

STERLING • DOLLAR • EURO  
TMI LIQUIDITY  FUND

31ST JULY 2011

# TMI STERLING LIQUIDITY SUB-FUND

**NET YIELD**  
1.03%

**WAM**  
61 DAYS

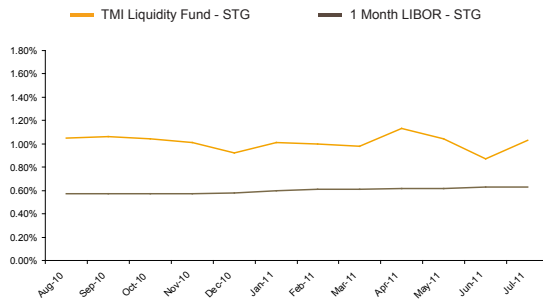
**FUND SIZE**  
£122.6M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	0.97	1.05	1.06	1.04	1.01	0.92	1.01	1.00	0.98	1.13	1.04	0.87	1.03
1 Month Libor	0.57	0.57	0.57	0.57	0.57	0.58	0.60	0.61	0.61	0.62	0.62	0.63	0.63



Annualised Net Return % July 2011	Annualised Gross Return % July 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
1.03	1.24	1.01	0.60

## 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:	£122.6million
Inception Date:	1st November 2006
Domicile:	Isle of Man
Fund Structure:	OEIC
Benchmark:	1 Month LIBOR
Rating*:	AAAf
Bloomberg:	TMIUSLQ
ISIN:	IM00B1GR6141
SEDOL:	B1GR614

\*Standard & Poor's

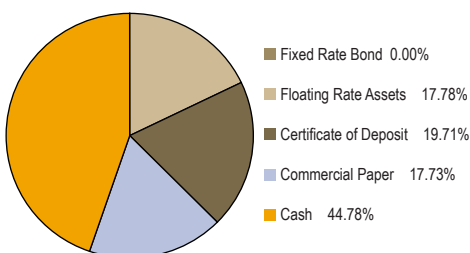
## COMMENTARY

- Headline risk continued to weigh on financial markets, a second Greek bailout of €159bn was agreed but attention soon moved on to the US debt limit and the potential downgrade by rating agencies.
- The Monetary Policy Committee (MPC) voted to leave rates unchanged at 0.50% and the size of asset purchases at £200bn, voting was 7:2 and was in line with market expectations.
- LIBOR rates were largely unchanged across the curve.
- The Weighted Average Maturity (WAM) was 61 days at the end of July, we are targeting a higher WAM of 90 days as and when opportunities arise.
- We placed a small portion of the fund with high quality names into the 12-month part of the curve, increasing the WAM and yield.
- The fund outperformed it's 1-month LIBOR benchmark by 40 bps. We do not anticipate any change to UK interest rates in the near future and expect rates to remain low into 2012.

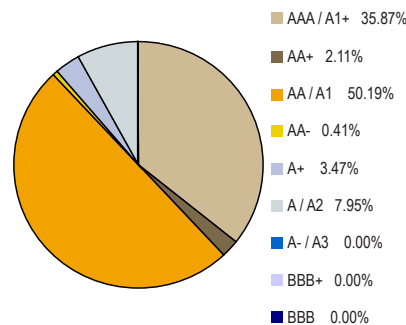
## INVESTMENT

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

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

## WEIGHTED AVERAGE MATURITY IN DAYS

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	75	79	72	89	93	82	78	68	66	60	70	70	61



# TMI US DOLLAR LIQUIDITY SUB-FUND

**NET YIELD**  
0.26%

**WAM**  
68 DAYS

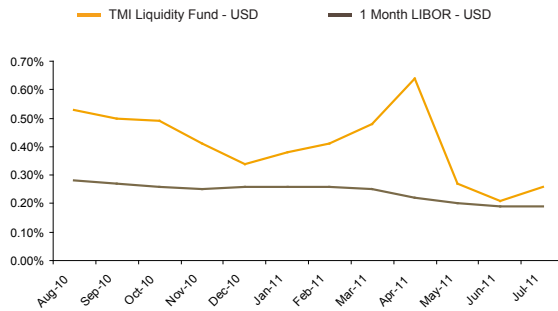
**FUND SIZE**  
\$107.5M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	0.57	0.53	0.50	0.49	0.41	0.34	0.38	0.41	0.48	0.64	0.27	0.21	0.26
1 Month Libor	0.33	0.28	0.27	0.26	0.25	0.26	0.26	0.26	0.25	0.22	0.20	0.19	0.19



Annualised Net Return % Jul 2011	Annualised Gross Return % Jul 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.26	0.54	0.41	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:	\$107.5million
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

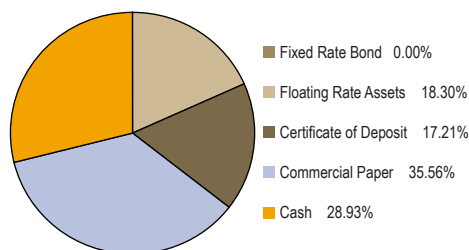
## COMMENTARY

- Headline risk continued to weigh on financial markets, a second Greek bailout of €159bn was agreed but attention soon moved on to the US debt limit and the potential downgrade by rating agencies.
- The Federal Open Market Committee (FOMC) did not meet in July therefore rates remain in a range of 0.00 - 0.25%. Economic data remains broadly weaker, Q2 GDP came in lower than expected and we do not expect any change to the FOMC policy in the near term.
- LIBOR rates increased slightly across the curve by an average of 1bp per fixing period.
- The Weighted Average Maturity (WAM) increased to 68 days as we found some value in the 3-month part of the curve and also rolled a small portion into the 12-month area.
- We expect the US money market curve to remain fairly flat and that the fund will outperform versus the benchmark in the coming months.

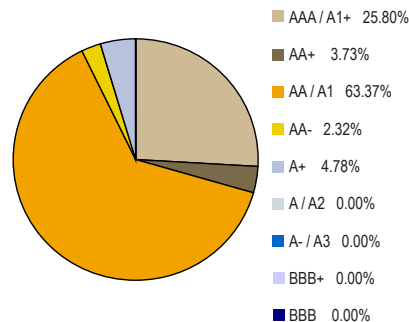
## INVESTMENT

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



## WEIGHTED AVERAGE MATURITY IN DAYS

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	57	66	55	55	46	38	52	56	39	74	65	49	68

## ENQUIRIES

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# TMI EURO LIQUIDITY SUB-FUND

**NET YIELD**  
0.96%

**WAM**  
30 DAYS

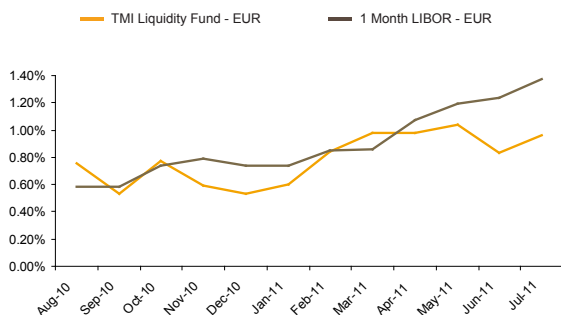
**FUND SIZE**  
€11.8M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	0.60	0.76	0.53	0.77	0.59	0.53	0.60	0.84	0.98	0.98	1.04	0.83	0.96
1 Month Libor	0.53	0.58	0.56	0.74	0.79	0.74	0.73	0.85	0.86	1.07	1.19	1.24	1.37



Annualised Net Return % July 2011	Annualised Gross Return % July 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.96	1.47	0.78	0.90

## 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:	€11.8million
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

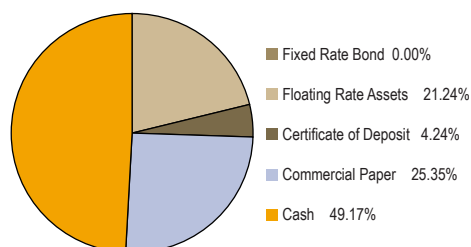
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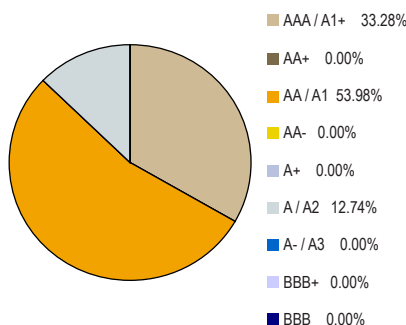
## COMMENTARY

- Headline risk continued to weigh on financial markets, a second Greek bailout of €159bn was agreed but attention soon moved on to the US debt limit and the potential downgrade by rating agencies.
- The European Central Bank (ECB) increased interest rates by 25bps to 1.50%. This came as no surprise to the market as President Trichet had already signalled a hike at the previous months meeting.
- LIBOR rates rose across the curve as the market anticipates further hikes in the coming months and funding pressures increased with the ongoing European Sovereign problems.
- The Weighted Average Maturity (WAM) increased to 30 days as we placed a portion of the fund into the 3-month part of the curve. We are keeping maturities short and targeting a WAM within a 30 - 50 day range amid the possibility of further rate increases later in the year.
- The fund under-performed it's 1-month LIBOR benchmark by 41 bps in July, this may continue in the coming months as we remain focused on the short end, providing ample liquidity to investors, while ample liquidity in the market means real rates are somewhat lower than LIBOR.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Fund	25	27	23	30	31	23	30	23	23	24	19	17	30



# TMI LIQUIDITY FUND PLC

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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.

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