

STERLING • DOLLAR • EURO
TMI LIQUIDITY  FUND

31ST OCTOBER 2012

BY **THOMAS
MILLER**
INVESTMENT

TMI STERLING LIQUIDITY SUB-FUND

NET YIELD
0.91%

WAM
79 DAYS

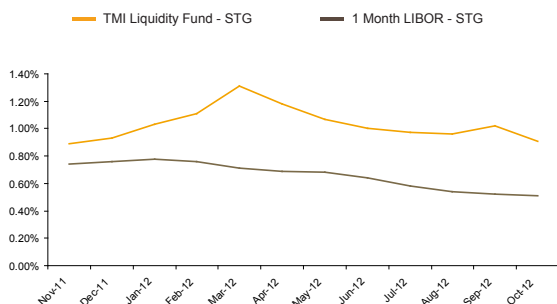
FUND SIZE
£87.1M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	0.81	0.89	0.93	1.03	1.11	1.31	1.18	1.07	1.00	0.97	0.96	1.02	0.91
1 Month Libor	0.70	0.74	0.76	0.78	0.76	0.71	0.69	0.68	0.64	0.58	0.54	0.52	0.51



Annualised Net Return % Oct 2012	Annualised Gross Return % Oct 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.91	1.13	1.03	0.66

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:	£87.1million
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

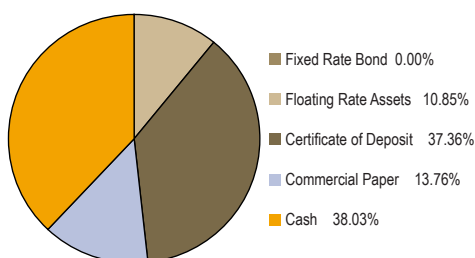
ENQUIRIES

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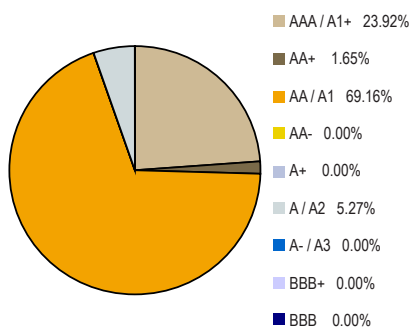
COMMENTARY

- Modest improvements in US, UK and Chinese macro data helped investor sentiment and risk assets performed well again in October. The poor outlook for the European economy and the impending US "fiscal cliff" may dampen markets into the year end.
- The Monetary Policy Committee (MPC) voted to leave rates unchanged at 0.50% and the Asset Purchase Facility (APF) to £375bn. The minutes highlighted a split in opinion among the committee regarding further QE. Since then Governor King has stated that the Bank is ready to add more stimulus if necessary.
- The strongest quarterly growth reading since September 2007 saw the UK emerge from a double dip recession. GDP exceeded expectations, rising 1% versus estimates of 0.60%. This strong figure has largely been attributed to the effect of the London Olympics.
- LIBOR rates continued to move lower from the 3-month point of the curve with the longer dates fixing nearly 20bps lower. Since the Wheatley report on LIBOR was released, fixings have moved lower as contributor banks are encouraged to reference rates that are actually trading in the market.
- The Weighted Average Maturity (WAM) increased to 79 days at the end of October. We continue to favour the longer end of the curve when risk premia is sufficient and liquidity allows. We rolled around 4% of the Fund for 12 months and 7% for 6 months.
- The Fund out-performed the one-month LIBOR benchmark by 40bps. We do not anticipate any change to UK interest rates in the near future and expect rates to remain on hold at least well into 2013.

PORTFOLIO BREAKDOWN



S&P RATINGS



WEIGHTED AVERAGE MATURITY IN DAYS

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	78	85	73	85	80	67	76	57	66	71	71	67	79



TMI US DOLLAR LIQUIDITY SUB-FUND

NET YIELD
0.31%

WAM
53 DAYS

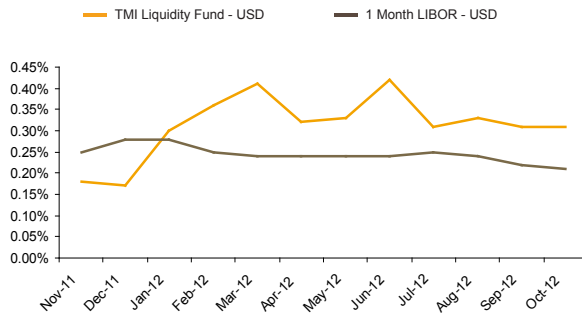
FUND SIZE
\$170.0M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	0.18	0.18	0.17	0.30	0.36	0.41	0.32	0.33	0.42	0.31	0.33	0.31	0.31
1 Month Libor	0.24	0.25	0.28	0.28	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.22	0.21



Annualised Net Return % Oct 2012	Annualised Gross Return % Oct 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.31	0.56	0.31	0.25

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:	\$170.0million
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

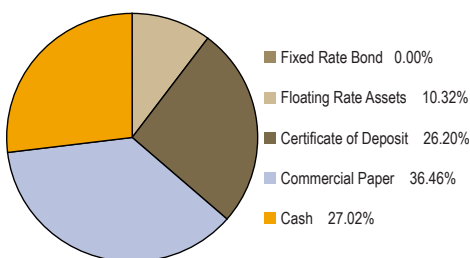
COMMENTARY

- Modest improvements in US, UK and Chinese macro data helped investor sentiment and risk assets performed well again in October. The poor outlook for the European economy and the impending US "fiscal cliff" may dampen markets into the year end.
- The Federal Open Market Committee (FOMC) held rates at a range of 0.00% to 0.25% and maintained its plan to buy up to \$40bn of mortgage backed securities per month. Bernanke has stated that QE operations will continue until a substantial improvement in the labour market is seen. The Fed also reiterated its target for low interest rates until late 2015.
- LIBOR rates continued to move lower from the 3-month point of the curve, on average by around 6bps. Since the Wheatley report on LIBOR was released, fixings have moved lower as contributor banks are encouraged to reference rates that are actually trading in the market.
- The Weighted Average Maturity (WAM) increased to 53 days at the end of October as we placed around of 8% of the Fund out between 6 and 9 months.
- The Fund outperformed its 1-month LIBOR benchmark by 10bps. We do not anticipate any change to US interest rates in the near future and expect rates to remain on hold at least through 2013.

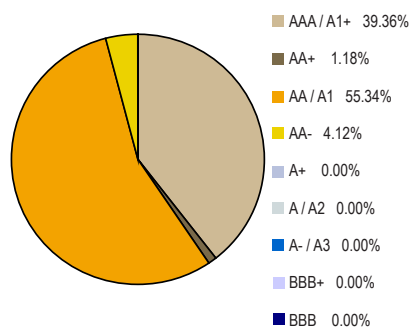
INVESTMENT

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

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	60	43	36	39	45	38	65	61	50	47	61	49	53



TMI EURO LIQUIDITY SUB-FUND

NET YIELD
0.10%

WAM
50 DAYS

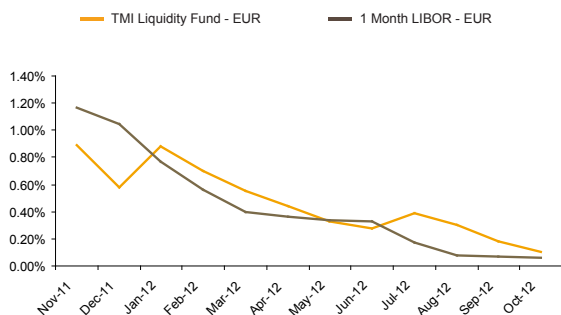
FUND SIZE
€32.6M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	0.86	0.89	0.58	0.88	0.70	0.55	0.44	0.33	0.28	0.39	0.30	0.18	0.10
1 Month Libor	1.30	1.17	1.05	0.77	0.56	0.40	0.36	0.34	0.33	0.17	0.08	0.07	0.06



Annualised Net Return % Oct 2012	Annualised Gross Return % Oct 2012	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.10	0.40	0.47	0.45

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:	€32.6million
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
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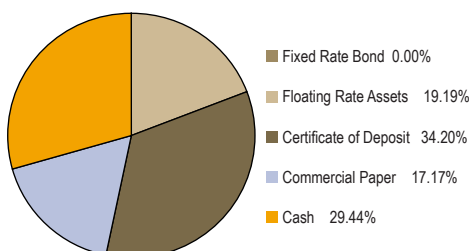
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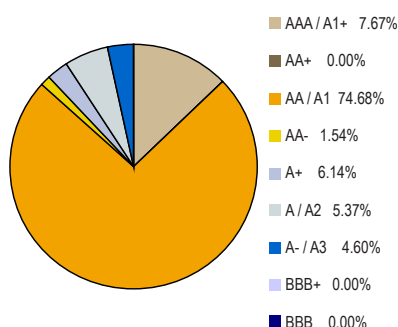
COMMENTARY

- Modest improvements in US, UK and Chinese macro data helped investor sentiment and risk assets performed well again in October. The poor outlook for the European economy and the impending US "fiscal cliff" may dampen markets into the year end.
- The ECB held rates at 0.75% and there was no indication of further cuts in the near term. President Draghi re-iterated that until European governments make the next move i.e. officially ask for assistance then there is little more the ECB can do for them.
- LIBOR rates continued to move lower at the intermediate to longer end of the curve, around 10bps at the far end of the curve.
- The Weighted Average Maturity (WAM) increased to 50 days at the end of October as we rolled maturities out for 3 months, avoiding negative or zero yields.
- The Fund outperformed it's 1-month LIBOR benchmark by 4bps, following the recent action by the ECB the Fund will continue to benefit from the longer dated assets and we expect to outperform the benchmark in the coming months.

PORTFOLIO BREAKDOWN



S&P RATINGS



WEIGHTED AVERAGE MATURITY IN DAYS

	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
Fund	26	23	18	18	20	23	24	19	32	38	43	46	50



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

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