

## Benefits of AAAM rated Liquidity Funds

AAAM rated Liquidity Funds, which benefit from the highest possible credit rating, are designed to provide a safe and flexible alternative to bank deposits. They provide the key benefits of security, same day access (liquidity), competitive performance (return), transparency and administrative efficiency.

### **Security**

- Funds are invested in highly rated, liquid, short term money market securities. At least 50% of the assets must be rated A1+, the balance must be rated A1
- The fund must hold a highly diversified pool of assets. Typically the fund will have no exposure to an individual counterparty greater than 5% (other than for short term deposits)
- The fund is a separate legal entity. Exposure is therefore to the assets of the fund not to an individual entity (as is the case with a bank deposit)
- The fund has an independent custodian, administrator and depository – ensuring that the investor's interests are protected

### **Same Day Access (Liquidity)**

- Same day access to funds
- Single transaction to invest/redeem
- No need to decide in advance on term for which funds can be invested

### **Competitive Performance (Return)**

- Net returns of in excess of one week LIBID (Base Rate) while still having same day access to funds
- Benefit from managed exposure to the yield curve
- Consistent performance in all market conditions
- Low management fees ensure best value returns for clients

### **Transparency**

- Returns are published daily
- Single management fee deducted daily from returns
- No additional charges
- Able to look through to the underlying assets in the fund

### **Administrative Efficiency**

- Single transaction to invest/redeem
- No daily reconciliations
- All reporting produced within 24 hours