

# Prime Rate Liquidity Funds Performance Charts

September 2008

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

Telephone: +44 (0) 20 3206 7262  
Fax: +44 (0) 20 3206 7010

Email: [contact@prime-rate.co.uk](mailto:contact@prime-rate.co.uk)  
Website: [www.prim-rate.co.uk](http://www.prim-rate.co.uk)

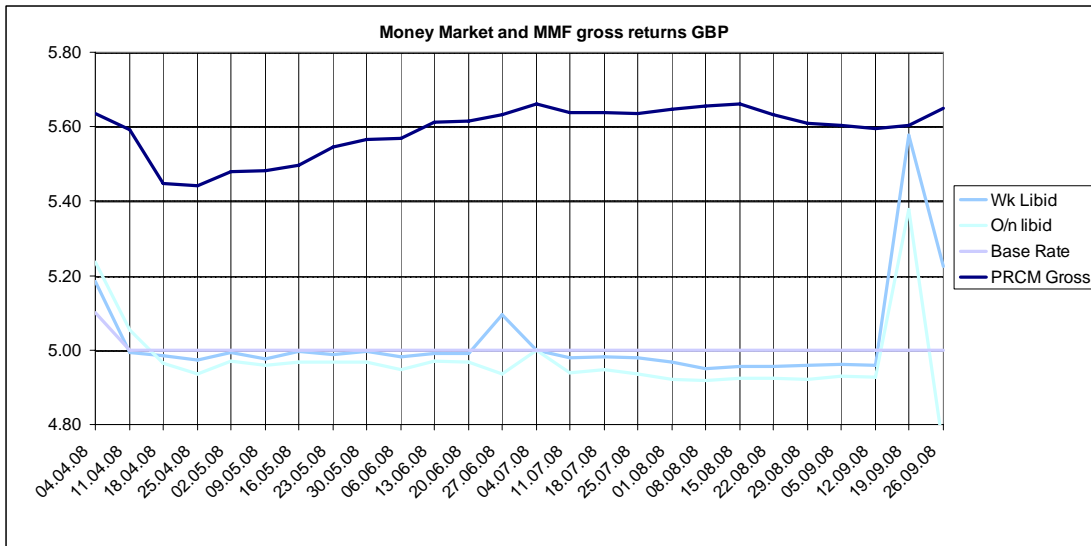


This document is only directed at the intended recipients and for the purposes of United Kingdom legislation this document may not be copied or distributed to any person in contravention of Section 21 of the Financial Services and Markets Act 2000.

© Copyright Prime Rate Capital Management LLP. All rights reserved.

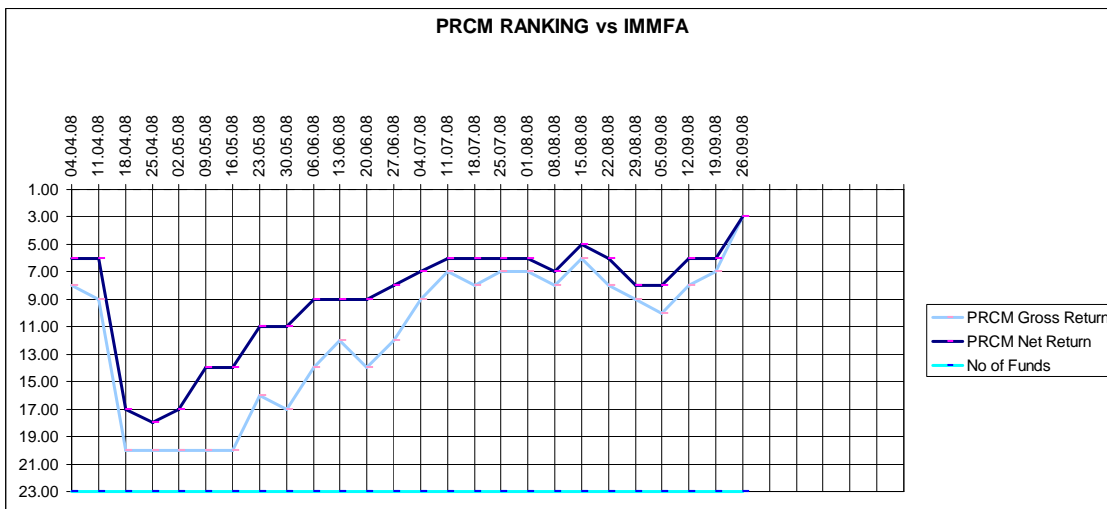
Prime Rate Capital Management LLP is authorised and regulated  
by the Financial Services Authority

**Sterling Liquidity Fund Gross Returns (annualised)**



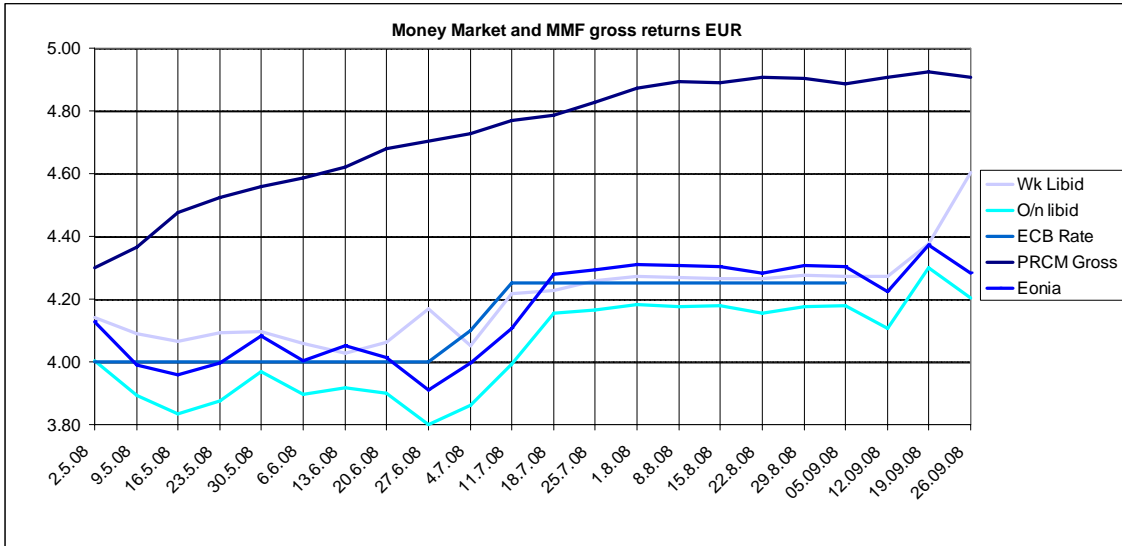
Sources: Prime Rate Capital Management LLP, Bloomberg

**Sterling Liquidity Fund Ranking (against IMMFA funds)**



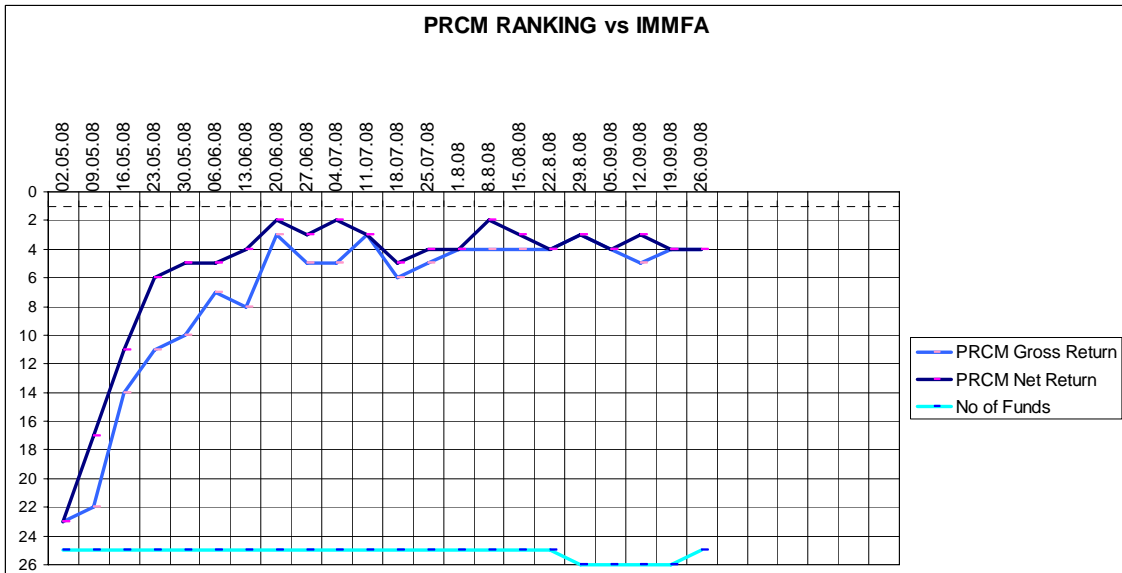
Sources: Prime Rate Capital Management LLP, iMoneyNet

**Euro Liquidity Fund Gross Returns (annualised)**



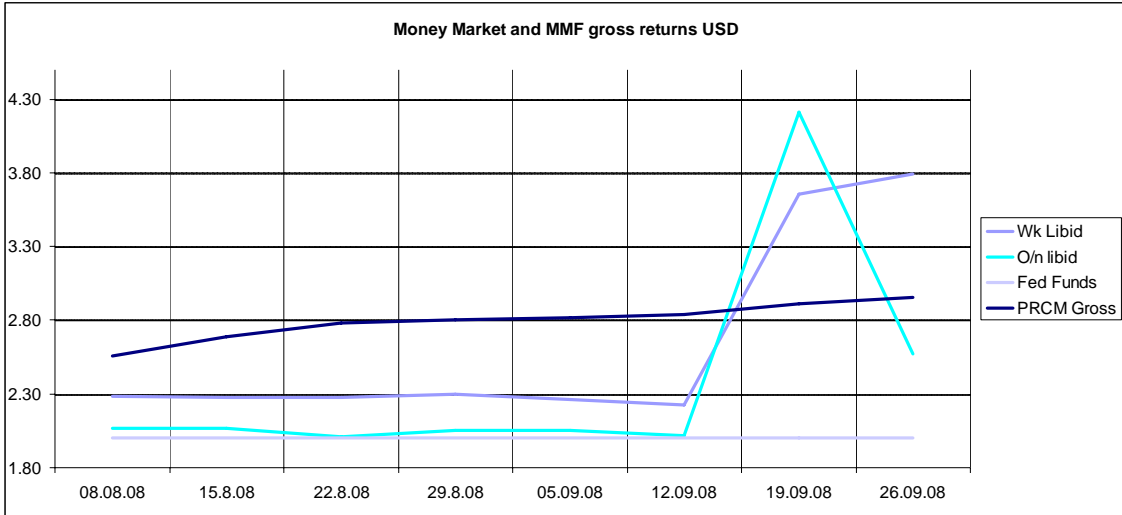
Sources: Prime Rate Capital Management LLP, Bloomberg

**Euro Liquidity Fund Ranking (against IMMFA funds)**



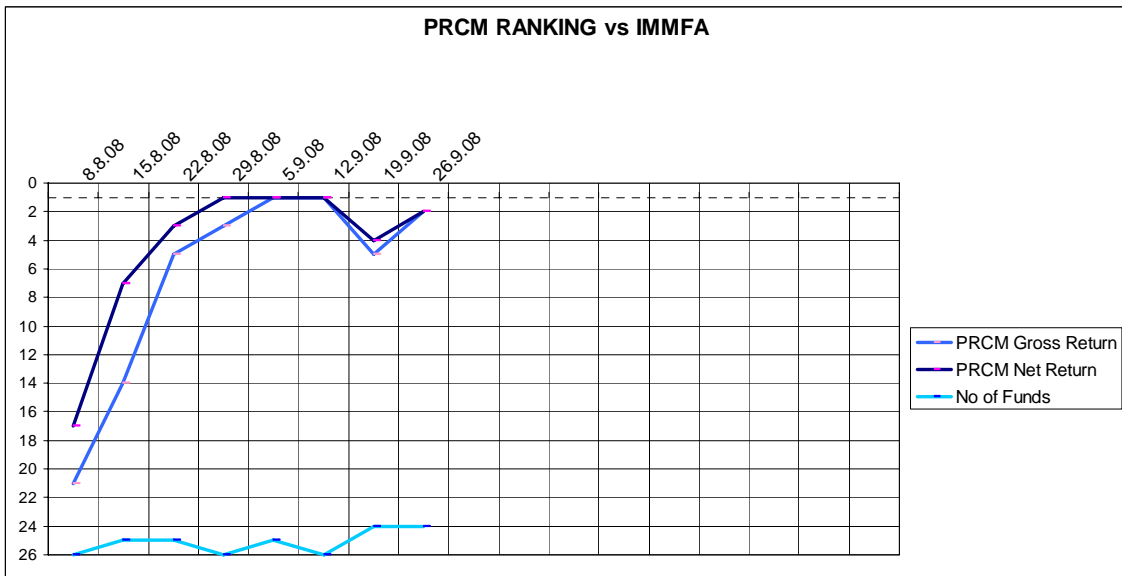
Sources: Prime Rate Capital Management LLP, iMoneyNet

**US Dollar Liquidity Fund Gross Returns (annualised)**



Sources: Prime Rate Capital Management LLP, Bloomberg

**US Dollar Liquidity Fund Ranking (against IMFFA funds)**



Sources: Prime Rate Capital Management LLP, iMoneyNet

## Prime Rate Portfolio Limits

### *Recalibration of liquidity fund parameters*

Following the recent dislocation in the credit and money markets, many investors have become more concerned about where and how their cash is held. In line with this concern and the fundamental shift in market conditions, the investment parameters of the Prime Rate liquidity funds have been set to a finer calibration than traditional QMMF standards.

This is illustrated by the following comparison table:

	<b>Rating Agency / IMMFA Limits</b>	<b>Prime Rate conservative 'soft' Limits #</b>
<b>Maximum maturity of any single credit exposure</b>	13 months	3 months for A-1+ rated credits 1 month for A-1 rated credits
<b>Maximum maturity of floating rate note exposure</b>	2 years	3 months
<b>Maximum credit exposure over 8 days</b>	5%	4% for A-1+ 2% for A-1
<b>Maximum % illiquid assets</b>	10%	0%
<b>Maximum % asset backed securities</b>	At discretion of manager	0%
<b>Minimum % cash</b>	10%	25%
<b>Transparency of portfolio</b>	Typically monthly / top 10 holdings	Daily publication of portfolio for clients

# Prime Rate currently adopts these "soft" limits, within product guidelines, specifically to address current market conditions. These self-imposed limits remain under constant review.

The benefit is a cleaner, more transparent portfolio that reflects investor concerns and market conditions rather than only ratings agency guidelines.

### *Liquidity of investments*

In addition to assessing the credit quality of an investment, Prime Rate also carries out a liquidity test before any assets are acquired for the portfolio. However highly it may be credit rated, an individual credit investment will only be made if it is clear to Prime Rate that there would be another willing buyer in the market for the paper concerned at the same price.

***DISCLAIMER***

This material is not to be regarded as an offer or invitation to buy or sell an investment in the Prime Rate Cash Management Fund nor does it solicit any such offer or invitation. Applications to invest must only be made on the basis of the offer document relating to the investment, which is only available to Eligible Counterparties and Professional Clients.

Past performance is no guarantee of future performance and the value of investments and income from them may fall as well as rise and investors may not get back the amount originally invested. Tax assumptions are subject to statutory change and the value of tax reliefs will depend on individual circumstances.

This document is approved by Prime Rate Capital Management LLP of One Vine Street, London, W1J 0AH, a limited liability partnership registered in England OC327292 which is authorised and regulated by the Financial Services Authority with FSA reference number 469674.