

STERLING • DOLLAR • EURO
TMI LIQUIDITY  FUND

31ST DECEMBER 2012

TMI STERLING LIQUIDITY SUB-FUND

NET YIELD
0.79%

WAM
51 DAYS

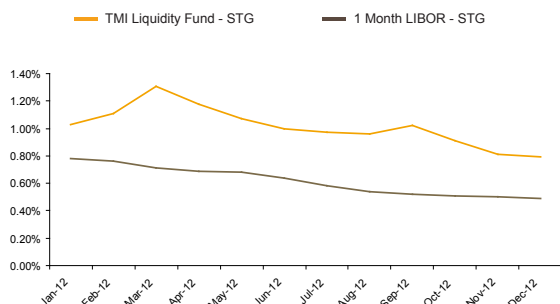
FUND SIZE
£83.2M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	0.93	1.03	1.11	1.31	1.18	1.07	1.00	0.97	0.96	1.02	0.91	0.81	0.79
1 Month Libor	0.76	0.78	0.76	0.71	0.69	0.68	0.64	0.58	0.54	0.52	0.51	0.50	0.49



Annualised Net Return % Dec 2012	Annualised Gross Return % Dec 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.79	1.04	1.01	0.62

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:	£83.2million
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

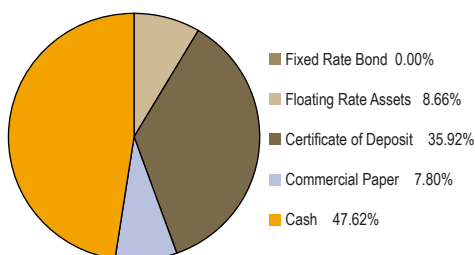
ENQUIRIES

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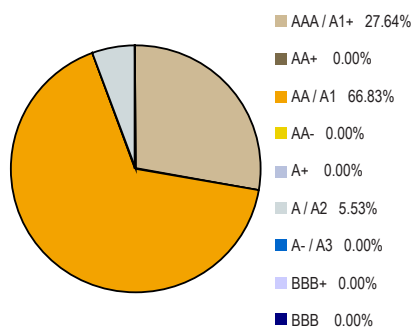
COMMENTARY

- 2012 finished on a positive note as the US government agreed on a short term plan to avoid the 'fiscal cliff'. Most risk assets posted gains in 2012 driven by the continuation of central banks policy loosening and the unlimited supply of liquidity.
- The Monetary Policy Committee (MPC) voted to leave rates unchanged at 0.50% and the Asset Purchase Facility (APF) at £375bn. The minutes show a vote of 8-1 in favour of pausing QE and it was acknowledged the growth figures for Q4 2012 could show a contraction in the economy. The option of additional QE remains open.
- LIBOR rates were marginally lower, by an average of around 1bp across the curve.
- The Weighted Average Maturity (WAM) fell to 51 days at the end of December as we positioned cautiously ahead of possible year-end outflows. We continue to favour the longer end of the curve when risk premia is sufficient and liquidity allows and expect to increase the WAM into the 70-90 day range in the coming months.
- The fund out-performed the one-month LIBOR benchmark by 30bps. We do not anticipate any change to UK interest rates in the near future and expect rates to remain on hold through 2013.

PORTFOLIO BREAKDOWN



S&P RATINGS



WEIGHTED AVERAGE MATURITY IN DAYS

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	73	85	80	67	76	57	66	71	71	67	79	69	51



TMI US DOLLAR LIQUIDITY SUB-FUND

NET YIELD
0.25%

WAM
62 DAYS

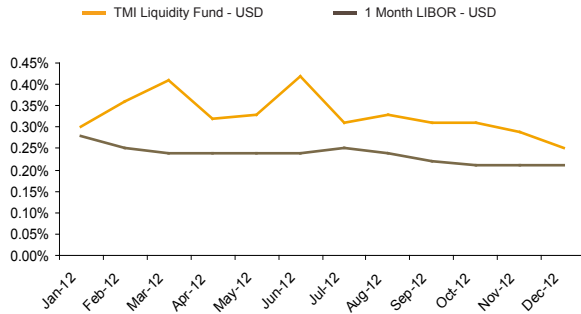
FUND SIZE
\$167.4M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	0.17	0.30	0.36	0.41	0.32	0.33	0.42	0.31	0.33	0.31	0.31	0.29	0.25
1 Month Libor	0.28	0.28	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.22	0.21	0.21	0.21



Annualised Net Return % Dec 2012	Annualised Gross Return % Nov 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.25	0.52	0.33	0.24

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:	\$167.4million
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

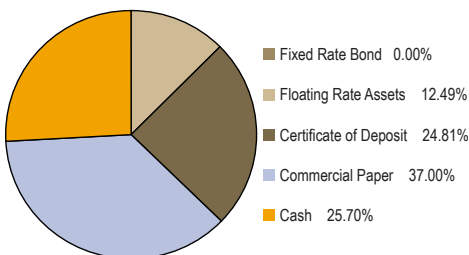
COMMENTARY

- 2012 finished on a positive note as the US government agreed on a short term plan to avoid the 'fiscal cliff'. Most risk assets posted gains in 2012 driven by the continuation of central banks policy loosening and the unlimited supply of liquidity.
- The Federal Open Market Committee (FOMC) held rates in a range of 0.00% to 0.25% and announced an increase to its asset purchase program; they will buy \$45bn of US Treasuries per month from January 2013. The central bank also announced they would link the outlook for rates to economic factors, specifically as long as unemployment remains above 6.5% and if inflation is projected to be no more than 2.5%.
- LIBOR rates were largely unchanged to slightly lower across the curve.
- The Weighted Average Maturity (WAM) fell to 62 days at the end of December as we positioned cautiously ahead of possible year-end outflows. We continue to favour the longer end of the curve when risk premia is sufficient and liquidity allows and expect to increase the WAM into the 70-90 day range in the coming months.
- The fund outperformed its 1-month LIBOR benchmark by 4bps. We do not anticipate any change to US interest rates in the near future and expect rates to remain on hold through 2013.

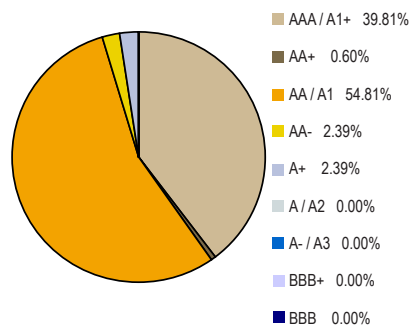
INVESTMENT

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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WEIGHTED AVERAGE MATURITY IN DAYS

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	36	39	45	38	65	61	50	47	61	49	53	77	62



TMI EURO LIQUIDITY SUB-FUND

NET YIELD
0.02%

WAM
33 DAYS

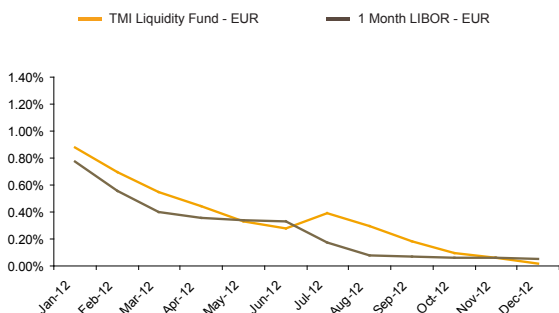
FUND SIZE
€23.1M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	0.58	0.88	0.70	0.55	0.44	0.33	0.28	0.39	0.30	0.18	0.10	0.06	0.02
1 Month Libor	1.05	0.77	0.56	0.40	0.36	0.34	0.33	0.17	0.08	0.07	0.06	0.06	0.05



Annualised Net Return % Dec 2012	Annualised Gross Return % Dec 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.02	0.37	0.35	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:	€23.1million
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
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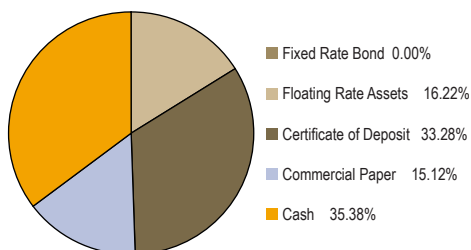
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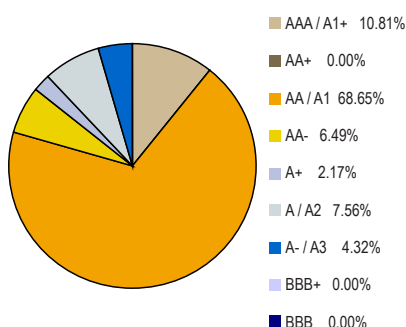
COMMENTARY

- 2012 finished on a positive note as the US government agreed on a short term plan to avoid the 'fiscal cliff'. Most risk assets posted gains in 2012 driven by the continuation of central banks policy loosening and the unlimited supply of liquidity.
- The ECB held rates at 0.75% as expected, market expectations are for the next rate cut to come in Q1 2013. The central bank also lowered growth and inflation forecasts for 2013.
- LIBOR rates were unchanged out to the 6-month fixings and lower by up to 4.5bps from 6 to 12 months.
- The Weighted Average Maturity (WAM) fell to 33 days at the end of December as we positioned cautiously ahead of possible year-end outflows.
- The fund under-performed versus the benchmark in December, cash rates in EUR remain at extreme lows and in many cases negative. The coming months will be very challenging for the EUR Money Market Fund industry.

PORTFOLIO BREAKDOWN



S&P RATINGS



WEIGHTED AVERAGE MATURITY IN DAYS

	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
Fund	18	18	20	23	24	19	32	38	43	46	50	46	33



TMI LIQUIDITY FUND PLC

DISCLAIMER

The Manager of TMI Liquidity Fund PLC is Abacus Financial Services Limited, incorporated in the Isle of Man No. 69975C. Business Address: 2nd Floor, Sixty Circular Road, Douglas, Isle of Man, IM1 1SA. 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 Isle of Man Financial Supervision Commission. 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 has elected to be a Type A Scheme for the purposes of the Authorised Collective Investments Schemes Regulations 2010 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.

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

Unless otherwise stated, information contained within this fact sheet is deemed to be provided by Thomas Miller Investment.

Thomas Miller Investment (TMI) is a trading name of Thomas Miller Investment (Isle of Man) Limited.

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