

STERLING • DOLLAR • EURO  
TMI LIQUIDITY  FUND

31ST MARCH 2011

# TMI STERLING LIQUIDITY SUB-FUND

**NET YIELD**  
0.98%

**WAM**  
66 DAYS

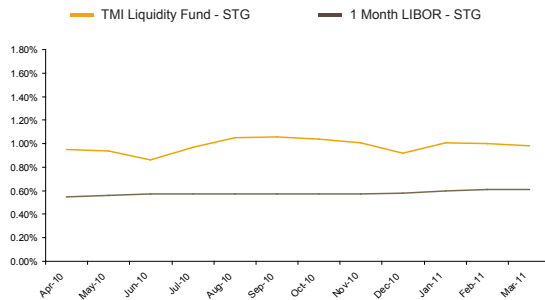
**FUND SIZE**  
£116.6M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	0.97	0.95	0.94	0.86	0.97	1.05	1.06	1.04	1.01	0.92	1.01	1.00	0.98
1 Month Libor	0.54	0.55	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.58	0.60	0.61	0.61



Annualised Net Return % March 2011	Annualised Gross Return % March 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.98	1.20	0.98	0.58

## 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:	£116.6million
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

## INVESTMENT

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

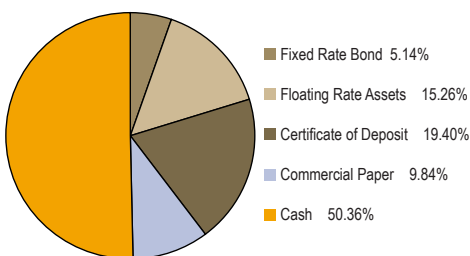
## ENQUIRIES

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

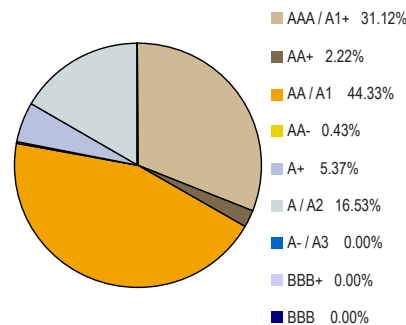
## COMMENTARY

- The risk off theme continued in the first half of March with events in Japan and continuing troubles in the Middle East & North Africa. As the situation in Japan stabilised equities moved higher again and government bond yields rose.
- The Monetary Policy Committee (MPC) left policy rates unchanged at 0.50% with the voting again 6:3. Inflation data was again higher than expected, increasing market expectations of a rate rise, however this expectation later fell back with the first hike now priced into the July meeting.
- LIBOR rates rose an average 2 - 3 bps across the curve in March.
- The Weighted Average Maturity (WAM) at the end of March was 66 days, down slightly from the previous month. Our target is to remain in a 60 - 90 day range ahead of expected rate rises during the year.
- We rolled some maturities into the 6-month part of the curve to maintain the WAM at the desired level, while increasing yield.
- The fund outperformed it's 1-month LIBOR benchmark by 37 bps. We still expect rates to remain low in 2011, beginning to rise in the second half of the year.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	47	56	63	67	75	79	72	89	93	82	78	68	66



# TMI US DOLLAR LIQUIDITY SUB-FUND

**NET YIELD**  
0.48%

**WAM**  
39 DAYS

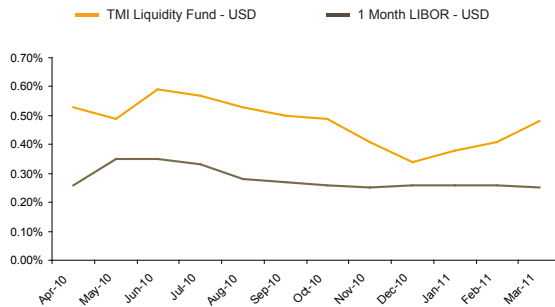
**FUND SIZE**  
\$137.6M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	0.57	0.53	0.49	0.59	0.57	0.53	0.50	0.49	0.41	0.34	0.38	0.41	0.48
1 Month Libor	0.24	0.26	0.34	0.35	0.33	0.28	0.27	0.26	0.25	0.26	0.26	0.26	0.25



Annualised Net Return % March 2011	Annualised Gross Return % March 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.48	0.65	0.48	0.28

## 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:	\$137.6million
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

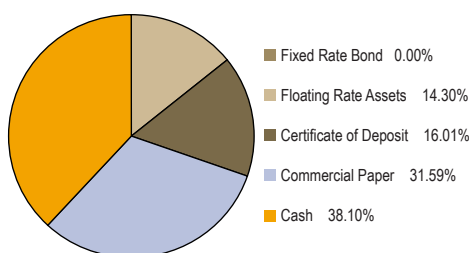
## COMMENTARY

- The risk off theme continued in the first half of March with events in Japan and continuing troubles in the Middle East & North Africa. As the situation in Japan stabilised equities moved higher again and government bond yields rose.
- The Federal Open Market Committee (FOMC) maintained rates at the current range of 0.00 - 0.25%. Some members thought "that economic conditions might warrant a move toward less-accommodative monetary policy this year; a few others noted that exceptional policy accommodation could be appropriate beyond 2011".
- LIBOR rates fell in March by around 2 bps in the short end, due to a change in the FDIC deposit insurance assessment scheme.
- The Weighted Average Maturity (WAM) at the end of March fell to 39 days. We remain focused on providing adequate liquidity while targeting an increased WAM of around 50 days.
- Maturities were kept short in March as we focused on providing ample liquidity.
- The fund outperformed it's 1-month LIBOR benchmark by 23 bps. We expect rates to remain low and anticipate that the fund will continue to perform well versus the benchmark in the coming months.

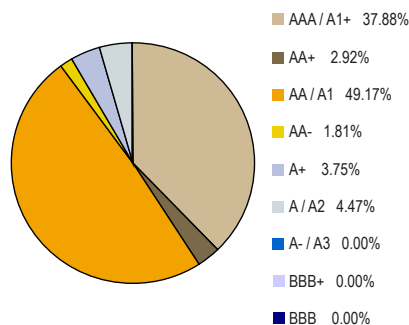
## INVESTMENT

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



## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	40	50	56	49	57	66	55	55	46	38	52	56	39

## ENQUIRIES

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



# TMI EURO LIQUIDITY SUB-FUND

**NET YIELD**  
0.98%

**WAM**  
23 DAYS

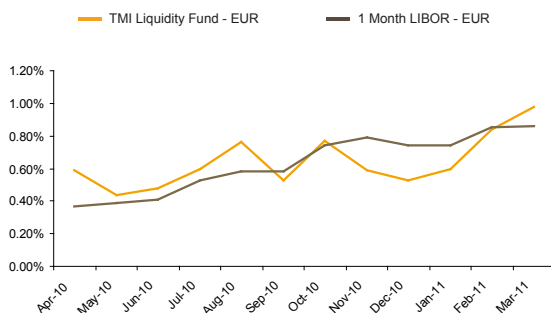
**FUND SIZE**  
€15.8M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	0.68	0.59	0.44	0.48	0.60	0.76	0.53	0.77	0.59	0.53	0.60	0.84	0.98
1 Month Libor	0.37	0.37	0.39	0.41	0.53	0.58	0.56	0.74	0.79	0.74	0.73	0.85	0.86



Annualised Net Return % March 2011	Annualised Gross Return % March 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.98 #	0.96	0.64	0.63

## 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:	€15.8million
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:	17.5bps
Valuation Frequency:	Daily
Dealing Deadline:	11.00am
Redemption:	5 business days

## ENQUIRIES

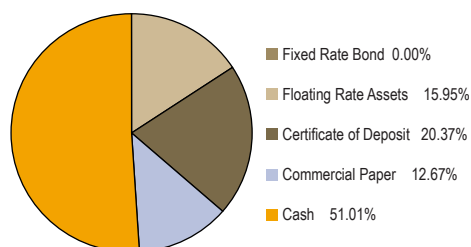
Tel: +44 (0) 1624 645200  
Email: [info@tmiliquidity.com](mailto:info@tmiliquidity.com)

## COMMENTARY

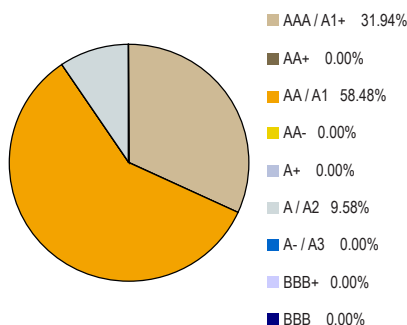
- The risk off theme continued in the first half of March with events in Japan and continuing troubles in the Middle East & North Africa. As the situation in Japan stabilised equities moved higher again and government bond yields rose.
- The European Central Bank (ECB) kept rates on hold at 1%. Hawkish rhetoric from various ECB members along with an inflation print over the 2% target has led the market to fully price in a 25bps rise at the April meeting.
- LIBOR rates increased significantly across the curve as the first hike is priced into the curve.
- The Weighted Average Maturity (WAM) was unchanged at 23 days. We are targeting a WAM within a 30 - 50 day range.
- We placed a portion of the fund in the 3-month area as the risk premium for longer maturities has started to offer more value.
- The fund outperformed its 1-month LIBOR benchmark by 12 bps.

# The net return for the month of March incorporates unrealised gains in the mark-to-market valuation of the FRN's in the fund which are not reflected in the gross return calculation.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Fund	31	31	26	18	25	27	23	30	31	23	30	23	23



# 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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