

# Prime Rate US Dollar Liquidity Fund

For professional investors

31st May 2009

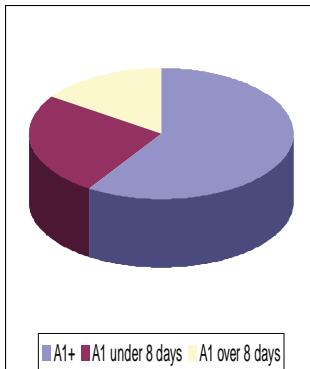
Standard & Poors

AAA m rated

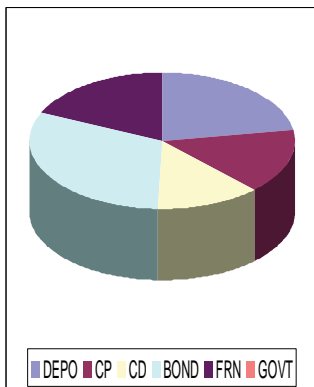
Fitch

AAA V1+

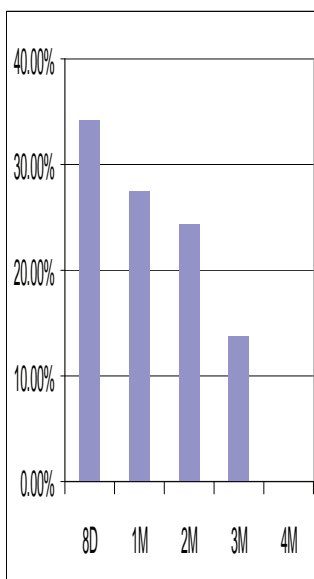
## Credit Rating



## Asset Type



## Maturity Profile



## Fund Objective

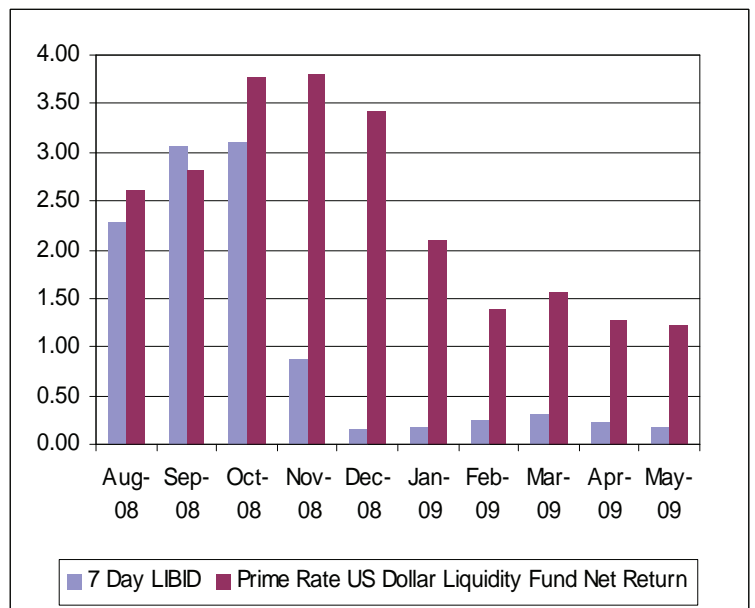
The investment objective of the fund is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality US Dollar denominated short term debt and debt related instruments. The primary objective is to maintain the net asset 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>	1.23%	<b>WAM</b>	26.32 Days
<b>Fund AER (May)</b>	1.24%	<b>Benchmark</b>	7 day US\$ LIBID
<b>Fund AEY (May)</b>	1.24%		
<b>7 Day LIBID (May)</b>	0.18%		
<b>Fed Funds (May)</b>	0.12%		

Sources: 7 Day LIBID, Fed Funds: Bloomberg, Fund : Prime Rate Capital Management LLP. Fund returns are shown annualised on an actual/365 day count basis.. They are net of fees and charges for share class 3. US\$ LIBID and Fed Funds are shown annualised on an actual/360 day count basis.

## Fund details

<b>Domicile</b>	UK
<b>Structure</b>	OEIC UCITS III
<b>Inception Date</b>	4th August 2008
<b>Dealing Cut Off</b>	15.00pm 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 US\$ 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 US Dollar Liquidity Fund is a sub fund of the umbrella fund, Prime Rate Cash Management Funds which is an OEIC governed by UK law and authorised by the FSA. Any investment in the funds is made subject to the terms of the Funds' Prospectus and relevant Simplified Prospectus, which are available from the Investment Manager, Prime Rate Capital Management LLP, One Vine Street, London W1J 0AH.

## Portfolio Top 10 Holdings (excluding overnight deposits)

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	Minimum Initial Investment
3	GB00B2R5TP99	B2R5TP9	Distributing	10bps	US\$5,000,000

## Prime Rate Capital Management LLP

Prime Rate Capital Management LLP is 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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