

**SHARE SECURITIES NOTE**  
**PRIME RATE CLOSED END STERLING CASH FUND**

**(a segregated account of Matrix Structured Products Limited, a closed ended Exempted Segregated Accounts Company Incorporated in Bermuda with registered number EC#35209)**

**Offering of up to 20,000,000 Retail Class Ordinary Shares of £0.001 each and up to 20,000,000 Institutional Class Ordinary Shares of £0.001 each ('Shares') of the Prime Rate Closed End Sterling Cash Fund at the Offer Price**

The number of Shares being offered should not be taken to be indicative of the number of Shares which will be issued. The minimum individual subscription under the Offering is £50,000.

This document together with the Registration Document constitutes a prospectus ("Prospectus") issued by Matrix Structured Products Limited (the "Company") drawn up in accordance with the Companies Act 1981 of Bermuda, as amended, and the listing rules of the Channel Islands Stock Exchange. A copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda. Copies of this Prospectus are available during usual business hours on any weekday (Saturdays, Sundays and holidays excepted), on behalf of Matrix Structured Products Limited, free of charge, from the offices of the Listing Sponsor.

Prime Rate Closed End Sterling Cash Fund (the "Fund") is a segregated account constituted as a distinct class of shares in the Company, a company incorporated under the laws of Bermuda and registered as a segregated accounts company.

Application has been made to the Channel Islands Stock Exchange in relation to the Fund for up to 20 million Retail Class Ordinary Shares and 20 million Institutional Class Ordinary Shares, each denominated in Sterling, of the Prime Rate Closed End Sterling Cash Fund to be listed and traded on the Channel Islands Stock Exchange by way of an Offer for Subscription. It is expected that Shares will be admitted to listing and to trading, and that dealings in the Shares for normal settlement will commence on or around 1 July 2008. No application has been made for the listing of the Shares on any other stock exchange. This Prospectus constitutes the Listing Document ("the Listing Document") for the purposes of the application for the Shares to be admitted to the Official List of the Channel Islands Stock Exchange ('the Official List').

The Shares being offered pursuant to the terms of this Listing Document are issued by the "Prime Rate Closed End Sterling Cash Fund", being the designated name of this segregated account of the Company.

This Listing Document together with the Registration Document includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the issuer. The Directors, whose names appear on page 5 of the Registration Document accept full responsibility for the information contained in this Listing Document and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Neither the admission of the Shares to the Official List nor the approval of the Listing Document pursuant to the Listing Rules of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to or any other party connected with the issuer, the adequacy and accuracy of the information contained in the Listing Document or the suitability of the issuer for investment or for any other purpose.

The Company has appointed Capita Financial Administrators (Jersey) Limited as the listing sponsor for the Fund. If there is a change in the Listing Sponsor, publication of such change will be made through the Channel Islands Stock Exchange.

The Company has no place of business in the Channel Islands and has not been approved by and is not regulated by the Guernsey or Jersey Financial Services Commissions.

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the relevant securities laws of any state of the United States, Canada, Australia, Japan or any other jurisdiction save as mentioned herein. The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended. Accordingly, unless an exemption under such Acts or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States or to any U.S. Person.

For a period of not less than 14 days from the date of this Prospectus or for the duration of the Offer Period, if longer, along with copies of the Prospectus, copies of the documents listed below may be inspected free of charge during normal business hours on any week day (Saturdays and public holidays excepted) at the offices of the Administrator and the Listing Sponsor:

- (a) the Memorandum of Association and Bye-Laws of the Company;
- (b) the agreements referred to under "Material Contracts";
- (c) the Companies Act 1981, as amended, of Bermuda;
- (d) a list of current directorships and partnerships held by each Director over the last 5 years;
- (e) this Listing Document;
- (f) the Registration Document; and
- (g) the current Report and Audited Financial Statements of the Company.

**Your attention is drawn to the paragraph headed Risk Factors set out on page 5 of this document.**

**This Offer is an exempt offer to the public in the United Kingdom as prescribed in the Prospectus Rules issued by the United Kingdom Financial Services Authority ("FSA") exercising its function as the competent authority under Part VI of the United Kingdom's Financial Services and Markets Act 2000.**

This document has been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 by Matrix Money Management Limited which is authorised and regulated in the UK by the FSA.

# Notice

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR INVESTMENT ADVISER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER. NEITHER MATRIX STRUCTURED PRODUCTS LIMITED (THE "COMPANY") NOR THE SHARES OF THE COMPANY DESCRIBED IN THIS SHARE SECURITIES NOTE HAVE BEEN OR WILL BE REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF THE UNITED STATES ("US") OR ANY OTHER JURISDICTION SAVE AS MENTIONED HEREIN. THIS SHARE SECURITIES NOTE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE DIRECT OR INDIRECT OWNERSHIP OF SHARES BY "PROHIBITED PERSONS" AS DEFINED IN THE REGISTRATION DOCUMENT IS PROHIBITED EXCEPT IN ACCORDANCE HEREWITH. NO PERSON HAS BEEN AUTHORISED TO MAKE ANY REPRESENTATIONS CONCERNING THE COMPANY OR THE SHARES WHICH ARE INCONSISTENT WITH THOSE CONTAINED IN THIS SHARE SECURITIES NOTE, AND ANY SUCH REPRESENTATIONS SHOULD ACCORDINGLY BE TREATED AS UNAUTHORIZED AND MAY NOT BE RELIED UPON BY THE RECIPIENT.

THE COMPANY HAS AN AUTHORISED SHARE CAPITAL OF £600,000 DIVIDED INTO 593,200,000 SHARES OF PAR VALUE £0.001 EACH AND 6,800 MANAGEMENT SHARES OF PAR VALUE £1.00 EACH, SUCH SHARES TO BE ISSUED AT THE DISCRETION OF THE DIRECTORS OF THE COMPANY AS SUCH CLASS OR CLASSES OF SHARES AS MAY BE CREATED FROM TIME TO TIME AND OFFERED WITH REFERENCE TO ONE OR MORE SEGREGATED ACCOUNTS CREATED AND ISSUED AS CIRCUMSTANCES DICTATE. THE MEMORANDUM OF ASSOCIATION AND BYE-LAWS OF THE COMPANY EMPOWER THE DIRECTORS TO CREATE DIFFERENT SUBFUNDS.

PROSPECTIVE PURCHASERS OF THE SHARES SHOULD NOT CONSTRUE THE CONTENTS OF THIS SHARE SECURITIES NOTE AS LEGAL, TAX OR FINANCIAL ADVICE. ALL PROSPECTIVE PURCHASERS OF THE SHARES SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER MATTERS RELEVANT TO THE SUITABILITY OF AN INVESTMENT IN THE SHARES FOR SUCH PURCHASER.

THE PURCHASE OF SHARES IS SPECULATIVE. THERE IS NO ASSURANCE THAT THE COMPANY WILL BE PROFITABLE. SEE THE SECTION ENTITLED "RISK FACTORS" WITHIN THIS SHARE SECURITIES NOTE AND IN THE REGISTRATION DOCUMENT FOR A DESCRIPTION OF CERTAIN RISKS INVOLVED IN THE PURCHASE OF SHARES.

PERMISSION UNDER THE EXCHANGE CONTROL ACT OF 1972 OF BERMUDA (AND REGULATIONS MADE THEREUNDER) HAS BEEN OBTAINED FROM THE BERMUDA MONETARY AUTHORITY FOR THE ISSUE OF UP TO 40 MILLION PRIME RATE CLOSED END STERLING CASH FUND SHARES IN THE COMPANY. IN ADDITION, A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE REGISTRAR OF COMPANIES IN BERMUDA FOR FILING PURSUANT TO THE COMPANIES ACT 1981 OF BERMUDA, AS AMENDED. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GRANTING SUCH PERMISSION AND IN ACCEPTING THIS DOCUMENT FOR FILING, THE BERMUDA MONETARY AUTHORITY AND THE REGISTRAR OF COMPANIES IN BERMUDA ACCEPT NO RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS, OR OPINIONS EXPRESSED WITH REGARD TO THEM, CONTAINED WITHIN THIS DOCUMENT.

THE COMPANY IS NOT AN INVESTMENT FUND UNDER THE INVESTMENT FUNDS ACT 2006 OF BERMUDA. AS SUCH, THE COMPANY IS NOT REGULATED AS AN INVESTMENT FUND BY THE BERMUDA MONETARY AUTHORITY AND WILL NOT BE SUPERVISED AS AN INVESTMENT FUND BY THE AUTHORITY. THEREFORE, ONLY THOSE PURCHASERS WHO CAN FULLY EVALUATE AND BEAR THE RISK INVOLVED IN PURCHASING THE SHARES SHOULD PURCHASE THE SHARES.

AS THE NET ASSET VALUE OF EACH SUB-FUND WILL BE CALCULATED IN POUNDS STERLING, EACH HOLDER OF SHARES WILL BEAR THE RISK OF ANY FOREIGN CURRENCY EXPOSURE RESULTING FROM DIFFERENCES, IF ANY, IN THE VALUE OF THE POUNDS STERLING RELATIVE TO THE CURRENCY IN WHICH SUCH SHAREHOLDER MAINTAINS ITS NET WORTH.

TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE IN REVIEWING THIS DOCUMENT, THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

THE COMPANY IS A CLOSED END COMPANY INCORPORATED IN BERMUDA AND IS REGISTERED AS A SEGREGATED ACCOUNTS COMPANY UNDER THE SEGREGATED ACCOUNTS COMPANIES ACT 2000 (AS

AMENDED) ("SAC ACT"). AS A MATTER OF BERMUDA LAW, PROVIDED THAT THE CONDITIONS LAID DOWN IN THE SAC ACT ARE COMPLIED WITH, ASSETS AND LIABILITIES ATTRIBUTABLE TO EACH SEGREGATED ACCOUNT OF THE COMPANY SHALL ONLY BE AVAILABLE TO CREDITORS IN RESPECT OF THAT SEGREGATED ACCOUNT AND THE ASSETS AND LIABILITIES OF THAT SEGREGATED ACCOUNT SHALL BE PROTECTED FROM CREDITORS OF THE COMPANY WHO ARE NOT CREDITORS IN RESPECT OF THAT SEGREGATED ACCOUNT. THE COMPANY WILL ESTABLISH A SEPARATE ACCOUNT FOR EACH CLASS OF SHARES. EACH SEGREGATED ACCOUNT IS A SEPARATE INDIVIDUALLY MANAGED POOL OF ASSETS WITH ITS OWN INVESTMENT OBJECTIVE AND POLICIES. EACH SEGREGATED ACCOUNT WILL BE ADMINISTERED AND MAINTAINED SEPARATE FROM THE OTHER SEGREGATED ACCOUNTS. INVESTORS WHO HOLD SHARES OF A GIVEN CLASS IDENTIFIED TO A PARTICULAR SEGREGATED ACCOUNT WILL ASSUME THE INVESTMENT RISKS (AND SHARE THE UPSIDE POTENTIAL) ASSOCIATED ONLY WITH THE SEGREGATED ACCOUNT ESTABLISHED FOR THE CLASS OF SHARES LINKED TO THAT SEGREGATED ACCOUNT.

THE PRIME RATE CLOSED END STERLING CASH FUND (THE "FUND") IS ORGANISED AS A FEEDER FUND AND ALL OF THE FUND'S ASSETS (TO THE EXTENT NOT RETAINED IN CASH) WILL BE INVESTED IN THE CLASS 8 ACCUMULATION SHARES OF THE MASTER FUND, PRIME RATE STERLING LIQUIDITY FUND (A FUND OF PRIME RATE CASH MANAGEMENT FUNDS), AN INVESTMENT COMPANY WITH VARIABLE CAPITAL ("ICVC") INCORPORATED IN ENGLAND AND WALES AND AUTHORISED BY THE FINANCIAL SERVICES AUTHORITY OF THE UNITED KINGDOM ON 6 FEBRUARY 2008. THE SCHEME IS CLASSIFIED AS A UCITS SCHEME. THE MASTER FUND IS A QUALIFYING MONEY MARKET FUND.

PRIME RATE CAPITAL MANAGEMENT LLP, AS THE ACD OF THE MASTER FUND, HAS PROVIDED THE FUND WITH THE INFORMATION ON THE MASTER FUND WHICH IS CONTAINED IN THIS SHARE SECURITIES NOTE. PRIME RATE CAPITAL MANGEMENT LLP CONFIRMS THAT THE INFORMATION SET OUT IN THIS SHARE SECURITIES NOTE RELATING TO THE MASTER FUND IS CORRECT AS AT THE DATE OF THIS DOCUMENT AND HAS BEEN ACCURATELY INCORPORATED INTO THIS DOCUMENT BY THE FUND, AND TAKES RESPONSIBILITY ACCORDINGLY.

SHARES ARE OFFERED ON THE BASIS OF THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT AND THE REGISTRATION DOCUMENT AND ANY FURTHER INFORMATION GIVEN OR REPRESENTATIONS MADE BY ANY PERSON MAY NOT BE RELIED UPON AS BEING AUTHORISED BY THE COMPANY OR ITS DIRECTORS. NEITHER THE DELIVERY OF THIS DOCUMENT NOR THE OFFER, ISSUE OR SALE OF SHARES SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION THAT THE INFORMATION GIVEN HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS DOCUMENT. NOTHING CONTAINED HEREIN IS OR SHALL BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE.

THE CIRCULATION AND DISTRIBUTION OF THIS DOCUMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, THOSE PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED BY THE COMPANY TO INFORM THEMSELVES ABOUT AND, WHEN APPROPRIATE, TO OBSERVE ANY SUCH RESTRICTIONS.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION.

PERSONS INTERESTED IN SUBSCRIBING FOR SHARES SHOULD INFORM THEMSELVES AS TO:

- (I) THE APPLICABLE LAWS AND REGULATIONS WITHIN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE, ORDINARY RESIDENCE OR DOMICILE RELATING TO SUCH ACQUISITION;
- (II) ANY FOREIGN EXCHANGE OR EXCHANGE CONTROL RESTRICTIONS TO WHICH THEY MIGHT BE SUBJECT ON THE ACQUISITION, TRANSFER OR DISPOSAL OF SHARES; AND
- (III) ALL TAX AND OTHER FISCAL CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, TRANSFER OR DISPOSAL OF SHARES.

THIS DOCUMENT IS SENT TO EACH RECIPIENT ON THE STRICT UNDERSTANDING THAT HE WILL NOT FURTHER DISTRIBUTE ANY COPY OF IT, OR COMMUNICATE THE INVITATION OR ANY INFORMATION CONTAINED IN IT, IN ANY WAY OR IN ANY JURISDICTION IN WHICH SUCH DISTRIBUTION OR COMMUNICATION IS NOT AUTHORISED BY APPLICABLE LAW. EVERY PERSON INTO WHOSE POSSESSION THIS DOCUMENT MAY COME IS REQUIRED BY THE COMPANY AND THE MANAGER TO INFORM HIMSELF ABOUT AND TO OBSERVE ANY RELEVANT RESTRICTIONS IN ANY JURISDICTION ON THE DISTRIBUTION OF THIS DOCUMENT.

THIS SHARE SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT.

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<b>(THE “MASTER FUND”)</b>	

# Risk Factors

**There can be no assurance that the investment objective of the Master Fund will be achieved and results may vary over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources.**

If you are in any doubt about the contents of this document you should consult your professional adviser.

## **Limited Liquidity**

The limitation on redemptions means that the Shares in the Fund may be illiquid.

Investors should note that the Directors will use their authority to repurchase Shares in their absolute discretion and only in accordance with the Listing Rules of the Channel Islands Stock Exchange and with guidelines which are designed to ensure that the Fund is not open-ended for taxation or regulatory purposes. There can also be no guarantee that a Shareholder wishing to sell his shares will be able to do so on a matched bargain basis or that the dealing price for repurchases will necessarily reflect changes in the Net Asset Value per Share.

## **General Risks Relating to the Prime Rate Sterling Liquidity Fund, (the Master Fund) into which the Fund Invests**

Subscriptions by the Fund for Shares of the Prime Rate Sterling Liquidity Fund is not the same as making a deposit with a bank or other deposit taking body and the value of the Shares is not insured or guaranteed. Although it is intended to maintain a stable Net Asset Value per Share there can be no assurance that a stable Net Asset Value per Share will be maintained. The value of the Prime Rate Sterling Liquidity Fund may be affected by the creditworthiness of issuers of the Prime Rate Sterling Liquidity Fund's investments and, notwithstanding the policy of the Prime Rate Sterling Liquidity Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

**Historical Performance** – The Prime Rate Sterling Liquidity Fund was established on 31 March 2008 and consequently there is no past performance information which can be stated in this Prospectus. Past performance is not a reliable indicator of future performance.

**Fluctuations in value** – Investors are reminded that notwithstanding the investment objective of the Prime Rate Sterling Liquidity Fund, the achievement of the objective is not guaranteed.

**Liabilities** – Prime Rate Cash Management Funds is an umbrella scheme comprising various Funds, one of which is the Prime Rate Sterling Liquidity Fund. Each Fund in normal circumstances is treated as having its own assets and liabilities. However, the assets of each Fund are not ring fenced and if the Scheme is unable to meet liabilities attributable to any particular Fund out of the assets attributable to that Fund, the excess liabilities may have to be met out of the assets attributable to the other Funds. Assets may be transferred between Funds if it is necessary in order to satisfy any creditor proceeding against certain of the assets of the Scheme. In the event that any assets are so transferred, the ACD will advise Shareholders of the Scheme in the next report to Shareholders.

## **Advanced Payment of Subscription Monies** –

Investors will subscribe for Shares in the Fund and remit monies to a client account of the Bankers as detailed in the attached Application Form. In order that the Fund may invest the subscription monies in the Class 8 Accumulation Shares of the Master Fund, subscription monies may be paid immediately into the Fund prior to the issue of Shares. Once the subscription monies have been paid out of the client account, the application is irrevocable and at this point, the investor in the Fund will become an unsecured creditor of the Fund until Shares are issued, which will be within a period of no more than 25 days of applying subscription monies in such a manner. Prospective investors should be aware that if, in the period between the receipt of subscription monies and the Dealing Day, the market conditions (prevailing at the time the decision was made to invest) change, they will be unable to cancel their application.

**The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in an investment in the Fund. Prospective investors should read the entire Prospectus and fully evaluate all other information that they deem to be necessary for determining whether to invest in the Fund. Prospective investors should ensure that they fully understand the contents of this Prospectus.**

## **Conflict of Interests**

Bridget Guerin is a director of the Company and is also a director of the Manager and Matrix Group Limited, which is the ultimate holding company of the Nominee and the Manager.

James Keyes is a director of the Company and is also a director of the Manager.

The Investment Manager manages accounts and performs investment management for its own account and for others, or may so do in the future, including for

other investment funds similar in nature to the Master Fund. Also the Investment Manager and/or its employees may from time to time; have an interest, direct or indirect, in an Underlying Fund whose purchase or sale is recommended or which is purchased, sold or otherwise traded for the Master Fund. As a result, the Investment Manager may sell or recommend the sale of a particular Underlying Fund for certain accounts including accounts in which it has an interest and it or others may buy or recommend the purchase of such Underlying Fund for other accounts including accounts in which it has an interest and, accordingly, transactions in particular accounts may not be consistent with transactions in other accounts or with the Investment Manager's investment recommendations. For example, the Investment Manager may recommend that the Master Fund sell a security, while not recommending such sale for other accounts in order to enable the Master Fund to have sufficient liquidity to honor redemption requests. Where there is a limited supply of investments, the Investment Manager will ensure

reasonable efforts to allocate or rotate investment opportunities on a fair and equitable basis, but the Investment Manager cannot assure absolute equality among all accounts and clients.

The Investment Manager may consult with more than one entity and conflicts of interest may arise with respect to allocating time, personnel and other resources. The decision makers of the Investment Manager will devote as much time to the affairs of the Master Fund, as they, in their sole discretion, deem necessary.

The Investment Manager also manages other funds where they are the investment manager and receive a fee for managing such funds. If the Investment Manager recommends a fund where they are the investment manager or where they act as a consultant, whereby they receive some financial remuneration, the Investment Manager will disclose such to the Master Fund and the Board of Directors of the Master Fund has the right to over rule such recommendations.

# Directory

## **Directors of the Company**

- Bridget Guerin  
One Vine Street, London, W1J 0AH
- Mike Kirby  
KB Associates,  
37 Fitzwilliam Place,  
Dublin 2, Ireland
- James Keyes  
Canon's Court, 22 Victoria Street  
Hamilton, HM12. Bermuda

## **Manager**

Matrix (Bermuda) Limited  
Canon's Court  
22 Victoria Street  
Hamilton HM12 Bermuda

## **Listing Sponsor**

Capita Financial Administrators (Jersey) Limited  
12 Castle Street  
St Helier  
Jersey, JE2 3RT

## **Legal Advisers to the Company**

As to Bermuda law:  
Appleby  
Canon's Court  
22 Victoria Street  
Hamilton HM12 Bermuda

## **Auditors and Reporting Accountants**

PricewaterhouseCoopers LLP  
Chartered Accountants  
PO Box 1283  
Georges Quay  
Dublin 2  
Ireland

## **Administrator**

Citi Fund Services (Ireland) Limited  
1 North Wall Quay  
Dublin 1  
Ireland

## **Registered Office**

Hemisphere House  
9 Church Street  
Hamilton, Bermuda

## **Segregated Accounts Representative**

Appleby Management (Bermuda) Ltd.  
Argyle House  
41A Cedar Avenue  
Hamilton, HM 12 Bermuda

## **Distributor**

Matrix Matrix Money Management Limited  
One Vine Street  
London  
W1J 0AH

## **Investment Manager to the Master Fund**

Prime Rate Capital Management LLP  
One Vine Street  
London  
W1J 0AH

## **Issuer's Bank and Custodian**

The Governor and Company of Bank of Ireland  
New Century House, Mayor Street Lower  
Dublin 1, Ireland

# Definitions

## **"1933 Act"**

United States Securities Act of 1933;

## **"ACD" or Authorised Corporate Director"**

Prime Rate Capital Management LLP in respect of the Prime Rate Sterling Liquidity Fund;

## **"Administrator"**

Citi Fund Services (Ireland) Limited, the administrator to the Fund;

## **"Application Form"**

the application form for use in connection with the Offer in the form attached to this document or any other application form for use in connection with the Offer otherwise published by or on behalf of the Fund;

## **"Business Day"**

any day on which banks are open for business in London and Dublin;

## **"Bye-laws"**

The bye-laws of the Company as amended from time to time;

## **"CISX" or "Channel Islands Stock Exchange"**

the Channel Islands Stock Exchange, LBG;

## **"Company"**

Matrix Structured Products Limited;

## **"Custodian"**

the Governor and Company of the Bank of Ireland, the custodian to the Fund;

## **"Dealing Day"**

the first Business Day of each month and/or such other day or days as the Directors may from time to time determine;

## **"Distributor"**

Matrix Money Management Limited;

## **"Directors"**

the directors of the Company;

## **"FSA"**

the Financial Services Authority of the United Kingdom;

## **"Fund"**

Prime Rate Closed End Sterling Cash Fund;

## **"Initial Offer Period"**

the period during which Shares are offered for subscription at a fixed price which shall commence at 9 am (Dublin time) on 2nd June 2008 and close at 2 pm (Dublin time) on 27 June 2008;

## **"Investment Manager" or "Prime Rate"**

Prime Rate Capital Management LLP in respect of the Prime Rate Sterling Liquidity Fund;

## **"Issue"**

the issue of Shares pursuant to the Offer;

## **"Listing"**

listing of the Shares on the Channel Islands Stock Exchange, LBG;

## **"Listing Sponsor"**

Capita Financial Administrators (Jersey) Limited;

## **"Manager"**

Matrix (Bermuda) Limited;

## **"Master Fund" or "Prime Rate Sterling Liquidity Fund"**

Prime Rate Sterling Liquidity Fund, a Fund of the Prime Rate Cash Management Funds UCITS Scheme;

## **"Net Asset Value"**

the net asset value of the Fund or the Class 8 Accumulation Shares of the Master Fund as the case may be;

## **"Net Asset Value per Share"**

the net asset value of the Fund divided by the number of Shares of a particular class in issue or deemed to be in issue;

## **"Offer"**

the offer of up to 40,000,000 Shares, on terms set out in this document;

## **"Official List"**

the Official List of the Channel Islands Stock Exchange;

## **"Purchased Shares"**

those Shares of the Fund which are issued upon the conversion of Shares of another class in the Fund;

## **"Registrar"**

Citi Fund Services (Ireland) Limited or such other person or persons from time to time appointed by the Company;

## **"Registration Document"**

the document which contains information on Matrix Structured Products Limited which should be read in conjunction with this Share Securities Note which gives specific details on the Prime Rate Sterling Liquidity Fund;

## **"Shareholder"**

a person recorded as a holder of Shares in the Master Fund's or the Fund's register of Shareholders, as the case may be;

**“Shares”**

Retail Class Shares or Institutional Ordinary Class Shares as the case may be, denominated in Sterling;

**“Share Class”**

the Retail Sterling Class Ordinary Shares or the Institutional Sterling Class Ordinary Shares of the Fund, each denominated in Sterling, or any other Share Class of the Fund which the Directors may, at their sole discretion, create;

**“Sold Shares”**

those Shares of the Fund which are converted into Shares of another class in the Fund;

**“US Person”**

a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or

under the laws of the United States or any person who would be considered a “United States Person” under Regulation S promulgated under the 1933 Act;

**“United Kingdom”**

the United Kingdom of Great Britain and Northern Ireland;

**“United States”**

the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;

**“Valuation Day”**

the last Business Day of each calendar month.

In this document all references to “Sterling” or “£” are to the currency of the United Kingdom and Dollar US\$ or \$ are to the currency of the United States.

# Principal Features

The following is a summary of the principal features of the Fund and should be read in conjunction with the full text of this Share Securities Note.

## Structure

The Fund is a segregated account of the Company which is a closed ended Exempted Segregated Accounts Company incorporated in Bermuda with registered number EC#35209. The Fund is organised as a feeder fund and all the assets of both the Institutional Sterling and Retail Sterling Share Classes of the Fund (to the extent not retained in cash) will be invested in the Class 8 Accumulation Shares of the Master Fund. The Master Fund, the Prime Rate Sterling Liquidity Fund, is a sub fund of Prime Rate Cash Management Funds UCITS Scheme.

## Shares

The Retail Class Shares and Institutional Class Ordinary Shares of the Fund will be subscribed for in Sterling, traded on the Channel Islands Stock Exchange in Sterling and, if repurchased, will be repurchased by the Fund in Sterling.

## Listing

An application is being made to the Channel Islands Stock Exchange for the issued Shares, to be admitted to the Official List. No application has been made for the Shares to be listed on any other stock exchange.

## Investment Objective

**The Fund will invest all of its assets (to the extent not retained in cash) in the Class 8 Accumulation Shares of the Master Fund.** The investment objective of the Master Fund is to maximise 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 of the undertaking either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.

**There can be no assurance that the Master Fund will achieve its investment objective.**

## Investment Policy of the Prime Rate Fund into which the Master Fund invests

The Prime Rate Sterling Liquidity Fund's investments will include fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures, asset-backed securities and bonds. The investments shall be denominated in Sterling and may be issued or guaranteed as to principal or interest by sovereign governments, their agencies and instrumentalities, supranational entities and EU and non-EU corporations and financial institutions. All investments at time of purchase shall have ratings in the highest short

term debt rating category awarded by Moody's or of comparable quality from Standard & Poors or FitchBCA or, if unrated, be declared to be of comparable quality by the Investment Manager.

## Initial Offer

During the Initial Offer Period, Institutional Class and Retail Class Shares are available for issue at a price of £10 per Share. Applicants for Shares, during the Initial Offer Period must send the relevant completed Application Form and arrange a bank transfer so that cleared funds and the Application Form are received by the Administrator not later than 5pm (Dublin time) on 27 June 2008 failing either of which, the application will be held over to the following Dealing Day and Shares will then be issued at the relevant Net Asset Value per Share on that Dealing Day.

The Initial Offer Period may be shortened or extended and the terms of the Offer amended at the discretion of the Directors of the Fund.

In order to avoid having to provide a new Listing Document in the event of continuous subscriptions being received in excess of 10% of the issued Share Capital of the Company, shareholders should be aware that should such an event occur for any particular subscription day, or over a period on a cumulative basis, a dilution of their shareholding may occur as a result of additional shares being listed. Continuous Subscriptions are announced on the Channel Islands Stock Exchange website under the listing details for the Company. In order to avoid diluting existing Shareholders' interests, the Directors will not issue new Shares at less than NAV per Share.

## Subsequent Subscriptions

After the close of the Initial Offer Period, investors may subscribe for Shares on Dealing Days at a price equal to the Net Asset Value per Share.

The Directors are authorised to close the Fund to new subscriptions on such basis and on such terms as the Directors may, in their absolute discretion, determine.

## Minimum Investment

The minimum investment per subscriber is £50,000. The minimum amount of additional subscriptions is £10,000.

## Conversion of Shares

Any holder of any class of Shares may on any Dealing Day, convert the Shares of a particular class, as a whole or in part, into such number of fully paid and non-assessable Shares of another class. Further details about this option are given on page 17.

## Share Repurchases and Trading

Shares in the Fund are not freely redeemable. However Shareholders may request the repurchase of their Shares and the Directors will, at their absolute discretion, consider repurchase requests at the next Board Meeting after the

request has been received. It is anticipated that one or more market makers will make a market in the Shares and although the secondary market may not be a liquid one, this may enable investors to sell their Shares through a stockbroker on a daily basis although there can be no guarantee of this. In addition, there can be no guarantee of the price at which a market will be made in the Shares and accordingly, the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.

### **Matched Bargains**

The Manager of the Fund will provide a facility to endeavour to match willing sellers of a Share Class with current applications for new Shares of the same Share Class, on a matched bargain basis. There can be no guarantee that such matching will be possible. Further details about this option are given on page 17.

Where it is not possible for a seller's request to be matched with a buyer in the immediate future, sellers may request that the Directors, at the Directors' discretion, repurchase their Shares on any Dealing Day. Further details about this option are given on page 17.

### **Discount Management Provisions**

The Fund may, at the Directors' discretion, also purchase Shares in the market with a view to addressing any imbalance between the supply of and demand for Shares, to assist in minimising any discount that may emerge between the Net Asset Value per Share and the price at which the Shares may be trading on the Channel Islands Stock Exchange.

Where a discount may emerge between the Net Asset Value per Share of the Shares and the price at which the Shares may be sold on the Channel Islands Stock Exchange, the Directors will endeavour to use reasonable measures including their authority to buy back their Shares to minimise such a discount to the benefit of all Shareholders.

**Investors should note that there can be no certainty that they will be able to realise their investment or that it can be achieved on a basis that necessarily reflects the value of the underlying investments held by the Fund.**

### **Dividend Policy**

It is not envisaged that any income or gains derived from the Fund's investments will be distributed by way of dividends. This does not preclude the Fund's Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. To the extent that a dividend may be declared on the Shares, it will be paid in compliance with any applicable laws and Channel Islands Stock Exchange requirements.

### **Borrowing and Leverage**

When deemed appropriate, the Fund may incur borrowing of up to 5% of its Net Asset Value in order to meet cashflow shortfalls in settling share buybacks and payment of fees. Save for such borrowing, the Fund will not be leveraged.

### **Fees and Expenses**

Investment management fees are charged at both the Fund and the Master Fund level. The Institutional Class Shares of the Fund will be charged an investment management fee of 0.05% per annum. Retail Class Shares will be charged an investment management fee of 0.25% per annum by the Fund.

### **Life of the Company**

The Company does not have a fixed life and the Bye Laws do not provide for a scheduled winding up date.

### **Reports and Financial Statements**

Annual financial statements will be made up to 30 September in each year for the Company.

An annual report and the audited financial statements of the Fund will be sent to Shareholders and to the Channel Islands Stock Exchange at least 21 days before the annual general meeting and in any event within six months of the financial year end, whichever is the earlier.

Half-yearly unaudited interim reports covering the period to 31st March each year, incorporating unaudited accounts, will also be sent to Shareholders and to the Channel Islands Stock Exchange within four months of the end of the period to which they relate. The Company's accounts will be drawn in Sterling and in compliance with International Accounting Standards.

### **Taxation**

On the basis of current Bermuda law and practice, the Fund will not be liable to taxation in Bermuda.

The Fund will be managed and controlled in such a way that it should not be resident in the UK for UK tax purposes and therefore not subject to UK corporation tax. The Directors have been advised that the Fund should not be an offshore fund for the purposes of UK taxation and provisions of Chapter V of Part XVII of the Income and Corporations Act 1988 will not apply. Therefore, UK resident individual investors should be liable to UK Capital Gains Tax (not Income Tax) on any gains made on the disposal of their Shares, due to the status of the Fund as a closed ended fund.

The tax position set out in this document is based on current law and HM Revenue and Customs Practice as at the date of this document, either or both of which may change. If a prospective Shareholder is in doubt as to the taxation consequence of acquiring, holding or disposing of Shares, they should seek advice from their own independent financial advisers.

# Investment Objective, Policy and Restrictions

## General

The Fund will invest in the Class 8 Accumulation Shares of the Master Fund.

## Investment Objective

The investment objective of the Master Fund is to maximise 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 described below. The primary objective is to maintain the net asset value of the undertaking either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.

**There can be no assurances that the Master Fund will achieve its investment objective.**

## Changes to the Investment Objective and Investment Approach

Save in exceptional circumstances, and then only with the consent of a majority of Shareholders of the relevant class(es) of shares, the Fund does not intend to alter the principal investment objectives and policies for a period of three years from the date of admission of its shares to the Official List of the Channel Islands Stock Exchange.

## Investment Policy

The Prime Rate Sterling Liquidity Fund's investments will include fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures, asset-backed securities and bonds. The investments shall be denominated in Sterling and may be issued or guaranteed as to principal or interest by sovereign governments, their agencies and instrumentalities, supranational entities and EU and non-EU corporations and financial institutions. All investment at time of purchase shall have ratings in the highest short term debt rating category awarded by Moody's or of comparable quality from Standard & Poor's or Fitch BCA or, if unrated, be declared to be of comparable quality by the Investment Manager.

The Prime Rate Sterling Liquidity Fund may invest up to 100% of its assets in debt and/or debt related instruments issued or guaranteed as to principal and interest by the UK government, its agencies or instrumentalities and which are of investment grade.

The Prime Rate Sterling Liquidity Fund may not hold any floating rate instrument with a residual maturity of greater than four years. For this purpose, residual maturity is the earlier of an instrument's final legal maturity or its expected average life calculation.

The Prime Rate Sterling Liquidity Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a UCITS scheme where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk; and/or
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

The Prime Rate Sterling Liquidity Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits and the Investment Restrictions of the Fund.

The weighted average maturity of the Prime Rate Sterling Liquidity Fund's investments will not exceed 60 days. When calculating the weighted average maturity of investments, the maturity of a floating rate instrument shall be deemed to be its next interest readjustment date and the maturity of any obligations subject to demand features shall be deemed to be the earlier of the next relevant reset date or the date upon which the demand may be invoked to recover the principal.

## Rating Award

The Prime Rate Sterling Liquidity Fund has obtained an AAA/MR1+ Money Market Fund Rating from Moody's, or of AAAM from Standard & Poor's. When awarding these ratings Moody's take into account, inter alia, the Prime Rate Sterling Liquidity Fund's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the Fund's published objectives. Prime Rate intends to operate the Prime Rate Sterling Liquidity Fund in accordance with Moody's requirements (as amended from time to time) to maintain the rating award which amongst other things may further restrict the weighted average to maturity period of the investment portfolio, the maximum percentage of the Prime Rate Sterling Liquidity Fund value that can be invested with any one counterparty, borrowing and lending powers, securities lending, and the use of Efficient Portfolio Management techniques and instruments.

## Investment Guidelines

**Government and public securities issuers** – More than 35% in value of the property of the Master Fund may be invested in government and public securities issued or guaranteed by any one of the following:

- the Government of the United Kingdom

### Eligible Securities and Derivatives Markets –

Generally, the Prime Rate Sterling Liquidity Fund will invest in approved securities which are transferable securities admitted to official listing in a Member State, or are traded on eligible securities markets, or are recently issued transferable securities which are to be so listed or traded. “Eligible securities markets” for the Prime Rate Sterling Liquidity Fund as at the date of this Prospectus are as follows:

- markets established in Member States of the European Union, or any other State which is within the European Economic Area ("Member State") on which transferable securities admitted to official listing are traded, and
- markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FSA COLL Rules and Guidance. Such markets must operate regularly and be regulated, recognised and open to the public.

As at the time of this Prospectus, the following specific markets will be deemed an eligible market:-

Country	Stock Exchange
Channel Islands	Channel Islands Stock Exchange

The market organised by the International Capital Markets Association;

The (i) market conducted by banks and other institutions regulated by the Financial Services Authority (FSA) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England.

In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in an EEA Member State,

OMLX, the London Securities and Derivatives Exchange

### Investment Powers and Limits Applying to the Master Fund

**The Master Funds constitutes a “Qualifying Money Market Fund” for the purposes of FSA authorisation. Accordingly, its primary investment objective is to maintain a net asset value of the undertaking either constant at par (net of earnings) or at the value of the investors’ initial capital plus earnings. It must, with a view to achieving that primary investment objective, invest exclusively in high quality money market instruments with a maturity or residual maturity of no more than 397 days, or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of 60 days. It may also achieve its**

**objective by investing on an ancillary basis in deposits with credit institutions. It must provide liquidity through same day or next day settlement.**

**In the light of these particular objectives, the following paragraphs summarise the restrictions applicable to a UCITS scheme as they will, in practice, be exercisable by the Master Fund. Further information relating to the Master Fund’s investment powers and restrictions are included in the prospectus relating to Prime Rate Cash Management Funds dated 18 February 2008.**

**Prudent Spread of Risk –** The ACD must ensure that, taking account of its investment objectives and policy, the Master Fund’s scheme property aims to provide a prudent spread of risk. An aim of the restrictions on investment and borrowing powers for a UCITS scheme set out in the FSA Rules is to help protect Shareholders by laying down mainstream requirements for the types of investment which may be held and the diversification of the Fund.

The property of a UCITS scheme must only consist of any or all of:

- a) transferable securities;
- b) money market instruments which are normally dealt in on the money market, are liquid and whose value can accurately be determined at any time, and provided they meet one of certain criteria;
- c) derivatives and forward transactions;
- d) deposits; and
- e) units in collective investment schemes;

each as is permitted for a UCITS scheme under the provisions of the COLL Sourcebook.

### Investment and Borrowing Powers and Restrictions

The Master Fund:

- may invest up to 100% of its net assets in debt and/or debt related instruments issued or guaranteed as to principal and interest by the UK government, its agencies or instrumentalities and which are of investment grade;
- may not hold any floating rate instrument with a residual maturity of greater than four years. For this purpose, residual maturity is the earlier of an instrument’s final legal maturity or its expected average life calculation; and
- may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes as permitted for a UCITS scheme where the Investment Manager considers that such investment would assist in the preservation of capital through further diversification of credit risk and/or provide a better net return than direct investment in money market instruments; and/or such investment would enhance available liquidity.

The Master Fund may also hold ancillary liquid assets such as bank deposits, subject to certain limits, further details of which are contained in Appendix 2 to the Master Fund Prospectus.

The weighted average maturity of the Master Fund's investments may not exceed 60 days. When calculating the weighted average maturity of investments, the maturity of a floating rate instrument shall be deemed to be its next interest readjustment date and the maturity of any obligations subject to demand features shall be

deemed to be the earlier of the next relevant reset date or the date upon which the demand may be invoked to recover the principal.

#### **Income Allocation Dates**

Net income allocated to Class 8 Accumulation Shares is automatically added to (and retained as part of) the capital assets of the Prime Rate Sterling Liquidity Fund and will be reflected in the Net Asset Value of the Shares.

## Investment Manager of the Master Fund

The Investment Manager is Prime Rate Capital Management LLP, established in March 2007.

Prime Rate Capital Management LLP is the first independent, specialist provider of AAA-rated liquidity funds, serving the institutional market. It is a joint venture between the Matrix Group Limited and the founding partners. The partners have an unrivalled depth

of experience in the money markets both at banks and asset management companies.

The Investment Manager aims to offer investors flexible and competitively priced cash management products.

The Liquidity sub-Funds of its umbrella fund, Prime Rate Cash Management Funds, are the first UK regulated constant NAV Qualifying Money Market Funds.

## Directors of the Fund

The directors of the Fund are Bridget Guerin, Mike Kirby and James Keyes. Their details are set out on page 13 of the Registration Document.

The Directors are responsible for the overall management and control of the Fund and the Master Fund in accordance with the Bye-laws. The Directors will review the operations of the Fund at regular meetings and it is the current intention of the Directors to meet at least three times a year.

#### **Administrator, Receiving Agent and Registrar**

The Company has appointed Citi Fund Services (Ireland) Limited ("Citi") as its administrator with responsibility for performing the day-to-day administration of the Company, including the calculation of the Net Asset Value of the Fund and of each Class of Shares, and related fund accounting services, the issue, redemption, exchange and transfer of Shares and for maintaining the register of shareholders, subject to the overall supervision of the Directors.

The Company has also appointed Citi to act as the Registrar and Transfer Agent with responsibility for performing the Registrar and Transfer Agency functions of the Company and the Fund.

Citi is a wholly owned subsidiary of Citibank N.A., a leading provider of mutual fund services, supporting US\$1.3 trillion in assets as at 30 June, 2007.

Christine Perinchief will act as a Company Secretary, and the Administrator will be the assistant secretary.

#### **Custodian**

The Fund has appointed the Governor and Company of the Bank of Ireland ('Bank of Ireland') as Custodian. Bank of Ireland was established by Royal Charter in 1783 and is one of Ireland's largest banks with gross assets in excess of US\$ 178 billion under administration/custody as at 31 October 2007 and is a public company quoted on the Irish, London and New York Stock Exchanges. In accordance with and subject to the Custodian Agreement, the Custodian provides safe custody for all the assets of the fund which will be under the control of its custodial network. The Custodian maintains all assets of the Fund, including securities and assets other than cash, in a segregated client account and those assets will be separately identified and will be unavailable to the creditors of the Custodian in the event of its insolvency. The Custodian has no decision-making power with regard to the investment of the Fund's assets.

**Distributor**

The Fund has appointed Matrix Money Management Limited to act as its distributor, under an agreement between the Fund and the Distributor, with responsibility for co-ordinating and managing the distribution of Shares.

**Nominee**

Matrix Money Management Limited is a wholly owned subsidiary of Matrix Group Limited. Matrix Money Management Limited is registered in England and Wales No 3641363 and is authorised and regulated by the Financial Services Authority. Matrix Money Management Limited also acts as a promoter of the shares.

## Subscriptions

**Minimum Investment**

The minimum investment per subscriber is £50,000 (or a lesser amount as the Directors may in any particular case determine but so that no one investment will be less than the Sterling equivalent of 50,000 Euros.) The minimum amount of additional subscriptions is £10,000 or a lesser amount as the Directors may in any particular case determine. The Directors reserve the right to scale back any or all applications in such manner as they, in their absolute discretion (in consultation with the Distributor), consider appropriate on each monthly dealing date.

**Initial Charge**

There is no initial charge for either of the Share Classes in the Fund.

**Offer**

Up to 20,000,000 Retail Class Ordinary Shares and up to 20,000,000 Institutional Class Ordinary Shares, each denominated in Sterling, are available for issue. No part of the initial offer has been underwritten or guaranteed.

During the Initial Offer Period, Retail Class Ordinary Shares and Institutional Class Ordinary Shares are available for issue at a price of £10 per Share. The Initial Offer Period will commence at 9.00 am (Dublin time) on 2 June 2008 and will close at 2.00 pm (Dublin time) on 27 June 2008. The Directors may extend or shorten the Initial Offer Period at their discretion. The Directors may also amend certain other terms of the Offer at their discretion.

In order to avoid having to provide a new Listing Document in the event of continuous subscriptions being received in excess of 10% of the issued Share Capital of the Company, Shareholders should be aware that should such an event occur for any particular subscription day, or over a period on a cumulative basis, a dilution of their shareholding may occur as a result of additional shares

The Directors of Matrix Money Management Limited are David Royds, Chris Merry, Rupert Lywood, David Coulson, Philip Dymoke, Luke Reeves, Bridget Guerin, and Adam Jackson.

**Auditors**

PricewaterhouseCoopers, Chartered Accountants, regulated by the Irish Institute of Chartered Accountants, have been appointed as auditors to the Company.

**Segregated Accounts Representative**

Appleby Management (Bermuda) Ltd has been appointed as the Segregated Accounts Representative in Bermuda.

being listed. Continuous Subscriptions are announced on the CISX website under the listing details for the Company.

Subsequently, Shares may be available for subscription at a price equal to but not less than the Net Asset Value per Share as at the Valuation Day immediately preceding the Dealing Day on which the application is effective, the "Subscription Price". Fractions of Shares will be issued to three decimal places. The benefit of any rounding will be retained by the Fund.

The minimum size of the offer per Share Class is £500,000 unless the Directors, at their absolute discretion, agree to accept a lower amount.

There is no minimum size of the offer which is required to be met pursuant to Section 28 of the Companies Act 1981 of Bermuda.

All fully-paid Shares are to be issued free from all liens and all the Shares of each Class are capable of trading on an equal basis.

Shares of the same class may not be issued at a price which is less than the Net Asset Value per Share per class, at the time of such issue unless authorised by a majority of the shareholders of that class or offered first on a pro-rata basis to those shareholders.

The Directors may not convert or consolidate one class of Shares into another class of Shares without the majority approval of the Shareholders of those classes. An individual Shareholder may, in accordance with the terms of this Listing Document and the rights attaching to those Shares, elect to convert their Shares into Shares of another class.

As at the date of this Prospectus, no person is directly or indirectly interested in ten per cent (10%) or more of nominal value or either the Retail Sterling Ordinary Class Shares or the Institutional Sterling Class Ordinary Shares.

## **Procedure**

Applicants for Shares, and Shareholders wishing to apply for additional Shares, must send the relevant completed Application Form and arrange a bank transfer so that cleared funds and the Application Form are received by the Administrator no later than 5.00pm (Dublin time) three Business Days prior to the Dealing Day

Such applicants should send the completed bank transfer instruction letter to their bank.

Applicants who wish to pay subscription monies by cheque must send their completed Application Form together with a cheque to the Administrator so that the Administrator has received the Application Form and cheque six Business Days prior to the Dealing Day.

Shares will be issued at the relevant Subscription Price on that Dealing Day. Applications and/or cheques or uncleared funds received after the date and time specified above may be held over until the following Dealing Day and Shares will be issued at the relevant Subscription Price on that Dealing Day.

Applications to subscribe for Shares may be faxed to the Administrator (fax 00 353 1 240 1607) but must be followed up by a signed Application Form sent by post to the Administrator. Shares will not be issued until a signed Application Form and cleared funds have been received by the Administrator. If this condition is not met, the Directors reserve the right to cancel the subscription

The Directors reserve the right to reject any application in whole or part at their absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable, in Sterling, at the risk and cost of the applicant.

As soon as practicable following the Dealing Day, investors will receive a contract note which will normally be expected to be within two days. Once completed applications have been received by the Administrator, they are irrevocable.

The Directors reserve the right from time to time, to resolve to close the Fund to new subscriptions, either for a specified period or until they otherwise determine. During any such period Shares will not be available for subscription.

By applying for Shares in the Fund and arranging settlement in cash, investors acknowledge and agree that subscription monies may immediately, on receipt, be paid by the Fund into or towards Shares in the Master Fund.

Any interest received on subscription amounts held pending investment in Shares is credited to the Fund.

## **Ineligible Applicants**

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, he is able to acquire and hold Shares without violating any applicable laws.

Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer.

Subject as aforesaid and subject to the provisions of the Bye-laws, the Shares are freely transferable and tradable.

## **Money Laundering**

Measures aimed at the prevention of money laundering will require an applicant for Shares to verify his identity to the Administrator.

The Administrator will notify applicants if proof of identity is required. By way of example an individual may be required to produce a copy of a passport or identification card which must be in date, show a picture of the person, contain the full name, date of birth and signature of the person and duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two certified copies of evidence of his address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (or equivalent, and any change of name) and of the Memorandum of Association and Bye-laws (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners. A list of authorised signatories for corporate applicants must be provided to the Administrator and directors of such applicants may be treated as individuals for the purpose of confirming identification under this paragraph.

The details given above are by way of example only and the Administrator will request such information and documentation as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a repurchase request until proper information has been provided. The repurchase proceeds will not be paid to a third party account.

The Administrator may also require details of the identity, address and tax residency of Shareholders for the purposes of the European Union Savings Directive.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares or redemption request if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

## **Class 8 Accumulation Shares in the Master Fund**

The Fund will subscribe for Class 8 Accumulation Shares of the Master Fund following the closure of the Initial Offer Period and thereafter, at such time as the Directors may determine, at the relevant Net Asset Value per share of the Master Fund

# Dealings in Shares

## Dealing through a Broker

To assist in the creation of liquidity for Shareholders, it is anticipated that one or more Market Makers will make a market in the Shares and, although the secondary market may not be a liquid one, this may enable investors to sell their Shares through a stockbroker on a daily basis. **This does not guarantee that it will be possible to sell shares or the price at which a market will be made in the Shares. Accordingly the dealing price of the Shares may not necessarily reflect changes in the Net Asset Value per Share.**

## Matched Bargains

The Manager of the Fund will also provide a facility to endeavour to match willing sellers of a particular Share Class with current applications for new Shares of the same Share Class on a matched bargain basis. **There can be no guarantee that such matching will be possible which will be dependent on the balance of new subscribers and selling Shareholders at each monthly dealing date.** Any Shareholder, interested in selling his Shares in this way should fill out a "Share Repurchase Form" (available from the Administrator) and send it to the Administrator by facsimile (fax: +353 1 240 1607) no later than 5.00pm a minimum of three Business Days prior to the Dealing Day.

Subject always to the approval of the Directors for the redemption of Shares, repurchase requests received a minimum of three Business Days prior to the Dealing Day will be matched, either fully, or if that is not possible, partially against Subscriptions received during the same month for the Share Class being redeemed. Repurchase requests will be matched to relevant Subscriptions in order of the date that they were received, provided that the necessary Share Repurchase Form has been received by the Administrator.

Where repurchase requests are matched to subscriptions for the Share Class being redeemed, the selling shareholder will be sent a contract note confirming the trade as soon as possible following the trade which will normally be expected to be within two days of the Dealing Day.

Where it has not been possible to fully match the repurchase request to a relevant subscription, the selling shareholder or his nominated financial adviser will be notified by the Administrator. Where no instruction is given to the contrary, the repurchase request or balance of any repurchase request will automatically be moved forward to the next Dealing Day.

## Purchase of Shares by the Fund

The Directors have the authority but are not obliged to

purchase up to 14.99% of Shares of each Share Class in issue at the close of the Initial Offer Period. A renewal of the authority to make purchases of Shares will be sought from Shareholders at each annual general meeting and will apply to the size of the Share Classes of the Fund at the time that the authority is renewed. Purchases of Shares in a particular Share Class will be made within guidelines established from time to time by the Directors and will be done in consultation with the Administrator and subject to applicable laws relating to the purchase by a company of its own Shares. The timing of any such purchases will be decided by the Directors. Such purchases will only be made in accordance with the listing rules of the Channel Islands Stock Exchange which currently provide that the maximum price to be paid per Share must not be more than 5 per cent above the average of the mid-market values of the Shares for the five Business Days before the purchase is made.

## Repurchase

Where it is not possible for a seller's request to be matched with a buyer in the immediate future, sellers may request that the Directors repurchase their Shares on any Dealing Day. The Directors may, using their authority to purchase up to 14.99% of the Shares, at their absolute discretion, repurchase Shares. Shareholders may send their Share Repurchase Forms to the Administrator by facsimile (fax: +353 1 240 1607).

The Directors will, at their absolute discretion, consider repurchase requests at the next Board Meeting after the request has been received. The Directors, in exercising their discretion, will seek to ensure that the Fund will not become open-ended for tax or regulatory purposes and that any repurchase is undertaken in accordance with other relevant statutory and regulatory provisions and limitations. If the Directors choose to repurchase Shares on a Dealing Day, they will make an announcement on the Channel Islands Stock Exchange and the selling Shareholder will be informed of the Dealing Day on which the transaction will take place. A request for a partial repurchase of Shares will be refused, or the holding may be repurchased in its entirety, if, as a result of such a partial repurchase, the Net Asset Value of the Shares retained by the Shareholder would be less than £50,000 (or a lesser amount as the Directors may in any particular case determine but so that such Net Asset Value will not be less than the Sterling equivalent of 50,000 Euros).

## Conversion of Shares

Any holder of any class of Shares in the Fund (Sold Shares) may on any Dealing Day, subject to the terms and conditions of this section, convert any Shares of a

particular class, as a whole or in part, into such number of fully paid and non-assessable shares of another class of Shares (Purchased Shares), as is obtained by multiplying the number of Sold Shares to be converted by the Conversion Rate, as defined below. Such rights of conversion shall be exercised by the holder of Sold Shares giving written notice of the election to convert a stated number of Sold Shares into Purchased Shares by completing a Share Exchange Form and sending it to the Administrator.

Any Shareholder wishing to convert their Shares should contact the Administrator (phone: +353 1637 6324, fax: +353 1240 1607) to request a Share Exchange Form. Completed Share Exchange Forms must be sent to the Administrator no later than 5:00pm (Dublin time) a minimum of three Business Days prior to the Dealing Day.

As soon as practicable following the relevant Dealing Day, investors shall receive a contract note evidencing the number of Purchased Shares. Once completed Share Exchange Forms have been received by the Administrator, they are irrevocable at the discretion of the Directors.

Shares shall be issued to three decimal places upon conversion of Sold Shares into Purchased Shares. The benefit of any rounding shall be retained by the Fund.

### **Conversion Rate**

The Conversion Rate will be calculated at each Dealing Day and will determine the number of Purchased Shares to be obtained from the conversion of a number of Sold Shares.

The Conversion Rate is defined as the Net Asset Value per Share of the Sold Shares divided by the Net Asset Value per Share of the Purchased Shares, as at the relevant Dealing Day, multiplied by the number of Sold Shares to be converted.

## **Net Asset Value**

The Net Asset Value of the Fund, the Net Asset Value per Share of each class of the Fund, will be determined by the Administrator as at the close of business on each Valuation Day.

The Net Asset Value of the Fund will be calculated by the Administrator by deducting the value of the liabilities from the value of the assets.

The Class 8 Accumulation Shares of the Master Fund held by the Fund will be valued at its net asset value determined by the Administrator on the relevant Valuation Day.

Following calculation, the Net Asset Value per Share of each class of the Fund will be notified immediately by the Administrator to the Channel Islands Stock

### **Discount Management Provisions**

The Fund may also purchase its own Shares in the market with a view to addressing any imbalance between supply and demand for Shares in the market and to assist in maintaining a narrow discount to Net Asset Value at which the Shares may be trading. Where a discount may emerge between the Net Asset Value of the Shares and the price at which the Shares may be sold on the Channel Islands Stock Exchange, the Directors will endeavour to use reasonable measures including their authority to buy back their shares, to minimise such a discount to the benefit of all Shareholders.

**Prospective Shareholders should note that the Directors' power to repurchase Shares is entirely discretionary and Directors will use their authority only in accordance with guidelines which are designed to ensure that the Fund is not open-ended for taxation or regulatory purposes. Shareholders should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions or upon the proportion of Shares which may be repurchased.**

**Investors should also note that there can be no certainty that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Fund.**

### **Winding Up Provisions**

In the unlikely event that the Master Fund ceases to trade or that a large number of Shareholders in the Fund submit redemption requests which are unable to be matched on a matched bargain basis or through the Share Buy Back authority, the Directors reserve the right to terminate the Fund and return all the assets to Shareholders.

Exchange. This is expected to occur in the second week of the month.

### **Borrowing and Leverage**

When deemed appropriate, the Fund may incur borrowings of up to 5% of its Net Asset Value in order to meet cashflow shortfalls in settling share buybacks and payment of fees. Save for such borrowings, the Fund will not be leveraged.

### **Dividend Policy**

It is not envisaged that any income or gains derived from the Fund's investments will be distributed by the Fund by way of dividend. This does not preclude the Fund's Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.

# Fees and Expenses of the Fund

## Initial Fee

There is no initial charge for either of the Share Classes in the Fund.

## Annual Management Fee

Annual management and performance fees are charged at both the Fund and the Master Fund level.

The Institutional Class Shares of the Fund will be charged an investment management fee of 0.05% per annum.

The Retail Class Shares of the Fund will be an additional management fee of 0.15% per annum.

The shares held by the Fund in the Master Fund will be subject to an investment management charge equal to 0.00833% per month (approximately 0.1% annually) of the Prime Rate Sterling Liquidity Fund NAV, attributable to the outstanding shares at the beginning of each month.

Accordingly, the aggregate investment management charges to which the Shares will be subject will be as follows:

Share Class	Annual Management Charge
Retail	0.25%
Institutional	0.15%

In addition, a management fee of 1 basis point per annum of the Net Asset Value may be charged to the Master Fund on a temporary basis for up to the first year of operation of the fund to cover the initial set up fees of the fund of £64,000.

The Manager may from time to time at its absolute discretion decide to rebate to some or all investors or to their intermediaries all or part of the management fee.

## Administrator

The base administration fees for the Fund are set out on page 15 of the Registration Document. The Administrator will receive from the Fund an additional monthly administration fee, payable in arrears as at each Valuation Day on the same basis as is charged at the Master Fund level, which is described below.

The Administrator charges a fee at the Fund level, of 5 basis points. The above fees include one share class per Sub-Fund. Any additional share classes are charged at the rate of US\$5,850 per share class per annum. The Administrator additionally charges a fee of US\$30 per

Shareholder in the Master Fund for whom they have to carry out an Anti Money Laundering check for the first 500 cases per annum and US\$50 per Shareholder for any cases above 500 per annum.

## The Custodian

The Fund is subject to a custodian charge of 1 basis point per annum up to £100m and 0.5 basis points on assets over £100m. Additionally it is charged a £20 per transaction fee.

## Matrix Structured Products Limited Directors' Remuneration

The Directors are entitled to a fee and remuneration in consideration for the performance of their duties as Directors of Matrix Structured Products Limited. Mike Kirby and James Keyes will receive \$10,000 per annum. Bridget Guerin has waived her entitlement to remuneration.

## Other Fees and Expenses

The Fund will also pay the costs and expenses (i) of all transactions carried out by it or on its behalf and (ii) of the administration of the Fund including (a) the charges and expenses of legal advisors and auditors, (b) brokers' commissions (if any) and any issue or transfer taxes or stamp duties chargeable in connection with its securities transactions, (c) all taxes and corporate fees payable to government borrowing agencies (d) interest on borrowings, including borrowings from the Custodian or Bankers as the case may be (e) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other forms, proxy forms, prospectuses and similar documents but only when specifically relating to the Fund (f) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business (g) the cost of maintaining the listing of the Shares on the Channel Islands Stock Exchange and any other listings that may be applied for (h) the fees and costs of the listing sponsor, and (i) the fees of the market makers, if any.

The approximate costs and expenses of establishing the Fund, inclusive of listing expenses, are £12,000. They will be amortised on a straight line basis over a period of 5 years from 1 July 2008. This policy does not conform to the International Financial Reporting Standards and will cause the Fund to receive a qualified audit report. However, the effect is considered by the Directors to be appropriate and also to be immaterial.

# Fees and Expenses of the Master Fund

## Investment Management Fee

The Class 8 Accumulation Shares of the Master Fund attract a monthly management fee equal to 0.00833% per month (approximately 0.10% annually of the Master Fund NAV, attributable to the outstanding shares or such series and class of the Master Fund at the beginning of each month. In addition, a management fee of 1 basis point per annum of the Net Asset Value may be charged to the Master Fund on a temporary basis for up to the first year of operation of the fund to cover the initial set up fees of the fund of £64,000.

The above fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Master Fund. No performance fees will be payable in respect of the Master Fund.

## Brokerage Commissions and Transaction Charges

Any brokerage commissions and transaction charges will be charged to the fund as they occur. These charges are not expected to be material.

## Administrator, Registrar and Transfer Agent's Fees

The Administrator's fee is as follows: for the first £5 billion of assets in the Funds: 1.0 basis point, for the next £5 billion of assets in the Funds: 0.8 basis points, for the next £10 billion of assets in the Funds: 0.6 basis points and for amounts in excess of £20 billion in the Funds: 0.4 basis points. Additional charges are £5 per money transfer, £10 per FX transaction and £35 per securities transaction. These charges are included in the investment management fees described above.

## Depositary's Fees

As remuneration for its services, the Depositary is entitled to receive a periodic charge and transaction fees out of the property of the Fund. The periodic fee, which accrues at each Valuation Point and is payable monthly, is based on the value of the scheme property of the Fund and is determined at each Valuation Point on the same basis as the ACD's charge. The rate of the fee is currently: for the first £5 billion of assets in the Funds: 0.25 basis points, for the next £5 billion of assets in the Funds: 0.2 basis points, for the next £10 billion of assets in the Funds: 0.15 basis points and for amounts in excess of £20 billion: 0.10 basis points subject to a minimum annual payment of £10,000 per Fund plus VAT. These charges are included in the investment management fees described above.

There are no additional charges due to the Depositary.

## Other Fees and Expenses

The following expenses may be paid out of the property of the Prime Rate Cash Management Fund Scheme:

- (a) all reasonable and properly evidenced out of pocket expenses incurred by the ACD in the performance of its duties in respect of the Scheme, including any stamp duty reserve tax paid by the ACD in relation to the cancellation of Shares (whether or not the amount of that tax has been deducted from the payments made to Shareholders who cancelled their Shares);
- (b) certain expenses properly incurred by the Depositary in performing its duties in respect of the Scheme, including the following:
  - the fees and expenses and disbursements of any person to whom the Depositary may delegate any function including custody fees (without limitation);
  - expenses incurred in the collection and distribution of income including bank charges, professional and accountancy fees and expenses and disbursements bona fide incurred in respect of the computation claiming or reclaiming of all taxation release and payments;
  - all expenses incurred in the submission of tax returns;
  - all costs and expenses of or incidental to preparation of reports and accounts required to be prepared for the Depositary by regulation or general law in relation to the Scheme and the costs and expenses of or incidental to the preparation and despatch of any communications from the Depositary to Shareholders; and
  - all such other charges, expenses and disbursements properly incurred by the Depositary in performing its duties in respect of the Scheme.
- (c) broker's commission, fiscal charges and other disbursements which are:
  - (i) necessary to be incurred in effecting transactions for the Scheme; and
  - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (d) interest on borrowings permitted under the COLL Sourcebook and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

- (e) taxation and duties payable in respect of the property of the Scheme, the Instrument or the issue of Shares and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999;
- (f) any costs incurred in modifying the Instrument or the Prospectus including costs incurred in respect of meetings of Shareholders convened for purposes which include the purpose of modifying the Instrument where the modification is:
  - (i) necessary to implement or necessary as a direct consequence of any change in the law (including changes in the COLL Sourcebook); or
  - (ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the ACD and the Depositary agree is in the interest of Shareholders; or
  - (iii) to remove from the Instrument obsolete provisions;
- (g) any costs incurred in respect of meetings of Shareholders convened by the Depositary or on a requisition by Shareholders not including the ACD or an associate of the ACD;
- (h) liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances as set out in the COLL Sourcebook;
- (i) the audit fee properly payable to the Auditor and VAT thereon plus any proper expenses of the Auditor;
- (j) any fees due to rating agencies;
- (k) the periodic fees of the Financial Services Authority under the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Scheme are or may be marketed;
- (l) the costs of preparing the Simplified Prospectus;
- (m) the costs of printing and distributing copies of the Prospectus;
- (n) costs of establishing and maintaining the register and/or plan sub-register;
- (o) fees payable to the FSA or the Registrar of Companies in relation to the filing of any details concerning the Scheme in accordance with the OEIC Regulations or FSA Rules;
- (p) costs associated with the publication of any information concerning the Scheme, including the price of a net asset value of Shares from time to time in any medium whatsoever; and
- (q) such other expenses as may be permitted by the COLL Sourcebook from time to time.

These expenses are expected to constitute 0.6 basis points at a Master Fund size of £500 million.

#### **VAT**

The above remuneration and expenses are subject to value added tax where applicable. There are currently some exemptions from VAT in respect of the Management charges.

# Taxation

**The following is based on the Fund's understanding of and advice received on certain aspects of the law and practice currently in force the United Kingdom. There can be no guarantee that the tax position or proposed tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.**

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, or selling Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

## United Kingdom

### (i) The Fund

The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom through a permanent establishment, the Fund should not be subject to United Kingdom corporation tax on its income and capital gains. The Directors intend that the respective affairs of the Fund are conducted so that no such assessable permanent establishment will arise insofar as this is within their respective control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

### (ii) Shareholders

#### *Capital Gains Tax*

The Directors have been advised that the Fund should not be an offshore fund for the purposes of United Kingdom taxation and the provisions of Chapter V of Part XVII of Income and Corporation Taxes Act 1988 (the "Taxes Act") will not apply. Accordingly, Shareholders who are resident or ordinarily resident in the United Kingdom or who carry on business in the United Kingdom through a branch or agency with which their investment in the Fund is connected may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom Capital Gains Tax realised on the disposal of their Shares.

As at the date of this document, the Finance Bill 2008 had not received Royal Assent. However, on the basis that the provisions of the Finance Bill 2008

are enacted as drafted on a subsequent disposal (which includes a repurchase) of Shares after 6 April 2008 by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, any gain arising will be taxed at a rate of 18 per cent; taper relief will not be available. Holders of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

As mentioned above, the Directors have been advised that the Fund should not be an offshore fund for the purposes of United Kingdom taxation, but, should the Fund become an offshore fund for the purposes of United Kingdom taxation as a result of changes in current UK tax law and/or practice, this may, compared to current UK tax law and practice have adverse tax consequences for UK Shareholders. This may be possible in principle since Section 236 of the Financial Services and Markets Act 2000 and the application and meaning of an "open ended investment company" contained therein has not been tested in the UK courts.

#### *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

Generally, no United Kingdom stamp duty or SDRT is payable on a transfer of or agreement to transfer Shares.

#### *Other United Kingdom tax considerations*

United Kingdom resident companies having an interest in the Fund, such that 25% or more of the Fund's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Fund's undistributed profits, if any, in accordance with the provision of chapter IV of Part XVII of the Taxes Act relating to controlled foreign companies. These provisions only apply if the Fund is controlled by United Kingdom residents.

Individuals ordinarily resident in the United Kingdom should note that Chapter III of Part XVII of the Taxes Act, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Fund.

**The attention of United Kingdom Shareholders, resident or ordinarily resident and, if an**

**individual, domiciled in the United Kingdom, is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 (concerning close ended companies) under which in certain circumstances, a portion of capital gains made by the Fund can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10% of the Shares.**

### **Bermuda**

At the date of this document, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Fund or its Shareholders, other than Shareholders ordinarily resident in Bermuda. The Fund is not subject to stamp duty on the issue, transfer or redemption of its Shares.

The Fund has applied for and expects to receive an undertaking from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act, 1966, as amended, that, in the event that there is

enacted in Bermuda any legislation imposing (i) tax computed on profits or income, (ii) tax computed on any capital assets, gain or appreciation or (iii) any tax in the nature of estate duty or inheritance tax, such tax shall not until March 28, 2016 be applicable to the Fund or to any of its operations, Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Fund or any land leased or let to the Fund.

As an exempted company, the Fund is liable to pay the Bermuda Government an annual registration fee at a rate not exceeding US\$6,275 based on its "assessable capital." The Fund's assessable capital is equal to its authorised share capital plus any amount standing to the credit of its share premium account.

Prospective purchasers should consult legal advisers in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

# Further Information on Prime Rate Cash Management Funds

The following information is taken from the Prospectus of Prime Rate Cash Management Funds dated 18 February 2008.

## Authorised Corporate Director

Prime Rate Capital Management LLP

The members of which are:

Christopher Oulton

Judith Benson

Henry Buckmaster

Dennis Gepp

Matrix Group Ltd

Matrix PRCM

All of One Vine Street, London W1AJ 0AH

## Depository

The Bank of New York Trust and Depository Company Limited

43rd Floor,

One Canada Square

Canary Wharf

London

E14 5AL

## Administrator, Registrar & Transfer Agent

The Bank of New York Europe Limited,

One Canada Square,

London

E14 5AL

## Auditor

Nexia Smith & Williamson Audit Ltd

25 Moorgate

London

EC2R 6AY

## Incorporation and Structure of the Prime Rate Sterling Liquidity

The Prime Rate Sterling Liquidity Limited is a fund which forms part of Prime Rate Cash Management Funds, a UK authorised investment fund which is an ICVC. The Scheme (Prime Rate Cash Management Funds) is an investment company with variable capital incorporated in England and Wales. The Scheme is constituted by its Instrument of Incorporation. The Scheme was authorised by the Financial Services Authority on 6 February 2008. The Scheme is classified as a UCITS scheme. The Scheme and the Prime Rate Sterling Liquidity Fund is a UCITS Fund. The Prime Rate Sterling Liquidity Fund is a Qualifying Money Market Fund.

## Scheme Objective

The objective of the Scheme is to invest the property of the Scheme with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of that property. The types of investments and assets in which the property of the UCITS Scheme may be invested are derivative instruments and forward transactions, deposits, money market instruments, transferable securities and units in collective investment schemes in accordance with the FSA Rules applicable to a UCITS scheme and subject to any more restrictive provisions set out in the Prospectus from time to time.

As the Prime Rate Sterling Liquidity Fund is a Qualifying Money Market Fund, the Fund's investment objectives and policies must meet the conditions specified in the FSA's definition of "Qualifying Money Market Fund".

## Members of the ACD

**Christopher Oulton** (CEO) – has been involved in the liquidity funds industry since 1998 and was a founding member of IMMFA (Institutional Money Market Funds Association) in 2000. He is currently Deputy Chair. He has over 25 years experience in banking and asset management, most recently Head of Money Market Sales at Insight Investment, which he joined in 2004. As an independent consultant he successfully launched the Abbey AAA rated Money Market Fund. Chris is the founding partner of Prime Rate.

**Judith Benson** (COO) – was money market product manager at Insight Investment from August 2004 until she joined Prime Rate in June 2007. Prior to joining Insight, Judith was a principal consultant at Demica, a specialist software consultancy, providing securitisation solutions to investment banks, corporates and their advisors from 1998 to 2004. Prior to this she had 15 years experience in banking at Kleinwort Benson and Den norske Bank. She holds the IMC from the UK Society of Investment Professionals and is a member of IMMFA's technical committee.

**Henry Buckmaster** – (Head of Sales) joined Prime Rate from Investec Asset Management where he had been head of UK Institutional liquidity sales with specific responsibility for the Money Market Funds. He was a director of the AAA rated fund and a committee member of IMMFA. Prior to this he had 21 years experience in banking and asset management including senior roles at Paribas Capital Markets and Barings.

**Dennis Gepp** – (CIO) was Treasurer of Brown Shipley & Co Ltd, private bankers, responsible for the management of the bank's liquidity and asset and liability management from 1992 until he joined Prime Rate in May 2007. During the previous 19 years he held senior positions in

the Treasury departments of CIBC (Europe), Middle East Bank, Baring Brothers, Iran Overseas Investment Bank and Bank of America International. Since 2004 he has been Hon Treasurer of ACI UK – the Financial Markets Association, the world’s largest association of financial markets practitioners.

The appointment of the ACD was made under an Agreement dated 11 February 2008 between the Scheme and the ACD.

The ACD is responsible for managing and administering the Scheme’s affairs in compliance with the FSA’s Rules. Under the terms of the ACD Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Scheme.

The ACD must:

- make decisions as to the constituents of the scheme property in accordance with the investment objectives and policy of the Master Fund;
- instruct a Depositary in writing how rights attaching to the ownership of the scheme property are to be exercised; and
- take action immediately to rectify any breach in relation to valuation and pricing and, where the breach relates to incorrect pricing of units, to the late payment in respect of the issue of units, or, in respect of a Liquidity Fund, to the failure to maintain a stabilised valuation, the rectification must (unless a Depositary otherwise directs) extend to the reimbursement or payment or arrange any reimbursement of payment of money by the ACD to Unitholders and former Unitholders as appropriate unless such breach is of minimal significance.

The ACD Agreement may be terminated by the Scheme on 6 months’ written notice. The ACD Agreement will terminate if the ACD ceases to be the authorised corporate director of the Scheme or if the Scheme is wound up in accordance with the FSA Rules. The ACD Agreement may be terminated by a notice in writing if the ACD commits a material breach of the ACD Agreement.

The ACD Agreement includes an indemnity from the ACD to the Scheme against costs, claims and expenses incurred by the Scheme as a consequence of the ACD’s performance of its responsibilities under the terms of the ACD Agreement except in certain limited circumstances.

Subject to the restrictions in the FSA Rules which are explained below, the ACD may delegate or employ agents to assist it in forming its unit accounting and registration functions for the scheme.

#### **Prime Rate Capital Management LLP**

The ACD of the Scheme is Prime Rate Capital Management LLP. The ACD is a limited liability partnership registered in England and Wales with registered number OC327292 on 30 March 2007.

Prime Rate Capital Management LLP is the first independent, specialist provider of AAA-rated liquidity funds, serving the institutional market. It is a joint venture between the Matrix Group and the founding partners. The partners have an unrivalled depth of experience in the money markets both at banks and asset management companies.

#### **Prime Rate Cash Management Funds’ Depositary**

The Depositary of the Scheme is The Bank of New York Trust and Depositary Company Limited (registered no. 3588038) (the “Depositary”), a private company limited by shares incorporated in England and Wales on 25 June 1998 whose registered office is 43rd Floor, One Canada Square, Canary Wharf, London E14 5AL. Its ultimate holding company is The Bank of New York Inc. incorporated in New York. It is authorised and regulated by the Financial Services Authority. Its principal business activity is acting as a trustee and depositary.

The Depositary is required to carry out the duties specified in the COLL Sourcebook, including having responsibility for the safekeeping of all the property of the Scheme entrusted to it. Subject to the COLL Sourcebook, the Depositary has full power to delegate and to authorise its delegate to sub-delegate its duties.

The depositary agreement is dated 15th February 2008. Prime Rate Cash Management Funds may terminate the appointment on giving not less than 3 months written notice,

The Depositary may terminate the agreement on giving not less than 6 months notice.

The Depositary will delegate Custody to Bank of New York Mellon. Bank of New York Mellon has worldwide custody assets of US\$2.0 trillion for 216 clients. The Custodian has a credit rating of at least of ‘A2’ for long term debt from the credit agency of Moody’s or ‘A’ from Standard & Poor’s or Fitch and a minimum of ‘P-1’ or ‘A-1’ or ‘F-1’, respectively, for short term debt from those same agencies.

#### **Prime Rate Cash Management Funds’ Administrator, Registrar & Transfer Agent**

Under the terms of the administration, agreement dated the 31st March 2008 between Prime Rate Capital Management LLP and Bank of New York (Europe) Limited Prime Rate Cash Management LLP delegates the provision of administrative and registrar and transfer agency services to Bank of New York (Europe) Limited. This agreement shall continue in force unless and until terminated by any of the parties giving not less than 12 month’s written notice to the other parties (or such shorter notice as the parties may agree to accept) provided that the agreement may be terminated with 30 days notice by notice in writing by any of the parties, if the other parties shall commit any breach of its obligations under this agreement. The administrator’s remuneration is as shown under the section “Fees and Expenses”, herein above.

# Share Capital Rights of Prime Rate Cash Management Funds

## Share capital

The minimum share capital of the Scheme is £1,000 and the maximum share capital of the Scheme is £1 trillion.

## Share Classes

The Scheme may issue a number of Share Classes in respect of the Prime Rate Sterling Liquidity Fund. Different charging structures, minimum investment levels and eligibility provisions apply to each Share Class. The Scheme may issue income and/or accumulation Shares in each of the Funds. Different types of Shares may be offered to different types of investors. Different Manager's periodic charge rates apply to different classes of Share.

Income attributable to accumulation Shares is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each accounting period and is reflected in the Share price of accumulation Shares.

Currently only gross paying Shares are available and so investors must be eligible to hold gross paying Shares.

The ACD may resolve to create further Share Classes in respect of the Prime Rate Sterling Liquidity Fund in the future. As and when the further Share Classes are added, this Prospectus will be updated accordingly.

The Shares in the Scheme are not listed or dealt in on any investment exchange.

## Interests of Shareholders

Shareholders are not liable for the debts of the Scheme. A Shareholder is not liable to make any further payment to the Scheme after he has paid the purchase price of the Shares.

Each holder of Shares in the Scheme is entitled to participate in the property of the Scheme and its income in accordance with its proportionate share entitlements calculated in accordance with the terms of the Instrument.

## Shareholder meetings and information for Shareholders

### • Approvals and notifications

Under the COLL Sourcebook, the ACD is required to seek Shareholder approval to, or notify Shareholders of, various types of changes to the Scheme and the Funds. Annual General Meetings are not held but Extraordinary General Meetings may be convened from time to time.

The provisions below apply to a class of shares, a Fund or the Scheme as appropriate.

### • Fundamental Changes

A fundamental change is a change or event which

changes the purposes or nature of the Scheme or a Fund, or may materially prejudice a Shareholder or alters the risk profile of a Fund or introduces any new type of payment out of the scheme property of a Fund. The ACD must, by way of an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), obtain prior approval from Shareholders for any such change. An extraordinary resolution is required, for example, for a change of investment objective or policy of a Fund.

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at those meetings is governed by the provisions of the FSA Rules and the Instrument of the Scheme.

A meeting of all Shareholders in the Scheme, a Fund or a Share Class of a Fund may be convened at any time. All references below to a meeting apply equally to Scheme, Fund and Share Class meetings.

The ACD may convene a meeting at any time. Shareholders registered as holding at least 1/10th in value of all the Shares then in issue may require that a meeting be convened. A requisition by Shareholders must state the objects of the meeting, and be dated and signed by those Shareholders and deposited at the head office of the Scheme. The ACD must convene a meeting no later than eight weeks after receipt of such requisition by the Scheme.

Shareholders will receive at least 14 days' written notice of a meeting (including the day of service of the notice and the day of the meeting). The notice will specify the day, hour and place of the meeting and the resolutions to be put to the meeting. They are entitled to be counted in the quorum and vote at a meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If, at an adjourned meeting, a quorum is not present after a reasonable time from the time appointed for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

The ACD will not be counted in the quorum for a meeting. The ACD and its associates are not entitled to vote at any meeting, except in respect of Shares which the ACD or an associate holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Every Shareholder who (being an individual) is present in person or (being a corporation) by its properly authorised representative shall have one vote on a show of hands. Where there are joint holders of a Share, the vote of the holder whose name in the register of Shareholders stands above the names of each other such holder who votes shall be counted to the exclusion of each other vote cast in respect of that Share.

A Shareholder may vote in person or by proxy (a person appointed by the Shareholder to attend and vote in place of the Shareholder) on a poll vote. A poll may be demanded by the chairman of the meeting (who shall be a person appointed by the Depositary, or in the absence of such a person, a person nominated by the Shareholders), the Depositary or any two Shareholders.

A Shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Where every Shareholder is prohibited from voting at a meeting of Shareholders by reason of each such Shareholder being either the ACD or an associate of the ACD and a resolution is required to do business at a meeting of Shareholders, a meeting of Shareholders need not be called and a resolution may, with the prior written consent of the Depositary to the process, instead be passed with

the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares of the Scheme or of the Class in question.

- **Significant Changes**

A significant change is a change or event which is not fundamental but which affects the Shareholder's ability to exercise his rights in relation to his investment; or would reasonably be expected to cause the Shareholder to reconsider his participation in a Fund; or results in any increased payments out of the scheme property to the ACD or an associate of the ACD; or materially increases any other type of payments out of the scheme property of a Fund. The ACD must give reasonable prior notice (of not less than sixty days) in respect of any such significant change to the operation of the Scheme or its Funds.

- **Notifiable Changes**

A notifiable change is a change or event which a Shareholder must be made aware of, but, although considered by the ACD not to be insignificant, is not a fundamental change or a significant change. The ACD must inform Shareholders in an appropriate manner and time scale of any notifiable changes that are reasonably likely to affect or have affected the operation of the Scheme or a Fund.

# Subscriptions and Redemptions of the Prime Rate Sterling Liquidity Fund

## Minimum Subscriptions

The minimum initial subscription permitted for Class 8 Accumulation Shares (the Prime Rate Sterling Liquidity Fund Class, into which the Fund will invest) is £250,000.

The ACD may, in its absolute discretion, waive such minimum initial subscription in its absolute discretion

There is no minimum additional subscription amount.

## Subscription Applications

### Issue and redemption of Shares

Shares may be purchased and redeemed between 9 a.m. and 5 p.m. on each dealing day, which is a business day on which banks in England and Wales are open for business, excluding Saturday or Sunday or public holidays. Applications to purchase or redeem Shares may be made to the ACD's dealing department.

The Shares will be priced on a forward basis, hence prices used will be those calculated by reference to the valuation commencing next after the receipt by the ACD of the Shareholder's application. Shares issued or redeemed between the commencement of the last valuation on a Friday (or a dealing day preceding a public holiday) and the close of business on that day or at any time on any other day which is not a dealing day will be effected at the price determined after the valuation which - unless the ACD exercises his discretion to revalue the property of the Scheme before that time - will commence at 1.30pm London time for the Prime Rate Sterling Liquidity Fund.

Calculation of the Share price will take place on each dealing day at a time not later than 2 hours following the commencement of the valuation of the property of the Scheme.

Application forms can be obtained if required from the ACD. Applications to purchase Shares may be made in writing and by such other means as the ACD may from time to time permit.

In respect of all applications for the issue of Shares, a contract note will be sent, normally by the close of the dealing day following the execution of the transaction. This will show the number of Shares purchased and the price. As share certificates will not be issued in respect of the Scheme, a Renunciation Form will also be sent with the applicant's contract note. Where appropriate, a notice of the applicant's right to cancel the deal will also be sent, under separate cover, within 8 days of the receipt by the ACD of the application for Shares. The application monies are due before the dealing deadline unless otherwise approved by the ACD and provided it is received before the valuation point for the Fund (which is currently 1,30pm London time for the Prime Rate Sterling Liquidity Fund).

## Cancellation

Generally, an investor in the Scheme will have no rights to cancel an application under the cancellation rules of the FSA Rules.

An investor may be entitled to cancel an application to purchase Shares for a period of fourteen days from his receipt of the contract note and to request the return of his money. If the investor has a right to cancel and exercises that right, and if the value of the investment has fallen before the ACD receives notice of the cancellation, then the amount of refund that the investor receives will be reduced to reflect that fall in value.

## Fractional Shares

Fractional shares in the Prime Rate Sterling Liquidity Fund will be issued (to ten decimal places) to accommodate subscriptions of specific round sums of money.

## Redemptions

Requests to redeem Shares may be made in writing or by such other means as the ACD may from time to time permit. In respect of all applications to redeem Shares, a contract note will be issued, normally by close of the dealing day following the execution of the redemption giving details of the Shares sold back to the ACD and the price used. Any request to redeem Shares, once given, cannot subsequently be withdrawn.

The ACD is under no obligation to account to the Depositary or to the Shareholders for any profit which it makes on the issue of Shares or on the reissue or cancellation of Shares it has redeemed.

## Payment of Redemptions

Proceeds of redemptions will usually be paid by telegraphic transfer to a specified account at the Shareholder's risk and expense on the same dealing day and in any event no later than the fourth business day after either the day of the calculation of the redemption price or receipt by the ACD of the relevant duly signed repurchase documents, whichever is later.

## Winding Up of the Scheme

The Scheme may be wound up:

- by the court as an unregistered company under Part V of the Insolvency Act 1986, or
- if the Scheme is solvent, under the provisions of the COLL Sourcebook.

To wind up the Scheme under the FSA Rules, the ACD has to notify the FSA of the proposal, confirming to the FSA that the Scheme will be able to meet all its liabilities within the following twelve months.

The Scheme can be wound up under the FSA Rules:

- (a) if an extraordinary resolution is passed to that effect; or
- (b) if the FSA agrees to a request by the ACD for revocation of the order in respect of the Scheme (provided no material change in any relevant factor occurs prior to the date of the revocation); or
- (c) on the expiration of any period for the duration of the Scheme or the occurrence of an event specified in the instrument of incorporation as triggering a winding up of the Scheme.

On a winding-up under the COLL Sourcebook:

- Chapter 5 of the COLL Sourcebook, (concerning pricing investment and borrowing powers) and Chapter 6, Parts 2 and 3 of the COLL Sourcebook (concerning dealing and pricing), will cease to apply;
- the Scheme will cease to issue and cancel Shares;
- the ACD will stop selling and redeeming Shares; and
- no transfer of Shares will be registered and no change to the register will be made without the sanction of the ACD.

The Scheme will cease to carry on its business except as is required for its beneficial winding up. The ACD shall, as soon as practicable, realise assets of the Scheme and pay the respective shares of the proceeds to Shareholders in accordance with the FSA Rules.

A Fund

A Fund of the Scheme may be wound up under the FSA Rules individually

- where any of the events set out in (a), (b) or (c) above occurs in respect of that particular Fund, or
- if the ACD is of the opinion that it is desirable to wind up the Fund.

If so, the assets of the Fund will be realised and the Shareholders in the Fund will receive their respective shares of the proceeds, net of liabilities and the expenses of the termination.

A Fund may also be terminated in connection with its amalgamation or reconstruction. In that case Shareholders in the Fund will become entitled to receive shares or units in another regulated collective investment scheme in exchange for their Shares in the Fund.

### **Minimum Size of the Prime Rate Liquidity Fund**

There is no minimum size of the fund.

## **Suspension of Issue and Redemption of Shares**

### **Suspension of dealings in Shares**

The issue or redemption of Shares may be suspended by the ACD with the prior agreement of the Depositary or, if the Depositary so requires, at any time for a period not exceeding 28 days, if the ACD or the Depositary, as appropriate, is of the opinion that there is good and sufficient reason to do so having regard to the interests of all Shareholders or potential Shareholders. If such a suspension occurs, the recalculation of the price of the Shares will recommence on the next dealing day following the resumption of dealing.

### **Compulsory redemptions of Shares**

The ACD may impose such restrictions as it thinks necessary to ensure that no Shares are acquired or held by any person in breach of law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. The ACD may reject any application for, or sale of, Shares. If the ACD becomes aware that:

- any Shares are owned directly or beneficially in breach of any law or governmental regulation; or
- the Shareholder in question is not eligible to hold such Shares or if the ACD reasonably believes this to be the case; or
- a holding of Shares constitutes a breach of the Instrument or this Prospectus as to eligibility or entitlement to hold any Shares;

then the ACD may give notice requiring the transfer, repurchase or exchange of such Shares. If any person does not take such steps within 30 days, he shall then be deemed to have given a written request for the redemption of all of his Shares.

As only gross paying Shares are currently available in the Prime Rate Sterling Liquidity Fund, a Shareholder must at all times be eligible to receive gross interest. If a Shareholder ceases to be eligible to hold gross paying Shares then the ACD may give notice requiring the transfer, repurchase or exchange of such Shares. If any person does not take such steps within 30 days, he shall then be deemed to have given a written request for the redemption of all of his Shares.

A person who becomes aware that he is holding or owning Shares in breach of any law or governmental regulation or is not eligible to hold those Shares must either:

- transfer all those Shares to a person qualified to own them; or
- give a request in writing for the redemption of all such Shares unless he has already received such a notice from the ACD to transfer the Shares or for them to be repurchased.

## The Register

Entitlement to Shares is conclusively evidenced by entries on the register of Shareholders. The Depositary and the ACD are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Shares.

The register of Shareholders is maintained by The Bank of New York (Europe) Limited, on behalf of the ACD, at 12 Blenheim Place, Edinburgh EH7 5JH, Scotland. The register of Shareholders is also available for inspection by any Shareholder or their duly authorised agent free of charge during normal office hours on any business day at One Jermyn Street, London SW1Y 4UH (subject to the power to close the register of Shareholders for such periods not exceeding 30 days in any one year). Copies of the entries on such registers relating to a Shareholder are available on request by that Shareholder free of charge.

Bearer certificates are not currently issued in respect of Shares in the Scheme.

## Statements

Certificates will not be issued in respect of Shares in the Scheme. The Instrument relieves the ACD and the Depositary from the duty to issue certificates, representing Shares, to Shareholders whose names appear on the register of Shareholders and title to Shares will be conclusively proved by entry on the register.

At least once each year the ACD will send a statement to each person who holds or has held Shares (or is or was the first named of joint holders of Shares) since the time of issue of the last such statement. That statement shall describe any current holding of Shares in the Scheme as at the date the statement is compiled and any transactions in Shares in the Scheme carried out by or on behalf of that person, since the date on which the last such statement was compiled.

# Determination of Net Asset Value of the Prime Rate Sterling Liquidity Fund

## Net Asset Value

The property of the Prime Rate Sterling Liquidity Fund will be valued for the purpose of determining prices at which Shares in each Fund may be purchased or redeemed by the ACD as at 1.30pm on every dealing day (the "Valuation Point") but may be valued more frequently if the ACD so decides. The net asset values attributable to the Share Class(es) of the Prime Rate Sterling Liquidity Fund will normally be calculated on an amortised cost basis at the Valuation Point on each dealing day. The net asset value attributable to a Share Class is determined by calculating this value of the assets attributable to that class and deducting the liabilities attributable to that class in accordance with the provisions for the calculation set out in the Scheme's Instrument.

The value of the Scheme property of the Prime Rate Sterling Liquidity Fund, or a Class of a Prime Rate Sterling Liquidity Fund (as the case may be) should be calculated on two bases – on an amortised cost basis, and also weekly on a mark to market basis.

As at each Valuation Point, the valuation shall be carried out on an amortised cost basis which is used for the purposes of pricing Shares:

- (a) the Instrument provides that the amortised cost method of valuation shall be used to determine the value of (i) investments with a residual maturity of 397 days or less or (ii) floating rate investments with an annual or shorter interest reset date and with a residual maturity of two years or less provided that

the ACD have determined that such investments have a market value that approximates the amortised cost valuation or (iii) high credit quality investments with a residual maturity of up to five years that meet with the above conditions and where procedures are adopted to ensure that the valuation of such assets using the amortised cost value does not vary significantly from the true market value of such assets.

The Scheme's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value.

- (a) Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.
- (c) Forward foreign exchange contracts shall be valued by reference to the price as at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken or if unavailable at the settlement price provided by the counterparty.
- (d) The value of any exchange traded futures contracts, share price index futures contracts and options shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the ACD and approved for the purpose by the Depositary.

- (e) The value of any off-exchange derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued at least daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary.
- (f) The valuation of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking shall be valued at the last available Net Asset Value per unit or share or other relevant participation as at the relevant Valuation Point or, if bid and offer prices are published, at the latest bid price.
- (g) If in any case a particular value is not ascertainable as provided above, the method of valuation of the relevant investment shall be such as the ACD, with the approval of the Depositary, shall decide.

Any value expressed otherwise than in the Base Currency of the Prime Rate Sterling Liquidity Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the ACD shall determine to be appropriate in the circumstances.

Notwithstanding the generality of the foregoing, the ACD may with the approval of the Depositary adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.

In circumstances where the ACD has resolved to operate a policy of smoothing in relation to the Prime Rate Sterling Liquidity Fund, any cumulative net realised capital gains or losses arising within the Prime Rate Sterling Liquidity Fund which would have an impact on the Net Asset Value per Share greater than 5 basis points, if applied on any one dealing day may, at the discretion of the ACD or their duly appointed delegate, be spread over a maximum period of 60 days. In addition, and at least one Valuation Point in each week, the valuation shall also be carried out on a mark to market basis, for which purpose:

- investments with a single price (whether a transferable security or units or shares in a collective investment scheme) shall be valued at that price;
- investments for which different buying and selling prices are quoted will be valued at the mid-market price;
- other scheme property shall be valued at a fair and reasonable mid-market value;

- derivative and forward transactions shall be valued as agreed between the ACD and the Depositary; and
- adjustments will be made for tax, outstanding borrowings and dealing expenses.

The ACD reserves the right to revalue each Fund at any time, at its discretion with the agreement of the Depositary.

### **Stabilising the Valuation**

For the Prime Rate Sterling Liquidity Fund, in respect of accumulation shares the unit price will increase, because the income allocated to accumulation shares shall be accumulated and so reflected in the unit price. However the base capital cost is intended to remain constant. To ensure that this intention is realised, the ACD implements procedures designed to stabilise the valuation.

As the Prime Rate Sterling Liquidity Fund is a Qualifying Money Market Fund, the ACD must:

- carry out a valuation of the scheme property on a mark to market basis at least once every week and at the same valuation point used to value the scheme property on an amortised cost basis; and
- ensure that the value of the scheme property when valued on a mark to market basis does not differ than more than 0.5% from the value of the scheme property when valued on an amortised cost basis.

The ACD is obliged to advise the Depositary when the ACD considers that the mark to market value of a Fund varies from its amortised cost value by 0.1%, 0.2% and 0.3% respectively.

The purpose of the escalation procedure is to ensure that the Prime Rate Sterling Liquidity Fund's objective to preserve principal and the investment strategy devised to deliver on this objective, are reviewed by individuals independent of the Fund's investment management team at times when the Fund's portfolio is under stress.

In the event that the amortised cost method of valuation is deemed by the ACD not to be the appropriate method of calculating the value of any investments listed or dealt in on a market that the value of such be the last traded price on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the ACD shall select the market which constitutes the main market they determine provides the fairest criteria in a value for the security.

In the event that the amortised cost method of valuation is deemed by the ACD not to be the appropriate method of calculating the value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which no last traded price is currently available or the current price of which does not in the opinion of the

ACD represent fair market value shall be the probable realisation value thereof estimated with care and in good faith by the ACD or by a competent person, in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment manager, who in the each case shall have been approved for such purposes by the Depositary, shall be sufficient.

### **Smoothing Policy**

In circumstances where the ACD has resolved to operate a policy of smoothing in relation to a Liquidity Fund, any cumulative net realised capital gains or losses arising within the Prime Rate Sterling Liquidity Fund which would have an impact on the Net Asset Value per Share greater than 5 basis points, if applied in any one dealing day, may be spread over a maximum period of 60 days. The ACD retains discretion to amend any such policy from time to time either directly or through their duly appointed delegate.

### **Price of a Share of a Fund**

Shares are priced on a single mid-market pricing basis in accordance with the COLL Sourcebook and the Instrument. The Prime Rate Sterling Liquidity Fund deals on a forward pricing basis (and not on the basis of published prices). As mentioned above, a forward price is a price calculated at the next valuation point after the deal is agreed.

The price of a Share is the Net Asset Value of a Fund attributable to the relevant Share Class of that Fund on the relevant valuation basis subject to adjustments determined by the ACD pursuant to the procedure explained above for the relevant Fund divided by the number of Shares in that class in issue.

Special provisions apply in the case of an initial offer of Shares, where the ACD sets the initial offer price (as explained in the paragraph "Initial offer of Shares" above).

### **Dilution Policy**

The basis on which the Scheme's investments are valued for the purpose of calculating the buying and selling price of Shares as stipulated in the FSA Rules and the Scheme's Instrument is summarised in the section immediately above. This is subject to the application of the dilution policy.

Dealing costs in, and spreads between the buying and selling prices of a Fund's underlying investments means that the buying and selling prices of Shares calculated for a Fund may differ from the value of the proportionate interests those Shares represent in the Fund and dealing at those prices could lead to a reduction in the value of the scheme property of the Fund and so disadvantage other Shareholders. The effect of this is known as "dilution". The ACD may

therefore apply a dilution levy as defined in the COLL Sourcebook on the issue and/or redemption of Shares as outlined below.

Any dilution levy must be fair to all shareholders and potential shareholders. A dilution levy is a charge of such amount or at such rate as is determined by the ACD in accordance with the COLL Sourcebook to be made for the purpose of reducing dilution. Any dilution levy will be calculated by reference to the estimated costs of dealing in the underlying investments of the Scheme, including any dealing spreads, commission and transfer taxes in accordance with the COLL Sourcebook.

Generally the ACD reserves the right to impose a dilution levy on purchases and sales of whatever size and whenever made but it is not possible to predict accurately whether dilution would occur at any point in time. If a proposed transaction falls or potentially falls within the large deal category (which is any deal or series of deals which together relates to Shares having an aggregate value of £50 million or more), the investor should enquire as to whether a dilution levy will be applied in respect of that transaction before giving instructions to the ACD. In deciding whether to impose a dilution levy, the ACD may consider a number of factors including the size of the transaction relative to the overall value of the Fund, the level of transaction costs within the relevant particular markets, the liquidity of the underlying investments within the Fund, the amount of the investments to be bought/sold and the likely time that this will take, the likelihood of an adverse impact on the value of the investments as a result of the accelerated rate of disposal and the length of time for which the Shares in question were held.

It should be noted that, as dilution is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether or not dilution will occur at any particular point in time, and how frequently the ACD will need to make such a dilution levy.

This Prospectus will, in due course, contain a statement based either on historical data or future projections, of the estimated rate or amount of any dilution levy, and a statement as to the likelihood that the ACD may require a dilution levy on the basis (that is historical or projected) on which the statement is made. As at the date of this Prospectus, it is not yet possible to make any such statement based on historical data or on the basis of future projections.

### **Publication of Prices**

Share prices will be available daily on the ACD's website [www.prime-rate.co.uk](http://www.prime-rate.co.uk). In addition, prices can be obtained by calling the ACD on 020 7925 7840. These prices will, unless for reasons beyond the control of the ACD, relate to the valuation on the dealing day immediately prior to the date of publication.

### **Temporary Suspension**

The issue or redemption of Shares may be suspended by the ACD with the prior agreement of the Depositary or, if the Depositary so requires, at any time for a period not exceeding 28 days, if the ACD or the Depositary, as appropriate, is of the opinion that there is good and sufficient reason to do so having regard to the interests of all Shareholders or potential Shareholders. If such a suspension occurs, the recalculation of the price of the Shares will recommence on the next dealing day following the resumption of dealing.

### **Accounting Date and Policies**

The annual accounting date for the Scheme is 31 March and the interim accounting date is 30 September in each year. The first annual accounting period ends on 31 March 2009. The fund is accounted for in line with UK GAAP.

### **Taxation of the Scheme and the Prime Rate Liquidity Fund**

Each Fund is treated as a separate open-ended investment company resident in the UK for the purposes of UK taxation.

Each Fund is regarded as a bond fund for UK taxation purposes because the market value of qualifying investments of each Fund will exceed 60% of the market value of the investments of the Fund. A qualifying investment is one or more of the following:

- money placed at interest;
- securities (not including shares in a company);
- shares in a building society;
- units in another authorised investment fund which is a bond fund;
- derivative contracts whose underlying subject matter consists wholly of any one or more of the previous four categories and currency;
- contracts for differences whose underlying subject matter consists wholly of any one or more of interest rates, creditworthiness and currency;
- derivative contracts not within the previous two categories where there is a hedging relationship between the derivative contract and an asset within the first four categories;
- alternative finance arrangements.

The effect of each Fund being regarded as a bond fund is that all distributions by the Fund are deemed to be payments of yearly interest.

Each Fund is exempt from any liability to UK taxation in respect of any capital gains realised by it on the disposal of its investments.

Each Fund is liable to UK corporation tax (at the current special rate of 20%) on all types of income (except dividends from UK resident companies). However, it is

able to deduct all interest distributions and other allowable expenses.

Imposition of this tax rate should not mean that investors suffer an additional tax impact when investing through the Fund compared with investing on a direct basis in the Fund's underlying assets. The taxation regime which applies to the Scheme and its Funds is designed to ensure an efficient flow-through of returns to investors. Any income allocations allocated by any Fund to its Shareholders will be interest distributions.

Any income derived by a Fund from foreign sources will be included in its taxable income, but, in computing its liability to corporation tax on any such income, credit may be available for any foreign withholding taxes that the income has borne.

### **Taxation of Shareholders**

#### **Taxation of income allocations from the Funds**

However interest distributions will be paid gross to certain Shareholders who hold gross paying Shares and it is currently the intention that Shares of each Class shall only be available to persons falling within these categories.

Interest distributions can be paid gross to any beneficial owner of Shares which is a company (other than a company which is a trustee), whether UK resident or not UK resident and whether or not within the charge to corporation tax.

#### **Capital Gains**

The attention of Shareholders within the charge to UK corporation tax is drawn to the provisions of Paragraph 4 of Schedule 10 to the Finance Act 1996. Under these provisions, holdings in a Fund with more than 60% of its investments invested throughout an accounting period in interest paying investments, derivative contracts whose underlying subject matter is such investments or certain contracts for differences will be taxed as creditor relationships of the Shareholder. That creditor relationship can only be taxed on a fair value basis of accounting. This means that the Shareholder within the charge to corporation tax can be charged to tax on unrealised profits and gains in each accounting period.

#### **Stamp Duty Reserve Tax ("SDRT")**

There is no charge to SDRT on certain sales or redemptions in a fund where the terms of the fund provide that all of the fund's property can only be invested in exempt investments (for example UK government bonds). It is not intended to include this term in respect of any Fund. Otherwise, SDRT is chargeable at a rate of 0.5% on certain sales or redemptions of Shares in the Funds, subject to the following paragraph. Pro rata redemptions in specie (i.e. where a Shareholder receives a proportion of each of the Fund's underlying assets) are exempt from SDRT.

SDRT is chargeable on the value of surrenders and transfers in a Fund but is reduced proportionately for the Fund to the extent that during a two week period the:

- investments held by the Fund are exempt assets (i.e., broadly, investments in securities other than shares in UK companies) (“the first reducing fraction”); and/or

- purchases of Shares by number are fewer than surrenders of Shares (“the second reducing fraction”).

It is probable that all the investments of the Prime Rate Sterling Liquidity Fund will be exempt investments so that there will probably be no SDRT in respect of any sale or redemption in a Fund by virtue of the first reducing fraction.

## Material Contracts

### ACD Agreement

The ACD of the Scheme is Prime Rate Capital Management LLP (the “ACD”). The ACD is a limited liability partnership registered in England and Wales with registered number OC327292 on 30 March 2007. The registered office (and head office) of the ACD is at One Jermyn Street, London SW1Y 4UH.

The ACD is the authorised corporate director of the Scheme. No other authorised trusts or ICVCs are currently managed or operated by the ACD. The Members of the ACD are as follows:

Christopher Oulton, Judith Benson, Henry Buckmaser, Dennis Gepp and Matrix Group Ltd and Matrix PRCM.

The members of the ACD also act as directors of companies other than the ACD (including companies that are within the same group of companies as the ACD) but do not engage in business activities that are not connected with the Scheme that would be significant to the Scheme’s business within the meaning of the FSA Rules.

The appointment of the ACD was made under an Agreement dated 11 February 2008 between the Scheme and the ACD (the “ACD Agreement”).

The ACD is responsible for managing and administering the Scheme’s affairs in compliance with the FSA’s Rules. Under the terms of the ACD Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Scheme.

The ACD must:

- make decisions as to the constituents of the scheme property in accordance with the investment objectives and policy of each Fund;
- instruct a Depositary in writing how rights attaching to the ownership of the scheme property are to be exercised; and
- take action immediately to rectify any breach in relation to valuation and pricing and, where the breach relates to incorrect pricing of units, to the late payment in respect of the issue of units, or, in respect of a Liquidity Fund, to the failure to maintain a stabilised valuation, the rectification must (unless a Depositary otherwise directs) extend to the reimbursement or payment or arrange any reimbursement of payment of money by the ACD to Unitholders and former Unitholders as appropriate unless such breach is of minimal significance.
- The ACD Agreement may be terminated by the Scheme on 6 months’ written notice. The ACD Agreement will terminate if the ACD ceases to be the authorised corporate director of the Scheme or if the Scheme is wound up in accordance with the FSA Rules. The ACD Agreement may be terminated by a notice in writing if the ACD commits a material breach of the ACD Agreement.
- The ACD Agreement includes an indemnity from the ACD to the Scheme against costs, claims and expenses incurred by the Scheme as a consequence of the ACD’s performance of its responsibilities under the terms of the ACD Agreement except in certain limited circumstances.

Subject to the restrictions in the FSA Rules, the ACD may delegate or employ agents to assist it in forming its unit accounting and registration functions for the scheme.

### **Depository Agreement**

The Depository of the Scheme is The Bank of New York Trust and Depository Company Limited (registered no. 3588038) (the "Depository"), a private company limited by shares incorporated in England and Wales on 25 June 1998 whose registered office is 43rd Floor, One Canada Square, Canary Wharf, London E14 5AL. Its ultimate holding company is The Bank of New York Inc. incorporated in New York. It is authorised and regulated by the Financial Services Authority. Its principal business activity is acting as a trustee and depository.

The Depository is required to carry out the duties specified in the COLL Sourcebook, including having responsibility for the safekeeping of all the property of the Scheme entrusted to it. Subject to the COLL Sourcebook, the Depository has full power to delegate and to authorise its delegate to sub-delegate its duties. The depository agreement is dated 15th February 2008. Prime Rate Cash Management Funds may terminate the appointment on giving not less than 3 months written notice. The Depository may terminate the agreement on giving not less than 6 months notice.

### **Administration Agreement**

Under the terms of the administration, agreement dated the 31st March 2008 between Prime Rate Capital Management LLP and Bank of New York (Europe) Limited Prime Rate Cash Management LLP delegates the provision of administrative and registrar and transfer agency services to Bank of New York (Europe) Limited.

This agreement shall continue in force unless and until terminated by any of the parties giving not less than 12 month's written notice to the other parties (or such shorter notice as the parties may agree to accept) provided that the agreement may be terminated with 30 days notice by notice in writing by any of the parties, if the other parties shall commit any breach of its obligations under this agreement. The administrator's remuneration is as shown under the section "Fees and Expenses", herein above.

All investors will be given notice by the Prime Rate Cash Management Funds of a material variation, or any termination, delegation or assignment of any material aspect of the above mentioned material contracts or any other material service provider contract.



# Application Form

## MSP

# Matrix Structured Products Limited MATRIX PRIME RATE FUND CLOSED END STERLING CASH FUND

Return this form to: Matrix Structured Products Limited, c/o Citi Fund Services (Ireland), Limited, 1 North Wall Quay, DUBLIN 1, Ireland.

Telephone +353 1637 6324 Facsimile +353 1240 1607

No repurchase proceeds can be paid out until the original application form has been received by the Administrator, at the address provided above, and all Anti-Money Laundering checks have been completed.

### Applicant Details (please complete either individual or Corporate details as appropriate)

#### INDIVIDUAL

Surname

Forename(s)

Mr, Mrs, Miss, Ms, other

#### JOINT

Surname

Forename(s)

Mr, Mrs, Miss, Ms, other

Surname

Forename(s)

Mr, Mrs, Miss, Ms, other

We request you to register our Shares in our joint names and we hereby authorise you from time to time until we or any/either party give you written notice to the contrary to honour all orders for subsequent subscriptions, redemptions or exchanges when signed by:

Any Joint Applicant

All Joint Applicants

#### CORPORATE

Company Name or Nominee Name

Name of Contact at Company or Nominee

### Registered Address Details

Address   
  
  
  
Post Code

Telephone

Fax

E-mail

National Insurance Number

### Subscription

	Institutional Class Shares	Retail Class Shares
Matrix Prime Rate Closed End Sterling Cash Fund	£	£

Minimum initial investment in the sterling shares is £50,000 and subsequent investment is £10,000.

### Payment

I/We will make payment by:

I/We enclose a cheque made payable to Matrix Structured Products Limited.

Will arrange telegraphic transfer. PLEASE COMPLETE THE SEPARATE BANK TRANSFER INSTRUCTION LETTER.

### Details of the Remitting Bank

Name of Bank   
Address   
Name of Account Holder  Bank Swift Code   
Account Number  Branch Number/Sort Code

## Repurchase Details

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All payments will be paid in sterling and made by Direct Credit to the bank account provided below.

Note: The Account must be in the name of the shareholder.

Name of Bank _____	
Address _____ _____	
Name of Account Holder _____	Account Number _____
Bank Swift Code _____	ABA Number _____
Branch Number/Sort Code _____	

## Financial Intermediary Information

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Company Name _____	
Name of Financial Adviser _____	
Name of Administrator/support staff _____	
Address _____	
Address _____	
Phone Number _____	Fax Number _____
Email _____	
Principal Regulator _____	
Authorised Signature _____	

Commission required  
by Advisers (%)

Agents Stamp

**Return this form to Matrix Prime Rate Closed End Sterling Cash Fund**

**c/o Citi Fund Services (Ireland), Limited  
1 North Wall Quay  
DUBLIN 1  
Ireland**

**Telephone +353 1637 6324**

**Facsimile +353 1240 1607**

**Please ensure you have read and signed the Declaration on the following page.**

## Declaration and Signatures

I/We am/are over 21 years of age and have the full right, power, authority and legal capacity to purchase Shares of the Segregated Account.

I/We acknowledge and accept that this application is made solely upon the terms of the current Prospectus and Memorandum of Association and By-laws of Matrix Structured Products Limited.

I/We hereby declare that I/we am/are making this investment on my/our own behalf and not on behalf of any other person or entity.

I/We acknowledge that I/we will provide a certified copy (within 3 months) of our Passport or a national identity card which must display a photograph and give details of my/our date and place of birth. We will also provide details of my/our tax identification number if this does not appear on the Passport or other identity card provided. Documentary proof such as a certificate of tax residency from a relevant tax authority may also be required. These items are in addition to providing proof of my/our permanent resident residential address which may be in the form of two original or certified copies of utility bills.

I/We agree undertake to ensure all such information is up to date and will notify the Administrator of any change in the information provided as soon as reasonably possible.

I/We agree to indemnify and hold harmless the Administrator in its capacity as "Paying Agent" against any loss liability costs or expenses which may be incurred by the Administrator as a result of my /our failure to provide the information required. I/We also warrant and declare that the monies being invested pursuant to this agreement do not represent directly or indirectly the proceeds of any criminal activity and that the investment is not designed to conceal such proceeds so as to avoid prosecution for an offence or otherwise. I/We acknowledge that Shares may not be issued and repurchase proceeds may be frozen until all required information and documentation required by the Administrator pursuant to the EU Savings Directive is provided.

I/We hereby confirm that the Segregated Account, the Directors and the Administrator are each authorised and instructed to accept and execute any instructions in respect of the Shares to which this application relates given by me/us by facsimile. If instructions are given by me/us by facsimile, I/we undertake to confirm them in writing. I/We hereby indemnify the Segregated Account, the Directors and the Administrator and agree to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions. The Segregated Account, the Directors and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.

I/We acknowledge that due to anti-money laundering requirements, the Administrator may require further identification of the applicant(s) before the application can be processed or subscription monies accepted or repurchase requests processed. Both the Segregated Account and the Administrator shall be held harmless and indemnified against any loss arising due to the delay or failure to process this application if such information as has been requested has not been provided by me/us.

I/We hereby represent that I/we and any persons we represent as agent or nominees or our beneficial owners or persons who control us or are controlled by us is/are not a prohibited country, territory, individual or entity listed on the US Department of Treasury's Office of Foreign Assets Control (OFAC) website at [www.treas.gov/ofacoris/as](http://www.treas.gov/ofacoris/as) described in the web site, a foreign shell bank or a senior foreign political figure or an immediate family member or close associate of a senior political figure and that, to the best of my/our knowledge, subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti money laundering laws and regulations.

I/We consent to details relating to my/our application and holding being disclosed to companies in the Matrix Group which perform marketing and investor servicing duties and acknowledge that I/we may be sent details of other Matrix Group investment products.

I/We declare that I am/we are not a "US Person" as defined in the Prospectus and that I am/we are not applying as the nominee for or on behalf of a US Person. I/We will notify the Segregated Account immediately if I/we become aware that any person for whom I/we hold Shares has become a US Person.

I/We agree to notify the Segregated Account immediately if I/we become aware that any of the representations is/are no longer accurate and complete in all respects. I/We further agree that the Administrator be fully indemnified and held harmless by me/us from and against any and all claims, liabilities, losses, damages, costs and expenses (including with limitation, attorney's fees) for acting or omitting to act upon instructions or inquiries believed genuine and/or arising as a result of any of the declarations made herein being untrue or as a result of my/our failure to notify the Segregated Account or Administrator of a change in status (relating to tax residency or otherwise) which would render any of the declarations contained herein untrue subsequent to the date of this application.

If I/we am/are acting as trustee, agent, representative or nominee for a subscriber (a "Beneficial Owner"), I/we understand and acknowledge that the representations, warranties and agreements made herein are made by me/us (a) with respect to myself/ourselves and (b) with respect to the Beneficial Owner. I/We further represent and warrant that I/we have all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Application Form.

If we are a legal person we hereby declare that we are:

- (i) a legal person not being an individual and not acting in a representative capacity on behalf of an individual; or
- (ii) an entity liable to corporation tax in Ireland or an equivalent tax in Ireland or an equivalent tax in another country; or
- (iii) an undertaking for collective investment in transferable securities ("UCITS") or have elected for the purpose of the EU Savings Directive to be treated as a UCITS.

If the legal person is unable to make any of these declaration please contact the Administrator.

Your personal information will be handled by the Administrator (as Data Processor on behalf of the Company) in accordance with the Data Protection Acts 1988 to 2003. Your information will be processed for the purposes of carrying out the services of Administrator, registrar and transfer agent of the Company and to comply with legal obligations including legal obligations under company law and anti-money laundering legislation. The Administrator or Company will disclose your information to third parties where necessary or for legitimate business interests. This may include disclosure to third parties where necessary or for legitimate business interests. This may include disclosure to third parties such as auditors, the Irish Revenue Authorities pursuant to the EU Savings Directive and the Irish Financial Services Regulatory Authority or agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements. The Applicant hereby consents to the processing of his/her information, which may include the recording of telephone calls with the Administrator for the purpose of confirming data, and the disclosure of his/her information as outlined above and to the Investment Manager and where necessary or in the Company's or the Administrator's and/or Investment Manager's group of companies or agents of the Administrator including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Ireland.

Signature of Applicant

Date

Signature (Joint Owner)

Date

Signature for a Corporation should be executed under seal or signed by a duly authorised signatory, and accompanied by a list of authorised signatories. If this application is signed under power of attorney, such power of attorney or a duly certified copy thereof must accompany this application.

Please tick if you would like your correspondence to be sent only to your agent.



# Bank Transfer Instruction Letter - Matrix Structured Products Limited

To: The Manager

**Use this form if you are making payment for your shares by bank transfer**

Name of Bank	_____		
Address	_____ _____		
Name of Account Holder	_____		
Bank Swift Code	_____	ABA Number	_____
Branch Number/Sort Code	_____		

Dear Sir

To the debit of my account number  with your Bank, please remit by direct transfer the sum of

Sterling  (in figures)  (in words)

net of bank charges for value not later than 5.00 pm (Dublin time) on

(insert date) to:-

## FOR STERLING SHARES

**Bank of America**

5 Canada Square, London, E14 5AQ

**Swift:** BOFAGB22

**Beneficiary:** Matrix Structured Products Ltd

**Reference:** Matrix Prime Rate Closed End Sterling Cash Fund/Investors Name

**CHAPS Sort Code:** 16-50-50

**BACS Sort Code:** 30-16-35

**Account No:** 24081028

Full name   
(typed or in block capitals)

Account name

Date

Signature