

STERLING • DOLLAR • EURO  
TMI LIQUIDITY  FUND

30TH SEPTEMBER 2011

# TMI STERLING LIQUIDITY SUB-FUND

**NET YIELD**  
0.99%

**WAM**  
70 DAYS

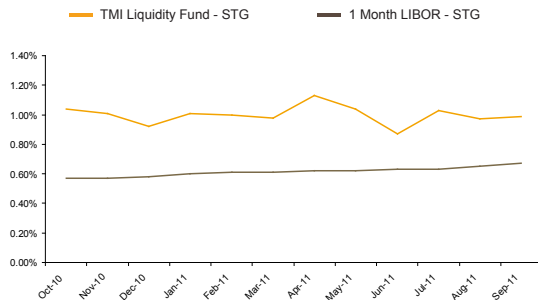
**FUND SIZE**  
£121.6M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	1.06	1.04	1.01	0.92	1.01	1.00	0.98	1.13	1.04	0.87	1.03	0.97	0.99
1 Month Libor	0.57	0.57	0.57	0.58	0.60	0.61	0.61	0.62	0.62	0.63	0.63	0.65	0.67



Annualised Net Return % September 2011	Annualised Gross Return % September 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.99	1.21	1.00	0.61

## 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:	£121.6million
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

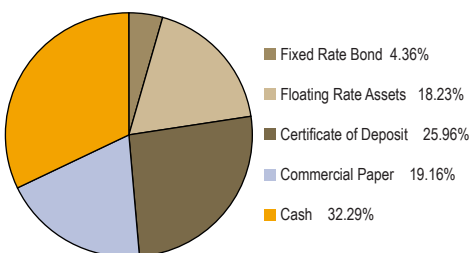
## ENQUIRIES

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

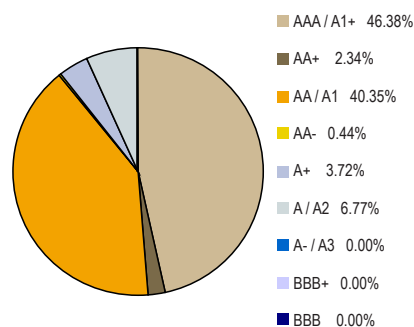
## COMMENTARY

- September was very volatile as investors panicked about the fallout from a potential default in Greece. Focus now includes Italy and the French banking system has also come under scrutiny as shares plummeted in the large French banks. Major economies remain at risk of further recession as growth remains weak. Some degree of calm was restored towards the end of the month as individual countries passed changes to the EFSF and on a potential new plan to substantially increase the size of the EFSF to a reported €2 trillion.
- The Monetary Policy Committee (MPC) voted to leave rates unchanged at 0.50% and the size of asset purchases at £200bn. The voting was again unanimous at 9-0. Markets are expecting another round of QE to start by Q1 2012, if not before.
- LIBOR rates again rose by around 5bps across the curve as funding pressures continue to weigh in the inter-bank system.
- In coordination with the Fed, BoE, BoJ and SNB the ECB announced 3 month USD liquidity operations, providing dollar funding over the year end.
- The Weighted Average Maturity (WAM) rose to 70 days at the end of September, in line with a maximum target of 90-days.
- We rolled a small portion of the fund with a UK clearing bank into the 12-month part of the curve and increased allocation to counterparties from Scandinavia and Australia along with Government Guaranteed or related names.
- We remain focused on maintaining a high quality portfolio and continue to reduce exposure to European banks, maintaining our allocation of around 10% of the fund to UK T-Bills and commercial paper guaranteed by the UK Government.
- The fund outperformed its 1-month LIBOR benchmark by 32bps. We do not anticipate any change to UK interest rates in the near future and expect rates to remain low into 2012.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	72	89	93	82	78	68	66	60	70	70	61	77	70



# TMI US DOLLAR LIQUIDITY SUB-FUND

**NET YIELD**  
0.17%

**WAM**  
52 DAYS

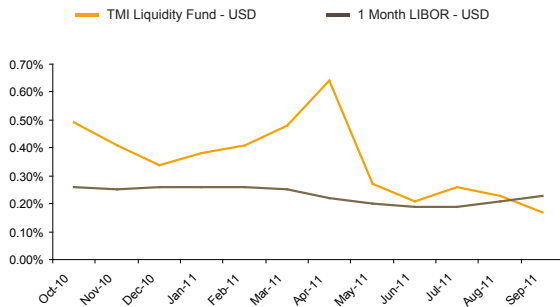
**FUND SIZE**  
\$112.1M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	0.50	0.49	0.41	0.34	0.38	0.41	0.48	0.64	0.27	0.21	0.26	0.23	0.17
1 Month Libor	0.27	0.26	0.25	0.26	0.26	0.26	0.25	0.22	0.20	0.19	0.19	0.21	0.23



Annualised Net Return % September 2011	Annualised Gross Return % September 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.17	0.51	0.36	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:	\$112.1million
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

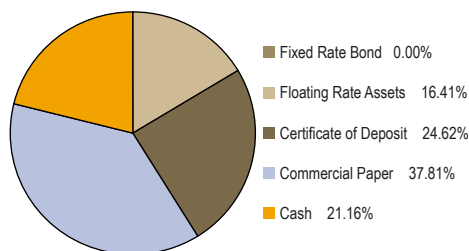
## COMMENTARY

- September was very volatile as investors panicked about the fallout from a potential default in Greece. Focus now includes Italy and the French banking system has also come under scrutiny as shares plummeted in the large French banks. Major economies remain at risk of further recession as growth remains weak. Some degree of calm was restored towards the end of the month as individual countries passed changes to the EFSF and on a potential new plan to substantially increase the size of the EFSF to a reported €2 trillion.
- The Federal Open Market Committee (FOMC) held rates at a range of 0.00 - 0.25% at the extended 2-day meeting in September. The statement confirmed the start of 'Operaton Twist' where the Fed will sell short dated Treasury securities and purchase longer dated ones, extending the maturity of the balance sheet.
- LIBOR rates rose again by around 6bps across the curve as funding pressures continue to weigh in the inter-bank system.
- In coordination with the Fed, BoE, BoJ and SNB the ECB announced 3 month USD liquidity operations, providing dollar funding over the year end.
- The Weighted Average Maturity (WAM) was at 52 days at the end of September.
- We remain focused on maintaining a high quality portfolio and continue to reduce exposure to European banks while increasing exposure to Government Guaranteed or Government Agency commercial paper.
- Fluctuations in the daily pricing of the FRN exposure weighed on the net return of the fund this month, however, we expect the US money market curve to remain fairly flat and that the fund will again outperform versus the benchmark in the coming months.

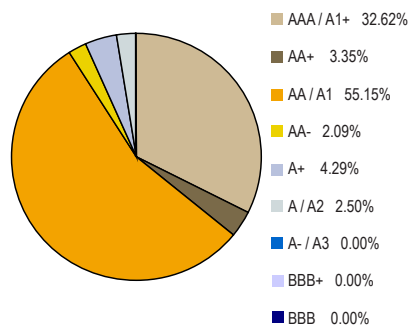
## INVESTMENT

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

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	55	55	46	38	52	56	39	74	65	49	68	62	52

## ENQUIRIES

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



# TMI EURO LIQUIDITY SUB-FUND

**NET YIELD**  
0.89%

**WAM**  
20 DAYS

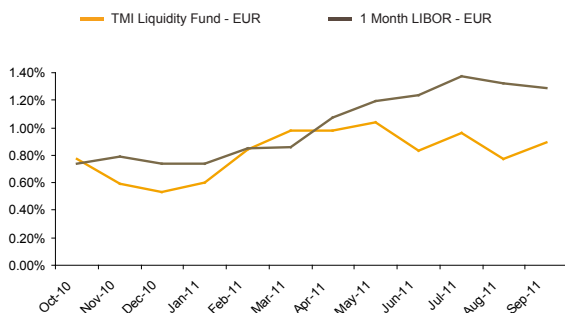
**FUND SIZE**  
€11.9M



## PERFORMANCE - % 1 MONTH RETURNS\*

\*Performance is shown Annualised and Net of fees

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	0.53	0.77	0.59	0.53	0.60	0.84	0.98	0.98	1.04	0.83	0.96	0.77	0.89
1 Month Libor	0.56	0.74	0.79	0.74	0.73	0.85	0.86	1.07	1.19	1.24	1.37	1.32	1.29



Annualised Net Return % September 2011	Annualised Gross Return % September 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.89	1.44	0.82	1.02

## 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:	€11.9million
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

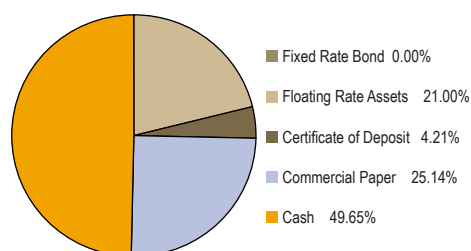
## ENQUIRIES

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

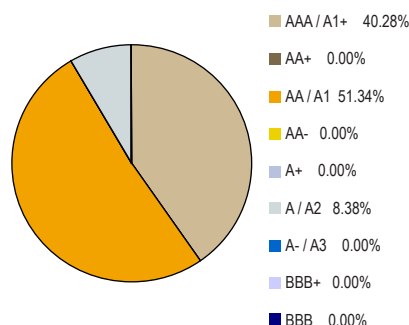
## COMMENTARY

- September was very volatile as investors panicked about the fallout from a potential default in Greece. Focus now includes Italy and the French banking system has also come under scrutiny as shares plummeted in the large French banks. Major economies remain at risk of further recession as growth remains weak. Some degree of calm was restored towards the end of the month as individual countries passed changes to the EFSF and on a potential new plan to substantially increase the size of the EFSF to a reported €2 trillion.
- The European Central Bank (ECB) held rates at 1.50%, however as the economic outlook has deteriorated at a rapid pace in the last few months the market is pricing in a possible 50bps rate cut at the October meeting.
- LIBOR rates were largely unchanged in September.
- In coordination with the Fed, BoE, BoJ and SNB the ECB announced 3 month USD liquidity operations, providing dollar funding over the year end.
- The Weighted Average Maturity (WAM) remained relatively unchanged throughout September, finishing the month at 20 days.
- We remain focused on maintaining a high quality portfolio and began reducing exposure to some European bank names while increasing exposure to Government Guaranteed or Government Agency commercial paper.
- The fund under-performed its 1-month LIBOR benchmark in September, 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 benchmark.

## PORTFOLIO BREAKDOWN



## S&P RATINGS



## WEIGHTED AVERAGE MATURITY IN DAYS

	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
Fund	23	30	31	23	30	23	23	24	19	17	30	21	20



# TMI LIQUIDITY FUND PLC

## DISCLAIMER

The Manager of TMI Liquidity Fund PLC is Portal Fund Administration Limited, incorporated in the Isle of Man No. 118726C. Business Address: 18 Mount Havelock, Douglas, Isle of Man, IM1 2QG. 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 Financial Supervision Commission of the Isle of Man. 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.

This fact sheet has been prepared for information purposes only and only for those jurisdictions in which the TMI Liquidity Fund PLC may be marketed. It is not a solicitation, or an offer, to buy or sell any security. Past performance cannot be relied on as a guide to the future. Income from investments may fluctuate. Investors may not get back the value of their original investment. Changes in exchange rates may have an adverse effect on the value, price or income of foreign currency denominated securities. These funds may not be suitable for all recipients.

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.

## CONTACT DETAILS

If you would like to know more about these funds, please contact:

### Sales Enquiries:

#### David Nixon

Tel: +44 (0) 1624 645200

Fax: +44 (0) 1624 645220

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

Website: [www.tmiliquidity.com](http://www.tmiliquidity.com)

### The Investment Manager:

Thomas Miller Investment (Isle of Man) Limited  
16/17 Mount Havelock, Douglas, Isle of Man,  
IM1 2QG

Tel: +44 (0) 1624 645200

Fax: +44 (0) 1624 645220

### The Fund Advisor:

#### Christopher Smith

Thomas Miller Investment Limited

90 Fenchurch Street, London, EC3M 4ST

Tel: +44 (0) 20 7204 2200

Fax: +44 (0) 20 7204 2737

### The Manager:

Portal Fund Administration Limited

18 Mount Havelock, Douglas, Isle of Man,  
IM1 2QG

Tel: +44 (0) 1624 645236

Fax: +44 (0) 1624 610950

## FIDUCIARY CUSTODIAN

BNP Paribas Trust Company (IOM) Limited  
PO Box 57, Merchant's House, 24 North Quay,  
Douglas, Isle of Man, IM99 2PG  
Web: [www.bnpparibas.com/en](http://www.bnpparibas.com/en)

