

# Prime Rate USD Liquidity Fund (Isle of Man)

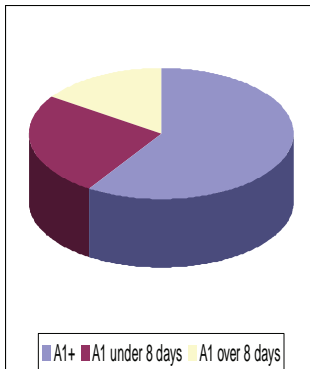
For Specialist Investors

31st May 2009

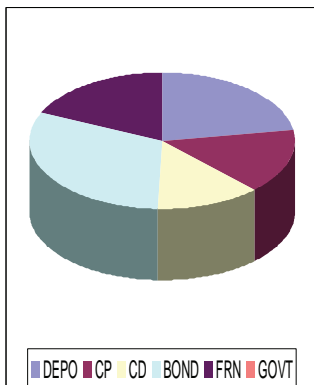
Standard & Poors

AAAm rated

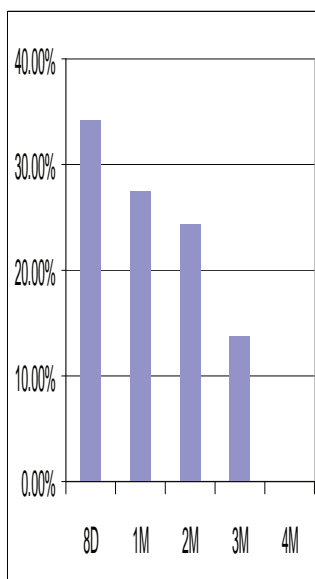
## Credit Rating (Master fund)



## Asset Type (Master Fund)



## Maturity Profile (Master)



## Fund Objective

The fund is fully invested in the Prime Rate US Dollar Liquidity Fund. The investment objective of the fund is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality Sterling denominated short term debt and debt related instruments. The primary objective is to maintain the net asset value either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.

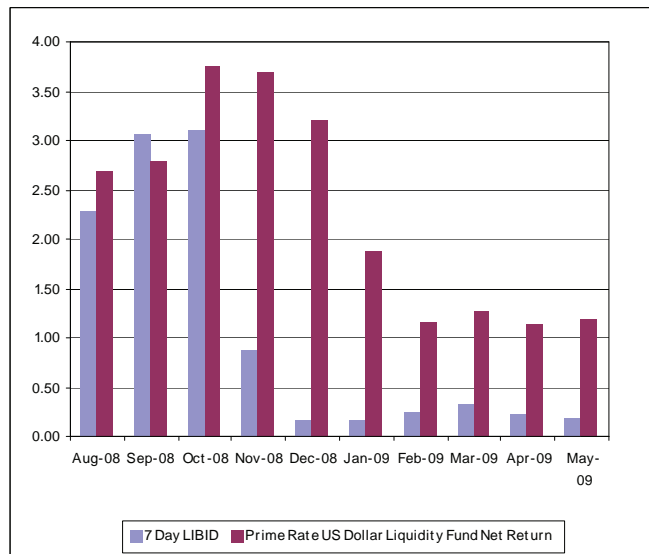
## Investment Manager's Report

Although official rates really cannot be reduced any further, interbank lending remains at severely reduced levels. However the build up of short term cash deposits in the coffers of the banks considered most credit-worthy or essential to the world's payments system, has seen a continued reduction in period LIBOR rates. This is due to the fact that cash rich banks are able to engage in longer term lending by using their 'cash bank', for which they are paying negligible rates to their clients.

On the other hand, those banks which are unable to access sufficient short dated deposits from their client base, are attempting to reduce their cash shortfalls by bidding for period deposits. This has meant that 'LIBOR' can be significantly different, perhaps by as much as 80 basis points, for banks which before the credit crunch would have been competing for deposits in

liquid interbank market at rates which were normally within 5 basis points of one another.

While this situation continues, and there is little evidence to suggest that it will soon be over, lower official LIBOR rates are possible, although the rates at which individual banks can attract funds will continue to diverge.



## Fund Details—annualised monthly returns (net)

<b>Fund Return (May)</b>	1.19%	<b>WAM</b>	26.32 days
<b>Fund AER (May)</b>	1.20%	<b>Benchmark</b>	7 day US\$ LIBID
<b>Fund AEY (May)</b>	1.34%		
<b>7 Day LIBID (May)</b>	0.18%		
<b>Fed Funds (May)</b>	0.12%		

## Fund details

<b>Domicile</b>	Isle of Man
<b>Structure</b>	Specialist Fund
<b>Inception Date</b>	4th August 2008
<b>Dealing Cut Off</b>	14.00pm London time
<b>Liquidity</b>	Same day
<b>Currency</b>	USD
<b>CIO</b>	Dennis Gepp
<b>Portfolio Manager</b>	Gary Skedge
<b>Benchmark</b>	7 day £ LIBID



**Dennis Gepp (Chief Investment Officer)** is a founding partner of PRCM. He was responsible for the management of treasury departments of UK and international banks from 1973 until he joined Prime Rate in 2007.



**Gary Skedge (Portfolio Manager)** joined PRCM in September 2007. He co-managed HSBC's AAA rated liquidity and enhanced cash funds from 2006 to 2007.

## Prime Rate Capital Management LLP

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The Prime Rate Sterling Liquidity Fund is a sub fund of the umbrella fund, Prime Rate Cash Management Funds (Isle of Man) PLC which is a Specialist Fund governed by Isle of Man law. Any investment in the funds is made subject to the terms of the Funds' Offering Document which is available from the Investment Manager, Prime Rate Capital Management LLP, One Vine Street, London W1J 0AH.

## Portfolio Top 10 Holdings (excluding overnight deposits) (Master Fund)

EIB	16-Jun-09	4.59%
ANZ	07-Aug-09	4.35%
Bank of Western Australia	14-Aug-09	4.35%
Roche	06-Jul-09	4.28%
UBS	09-Jul-09	3.92%
ENI	03-Aug-09	3.92%
IBM	01-Jun-09	3.91%
Credit Suisse	01-Jun-09	3.58%
NAB	15-Jun-09	3.04%
DnB Nor	19-Jun-09	2.83%

## Share Class Details

Class	ISIN	SEDOL	Dividend	Management Fee (incl. Master Fund fee)	Minimum Initial Investment
B	IM00B2RJ3X73	B2RJ3X7	Distributing	10bps	US\$5,000,000
C	IM00B2RJ3Y80	B2RJ3Y8	Distributing	20bps	US\$100,000
D	IM00B2RJ3Z97	B2RJ3Z9	Accumulating	10bps	US\$100,000

## Prime Rate Capital Management LLP

Prime Rate Capital Management LLP was formed as the first independent, specialist provider of AAA-rated liquidity funds, known as Qualifying Money Market Funds, serving the corporate and institutional market.

Prime Rate offers independent, specialist liquidity fund products on a wholesale, competitive basis for a variety of corporate and institutional investors, to distribute to their client base, often under a "white-labelling" arrangement, or to use in the management of their own liquidity.

## Contact details

For a copy of the Prospectus, Simplified Prospectus, information on portfolio holdings or other matters, please contact us on (0)20 3206 7262, or e mail us on [contact@prime-rate.co.uk](mailto:contact@prime-rate.co.uk).

Alternatively please see the information on our web site at [www.prim-rate.co.uk](http://www.prim-rate.co.uk)

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