

Prime Rate US Dollar Liquidity Fund

30 September 2009

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 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

The 6 months since March 2009 have proved much calmer than the preceding twelve months.

The overwhelming theme has been very low cash rates which have focused investors minds on their cash balances.

The fund has continued to operate within very conservative limits. These include; no holdings in asset backed securities, and a maximum maturity limit of three months for issuers rated A-1+ (plus some strong A-1) and 1 month for issuers rated A-1. The fund continued to focus on liquidity and security, investing in top quality names for up to 3 months. At the end of

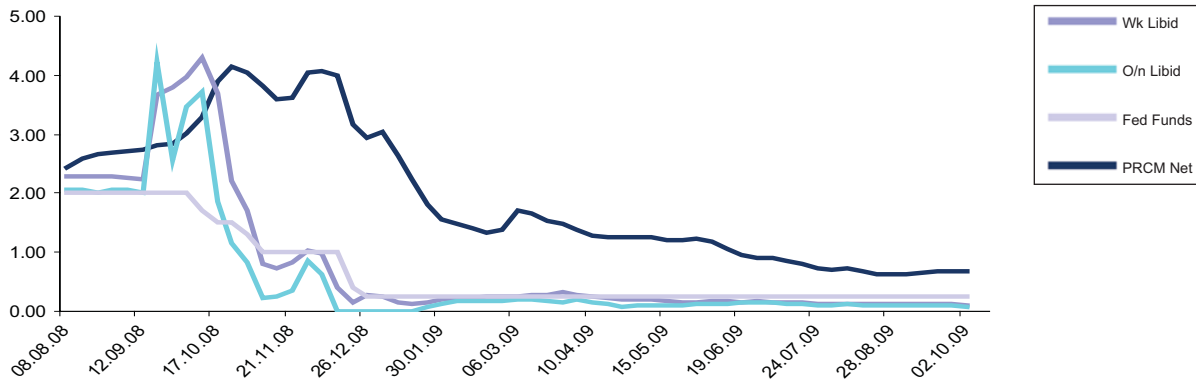
September the fund's weighted average maturity was 19.51 days, with almost 60% of the fund maturing within 8 days.

Fed funds remained at 0.25% throughout the period. LIBOR rates and day to day cash rates however continued to fall slightly throughout the period, with overnight LIBID dropping from 20 basis points to 5 basis points and one week LIBID falling from 28 basis points to 10 basis points. Term rates also fell, with the three month rate ending the period at 0.29% and six month rates ending 0.63%. There seems no likelihood of a rise in rates soon, despite the rise in stock

markets. With a surfeit of short-dated liquidity, there is no pressure on banks to pay up for fixed period funds.

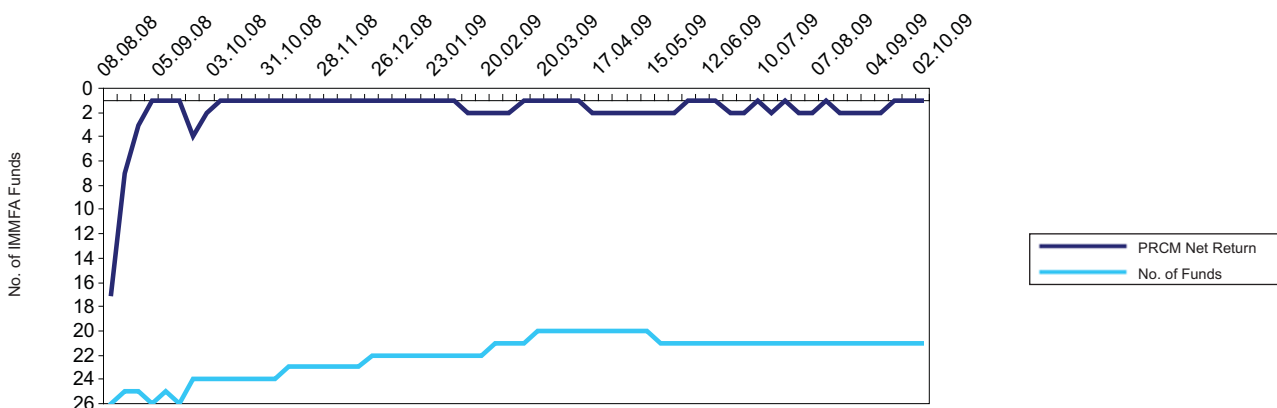
At the end of September 2009 the fund had assets of US\$51.9m with eleven investors, the largest of which was the Isle of Man feeder fund. The Isle of Man fund itself had 6 investors. Despite the fund's conservative investment criteria it maintained its strong performance with consistent top quartile performance against its peers. Performance is shown below both against money market rates and against the IMMFA fund universe.

Money Market and MMF Net Returns USD



Sources: Prime Rate Capital Management LLP, Bloomberg Net returns are for Share Class 3

PRCM Ranking within IMMFA



Sources: Prime Rate Capital Management LLP, iMoneyNet

Fund Details

Domicile	UK
Structure	OEIC UCITS III
Dealing Cut Off	3.00pm London time
Liquidity	Same day
Currency	US Dollar
CIO	Dennis Gepp
Portfolio Mgr	Gary Skedge
Benchmark	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.

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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 as at 30 September 2009 % of Fund

Bank of Ireland USD Call Account	9.88%
GE Capital 3.75% Medium Term Note 5/10/2009	6.85%
AIB (GB) Call Account	6.84%
Ulster Bank Call Account	6.06%
Clydesdale Bank Call Account	5.82%
Alliance & Leicester Call Account	5.76%
Rabobank Nederland 3.625% Senior Medium Term Note 5/10/2009	4.84%
Austria (Republic of) 5.25% Bond 5/10/2009	4.57%
Dexia 0.32% Certificate of Deposit 5/10/2009	4.43%
Ontario (Province of) 3.625% Bond 21/10/2009	3.86%

Fund Performance

Calendar year	Share class	Highest share price \$	Lowest share price \$	Net revenue per share \$
2008	Share class 2 - income*	1.0000	1.0000	0.0137
2009	Share class 2 - income+	1.0000	1.0000	0.0093
2008	Share class 3 - income**	1.0000	1.0000	0.0121
2009	Share class 3 - income+	1.0000	1.0000	0.0086
2009	Share class 4 - income***	1.0000	1.0000	0.0049

* from 4 August 2008
** from 18 August 2008
*** from 19 March 2009 to 30 September 2009
+ to 30 September 2009

The sub fund accrues distributions on a daily basis and funds are paid out on a monthly basis on or about the first working day of the following month.

Total Expense Ratio

As at	Share class 2 - income*	Share class 3 - income	Share class 4 - income
31.03.2009	0.09%	0.14%	0.19%
30.09.2009	0.06%	0.11%	0.16%

*Investment may only be made into Share class 2 - income when specifically offered by Prime Rate Capital Management LLP.

Portfolio Turnover

	Six months to 30.09.2009	Year to 31.03.2009
Total purchases for the period	\$244,213,285	\$311,291,081
Total maturities and sales for the period	\$217,172,106	\$71,233,900
Portfolio Turnover Rate	789%	914%

The Portfolio Turnover Rate (PTR) gives an indication of how much the Fund's investments have changed during the relevant period.

Contact Details

For a copy of the Prospectus, Simplified Prospectus, information on portfolio holdings, copies of the long form reports or other matters, please contact us on:

(0)20 3206 7262, or e mail us on contact@prime-rate.co.uk.

Alternatively please see the information on our web site at www.prime-rate.co.uk

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