

STERLING • DOLLAR • EURO
TMI LIQUIDITY  FUND

28TH FEBRUARY 2011

BY **THOMAS
MILLER**
INVESTMENT

TMI STERLING LIQUIDITY SUB-FUND

NET YIELD
1.00%

WAM
68 DAYS

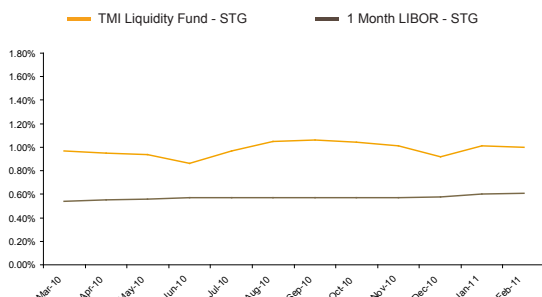
FUND SIZE
£114.3M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
Fund	1.09	0.97	0.95	0.94	0.86	0.97	1.05	1.06	1.04	1.01	0.92	1.01	1.00
1 Month Libor	0.53	0.54	0.55	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.58	0.60	0.61



Annualised Net Return % February 2011	Annualised Gross Return % February 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
1.00	1.19	0.98	0.57

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:	£114.3million
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

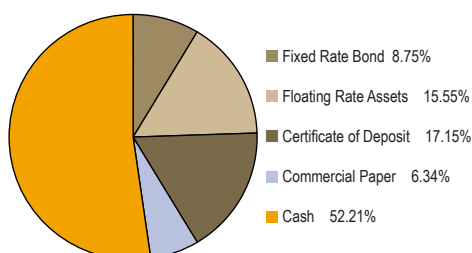
COMMENTARY

- Risk aversion returned in February with events in the Middle East & North Africa leading to a sharp spike in oil and gold prices. Equities traded lower and government bonds rallied.
- The Monetary Policy Committee (MPC) left policy rates unchanged at 0.50% with the voting this time 6:3. Weaker growth but higher inflation paint a mixed picture for the path of UK rates, however, most economists are now looking for a hike in May.
- LIBOR rates rose an average 3bps across the curve in February.
- The Weighted Average Maturity (WAM) at the end of January was 68 days. We remain focused on providing adequate liquidity and have reduced our target WAM to between 60 - 90 days ahead of expected rate increases.
- We have continued with our allocation to short dated UK T-Bills, which have been providing a similar yield to bank deposits.
- The fund outperformed it's 1-month LIBOR benchmark by 39 bps. We still expect rates to remain low in 2011, beginning to rise in the second half of the year.

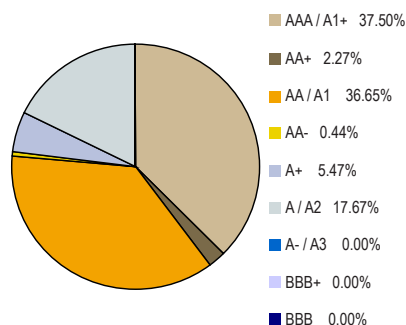
INVESTMENT

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

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
Fund	58	47	56	63	67	75	79	72	89	93	82	78	68

ENQUIRIES

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TMI US DOLLAR LIQUIDITY SUB-FUND

NET YIELD
0.41%

WAM
56 DAYS

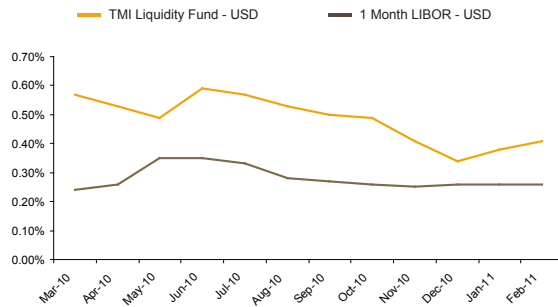
FUND SIZE
\$144.7M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
Fund	0.60	0.57	0.53	0.49	0.59	0.57	0.53	0.50	0.49	0.41	0.34	0.38	0.41
1 Month Libor	0.23	0.24	0.26	0.34	0.35	0.33	0.28	0.27	0.26	0.25	0.26	0.26	0.26



Annualised Net Return % February 2011	Annualised Gross Return % February 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.41	0.63	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:	\$144.7million
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

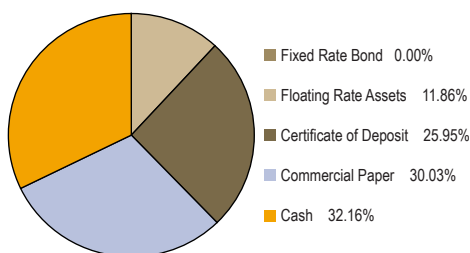
COMMENTARY

- Risk aversion returned in February with events in the Middle East & North Africa leading to a sharp spike in oil and gold prices. Equities traded lower and government bonds rallied.
- The Federal Open Market Committee (FOMC) maintained rates at the current range of 0.00 - 0.25% with no indication that there would be any change in policy in the near future and continued to use the "exceptionally low for an extended period" language.
- LIBOR rates were unchanged throughout February.
- The Weighted Average Maturity (WAM) at the end of February was 56 days. We remain focused on providing adequate liquidity while targeting an increased WAM that is in a range of between 60-70 days.
- We extended some maturities into the 6-month part of the curve and also added a new highly rated FRN at LIBOR +45bps.
- The fund outperformed its 1-month LIBOR benchmark by 15 bps. We expect rates to remain low and anticipate that the fund will continue to perform well versus the benchmark in the coming months.

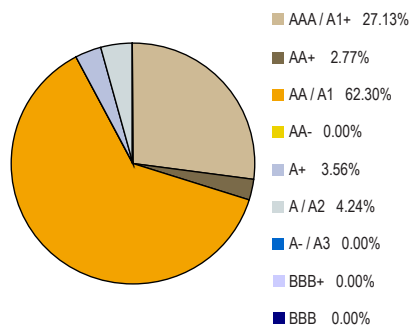
INVESTMENT

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

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

ENQUIRIES

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TMI EURO LIQUIDITY SUB-FUND

NET YIELD
0.84%

WAM
23 DAYS

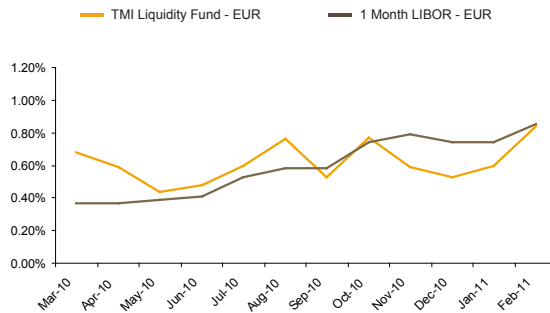
FUND SIZE
€15.8M



PERFORMANCE - % 1 MONTH RETURNS*

*Performance is shown Annualised and Net of fees

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
Fund	0.82	0.68	0.59	0.44	0.48	0.60	0.76	0.53	0.77	0.59	0.53	0.60	0.84
1 Month Libor	0.38	0.37	0.37	0.39	0.41	0.53	0.58	0.56	0.74	0.79	0.74	0.73	0.85



Annualised Net Return % February 2011	Annualised Gross Return % February 2011	12 Month Average (Net of fees) %	
		Fund	1 Month Libor
0.84	0.95	0.62	0.59

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
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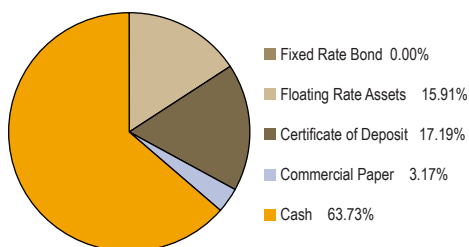
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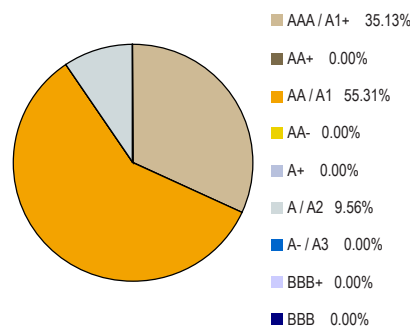
COMMENTARY

- Risk aversion returned in February with events in the Middle East & North Africa leading to a sharp spike in oil and gold prices. Equities traded lower and government bonds rallied.
- The European Central Bank (ECB) kept rates on hold at 1%. ECB President Trichet continued the hawkish bias noting inflation risks had moved to the upside. Market expectations are for the first hike in April.
- LIBOR rates increased between 5 - 10bps across the curve with the very short end remaining volatile as excess liquidity is withdrawn from the system.
- The Weighted Average Maturity (WAM) finished February at 23 days. We are targeting a WAM within a 30 - 50 day range, however, as liquidity remains ample in Euro cash markets there is very little risk premium for increasing duration at this time. The fund remains well positioned to react as and when the yield curve begins to steepen.
- The fund under-performed it's 1-month LIBOR benchmark by 1 bps in February. As Euro-area banks remain well funded and as the ECB continues with it's liquidity operations most quality institutions are not bidding for cash and market rates are somewhat lower than LIBOR. With this in mind the fund may under-perform the benchmark in the short term.

PORTFOLIO BREAKDOWN



S&P RATINGS



WEIGHTED AVERAGE MATURITY IN DAYS

	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
Fund	34	31	31	26	18	25	27	23	30	31	23	30	23



TMI LIQUIDITY FUND PLC

DISCLAIMER

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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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