

Prime Rate Euro Liquidity Fund

31 March 2011

Fund Objective

The investment objective of the fund is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality Euro denominated short term debt and debt related instruments. The primary objective is to maintain the net asset value either constant at par (net of earnings) or at the value of the investors' initial capital plus earnings.

Investment Manager's Report

The year was dominated by the domino collapse of various Eurozone countries, exacerbated by the self-fulfilling prophecy of rating agency down-grades which eventually reduced Greece and to a slightly lesser extent Ireland and Portugal, to junk status. Even Italy, Spain and Belgium have been adversely affected and contagion risk threatens even the stronger Eurozone economies and their banks.

Despite the ECB benchmark rate remaining at 1% throughout the period, day-to-day cash rates fluctuated wildly through the year, mainly influenced by reserve periods and the take-up of official assistance. On week LIBID, when opened at a low of 0.183% pa

on 1 April 2010 reached 0.843% pa on 9 February 2011, but had retreated to 0.621% pa by the end of the period. In the 3 months, the LIBID rate increased from 0.45% pa to 1.055% pa as an official increase in rates became a certainty.

Fixed period LIBOR rates and day to day cash rates continued to fall throughout the period. Overnight LIBID fell from around 1% to around 16bps with one week LIBID falling from 1.12% to around 20 basis points

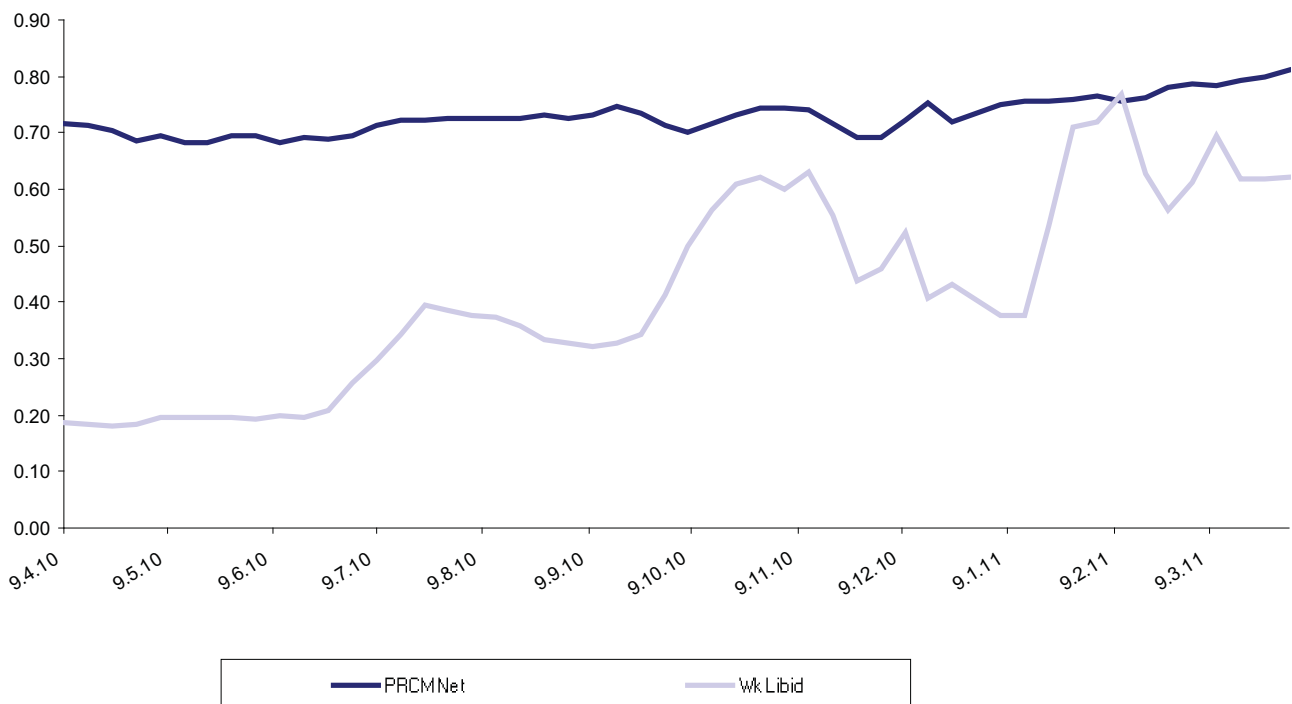
At the end of March 2010 the fund's weighted average maturity was 31.46 days, with 33% of the fund maturing within 8 days. At the end of March 2011 the fund had assets of €111m.

Despite the fund's conservative investment criteria it maintained its strong performance with consistent top decile performance against its peers.

Prime Rate was delighted that the Euro fund won the following award for the year to December 2010 in the i-money net awards.

- Top Manager Award (of 12) for highest gross return for 2010 for Euro funds between €100m-€1bn.

Money Market and MMF Net Returns EUR



Fund Details

Domicile	UK
Structure	OEIC UCITS III
Dealing Cut Off	1.00pm London time
Liquidity	Same day
Currency	EUR
CIO	Dennis Gepp
Portfolio Mgr	Gary Skedge
Benchmark	7 day € LIBID



Dennis Gepp
(Chief Investment Officer) is a founding partner of PRCM. He was responsible for the management of treasury departments of UK

and international banks from 1973 until he joined Prime Rate in 2007.



Gary Skedge
(Portfolio Manager) joined PRCM in September 2007. He managed HSBC's AAA rated liquidity and enhanced cash

funds from 2006 to 2007.

Prime Rate Capital Management LLP

One Vine Street
London
W1J 0AH

Phone: (0) 20 3206 7262
Fax: (0) 20 3206 7010
E-mail: contact@prime-rate.co.uk

The Prime Rate Euro Liquidity Fund is a sub fund of the umbrella fund, Prime Rate Cash Management Funds which is an OEIC governed by UK law and authorised by the FSA. Any investment in the funds is made subject to the terms of the Funds' Prospectus and relevant Simplified Prospectus, which are available from the Investment Manager, Prime Rate Capital Management LLP, One Vine Street, London W1J 0AH.

Portfolio Top Holdings as at 31 March 2011 % of Fund*

Barclays Wealth call account*	9.55%
Lloyds Banking call account*	8.78%
Santander call account*	5.28%
KBC call account*	4.23%
Bank Nederlandse Gemeenten 5.25% senior medium term notes 4/7/2011	3.65%
ING Bank Australia commercial papers 13/4/2011	3.62%
Pohjola Bank commercial papers 23/5/2011	3.62%
Rabobank Nederland 3.7% medium term floating rate notes 23/5/2011	3.62%
Nationwide International call account*	3.61%
Nordea Bank commercial papers 04/05/2011	3.61%
REGION NORD commercial papers 18/5/2011	3.61%
Royal Bank of Scotland commercial papers 20/6/2011	3.61%
Treasury commercial papers 1/6/2011	3.61%

*This table includes 13 security details as the last five holdings share the same percentage.

Fund Performance

Calendar year	Share class	Highest share price €	Lowest share price €	Net revenue per share €
2011	Share class 2 - income†	1.0000	1.0000	0.0020
2010	Share class 2 - income	1.0000	1.0000	0.0076
2009	Share class 2 - income	1.0000	1.0000	0.0162
2008	Share class 2 - income***	1.0000	1.0000	0.0319
2011	Share class 3 - income†	1.0000	1.0000	0.0019
2010	Share class 3 - income	1.0000	1.0000	0.0070
2009	Share class 3 - income	1.0000	1.0000	0.0114
2008	Share class 3 - income****	1.0000	1.0000	0.0089
2011	Share class 4 - income†	1.0000	1.0000	0.0018
2010	Share class 4 - income	1.0000	1.0000	0.0034
2011	Share class 8 - accumulation†	-	-	-
2010	Share class 8 - accumulation	-	-	-
2009	Share class 8 - accumulation*	1.0070	1.0000	0.0010
2011	Share class 9 - accumulation†	1.0148	1.0133	0.0014
2010	Share class 9 - accumulation	1.0133	1.0082	0.0051
2009	Share class 9 - accumulation**	1.0082	1.0000	0.0082

* from 17 February 2009

** from 3 March 2009

*** from 29 March 2008

**** from 14 October 2008

† to 31 March 2011

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

Total Expense Ratio

As at	Share class 2 - income*	Share class 3 - income	Share class 4 - income	Share class 8 - accumulation	Share class 9 - accumulation
31.03.2011	0.07%	0.12%	0.17%	-	0.32%
31.03.2010	0.06%	0.11%	-	-	0.31%

The total expense ratio is the annualised ratio of the share classes' total operating cost for the period to their daily net asset value.
* Investment may only be made into Share class 2 - income when specifically offered by Prime Rate Capital Management LLP.

Contact Details

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

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

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

* The long form report and accounts are available free of charge per COLL 4.5.14

This document is issued 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. 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 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.