

STERLING • DOLLAR • EURO  
TMI LIQUIDITY  FUND

31ST MARCH 2012

# TMI STERLING LIQUIDITY SUB-FUND

**NET YIELD**  
1.31%

**WAM**  
67 DAYS

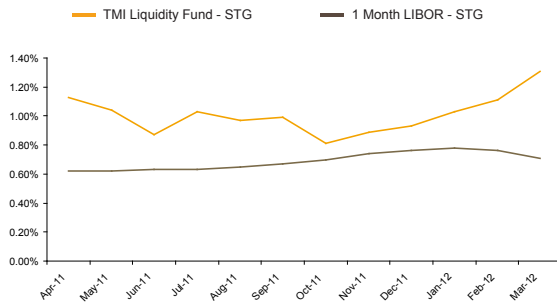
**FUND SIZE**  
£104.5



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	0.98	1.13	1.04	0.87	1.03	0.97	0.99	0.81	0.89	0.93	1.03	1.11	1.31
1 Month Libor	0.61	0.62	0.62	0.63	0.63	0.65	0.67	0.70	0.74	0.76	0.78	0.76	0.71



Annualised Net Return % March 2012	Annualised Gross Return % March 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
1.31	1.35	1.01	0.69

## 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:	£104.5million
Inception Date:	1st November 2006
Domicile:	Isle of Man
Fund Structure:	OEIC
Benchmark:	1 Month LIBOR
Rating*:	AAAf
Bloomberg:	TMISTLQ
ISIN:	IM00B1GR6141
SEDOL:	B1GR614

\*Standard & Poor's

## INVESTMENT

Price:	£1.00
Initial:	£100,000
Subsequent:	£25,000
Fees:	15bps
Valuation Frequency:	Daily
Dealing Deadline:	12.00 noon
Redemption:	3 business days

## ENQUIRIES

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



As at 31st March 2012

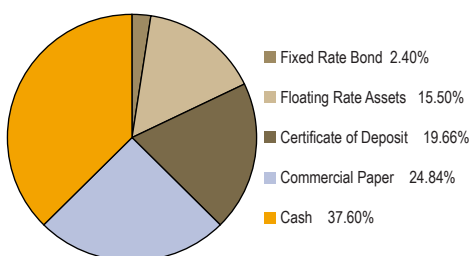


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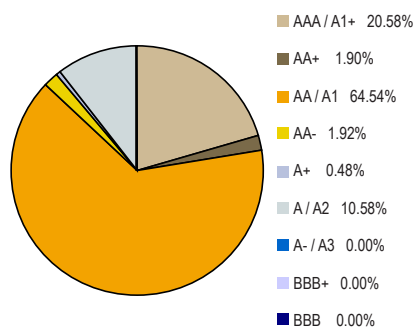
## COMMENTARY

- Risk assets in general continued to perform throughout March although the relief effect of the ECB's LTRO operations has now begun to fade. Yields on Spanish and Italian government bonds have again started to rise prompting fears the European Sovereign Debt Crisis will soon return to the forefront of the markets. Money markets remained stable with levels generally tightening across the curve.
- The Monetary Policy Committee (MPC) voted to leave rates unchanged at 0.50% and the Asset Purchase Facility at £325bn. The minutes showed two members of the committee voted for an increase in the APF.
- LIBOR rates continue to move around 3bps lower across the curve. As banks reduce their short term funding needs market rates have fallen more substantially.
- The Weighted Average Maturity (WAM) was at 67 days at the end of March, we are looking to increase the WAM up to a maximum target of 90 days when suitable opportunities arise.
- We placed around 3% of the fund out for 3 months with DNB Bank and 4% with Prudential plc for 6 months.
- We maintained an allocation to UK T-Bills, although we reduced this to 2.5% of the fund from 5% and at a higher yield than the previous few months.
- The fund out-performed the one-month LIBOR benchmark by 60bps, the margin of out-performance this month was buoyed by the continued price appreciation of the FRN's held in the portfolio throughout March. We do not anticipate any change to UK interest rates in the near future and expect rates to remain on hold throughout 2012.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	66	60	70	70	61	77	70	78	85	73	85	80	67

# TMI US DOLLAR LIQUIDITY SUB-FUND

**NET YIELD**  
0.41%

**WAM**  
38 DAYS

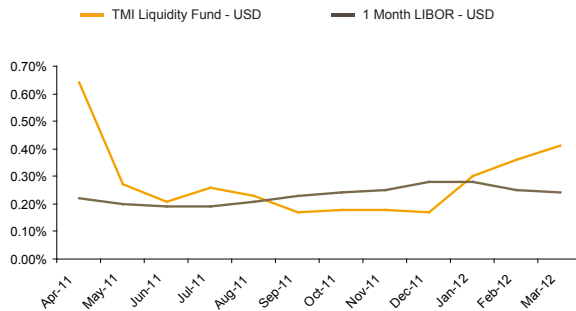
**FUND SIZE**  
\$112.4M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	0.48	0.64	0.27	0.21	0.26	0.23	0.17	0.18	0.18	0.17	0.30	0.36	0.41
1 Month Libor	0.25	0.22	0.20	0.19	0.19	0.21	0.23	0.24	0.25	0.28	0.28	0.25	0.24



Annualised Net Return % March 2012	Annualised Gross Return % March 2012	12 Month Average (Net of fees) % Fund	12 Month Average (Net of fees) % 1 Month Libor
0.41	0.63	0.28	0.23

## 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:	\$112.4million
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

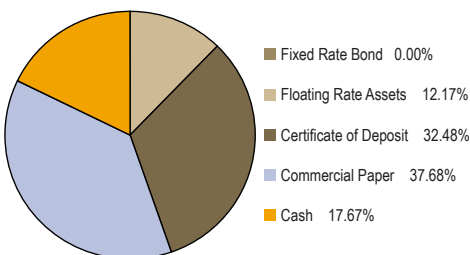
## COMMENTARY

- Risk assets in general continued to perform throughout March although the relief effect of the ECB's LTRO operations has now begun to fade. Yields on Spanish and Italian government bonds have again started to rise prompting fears the European Sovereign Debt Crisis will soon return to the forefront of the markets. Money markets remained stable with levels generally tightening across the curve.
- The Federal Open Market Committee (FOMC) held rate in a range of 0.00% to 0.25%. Growth forecasts were upgraded and there was talk of QE3 in sterilised form.
- LIBOR rates continue to move around 1-3bps lower across the curve. As banks reduce their short term funding needs market rates have fallen more substantially.
- The Weighted Average Maturity (WAM) was at 38 days at the end of March, we are looking to increase the WAM up to a maximum target of 60 days when suitable opportunities arise.
- During March we added paper from SEB, Swedish Housing Finance, British Telecom and Nederlandse Waterschapsbank.
- The fund outperformed its 1-month LIBOR benchmark by 17bps, we expect the US money market curve to remain flat and that the fund will outperform versus the benchmark in the coming months.

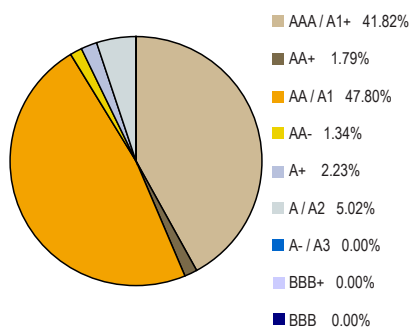
## INVESTMENT

Price:	\$1.00
Initial:	\$100,000
Subsequent:	\$25,000
Fees:	15bps
Valuation Frequency:	Daily
Dealing Deadline:	12.00 noon
Redemption:	3 business days

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## ENQUIRIES

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Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)



As at 31st March 2012

## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	39	74	65	49	68	62	52	60	43	36	39	45	38



# TMI EURO LIQUIDITY SUB-FUND

**NET YIELD**  
0.55%

**WAM**  
23 DAYS

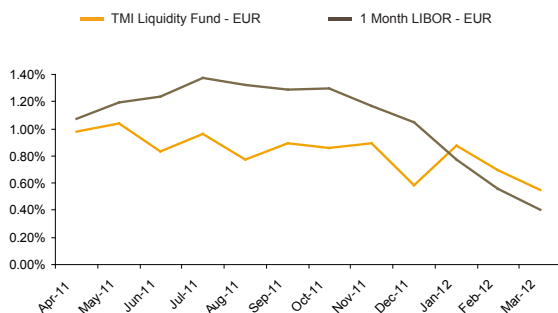
**FUND SIZE**  
€27.1M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	0.98	0.98	1.04	0.83	0.96	0.77	0.89	0.86	0.89	0.58	0.88	0.70	0.55
1 Month Libor	0.86	1.07	1.19	1.24	1.37	1.32	1.29	1.30	1.17	1.05	0.77	0.56	0.40



Annualised Net Return % March 2012	Annualised Gross Return % March 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.55	0.71	0.83	1.06

## 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:	€27.1million
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:	15bps
Valuation Frequency:	Daily
Dealing Deadline:	12.00 noon
Redemption:	3 business days

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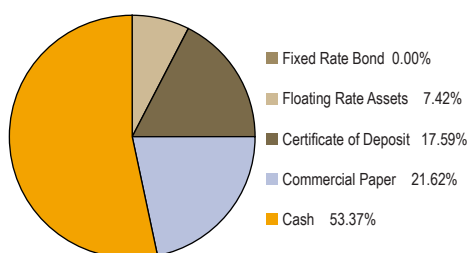


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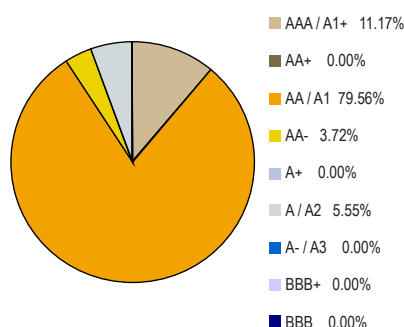
## COMMENTARY

- Risk assets in general continued to perform throughout March although the relief effect of the ECB's LTRO operations has now begun to fade. Yields on Spanish and Italian government bonds have again started to rise prompting fears the European Sovereign Debt Crisis will soon return to the forefront of the markets. Money markets remained stable with levels generally tightening across the curve.
- The ECB remained on hold at 1.00%, signalling they will remain on hold and see how recent actions play out.
- LIBOR rates moved around 20bps lower across the curve. As banks reduce their short term funding needs market rates have fallen dramatically.
- The Weighted Average Maturity (WAM) increased to 23 days at the end of March. With very little risk premium in the curve we remained focused on the short end but did place around 9% for 3 months.
- We remain focused on maintaining a high quality portfolio and added Rabobank paper to the portfolio.
- The fund outperformed its 1-month LIBOR benchmark by 15bps in March, the excess liquidity injected by the ECB LTRO means rates offered by quality issuers are somewhat lower than LIBOR benchmark and the fund may under perform in the coming months.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Fund	23	24	19	17	30	21	20	26	23	18	18	20	23

# TMI LIQUIDITY FUND PLC

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