029	12,950,000	6,475,000
United States Treasury 3.5% Bonds 15.02.2039		13,020,000
United States Treasury 4.25% Bonds 15.05.2039		16,800,000
United States Treasury 0% Strips 15.02.2040	34,500,000	34,500,000
United States Treasury 0% Strips 15.11.2039	14,300,000	35,300,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Water & Agriculture Absolute Return Fund	Nominal Purchases	Nominal Sales
American States Water		40,000
Aqua America		50,000
Arcadis		50,000
Asian Citrus	750,000	
Austevoll Seafood		50,000
BioExx Specialty Proteins	78,000	
China BlueChemical	1,000,000	
China Foods	1,000,000	
EFTS Forward Live Cattle	1,000,000	500,000
ETFS Coffee		250,000
Green Plains Renewable Energy		50,000
Heckmann	70,000	
K&S		33,000
Kemira		60,000
Kubota	100,000	
Landkom International	1,500,000	
MagIndustries	194,500	294,500
Marfrig Alimentos		40,000
Mueller Water Products	100,000	100,000
Nufarm	100,000	
Origin Agritech	100,000	50,000
PrimeAg	297,820	
Sinofert	1,500,000	
SLC Agricola	100,000	
United States Treasury 0.875% Bonds 31.01.2012		8,000,000
United States Treasury 2.5% Bonds 30.04.2015	7,000,000	7,000,000
United States Treasury 4.625% Bonds 15.02.2040	8,000,000	8,000,000
Uponor		30,000
Vitasoy International	200,000	
Want Want China	1,000,000	
Wavin	100,000	300,000
Wilmar International		150,000
Yara International		35,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Global Credit Fund	Nominal Purchases	Nominal Sales
Akbank Turk Anonim Sirketi 5.125% 22.07.2015		5,000,000
America Movil 5% 30.03.2020		5,000,000
Anglogold Ashanti Holdings 5.375% 15.04.20		4,000,000
Anheuser-Busch InBev Worldwide 3.63% 15.04.2015		7,000,000
BNTNB 6% 16.05.2013	10,000,000	
Brazil 5.625% 07.01.2041		4,000,000
Brazil 4.875% 22.01.2021		4,000,000
Buoni Ordinari Del Tes 0% 31.01.2011	13,000,000	
Colbun 6% 21.01.2020		5,000,000
Corporacion Andina de Fomento 3.75% 15.01.2016		4,000,000
Czech (Republic of) 3.625% 14.04.2021	5,500,000	
Deutsche Telekom International Finance 4.875% 22.04.2025		4,500,000
Egypt Treasury Bills 0% 02.11.2010	40,250,000	
Egypt Treasury Bills 0% 09.11.2010	28,998,386	
European Union 2.375% 22.09.2017	6,000,000	
France (Govt of) 0% 08.07.2010	12,000,000	
France (Govt of) 0% 14.10.2010	17,000,000	
Germany (Fed Rep) 3% 04.07.2020	5,700,000	
Korea Finance 3.25% 20.09.2016	5,000,000	
LBG Capital 6.385% 12.05.2020		4,500,000
Bahrain Mumtalakat Holding 5% 30.06.2015	6,000,000	
Myriad International Holdings 6.375% 28.07.2017		5,000,000
Netherlands Treasury Bill 0% 29.10.2010	26,000,000	
Netherlands Treasury Bill 0% 30.11.2010	25,000,000	
Netherlands Treasury Bill 0% 31.12.10	8,000,000	
Notas do Tesouro 6% 15.08.2020	10,000,000	
PSA International 3.875% 11.02.2021	6,000,000	
Qatari Diar Finance 5% 21.07.2020	8,000,000	6,500,000
Republic of Chile 3.875% 05.08.2020		5,000,000
Republic of Chile 5.5% 05.08.2020	523,500,000	523,500,000
Russian Railways 5.739% 03.04.2017		5,000,000
Spain Letras Del Tesoro 0% 19.11.2010	10,000,000	
Standard Chartered 3.85% 27.04.15		5,000,000
United Mexican States 4.25 % 14.07.2017	6,000,000	6,000,000
US Treasury 3.375% 15.11.2019		5,000,000
Waha Aerospace 3.925% 28.07.2020		4,500,000
Woori Bank 4.5% 07.10.2015		5,000,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River Credit Select Fund	Nominal Purchases	Nominal Sales
America Movil 5% 30.03.2020		3,000,000
American Express Credit 2.75% 15.09.2015	3,000,000	
Anglogold Ashanti Holdings 5.375% 15.04.2020		2,000,000
Anheuser-Busch InBev Worldwide 3.625% 15.04.2015		3,000,000
AXA 5.25% 16.04.2040		2,000,000
Bahrain Mumtalakat Holding 5.00% 30.06.2015	3,000,000	
Banco Santander-Chile 6.5% 22.09.2020	1,483,500,000	1,483,500,000
Bermuda (Government of) 5.603% 20.07.2020	3,000,000	
Deutsche Telekom International Finance 4.875% 22.04.2025	2,500,000	2,500,000
Dutch Treasury Certificate 0% 30.09.2010		4,000,000
Dutch Treasury Certificate 0% 31.08.2010		8,000,000
Egypt Treasury Bills 0% 04.01.2011	58,133,124	
European Union 2.375% 22.09.2017	3,000,000	
France (Govt of) 0% 08.07.2010	8,000,000	8,000,000
France (Govt of) 0% 14.10.2010	7,000,000	7,000,000
Germany (Fed Republic) 3% 04.07.2020	2,800,000	
Hyundai Motor 4.5% 15.04.2015	2,000,000	2,000,000
Kbank Turk Anonim Sirketi 5.125% 22.07.2015	3,000,000	3,000,000
Korea Exchange Bank 4.875% 14.01.2016	3,000,000	3,000,000
Mol Hungarian Oil & Gas 5.875% 20.04.2017	2,000,000	
Dutch Treasury Certificate 0% 29.10.2010	16,000,000	16,000,000
Dutch Treasury Certificate 0% 30.11.2011	10,000,000	10,000,000
PSA International 3.875% 11.02.2021	2,000,000	
Smiths Group 4.125% 05.05.2017	2,250,000	2,250,000
Sociedad Quimica Y Minera De Chile 5.5% 21.04.2020		2,000,000
Spain Letras del Tesoro 0% 19.11.2010	3,500,000	
Standard Chartered 3.85% 27.04.2015	3,000,000	3,000,000
United Mexican States 4.25% 14.07.2017		2,000,000
US Treasury 3.375% 15.11.2019		2,400,000

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

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Thames River Real Estate Securities Fund	Nominal Purchases	Nominal Sales
Alstria Office	226,307	82,417
Atrium Ljungberg	100,000	
Beni Stabili	466,273	550,000
Citycon	308,347	296,388
Conwert Immobilien Invest		106,000
Deutsche Wohnen	157,466	99,937
DIC Asset	65,401	89,184
Eurocommercial Properties	22,000	25,000
Fabege	150,806	105,367
Gagfah	30,000	30,000
Gecina		18,000
Hufvudstaden	100,000	50,000
IMM Grande	104,000	
Klepierre	54,955	17,000
Kungsleden	115,000	115,000
Mercialys	24,619	53,709
NCC		59,000
Nieuwe Steen Investments Fund	27,250	15,000
Norwegian Property	885,000	359,965
Prologis European Property	83,229	30,000
Swiss Prime Site	35,200	
Unibail-Rodamco	26,439	22,189
Wallenstam	27,205	27,205

## TRADITIONAL FUNDS plc

### Top 20 Portfolio Movements for the six months ended 30 September 2010 (Unaudited)

Thames River - BSI Bond Opportunity Fund	Nominal Purchases	Nominal Sales
Macquarie Bank 6% 21.09.2020		500,000
American Express Credit 2.75% 15.09.2015	3,000,000	
Republic of Philippines 4.95% 15.01.2021	308,000,000	308,000,000
Korea Finance 3.25% 20.09.2016	3,000,000	
Hannover Finance Luxembourg 5.75% 14.09.2040	2,500,000	
Lloyds TSB Bank 6.5% 14.09.2020	2,500,000	
DTB 0% 29.10.2010	29,000,000	29,000,000
Gecina MTN 4.5% 19.09.2014		2,000,000
Czech (Republic of) 3.625% 14.04.2021	3,000,000	
Brazil 5.625% 07.01.2041		2,000,000
Italy Buoni Ordinari del Tesoro 0% 31.01.2011	33,000,000	33,000,000
Banco Santander Chile 6.5% 22.09.2020	1,483,500,000	1,483,500,000
Atlantia 3.375% 18/09/2017		1,500,000
Telemar Norte Leste 5.5% 23.10.2020	3,000,000	
Atlantia 4.375% 16.09.2025		1,000,000
Lloyds TSB Bank 6.5% 17.09.2040	3,000,000	
European Union 2.375% 22.09.2017	3,000,000	
Egypt Treasury Bills 0% 04.01.2011	116,266,249	
BTF 0% 25.11.2010	25,000,000	25,000,000
Poland (Republic of) 4% 23.03.2021		500,000
JBS Finance li Limited 8.25% 29/01/2018		1,500,000
Spain Letras del Tesoro 0% 19.11.2010	12,000,000	
Egypt Treasury Bills 0% 21.12.2010	29,082,934	
ITRAXX SR13 5YR Call (SP 1.10)		50
ITRAXX SR13 Call (SP 1.10)	25,000,000	
USD CNY Put 17.12.2010 (SP 6.7)	17,500,000	
USD BRL Put 21.10.2010 (SP 1.73) (RKO 1.68)	3,000,000	
S&P Quarterly Put 30.09.2010 (SP 1145)	4,000,000	
S&P 500 Index Put 16.10.2010 (SP 1050)		25
S&P 500 Index Put 16.10.2010 (SP 1050)		75

General Information

Information for Investors in Norway and Switzerland (continued)

The prospectus, the articles of association, the simplified prospectus, the annual and semi-annual report as well as a list containing all purchases and sales which have been made during the reporting year can be obtained free of charge at the Swiss Representative.

Following a guideline from the Swiss Funds Association (the "SFA") dated 27 July 2004, the Managers are required to supply performance data in conformity with these guidelines. This data can be found below and under each of the Managers' fund reports.

Portfolio Turnovers and Total Expense Ratios for the year ended 30 September 2010

	Unaudited Portfolio Turnover Rate	TER Unaudited Excluding Performance	Including Performance
Thames River European Dynamic Fund	2.39	1.12%	1.53%
Thames River High Income Fund	5.12	1.78%	1.85%
Eastern European Fund	2.21	2.07%	2.07%
Global Emerging Markets Fund	1.59	2.00%	2.00%
Thames River Global Bond Fund (£)	3.87	1.20%	1.47%
Thames River Global Bond Fund (€)	5.07	1.24%	1.48%
Thames River Global Bond Fund (\$)	6.69	1.53%	1.53%
Emerging Asia Fund Fund	2.36	0.84%	0.84%
Thames River World Government Bond Fund	4.27	1.23%	1.23%
Thames River Water and Agriculture Absolute Return Fund	3.86	2.15%	2.82%
Thames River UK Absolute Income Fund	1.92	0.60%	0.60%
Thames River Global Credit Fund	7.13	0.85%	1.28%
Thames River Credit Select Fund	7.71	0.89%	1.28%
Thames River Currency Alpha Fund	8.41	0.35%	0.35%
Thames River Real Estate Securities Fund	2.20	0.60%	0.60%
Thames River - BSI Bond Opportunity Fund	2.80	1.96%	2.06%

**General Information**

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**Information for Investors in the United Kingdom**

**Distributor Status**

HM Revenue and Customs has certified the distributing share classes of Traditional Funds plc as distributing funds in respect of the year ended 31 March 2010.

The Company intends to apply for distributor status for all distributing classes of its redeemable participating shares for the accounting period ended 31 March 2011. Thereafter, the Company anticipates applying for reporting fund status under the successor regime for the accounting period ended 31 March 2012.



## TRADITIONAL FUNDS plc

Enquiries

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Thames River Capital LLP and Nevsky Capital LLP are regulated and authorised by the Financial Services Authority.