

STERLING • DOLLAR • EURO  
TMI LIQUIDITY  FUND

30TH JUNE 2010

# TMI STERLING LIQUIDITY SUB-FUND

**NET YIELD**  
0.86%

**WAM**  
67 DAYS

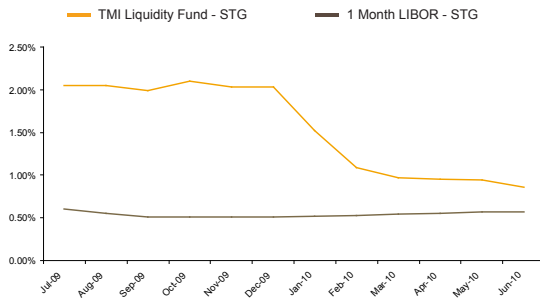
**FUND SIZE**  
£145.2M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun10
Fund	2.20	2.05	2.05	1.99	2.10	2.03	2.03	1.52	1.09	0.97	0.95	0.94	0.86
1 Month Libor	0.66	0.60	0.55	0.51	0.51	0.51	0.51	0.52	0.53	0.54	0.55	0.56	0.57



Annualised Net Return % June 2010	Annualised Gross Return % June 2010	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.86	1.09	1.55	0.54

## FUND OBJECTIVE

To maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of short term debt related instruments.

## FUND DETAILS

Valuation:	£145.2million
Inception Date:	1st November 2006
Domicile:	Isle of Man
Fund Structure:	OEIC
Benchmark:	1 Month LIBOR
Rating*:	AAAf
Bloomberg:	TMIUSLQ
ISIN:	IM00B1GR7P51
SEDOL:	B1GR67P5

\*Standard & Poor's

## INVESTMENT

Price:	£1.00
Initial:	£100,000
Subsequent:	£25,000
Fees:	17.5bps
Valuation Frequency:	Daily
Dealing Deadline:	11.00am
Redemption:	5 business days

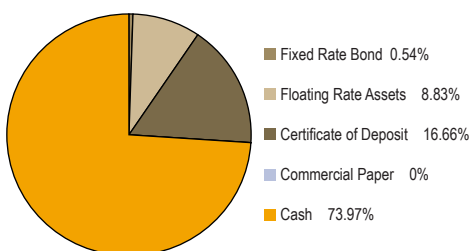
## ENQUIRIES

Tel: +44 (0) 1624 645200  
Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)

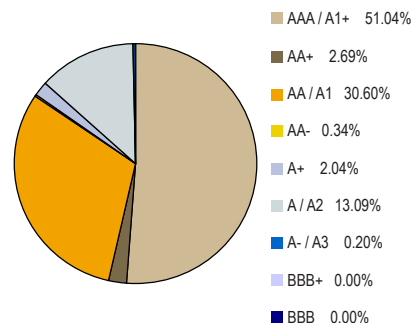
## COMMENTARY

- Fragile risk appetite impacted across most asset classes as Euro area banking sector stress continued throughout June.
- The Coalition Governments emergency budget was well received by financial markets.
- The Monetary Policy Committee (MPC) left policy rates unchanged at 0.50% and the QE asset purchase target at £200m as expected, the decision was a surprising 7-1, indicating a more hawkish tone than expected.
- LIBOR rates remained stable throughout June following the rise in May.
- The Weighted Average Maturity (WAM) finished June at 67 days up from 63 days in May and in line with our current strategy. We remain focused on providing adequate liquidity and maintaining the WAM within a 50 - 70 day range. The fund remains well positioned to react as and when the yield curve begins to steepen.
- We have taken the opportunity to extend the WAM a little by placing a further portion of the fund further down the curve with high quality names.
- The fund outperformed it's 1-month LIBOR benchmark by 29 bps. We expect rates to remain low and anticipate that the fund will continue to perform well versus the benchmark in the coming months.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Fund	75	78	70	69	83	94	96	75	58	47	56	63	67



# TMI US DOLLAR LIQUIDITY SUB-FUND

**NET YIELD**  
0.59%

**WAM**  
49 DAYS

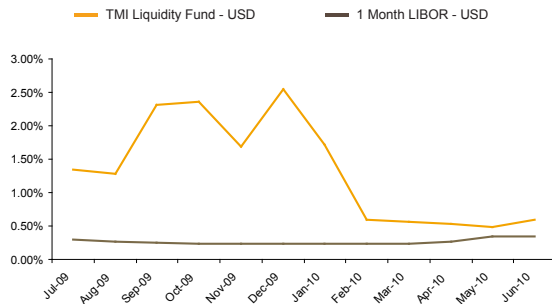
**FUND SIZE**  
\$124.9M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Fund	1.80	1.35	1.28	2.31	2.36	1.68	2.54	1.72	0.60	0.57	0.53	0.49	0.59
1 Month Libor	0.32	0.29	0.27	0.25	0.24	0.24	0.23	0.23	0.23	0.24	0.26	0.34	0.35



Annualised Net Return % June 2010	Annualised Gross Return % June 2010	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.59	0.84	1.34	0.27

## FUND OBJECTIVE

To maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of short term debt related instruments.

## FUND DETAILS

Valuation:	\$124.9million
Inception Date:	1st November 2006
Domicile:	Isle of Man
Fund Structure:	OEIC
Benchmark:	1 Month LIBOR
Rating*:	AAAf
Bloomberg:	TMIUSLQ
ISIN:	IM00B1GR7P51
SEDOL:	B1GR67P5

\*Standard & Poor's

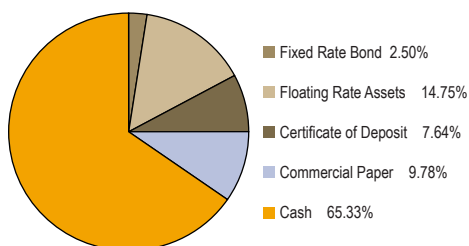
## COMMENTARY

- Fragile risk appetite impacted across most asset classes as Euro area banking sector stress continued throughout June.
- The Federal Open Market Committee (FOMC) held rates at the current range of 0.00 - 0.25%. The June statement contained no surprises but did acknowledge the deceleration in inflation over recent months.
- LIBOR rates remained stable throughout June following the sharp rise in May.
- The Weighted Average Maturity (WAM) finished March at 49 days. We remain focused on providing adequate liquidity and maintaining the WAM within a 50 - 70 day range. The fund remains well positioned to react as and when the yield curve begins to steepen.
- We continue to look for opportunities to place funds further down the curve, increasing the WAM and yield.
- During June we were active in the new issue FRN market, adding a non-financial short dated bond paying LIBOR + 35bps.
- The fund outperformed it's 1-month LIBOR benchmark by 24 bps. We expect rates to remain low and anticipate that the fund will continue to perform well versus the benchmark in the coming months.

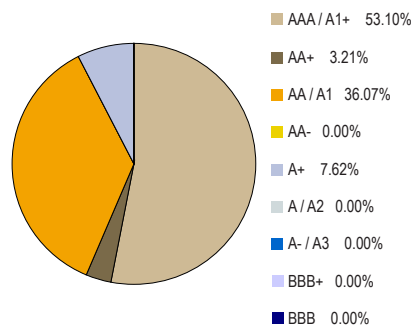
## INVESTMENT

Price:	\$1.00
Initial:	\$100,000
Subsequent:	\$25,000
Fees:	17.5bps
Valuation Frequency:	Daily
Dealing Deadline:	11.00am
Redemption:	5 business days

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## ENQUIRIES

Tel: +44 (0) 1624 645200  
Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)

## WEIGHTED AVERAGE MATURITY IN DAYS

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	May 10
Fund	55	67	55	63	71	68	76	69	57	40	50	56	49



# TMI EURO LIQUIDITY SUB-FUND

**NET YIELD**  
0.48%

**WAM**  
18 DAYS

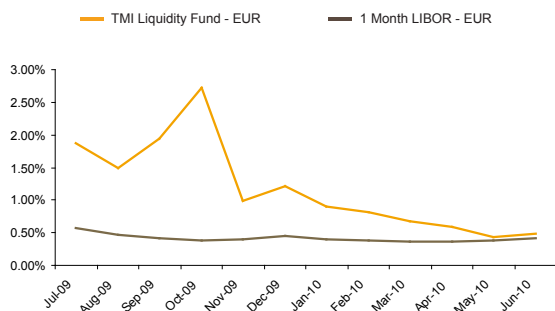
**FUND SIZE**  
€15.7M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Fund	2.19	1.88	1.50	1.94	2.73	0.98	1.22	0.90	0.82	0.68	0.59	0.44	0.48
1 Month Libor	0.89	0.57	0.46	0.41	0.39	0.40	0.45	0.40	0.38	0.37	0.37	0.39	0.41



Annualised Net Return % June 2010	Annualised Gross Return % June 2010	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.48	0.74	1.18	0.42

## FUND OBJECTIVE

To maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of short term debt related instruments.

## FUND DETAILS

Valuation:	€15.7million
Inception Date:	1st April 2008
Domicile:	Isle of Man
Fund Structure:	OEIC
Benchmark:	1 Month LIBOR
Rating*:	AAAf
Bloomberg:	TMIEULQ
ISIN:	IM00B3BJC882
SEDOL:	B3BJC88

\*Standard & Poor's

## INVESTMENT

Price:	€1.00
Initial:	€100,000
Subsequent:	€25,000
Fees:	17.5bps
Valuation Frequency:	Daily
Dealing Deadline:	11.00am
Redemption:	5 business days

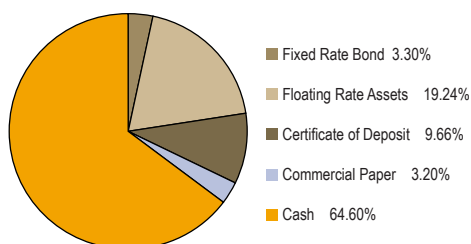
## ENQUIRIES

Tel: +44 (0) 1624 645200  
Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)

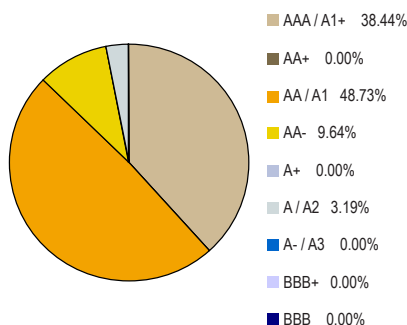
## COMMENTARY

- Fragile risk appetite impacted across most asset classes as Euro area banking sector stress continued throughout June.
- The European Central Bank (ECB) kept rates on hold at 1%, as expected.
- Ahead of the expiry of the ECB's 12 month LTRO, financial institutions borrowed almost €132bn in the ECB's 3 month tender. This was less than the €200 - €250bn expected and taken positively by markets.
- LIBOR rates continued to increase across the curve with a rise of 2-3 bps in most fixings from 3 to 12 months.
- The Weighted Average Maturity (WAM) finished March at 18 days. We remain focused on providing adequate liquidity and maintaining the WAM within a 30 - 50 day range, however, as liquidity remains ample in Euro cash markets there is very little risk premium for increasing duration at this time. The fund remains well positioned to react as and when the yield curve begins to steepen.
- The fund outperformed its 1-month LIBOR benchmark by 7 bps. We expect rates to remain low and anticipate that the fund will continue to perform well versus the benchmark in the coming months.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Fund	55	44	45	34	54	49	54	42	34	31	31	26	18



## TMI LIQUIDITY FUND PLC

### DISCLAIMER

The Manager of TMI Liquidity Fund PLC is Portal Fund Administration Limited, incorporated in the Isle of Man No. 118726C, Belgravia House, 34-44 Circular Road, Douglas, Isle of Man, IM1 1AE. The Manager is the holder of a Financial Services Licence issued under section 7 of the Financial Services Act 2008 of the Isle of Man and is licensed by the Financial Supervision Commission of the Isle of Man. The investments are managed by Thomas Miller Investment (Isle of Man) Limited, holder of a Financial Services Licence issued under section 7 of the Financial Services Act 2008 and licensed by the Financial Supervision Commission of the Isle of Man. TMI Liquidity Fund PLC belongs to the Authorised Money Market Fund category as defined within the Financial Supervision (Authorised Collective Investment Schemes) Regulations 2005 and is a recognised fund in the UK under section 270 of the Financial Services and Markets Act 2000. Investors in the Fund have the protection of the Isle of Man Authorised Collective Investment Schemes (Compensation) Regulations 2008 in the event of the Manager or the Fiduciary Custodian being unable to satisfy claims against them in respect of any civil liability incurred in connection with their business. The Rules made under the Financial Services and Markets Act 2000 in the UK for the protection of private customers do not apply, and the compensation scheme applying in the UK will not be available to investors in the Fund. Further information and a copy of the Funds' Scheme Particulars are available from the Manager and Investment Manager.

This fact sheet has been prepared for information purposes only and only for those jurisdictions in which the TMI Liquidity Fund PLC may be marketed. It is not a solicitation, or an offer, to buy or sell any security. Past performance cannot be relied on as a guide to the future. Income from investments may fluctuate. Investors may not get back the value of their original investment. Changes in exchange rates may have an adverse effect on the value, price or income of foreign currency denominated securities. These funds may not be suitable for all recipients.

Thomas Miller Holdings Ltd, the ultimate parent of the Investment Manager, has a 50% shareholding in Portal Fund Administration Limited and has the right to appoint a maximum of two Directors to its Board.

Standard & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell.

### CONTACT DETAILS

If you would like to know more about these funds, please contact:

#### Sales Enquiries:

**David Nixon**  
Tel: +44 (0) 1624 645200  
Fax: +44 (0) 1624 645220  
Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)  
Website: [www.tmiliquidity.com](http://www.tmiliquidity.com)

#### The Investment Manager:

Thomas Miller Investment (Isle of Man) Limited  
16/17 Mount Havelock, Douglas, Isle of Man,  
IM1 2QG  
Tel: +44 (0) 1624 645200  
Fax: +44 (0) 1624 645220

#### The Fund Advisor:

**Christopher Smith**  
Thomas Miller Investment Limited  
90 Fenchurch Street, London, EC3M 4ST  
Tel: +44 (0) 20 7204 2200  
Fax: +44 (0) 20 7204 2737

#### The Manager:

Portal Fund Administration Limited  
18 Mount Havelock, Douglas, Isle of Man,  
IM1 2QG  
Tel: +44 (0) 1624 645236  
Fax: +44 (0) 1624 610950

### FIDUCIARY CUSTODIAN

BNP Paribas Trust Company (IOM) Limited  
PO Box 57, Merchant's House, 24 North Quay,  
Douglas, Isle of Man, IM99 2PG  
Web: [www.bnpparibas.com/en](http://www.bnpparibas.com/en)

