

Comparison of the Prime Rate Sterling Liquidity Fund and the Prime Rate Sterling Cash Plus Fund

	Prime Rate Sterling Liquidity Fund	Prime Rate Sterling Cash Plus Fund
Fund Structure	Sub-Fund of Prime Rate Cash Management Funds. Open ended investment company (OEIC) domiciled in the UK and authorised by the Financial Services Authority. Classified as a UCITS IV scheme. Qualifies as a “Short Term Money Market Fund” under the new ESMA guidance on European money market funds	Sub-Fund of Prime Rate Cash Management Funds. Open ended investment company (OEIC) domiciled in the UK and authorised by the Financial Services Authority. Classified as a UCITS IV scheme. Qualifies as a “Money Market Fund” under the new ESMA guidance on European money market funds
Investment Policy	To maximise current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality short term debt and debt related instruments. The primary objective is to maintain the net asset value of the undertaking either constant at par (net of earnings) or, in the case of accumulating share classes, at the value of the investors’ initial capital plus earnings	To invest in a diversified portfolio of high quality, liquid securities aiming to achieve preservation of capital and the target returns described below
Target Returns	7 Day LIBID	To target a return of the higher of (a) 7 day LIBID plus 50bp and (b) 6 month LIBID
Pricing	Constant net asset value (CNAV), daily pricing, distributing and accumulating shares	Variable net asset value (VNAV), daily pricing (marked to market), accumulating shares only (all net income reinvested)
Trading and Settlement	Daily trading, same day settlement (T+0)	Daily trading, T+1 settlement
Investment Universe	Permitted asset types are bonds, floating rate notes (FRNs), commercial paper, certificates of deposit, call accounts and bank deposits issued by highly-rated financial institutions, corporate, supra-nationals and sovereign states No investments in asset backed securities	List of permitted investments identical to that of the Prime Rate Liquidity Funds but with longer permitted maturities. The Fund may also invest in a Qualifying Money Market Fund such as the Prime Rate Sterling Liquidity Fund, up to a maximum of 10% No investments in asset backed securities
Maximum maturity of credit exposure	4 months for selected securities rated AAA long term 3 months for A-1+ rated (and some strong A-1) (short term rating) 1 month for A-1 rated (short term rating) These limits apply to all asset classes	2 years for issuers rated AA-, AA, AA+ or AAA 1 year for some strong issuers split rated AA/A 6 months for issuers rated A or A+ These limits apply to all asset classes

	Prime Rate Sterling Liquidity Fund	Prime Rate Sterling Cash Plus Fund
Maximum maturity of floating rate note exposure	As above	As above
Maximum credit exposure 8 days and over	4% for A-1+ (and some strong A-1) 2% for A-1	4% for issuers rated AA, AA+ or AAA 3% for issuers rated A, A+ or AA-
Maximum % illiquid assets	0%	0%
Maximum % asset backed securities	0%	0%
Minimum % cash	25% overnight, 30% within a week	10% overnight
Maximum WAM (weighted average maturity)	48 days	6 months
Maximum WAL (weighted average life)	48 days	12 months
Rating	AAAm (Standard and Poor's), AAAmmf (Fitch)	Rated AA Af /S1+ by Standard and Poor's (AA Af is a fund credit quality ratings; S1+ is a fund volatility rating)
Transparency of portfolio	Daily publication of portfolio for clients	Daily publication of portfolio for clients
Institutional Management Fee	10 basis points	15 basis points

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