



THAMES RIVER CAPITAL

**THAMES RIVER
MULTI HEDGE
PCC LIMITED**

**Interim Report & Unaudited Financial Statements
30 September 2009**

THAMES RIVER MULTI HEDGE PCC LIMITED

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THAMES RIVER MULTI HEDGE PCC LIMITED

CHAIRMAN'S REPORT

I would like to welcome our investors to this interim report for the period from 1 April to 30 September 2009. My report to you will follow its usual format of a market context followed by a performance analysis and a summary of key events for your company over the period.

An upbeat G20 summit at the beginning of April led to a continuation of the bullish sentiment that dominated market behaviour in almost all asset classes in March. The MSCI World Index of equity prices enjoyed its fourth largest monthly rise in April as investor optimism focused on the prospects of a recovery in the global banking system. Goldman Sachs reported a strong first quarter and the HSBC Group successfully raised US\$18bn in a rights issue. Credit markets enjoyed the same level of euphoria as equity markets. The Merrill Lynch US High Yield Master II Index also registered a record monthly return of +11.5%. In other areas there was strong evidence of a sharp fall in the demand for credit insurance despite a record dollar value of corporate defaults. In May the Federal Reserve published the results of their banking stress tests and revealed that US banks needed to raise a further \$75bn to recapitalise their balance sheets. By the end of the month a total of \$48bn had been raised signalling that capital markets were beginning to unfreeze.

In the real economy, stockpiling by Chinese companies exerted a significant demand-pull on the price of base metals and crude oil with the latter rising by 29.7% to \$66 per barrel. The Goldman Sachs Commodity Index rallied by 21.1%. The return of investor confidence resulted in flows into risk assets in defiance of economic fundamentals as both the developed and emerging credit markets rallied further despite General Motors filing for Chapter 11 bankruptcy in June. In global government bond markets, yield curves steepened to near record levels in the 2-10 year segment as investors priced in the inflationary impact of flooding the financial system with liquidity. In currency markets the ballooning US budget deficit projection, which was revised upwards to US\$1.84trn and record low US interest rates led to a resumption of dollar-financed carry trades. June provided further evidence of the recovery in corporate activity as BlackRock made a US\$13.5bn purchase of Barclays Global Investors, making it the world's biggest asset management company. Credit markets continued to rally.

The second quarter of the period started on a difficult note as weaker than expected non-farm payrolls data in July led to a sell-off in equities and a rally in the US treasury market. Poor earnings from Intel and Philips exacerbated negative sentiment, however strong earnings results from investment banks within the financial sector eventually caused sentiment to reverse swiftly in the second half of July. Goldman Sachs announced a 90% quarter-on-quarter increase in earnings due to strong trading performance with a record number of trading days yielding profits of more than \$100m. Credit markets continued to defy gravity as investors chased yields higher with the Merrill Lynch US High Yield Master II Index rallying by 6.2% despite a report from the American Bankers Association that delinquent loan rates had reached an all time high. August provided confirmation that the global economic recovery was very much on track as France and Germany technically emerged from recession with an increase in second quarter GDP. US unemployment also showed a surprising fall to 9.4% and sales of existing homes surged by 7.2%. Given this backdrop, the Federal Reserve announced that they would not be expanding their quantitative easing programme. The Bank of England, in contrast, took markets by surprise and expanded their programme of Gilt purchases by £50bn to £175bn, citing the fact that they didn't want to undermine a fragile recovery in the financial sector. Within the sector, there was a clear division in the performance of companies that reported during August between losses at firms with a legacy of consumer related bad debts (Lloyds, UBS and GMAC) and profits at those with strong proprietary trading operations (Barclays).

The end of our interim reporting period marked the first anniversary of the failure of Lehman Brothers and the emergency bail-out of the global banking system. One year on, evidence of the success of the co-ordinated action by global leaders continued to mount, as the US ISM Index moved above the critical 50 level (indicating that the economy is expanding) for the first time in 19 months. Ben Bernanke commented that the US recession was technically over despite US unemployment hitting a 26-year high. There was however some evidence that the tide was beginning to turn against the banking sector as leaders debated proposals on tightening regulation at the G20 summit. The threat of protectionism in the German and US auto industries caused bond markets to price in increased risks of deflation and G3 yield curves flattened as 10-year yields fell. Equities by way of contrast enjoyed strong, almost indiscriminate technical flows with little dispersion by sector.

THAMES RIVER MULTI HEDGE PCC LIMITED MANAGEMENT AND ADMINISTRATION

Directors

William Backhouse LVO (*Chairman, Independent*)
Christopher Martin Walter Hill (*Independent*)
Victor Holmes
Paul Hillary Le Page (*Independent*)
David George Peter Scholfield (*Independent*)
Fraser Alan Hiddelston (*as permanent alternate
director to V. Holmes*)

Registered Office

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Guernsey GY1 3QL

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Investment Manager

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Secretary, Administrator, Registrar & Channel Islands Stock Exchange Sponsor

Northern Trust International Fund Administration
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THAMES RIVER MULTI HEDGE PCC LIMITED

CHAIRMAN'S REPORT (continued)

The last six months have represented a mirror image of the market conditions that prevailed in the second half of our financial year ending 31 March 2009. Stabilising financial markets have led to a significant recovery in hedge fund performance with the CSFB Tremont Index returning 13.99% over the review period, to mark the best six month performance for the industry in almost ten years. This recovery in performance has caused capital flows to turn positive once again at an industry level. The fund of funds sector tends to follow industry performance with a small lag due to the cash drag imposed by raising liquidity to meet investor redemptions. The HFRI Fund of Funds Diversified Index has consequently only returned 8.67% over the review period. I am however pleased to report that the NAV of the underlying dollar portfolio of your company has returned 13.10% over the review period. This is a creditable performance given that the portfolio has de-leveraged from 105% invested at the start of the review period to 85% at the end of the period. The price of each of your respective share classes has shown a healthy recovery and the discount to NAV for the Sterling, Euro, Dollar and Sterling Realisation Share Classes has also narrowed significantly from 29.6% to 15.8%; 21.1% to 15.7%, 27.6% to 13.8% and 19.3% to 15.9% respectively. The narrowing of the discount has been partly due to an improvement in investor sentiment towards the closed end fund of hedge fund sector and partly attributable to an extensive programme of share buybacks by your company. During the period we repurchased 9.9% of the Sterling Shares, 3.4% of the Euro Shares, 12.5% of the Dollar Shares and 6.3% of the Sterling Realisation Shares.

Your company has been one of the most pro-active companies in the closed end fund of hedge fund sector in returning capital to shareholders and your board has announced the implementation of the semi-annual Redemption Facility to shareholders as at 31 December 2009 in addition to the buy back programme. On a negative note, we were disappointed to learn that the pioneering capital distribution facility in our Sterling Realisation Share Class was likely to cause both this Share Class and indeed all the other Share Classes to be considered an "Offshore Fund" under the new UK regulations with very unattractive tax implications for UK resident investors. As a result your board has had to suspend the intended capital distribution to these shareholders in December 2009. The company was further advised that to ensure that UK resident shareholders are not adversely affected by the change in the Offshore Fund regulations, the board should seek the approval of holders of Realisation Shares to re-designate the Realisation Share Class as Sterling Shares and merge it with the Sterling Share Class. Shareholder approval for this re-designation was received on 13 November 2009 and the re-designation will be effective for dealing on 20 November 2009.

Overall this has been a period of significant progress for your company from the perspective of delivering solid performance, whilst raising cash to fund the buy back programme to accommodate those investors that wish to sell their shares. Your investment manager has also taken significant steps to mitigate the impact of future foreign exchange market volatility on the portfolio by switching approximately 30% of the portfolio into sterling and euro based share classes of underlying funds.

I indicated that I was encouraged by the prospects for the hedge fund sector and your company in my year end report due to stabilising asset flows and recovering capital markets. Whilst this remains my long term view, your investment manager, whose report follows, has been taking steps to limit the impact of any short term market corrections which may occur following one of the fastest ever equity and credit market recoveries.

William Backhouse
November 2009

THAMES RIVER MULTI HEDGE PCC LIMITED

RESPONSIBILITY STATEMENT

In preparing these condensed financial statements for the six months to 30 September 2009 the directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with the international accounting standard applicable to the interim financial reporting adopted pursuant to the procedure provided for under Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- (b) the interim management report includes a fair review of the information required by Regulation 8(2) of the Transparency Regulations 2007 (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by Regulation 8(3) of the Transparency Regulations 2007 (disclosure of related parties' transactions and changes therein).

The half-yearly financial report has not been audited or reviewed by the auditors.

THAMES RIVER MULTI HEDGE PCC LIMITED

INVESTMENT MANAGER'S REPORT

General Review of the half year to 30 September 2009

The first half of this financial year has been quite extraordinary and probably the most eventful period in the life of Thames River Hedge+ (the "Fund"). A number of pro-active and innovative initiatives were taken in response to the 'outlier' events of the last quarter of 2008 after the Lehman collapse. The Lehman debacle had potentially a cataclysmic knock-on effect on global financial markets that were looking over the edge of a precipice were it not for the gargantuan, co-ordinated response by governments worldwide.

First though, a review month by month of the six month period: the Fund had a reasonable start to the financial year and ended the month of April up approximately 1.0%. As global economic data continued to improve, and the intense fears surrounding the banks subsided, the rally that had started in mid March continued to make its presence felt throughout April. Not even the threat of a potentially disastrous outbreak of swine flu could turn the markets back, as it surely would have a few months previously, and the MSCI World Index ended the month up 11.5%, fuelled by talk of 'green shoots of recovery'.

May continued the surge, shrugging off the threats of a potential flu pandemic, North Korea rattling its sabre, soaring bond yields and the scepticism of many investors. Equity markets continued their upward march, and hedge funds followed close behind, with their May performance being one of the highest recorded. All strategies performed well as investors returned to financial markets and drove prices higher. Thames River Hedge+ posted a positive return of 3.0% for the month of May, as most of the Fund's underlying managers caught the upside of the rally.

June saw the return of some downside volatility, with a sharp, long anticipated 10% market correction mid month proving that we were not yet out of the woods. Despite the mid month dip, the Fund was able to post a respectable return for the month (+1.0%), helped by the cautious stance taken by many of the underlying managers, who generally avoided the fall-out from the correction.

The whole of the third quarter of 2009 saw the rally continue. By July, several markets had risen so sharply that they had reached pre-September 2008 levels, prompting many to believe that there had not been a genuine crisis at the end of last year. Despite the euphoria of the market place, the Fund's portfolio was cautiously positioned as we and our managers were sceptical of the 'V' shaped recovery in underlying fundamentals given the negative economic backdrop. The Fund returned a healthy +2.6% for the month.

August proved to be another strong month, although there were signs of choppiness coming through, with China being down on the month. While many of the underlying managers returned positive numbers, there were a number of relatively bland returns, hovering either side of flat returns for the month, which caused a slight drag on performance. The Fund returned +0.6% for the month.

September brought to a close a quarter that had seen record strength for the markets and had prompted many investors to ask "how far can it go"? The Fund ended the quarter with a solid return for September of +2.1%, with positive performances coming mostly from the credit and equity long/short managers.

We feel that the environment is changing and we may be heading towards a 'square root' (i.e. sharp down movement followed by sharp up movement followed by flat) scenario. We have seen the 'V' of recovery in financial markets, and now we believe that markets will plateau at best and remain subdued for a while to come. However, the fragility of the economic fundamentals may mean that if there are any unpleasant surprises, we could be plunged back into the second half of the 'W' of a double dip recession. We will be paying close attention to sales figures in this third quarter earnings season, rather than earnings which have benefited from the recent low commodity prices, inventory rebuilds and cost cutting.

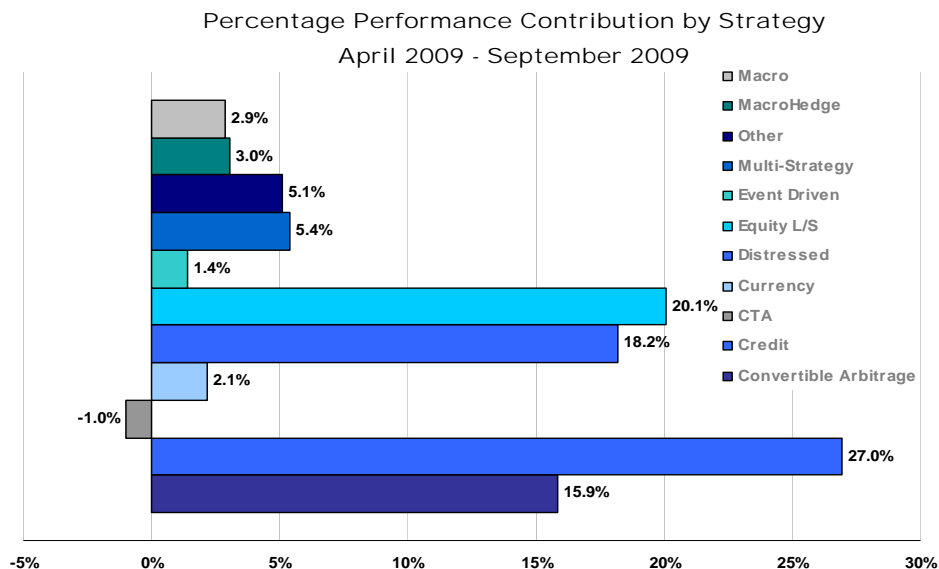
Performance

Thames River Hedge+ had a good first half of the year, with positive NAV performance recorded for each of the six months. However, we did not participate much in the equity market rally but rather in the credit rally as we had anticipated more favourable risk adjusted returns from this asset class. The detailed performance by strategy is shown below:

THAMES RIVER MULTI HEDGE PCC LIMITED

INVESTMENT MANAGER'S REPORT

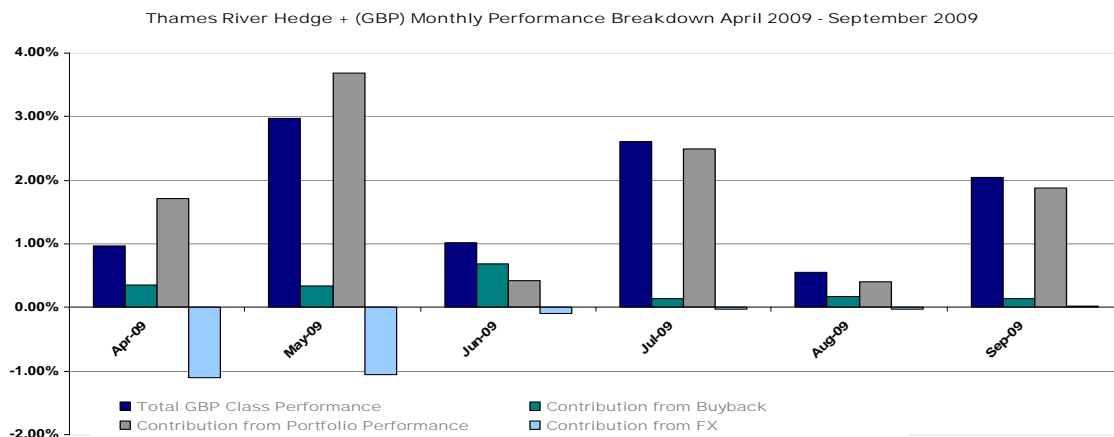
Performance (continued)



Note: Contributions by strategy are shown net of underlying managers' fees only and are not inclusive of Hedge +'s fees and expenses

Source: TRC

We have engaged in very little additional investment in our holdings over the last six months, as we believed that there was more short term performance potential in buying back our own shares at current discount levels. We have also begun to introduce some macro hedge positions into the portfolio to help to protect the gains we have already made this year given the record surge in equity markets over the period, and to this end, we placed a small macro hedge position in mid September in the form of an S&P 500 put option.



Note: The chart shows the NAV performance of the Sterling Share Class, and the contributions to that performance from net portfolio performance, the NAV uplift from buybacks and the profit or loss from un-hedged currency exposure at the share class level where practicable, the share classes were only partially hedged for the first part of the period shown, up to mid May.

Source: TRC

THAMES RIVER MULTI HEDGE PCC LIMITED

INVESTMENT MANAGER'S REPORT

The performance of Thames River Hedge+ and of various comparable indices are shown in the table below.

Comparison of Industry Indices and Peers over Period April 2009 – September 2009

Fund	Performance 1 April 2009 – 30 September 2009
TR Hedge+ GBP NAV	+10.6%
TR Hedge+ EUR NAV	+12.2%
TR Hedge+ USD NAV	+13.1%
TR Hedge+ GBP Realisation Shares NAV	+10.4%
Listed Sterling Fund of Funds Index (NAV)	+6.6%
HFRI FoF Composite Index	+9.4%
Barclays Aggregate Bond Index	+5.6%
MSCI World Index	+42.3%

Against this backdrop, the sub portfolios have all returned positive results. All of the managers in the core portfolio returned positive results for the period, with notable performances from many of them, including Ferox (+40.7%), CQS Directional Opportunities (+38.4%) and Davidson Kempner Distressed Opportunities (+37.0%).

Alphatran, a European biased global equities manager, is currently the only manager within the seed portfolio. This fund has had a strong performance period, returning +14.2% over the six months from April to September 2009. HSBC Global Technology Alpha Fund was sold from the portfolio at the end of June, and IRG at the end of July 2009.

The special situations sub portfolio was fairly evenly split between positive and negative performers, reflecting the divergent views of markets. Positive results ranged from +0.3% (Sector Speculare III) to 31.8% (LAPP Strategic), with one outlying record result of +159.3% (Cheyne TRC II). The negative results recorded within the special situations portfolio ranged from -24.9% to -0.2%, with seven funds reporting double digit losses for the period.

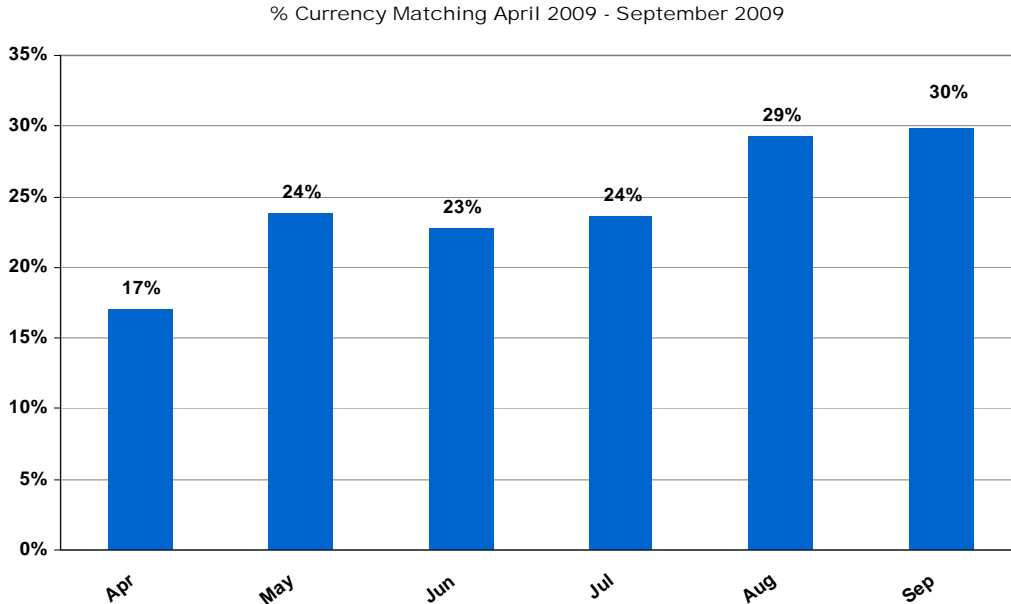
The currency portfolio remains a small allocation within the overall portfolio (approximately 1.5%), and it struggled over the period, returning -2% in a range bound and lacklustre FX environment. The leveraged sub portfolio (approximately 1.4% of portfolio) ended the period up 17.6%. This sub portfolio is in the process of being wound up as we no longer believe this is the right time to employ this strategy.

One of the events of the last quarter of 2008 that we never want to repeat is the risk of needing to hedge the exposure between our share classes and the underlying assets but not having sufficient cash to be able to do so. The sharp, sudden fall of sterling against the US dollar in the second half of 2008 forced us to leave part of the portfolio unhedged and this was only fully hedged again in May 2009. To mitigate against this risk we have "pushed" as far as possible the hedging risk down to our underlying managers by encouraging them, where possible, to set up Sterling and Euro share classes.

THAMES RIVER MULTI HEDGE PCC LIMITED

INVESTMENT MANAGER'S REPORT

The chart below shows the value of the Fund's net sterling assets expressed as a percentage of the aggregate NAV of the Sterling and Realisation Share Classes.



Source: TRC

In addition, as a result of the credit crisis at the end of 2008 and its knock-on effect on financial market liquidity, we have been issued with side pockets by some of our underlying managers, especially those focusing on the credit asset class which was the most affected by the fall-out in 2008. To this end, we have pro-actively participated in the secondary market in illiquid hedge funds that has been developing over the last year as a result of the credit crisis. During the period, we sold three positions, initially valued at a total of \$13.2m, for a value of \$11.2m, an asset weighted discount of 15%. We will continue to look to participate in the secondary market where on balance we see better opportunities by liquidating holdings at a particular discount level and using the proceeds for share buybacks or making new investments.

THAMES RIVER MULTI HEDGE PCC LIMITED

INVESTMENT MANAGER'S REPORT

Liquidity Table December 2008 – September 2009

30-Jun-08	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	3%	28%	40%	10%	17%	2%
30-Sep-08	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	0%	20%	39%	14%	20%	7%
31-Dec-08	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	-20%	14%	41%	15%	29%	21%
31-Mar-09	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	-5%	14%	31%	15%	27%	18%
30-Jun-09	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	13%	14%	20%	16%	21%	16%
30-Sep-09	Cash/puts	Monthly	Quarterly	Semi Annual	One year +	Newly Illiquid
% of NAV	16%	11%	22%	16%	21%	14%

Notes:

Funds are included in one of the following categories (which are mutually exclusive).

- "Newly illiquid" covers funds which have gated, suspended or restricted redemptions.
- "Monthly" liquidity covers funds with monthly dealing with a 60 calendar day notice period for redemption (or better).
- "Quarterly" liquidity covers funds with monthly or quarterly dealing with 60-90 calendar days notice period for redemption.
- "Semi-annual" liquidity covers funds with monthly, quarterly or semi-annual dealing with 90-180 calendar days notice period for redemption.
- "One year+" covers funds which would take a year or more to redeem. These funds' redemption terms have not changed since the original investment was made.

Source: TRC

Outlook

The pain of last year may feel a distant memory when looking at the meteoric rally that we have witnessed over the last six months. However, we remain sceptical that the recovery in financial markets is as strongly underpinned by the economic fundamentals as some would suggest. The majority of our underlying managers remain equally cautious, waiting to see which way the pendulum will swing.

Looking forward from here, we expect volatile markets to move sideways for some time to come, and expect that there will be plenty of opportunities to be found for those with capital to invest. We remain particularly interested in the areas of credit (including distressed), macro, equities and the 'Zeco', or structurally uncorrelated strategies. With these views in mind, we are maintaining higher than usual cash balances to dampen the effects of the volatility and to have the liquidity readily available to take advantage of market corrections.

Thames River Capital LLP
November 2009

THAMES RIVER MULTI HEDGE PCC LIMITED

SCHEDULE OF INVESTMENTS

As at 30 September 2009

Financial assets at fair value through profit or loss

Funds	Strategy	Nominal Holding	Fair Value US\$000	% of NAV
Davidson Kempner Distressed Opportunities Intl	Distressed	34,839	37,261	7.34
Ferox Fund	Convertible Arbitrage	183,637	34,454	6.79
Nevsky Fund	Equity Long / Short	17,563	28,133	5.54
CQS Directional Opportunities Feeder Fund	Multi-Strategy	6,835	25,237	4.97
Bennelong Global Special Opportunities Fund	Multi-Strategy	132,474	21,721	4.29
Pequot Matawin Offshore Fund	Real Estate	1	21,645	4.27
Cheyne Total Return Credit Fund II	Credit	144,581	21,485	4.24
Paulson Advantage Plus	Event Driven	41,765	20,917	4.13
Paulson Credit Opportunities	Credit	16,166	19,301	3.81
Sector Speculare (Private Equity) IV Fund	Resources	200,000	17,715	3.49
Managed Investments PCC Ltd - Iris Enhanced Cell	Insurance	10,079	17,570	3.47
Global Maritime Investments	Shipping	120,587	13,701	2.70
Sector Speculare (Private Equity) III Fund	Resources	143,974	12,403	2.45
LAPP Strategic I	Equity Long / Short	148,031	12,168	2.40
The Breithorn Fund	Equity Long / Short	98,409	12,119	2.39
Merchant Commodity Fund	Other	30,366	11,130	2.20
Alphatran Fund	Equity Long / Short	104,457	10,729	2.12
Union National Brazil Opportunity Fund	Factoring	15,000	10,492	2.07
BlueCrest Strategic Fund	Macro	83,608	10,340	2.04
SOLA I	Credit	9,370	10,248	2.02
Alphagen Tucana Fund	Equity Long / Short	57,051	10,237	2.02
RAB Octane Fund	Resources	117,840	9,019	1.78
Newtonian Asia Offshore Fund	Real Estate	98,759	7,180	1.42
Thames River 2X Currency Alpha Fund	Currency	4,098	6,726	1.33
Thames River Legion Fund	Multi-Strategy	8,742	6,424	1.27
BlueCrest Special Situations Fund	Other	55,248	6,162	1.22
Plenum Power 2X Fund	Other	5,738	5,179	1.02
Ecofin Special Situations Utilities Fund	Equity Long / Short	58,137	5,155	1.02
GPS New Equity Fund (Cayman)	Equity Long / Short	8,278	4,546	0.90
Carbon Assets Fund	Other	32,161	4,273	0.84
GLG Emerging Markets Fund	Macro	55,242	3,838	0.76
Altima Global Special Opportunities Fund	Equity Long / Short	1,919	2,428	0.48
GPS Income Fund (Cayman)	Equity Long / Short	4,925	1,821	0.36
Drake Global Opportunities Fund	Macro	1,760	1,275	0.25
Paulson Recovery Fund	Event Driven	10,000	1,189	0.23
CPIM Structured Credit Fund	Credit	14,180	498	0.10
			444,719	87.73
Index Option				
S&P Put Option Strike 1,050 - 950 Spread March 2010			1,589	0.31

THAMES RIVER MULTI HEDGE PCC LIMITED

SCHEDULE OF INVESTMENTS (continued)

As at 30 September 2009

Open forward foreign currency transactions

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$'000	% of NAV
Investment level					
EUR 3,278,000	USD	0.6841	03.11.09	1	-
Sterling Class					
GBP 2,541,345	USD	1.6474	02.10.09	122	0.02
USD 131,013,016	GBP	1.5981	03.11.09	86	0.02
GBP 1,580,000	USD	1.6145	02.10.09	24	-
				<u>232</u>	<u>0.04</u>
Euro Class					
USD 6,845,546	EUR	1.4375	02.10.09	115	0.02
USD 5,751,097	EUR	1.4374	02.10.09	97	0.02
				<u>212</u>	<u>0.04</u>
Realisation Class					
USD 6,371,585	GBP	1.5981	03.11.09	4	-
Total financial assets at fair value through profit or loss				446,757	88.12

Financial liabilities at fair value through profit or loss

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$'000	
Investment level					
EUR 3,278,000	USD	0.6841	02.10.09	(80)	(0.02)
Sterling Class					
USD 183,023,892	GBP	1.5993	03.11.09	(19)	-
GBP 12,600,000	USD	1.5853	02.10.09	(177)	(0.03)
USD 141,286,748	GBP	1.6311	02.10.09	(2,751)	(0.54)
USD 203,303,094	GBP	1.6312	02.10.09	(3,970)	(0.78)
				<u>(6,917)</u>	<u>(1.35)</u>
Euro Class					
USD 5,528,819	EUR	1.4619	03.11.09	(1)	-
USD 7,061,460	EUR	1.4620	03.11.09	(2)	-
				<u>(3)</u>	<u>-</u>
Realisation Class					
USD 6,454,302	GBP	1.6311	02.10.09	(126)	(0.02)
Total financial liabilities at fair value through profit or loss				(7,126)	(1.39)

Total Net Investments at Fair Value

439,631 86.73

Other Net Assets

67,253 13.27

Total Net Assets

506,884 100.00

THAMES RIVER MULTI HEDGE PCC LIMITED

SCHEDULE OF INVESTMENTS (continued)

As at 30 September 2009

Analysis of Total Portfolio by Investment Strategy at 30 September 2009

	Number of Funds	Fair Value US\$000's	% of NAV
Equity Long / Short	9	87,336	17.22
Multi-Strategy	3	53,382	10.53
Credit	4	51,532	10.17
Resources	3	39,137	7.72
Distressed	1	37,261	7.35
Convertible Arbitrage	1	34,454	6.80
Real Estate	2	28,825	5.69
Other	4	26,744	5.28
Event Driven	2	22,106	4.36
Insurance	1	17,570	3.47
Macro	3	15,453	3.05
Shipping	1	13,701	2.70
Factoring	1	10,492	2.07
Currency	1	6,726	1.33
Options		1,589	0.31
Open Forward Foreign Currency Transactions		(6,677)	(1.32)
Other Net Assets		67,253	13.27
	36	506,884	100.00

Analysis of Total Portfolio by Investment Strategy at 31 March 2009

	Number of Funds	Fair Value US\$000's	% of NAV
Equity Long / Short	11	90,924	19.82
Multi-Strategy	3	83,270	18.14
Credit	5	54,500	11.88
Resources	3	40,688	8.87
Distressed	1	31,966	6.97
Other	4	25,571	5.56
Macro	3	24,448	5.33
Real Estate	2	24,406	5.32
Convertible Arbitrage	1	21,686	4.73
Event Driven	3	21,325	4.65
Shipping	1	16,234	3.54
Insurance	1	14,950	3.26
Factoring	1	13,701	2.99
Commodity Trading	1	9,529	2.08
Currency	1	6,154	1.34
Options		2,601	0.57
Open Forward Foreign Currency Transactions		1,272	0.28
Other Net Liabilities		(24,433)	(5.33)
	41	458,792	100.00

THAMES RIVER MULTI HEDGE PCC LIMITED

UNAUDITED BALANCE SHEET

As at 30 September 2009

	Notes	September 2009 US\$000's	March 2009 US\$000's
Current assets			
Cash	3	47,277	34,575
Debtors		22,192	12,432
Financial assets at fair value through profit or loss		446,757	483,802
Total assets		<u>516,226</u>	<u>530,809</u>
Current liabilities			
Bank borrowings	4	-	(70,000)
Creditors		(2,216)	(1,440)
Financial liabilities at fair value through profit or loss		(7,126)	(577)
Total liabilities		<u>(9,342)</u>	<u>(72,017)</u>
Total net assets		<u>506,884</u>	<u>458,792</u>
Capital and revenue attributable to the Fund's equity holders			
Share capital	6	-	-
Share premium	6	652,805	705,167
Retained earnings		(145,921)	(246,375)
Total equity		<u>506,884</u>	<u>458,792</u>
Shares in issue			
	6		
Sterling shares		206,070,718	225,323,965
Euro shares		6,998,872	4,372,582
Dollar shares		22,125,488	36,078,807
Realisation shares		5,750,468	6,327,450
Net asset value per share			
Sterling shares		£1.3956	£1.2622
Euro shares		€1.2693	€1.1317
Dollar shares		\$1.1714	\$1.0362
Realisation shares		£0.8740	£0.7915

The financial statements on pages 11 to 23 were approved by the Board of Directors of Thames River Multi Hedge PCC Limited on 19 November 2009.

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

THAMES RIVER MULTI HEDGE PCC LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2009

	Share Capital US\$000's	Share Premium US\$000's	Retained Earnings US\$000's	Total US\$000's
Management Shares	-	-	-	-
Sterling Shares				
Opening balance 1 April 2009	-	640,032	(232,374)	407,658
Purchase of shares into treasury	-	(34,414)	-	(34,414)
Purchase of shares for cancellation	-	(12,321)	-	(12,321)
Switches	-	5,603	-	5,603
Net gain for the period	-	-	93,419	93,419
Closing balance 30 September 2009	-	598,900	(138,955)	459,945
Euro Shares				
Opening balance 1 April 2009	-	7,004	(434)	6,570
Purchase of shares into treasury	-	(227)	-	(227)
Switches	-	4,172	-	4,172
Net gain for the period	-	-	2,470	2,470
Closing balance 30 September 2009	-	10,949	2,036	12,985
Dollar Shares				
Opening balance 1 April 2009	-	45,692	(8,307)	37,385
Purchase of shares into treasury	-	(446)	-	(446)
Purchase of shares for cancellation	-	(4,244)	-	(4,244)
Switches	-	(9,775)	-	(9,775)
Net gain for the period	-	-	2,996	2,996
Closing balance 30 September 2009	-	31,227	(5,311)	25,916
Realisation Shares				
Opening balance 1 April 2009	-	12,439	(5,260)	7,179
Redemption of shares	-	(241)	-	(241)
Purchase of shares into treasury	-	(469)	-	(469)
Switches	-	-	-	-
Net gain for the period	-	-	1,569	1,569
Closing balance 30 September 2009	-	11,729	(3,691)	8,038
Total				
Opening balance 1 April 2009	-	705,167	(246,375)	458,792
Redemption of shares	-	(241)	-	(241)
Purchase of shares into treasury	-	(35,556)	-	(35,556)
Purchase of shares for cancellation	-	(16,565)	-	(16,565)
Switches	-	-	-	-
Net gain for the period	-	-	100,454	100,454
Closing balance 30 September 2009	-	652,805	(145,921)	506,884

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

THAMES RIVER MULTI HEDGE PCC LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2008

	Share Capital US\$000's	Share Premium US\$000's	Retained Earnings US\$000's	Total US\$000's
Management Shares	-	-	-	-
Sterling Shares				
Opening balance 1 April 2008	-	471,833	61,323	533,156
Issue of shares	-	203,645	-	203,645
Switches	-	(8,831)	-	(8,831)
Net loss for the period	-	-	(108,441)	(108,441)
Closing balance 30 September 2008	-	666,647	(47,118)	619,529
Euro Shares				
Opening balance 1 April 2008	-	2,171	2,829	5,000
Issue of shares	-	4,649	-	4,649
Switches	-	(100)	-	(100)
Net loss for the period	-	-	(1,552)	(1,552)
Closing balance 30 September 2008	-	6,720	1,277	7,997
Dollar Shares				
Opening balance 1 April 2008	-	10,218	670	10,888
Issue of shares	-	16,543	-	16,543
Switches	-	8,931	-	8,931
Net loss for the period	-	-	(2,762)	(2,762)
Closing balance 30 September 2008	-	35,692	(2,092)	33,600
Realisation Shares				
Opening balance 1 April 2008	-	-	-	-
Issue of shares	-	12,556	-	12,556
Switches	-	-	-	-
Net loss for the period	-	-	(1,945)	(1,945)
Closing balance 30 September 2008	-	12,556	(1,945)	10,611
Total				
Opening balance 1 April 2008	-	484,222	64,822	549,044
Issue of shares	-	237,393	-	237,393
Switches	-	-	-	-
Net loss for the period	-	-	(114,700)	(114,700)
Closing balance 30 September 2008	-	721,615	(49,878)	671,737

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

THAMES RIVER MULTI HEDGE PCC LIMITED

UNAUDITED CASH FLOW STATEMENT

For the six months ended 30 September 2009

	September 2009 US\$000's	* September 2008 US\$000's
Cash flows from operating activities		
Purchase of financial assets and settlement of financial liabilities	(83,763)	(287,080)
Proceeds from sale of financial assets at fair value through profit or loss and forward foreign currency contracts	223,526	3,067
Other operating expenses	(4,170)	(9,760)
Interest received	2	-
Net cash inflow/(outflow) from operating activities	135,595	(293,773)
Cash flows from financing activities		
Interest paid	(449)	(728)
Proceeds from participating shares issued	-	237,393
Redemption of participating shares	(52,375)	-
Net cash (outflow)/inflow from financing activities	(52,824)	236,665
Net increase/(decrease) in cash and cash equivalents	82,771	(57,108)
Cash and cash equivalents at beginning of the period	(35,425)	(12,900)
Exchange (loss)/gain on cash and cash equivalent	(69)	11
Cash and cash equivalents at period end	47,277	(69,997)
Cash at the end of the period is comprised of:		
Cash at bank	47,277	36,414
Bank overdraft	-	(106,411)
	47,277	(69,997)

* The comparatives are for the six months ended 30 September 2008.

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

THAMES RIVER MULTI HEDGE PCC LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

30 September 2009

1. Incorporation and principal activity

Thames River Multi Hedge PCC Limited (the "Company") is domiciled in Guernsey. It was incorporated under The Companies (Guernsey) Law, 1994 on 6 January 2004 and is a closed ended, protected cell company. The Company has been established with one cell in accordance with the Protected Cell Companies Ordinance, 1997: Thames River Hedge+ (the "Fund"). At the end of the period under review, the Company had issued four classes of shares, being the Sterling Shares, the Euro Shares, the Dollar Shares and the Sterling Realisation Shares. The Fund has a single portfolio of assets which is invested, predominantly on a fund of funds basis, in accordance with the Fund's investment objective and policy. This single portfolio is attributable to the Sterling Shares, the Euro Shares, the Dollar Shares and the Sterling Realisation Shares proportionately according to their interests in the portfolio. The assets of the Company can either be cellular assets or non-cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of a cell's share capital, reserves and any other assets attributable to the cell. Where a liability arises from a transaction in respect of a particular cell, and there are insufficient assets within that cell, then there will be recourse to the non-cellular assets but not to the assets of any other cell.

However, the protected cell company structure has not, so far as the directors are aware, been tested in any courts. Accordingly if the assets of the Company are situated in a jurisdiction other than Guernsey it is not known whether courts in other jurisdictions would recognise the protected cell structure and the integrity of the separate cells.

The investment objective of the Company is to produce attractive absolute returns relative to the level of risk assumed through a dynamic multi manager approach. Thames River Capital LLP (the "Investment Manager") manages the portfolio of the Fund with the aim of having a low correlation to traditional equity and bond markets. The Investment Manager seeks to accomplish this objective by investing the assets of the Company predominantly in absolute return orientated funds worldwide whose managers employ a variety of investment strategies across all asset classes. The Company's shares are listed on the London Stock Exchange and on the Channel Islands Stock Exchange.

The Company's financial statements were authorised for issue on 19 November 2009 by the directors.

2. Significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Board has considered the requirements of IFRS 8 'Operating Segments', and is of the view that the Company is engaged in a single segment of business, investing predominantly in absolute return orientated funds worldwide whose managers employ a variety of investment strategies across all asset classes. The Board has determined that it is the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the condensed financial statements.

The Company has opted to prepare condensed interim financial statements as set out in IAS 34: Interim Financial Reporting. As a result, these financial statements are prepared on the basis of the accounting policies set out in the 31 March 2009 annual financial statements.

THAMES RIVER MULTI HEDGE PCC LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

30 September 2009

3. Cash

At the period end the Company held cash deposits of US\$1,951,630 (March 2009: US\$243,685) with Northern Trust (Guernsey) Limited, US\$11,264,510 (March 2009: US\$22,201,356) with JP Morgan Trust Company (Cayman) Limited, US\$30,909,317 (March 2009: US\$nil) with NewEdge Group and US\$3,151,456 (March 2009: US\$12,129,647) with HSBC Private Bank (C.I.) Limited.

4. Bank Borrowing

At the period end the Company had no bank overdraft. At 31 March 2009 the Company had a bank overdraft of US\$70,000,000 with Bear, Stearns International Limited which was repaid in May 2009.

5. Related Party Transactions

The Company has entered into an Investment Management Agreement with the Investment Manager. All fees in relation to the Investment Manager are disclosed separately in the Income Statement.

The Company has also entered into an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"). The Administrator has delegated part of the administration of the Company's portfolio to Northern Trust International Fund Administration Services (Ireland) Limited. Mr Holmes is managing director of the Administrator. Mr Holmes has appointed Mr Hiddelston as his alternate. Mr Hiddelston is employed by Northern Trust as senior client relationship manager.

At the period end the Company had an investment in two other funds advised by the Investment Manager. They are Thames River Legion Fund Limited and Thames River 2X Currency Alpha Fund Limited (see schedule of investments on page 11), in respect of which all management and performance fees are rebated by the Investment Manager. In addition, the Company had an investment in Nevsky Fund Limited which is managed by an affiliate of the Investment Manager. Investment management and performance fees on the Nevsky Fund have not been rebated by the Investment Manager.

6. Shareholders' Funds

Two Management Shares were issued at £1.00 each and are beneficially owned by the Investment Manager. Management Shares do not entitle the holders to any dividend and on a winding up entitle the holder to receive the amount paid up thereon and to participate in the assets attributable to any non-cellular assets of the Company but not otherwise to participate in the assets attributable to any cell. The holders of Management Shares are entitled to attend and vote at general meetings of the Company.

Holders of Sterling Shares, Euro Shares, Dollar Shares and Sterling Realisation Shares are entitled to attend and to vote at general meetings of the Company.

THAMES RIVER MULTI HEDGE PCC LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

30 September 2009

6. Shareholders' Funds (continued)

Authorised Share Capital	September 2009		March 2009	
Unlimited number of shares of no par value	US\$000's		US\$000's	
Issued and fully paid				
Management Shares at £1.00 each	-	-	-	-
	Share		Share	
	Premium		Premium	
	Number	US\$000's	Number	US\$000's
Sterling Class				
Opening balance	225,323,965	640,032	175,414,908	471,833
Issued during the period	-	-	66,760,843	204,646
Purchase of shares into treasury	(16,850,000)	(34,414)	(5,315,000)	(5,945)
Purchase of shares for cancellation	(5,500,000)	(12,321)	(2,365,674)	(5,271)
Switches	3,096,753	5,603	(9,171,112)	(25,231)
Closing balance	206,070,718	598,900	225,323,965	640,032
Euro Class				
Opening balance	4,372,582	7,004	2,243,343	2,171
Issued during the period	-	-	2,094,145	4,649
Purchase of shares for cancellation	(150,000)	(227)	(439,765)	(680)
Switches	2,776,290	4,172	474,859	864
Closing balance	6,998,872	10,949	4,372,582	7,004
Dollar Class				
Opening balance	36,078,807	45,692	8,621,064	10,218
Issued during the period	-	-	12,899,947	16,544
Purchase of shares into treasury	(420,000)	(446)		
Purchase of shares for cancellation	(4,100,000)	(4,244)	(5,472,459)	(5,437)
Switches	(9,433,319)	(9,775)	20,030,255	24,367
Closing Balance	22,125,488	31,227	36,078,807	45,692
Realisation Class				
Opening balance	6,327,450	12,439	-	-
Issued during the period	-	-	6,527,450	12,620
Redeemed during the period	(176,982)	(241)	-	-
Purchase of shares into treasury	(400,000)	(469)	-	-
Purchase of shares for cancellation	-	-	(200,000)	(181)
Closing Balance	5,750,468	11,729	6,327,450	12,439

THAMES RIVER MULTI HEDGE PCC LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

30 September 2009

7. Exchange Rates

At the period end date the exchange rates used were as follows:

	Exchange Rates to US\$	
	September 2009	March 2009
Pound Sterling	1.6047	1.4334
Euro	1.4096	1.3277

8. Forward Foreign Currency Contracts

a) Income Statement

It is the policy of the Company to hedge the exposure between the respective Share Classes denominated in sterling and euro and the Fund's portfolio denominated in US dollars. Gains and losses on such forward contracts are exclusively borne by the respective Share Class and reflected in the Income Statement.

b) Balance Sheet

As at 30 September 2009, the Fund had entered into and not closed forward foreign currency contracts to hedge the value of the respective Share Classes. These contracts were executed with the Fund's custodian, HSBC Private Bank (C.I.) Limited and NewEdge Group. All gains and losses arising from such hedging are exclusively applied to the relevant Share Class and reflected in their respective net asset values. Details of these contracts are shown in the Schedule of Investments.

9. Directors' Interests in the Shares of the Company

Mr Backhouse and close family members own 160,727 (March 2009: 160,727) Sterling Shares, Mr Scholfield owns 50,000 (March 2009: 50,000) Sterling Shares and Mr Hill owns 17,032 (March 2009: 17,032) Sterling Shares. None of the other directors or the Company Secretary had any interest in the share capital of the Company at any time during the period, or at 30 September 2009.

10. Taxation

The Company is registered in Guernsey as an exempt company under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and is therefore only liable to an annual fee of £600 and is not resident in Guernsey for the purposes of liability to Guernsey income tax. Confirmation has been sought and obtained from the administrator of income tax that, under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest.

THAMES RIVER MULTI HEDGE PCC LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

30 September 2009

11. Operating segments

The Company is engaged in a single segment of business, investing predominantly in absolute return orientated funds worldwide whose managers employ a variety of investment strategies across all asset classes. The net gain or loss on investments is disclosed in the Income Statement on page 17 as 'net gain/loss on financial assets and liabilities at fair value through profit or loss'.

12. Subsequent Events

In late September the UK government published the new "Offshore Fund Rules" as a result of which the board has been advised that it will be necessary first to suspend all distributions from the Sterling Realisation Share Class and then to re-designate the Sterling Realisation Share Class and merge it with the Sterling Share Class. Shareholder approval for this re-designation was received on 13 November 2009 and the re-designation will be effective for dealing on 20 November 2009. The Company has requested that the listing of the Sterling Realisation Shares be cancelled with effect from that date.

On 3 September 2009, the board announced the implementation of the Redemption Facility for up to 10% of the shares in issue as at 31 December 2009. Applications have been received from 28.78% of the holders of Sterling Shares, and 68.03% of the holders of Euro Shares, and 37.02% of the holders of Dollar Shares. The final ratio by which these applications will be scaled back cannot be determined until the process of re-designating the Sterling Realisation Shares has been completed.

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.

THAMES RIVER MULTI HEDGE PCC LIMITED

INFORMATION ABOUT THE COMPANY

Financial Calendar

Financial year end	31 March
Interim results announced	November
Final results announced	June
Annual General Meeting	September

History

The Company was incorporated with limited liability in Guernsey as a protected cell company and closed ended investment company on 6 January 2004. Shares were issued following the closing of a placing and offer for subscription on 20 February 2004 and the initial capital raised was £45.2 million. On 16 October 2006 a further £15.6 million was raised through a C Share issue. On 1 March 2007 a further £6.6 million was raised through a tap issue. On 20 July 2007 a second C Share issue raised £68.5 million and on 14 November a third C Share issue raised approximately £81.8 million net of costs. In February and March 2008, £28.6 million was raised from further tap issues. On 22 May 2008 a further £104.3 million net of costs was raised in a fourth C Share issue. Since September 2008 and up to 11 November 2009 the Company had undertaken a share buy back programme and has re-purchased 30,030,674 Sterling Shares, 589,765 Euro Shares, 9,992,459 Dollar Shares and 600,000 Sterling Realisation Shares.

Market Information

The Company's shares are listed on the London Stock Exchange and on the Channel Islands Stock Exchange. The market prices are shown daily in the Financial Times.

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Realisation Facility

As advised in note 11 the half yearly Realisation Facility introduced in May 2008 has been suspended due to a change in the UK government's regulations covering Offshore Funds.

Company Numbers

Company registration number: 41511
London stock exchange codes: (Investment Companies)
ThRvMtHdg£; ThRvMtHdg€; ThRvMtHdg\$;
Sterling shares: 225,323,965
Sterling ISIN number: GB0034081512
Sterling SEDOL code: 3408151
Euro shares: 4,372,582
Euro ISIN number: GB0034081629
Euro SEDOL code: 3408162
Dollar Shares: 36,078,807
Dollar ISIN number: GB00BIF2KQ35
Dollar SEDOL code: BIF2KQ3
Sterling Realisation shares: 6,327,450
Sterling Realisation ISIN number: GG00B2QNVG96
Sterling Realisation SEDOL code: B2QNVG9

Monthly Newsletter

If investors would like to receive a copy of the monthly newsletter prepared by the Investment Manager, they should contact Vanessa Lawley at Thames River Capital LLP, 51 Berkeley Square, London W1J 5BB (vlawley@thamesriver.co.uk).

THAMES RIVER MULTI HEDGE PCC LIMITED

INFORMATION ABOUT THE COMPANY (continued)

Redemption Facility

The Company has a half yearly redemption facility, activated at the discretion of the directors. If activated, shareholders may request on not less than 95 days' notice, the redemption of all or part of their holdings for cash at the net asset value on 30 June and/or 31 December.

Switching Facility

Shareholders may switch Shares of any class in issue into Shares of another class in issue by giving not less than 30 calendar days' notice to the Company in advance of such Conversion Calculation Date. Such conversions will be on the basis of the ratio of the NAV of each class of Shares which are the subject of requests for conversion at the relevant NAV Calculation Date. With effect from 1 July 2008, the Conversion Calculation Date was changed to the dates on which the March and September NAVs are calculated.

DEALING SERVICES

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