



Prime Rate Cash Management Funds

**Interim Long Form and Financial Statements
(Unaudited)**

For the period ended 30 September 2011

Contents

	Page
Authorised status	4
Authorised Corporate Director's (ACD) report	4
Statement of ACD's responsibilities	5
Investment Manager's report	6
Aggregated statement of total return (unaudited)	7
Aggregated statement of change in net assets attributable to shareholders (unaudited)	7
Aggregated balance sheet (unaudited)	8
Notes to the aggregated financial statements (unaudited)	9
Euro Liquidity Fund	10
• Fund Objective	10
• Investment Report	10
• Performance record	11-12
• Portfolio statement (unaudited)	13-14
• Statement of total return	15
• Statement of change in net assets attributable to shareholders	15
• Balance sheet	16
• Notes to the financial statements	17
• Distribution table	18
Sterling Liquidity Fund	19
• Fund Objective	19
• Investment Report	19
• Performance record	20-22
• Portfolio statement (unaudited)	23-24
• Statement of total return	25
• Statement of change in net assets attributable to shareholders	25
• Balance sheet	26
• Notes to the financial statements	27
• Distribution tables	28-29

Contents (continued)

	Page
US Dollar Liquidity Fund	30
• Fund Objective	30
• Investment Report	30
• Performance record	31-32
• Portfolio statement (unaudited)	33-34
• Statement of total return	35
• Statement of change in net assets attributable to shareholders	35
• Balance sheet	36
• Notes to the financial statements	37
• Distribution table	38
Useful information	39

Authorised status

The Prime Rate Cash Management Funds ICVC is an investment company with variable capital under Regulation 12 (authorisation) of the OEIC Regulations 2001. The Company was incorporated in England and Wales and is authorised and regulated by the Financial Services Authority. The Company was authorised by the Financial Services Authority on 6 February 2008. Each sub-fund of the Company belongs to the type of UCITS scheme which complies with the Financial Services Authority's Collective Investment Schemes Sourcebook ("COLL").

Authorised Corporate Director's (ACD) report

We are pleased to present the Interim Report and Financial Statements for the Prime Rate Cash Management Liquidity Funds ICVC ("the Company") covering the period ended 30 September 2011.

The Company is an umbrella scheme comprising various sub-funds, each of which is operated as a distinct fund with its own portfolio of investments.

Information regarding the investments of the Company is given in the investment reports of the individual sub-funds.

The Company has the following sub-funds in which shares are currently available:

- Prime Rate Sterling Liquidity Fund
- Prime Rate US Dollar Liquidity Fund
- Prime Rate Euro Liquidity Fund

As a sub-fund is not a legal entity, if the assets attributable to any sub-fund are insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of assets attributable to one or more of the other sub-funds of the Company. Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after the purchase price of the shares has been paid.

As each of the Liquidity Funds is a Qualifying Money Market Fund, investors should note the restrictions set out in the Prospectus providing that each Liquidity Fund's investment objectives and policies must meet the conditions specified in the FSA's definition of "Qualifying Money Market Fund".

The primary investment objective is to maintain the net asset value of the funds either constant at par (net of earnings), or at the value of the investors initial capital plus earnings.

All sub-funds are valued on each UK business day at 1.30pm for the Prime Rate Sterling Liquidity Fund, 1.00pm for the Prime Rate Euro Liquidity Fund and 3.00pm for the Prime Rate US Dollar Liquidity Fund.

Further details about the Company (and its sub-funds) are contained in the prospectus which is available from the ACD.

Details of the Company's advisers are given under "Useful information" on page 38 of this report.

Statement of ACD's responsibilities

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

The ACD is required to prepare financial statements for each accounting period which give a true and fair view of the financial affairs of the company, and of its net income or expenditure and net gains or losses on the property of the Company for the period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the Prospectus, the disclosure requirements of the Statement of Recommended Practice: "Financial Statements of Authorised Funds", issued by the Investment Management Association ("the IMA") in November 2008;
- follow United Kingdom generally accepted accounting practices (UK accounting standards and applicable law);
- make judgements and estimates that are reasonable and prudent;
- keep proper accounting records which enable it to demonstrate that the ICVC complies with the Regulations; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICVC will continue in operation.

The financial statements should comply with the disclosure requirements of the Financial Services Authority's (Open-Ended Investment Companies) Regulations 2001, which should then comply with the Collective Investment Schemes Sourcebook ("COLL"), and any relevant provisions of the Company's Instrument of Incorporation.

The ACD is responsible for maintaining proper books of accounts which disclose, with reasonable accuracy at any time, the financial position of the Company. The ACD is responsible for maintaining an appropriate system of internal controls and for taking all reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of accounts by the ACD

This report is certified in accordance with the requirements of the Financial Services Authority's Collective Investment Schemes Sourcebook ("COLL") and was approved for publication on 17 November 2011, on behalf of the Board of Prime Rate Cash Management Funds ICVC.

**On behalf of Prime Rate Capital Management LLP as Authorised Corporate Director
17 November 2011**



Investment Manager's report

Introduction

We made the decision before the funds were launched that we would operate under very conservative limits. These included; no holding in asset backed securities, no holdings in illiquid securities, and a maximum maturity limit of 3 months for issuers rated A1+ and 1 month for issuers rated A1. Our current investment guidelines are summarised below;

	Rating Agency/IMMFA Limits (S&P and Fitch)	Prime Rate 'soft' Limits
Minimum Short Term Rating	A-1, F-1, P-1, ineligible if it is rated lower by any of S&P, Fitch and Moody's	A-1, F-1, P-1, ineligible if it is rated lower by any of S&P, Fitch and Moody's
Maximum maturity of credit exposure	397 days	4 months for some AAA rated supra-nationals, governments and government agencies 3 months for A-1+ rated (and some strong A-1) 1 month for A-1 rated
Maximum maturity of floating rate note exposure	397 days	As above
Maximum credit exposure under 1 day	10% (5% if only rated F1 by Fitch)	8% (5% if not rated F1+ by Fitch)
Maximum credit exposure over 1 day	5%	4% for A-1+ (and some strong A-1) 2% for A-1
Maximum % illiquid assets	5%	0%
Maximum % assets backed securities	At discretion of manager	0%
Minimum % cash	10% overnight, 25% within a week,	25% overnight, 30% within a week
Maximum WAM (weighted average maturity)	60 days	48 days
Maximum WAL (weighted average life)	120 days	48 days
Transparency of portfolio	Typically monthly	Daily publication of portfolio for clients

We have made a couple of changes since March 2011. The first is to put in place a maximum 4 month limit for a limited number of AAA rated supra-nationals, governments and government agencies. This allows the fund to increase its exposure to AAA names while benefitting from the higher rates available in 4 months.

The second is that the higher 8% limit is now only available for overnight exposures. This is a change that Standard and Poor's have implemented in their rating criteria for AAAM rated funds.

Aggregated statement of total return (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	£	£	£	£
Income				
Net capital gains/(losses)		-		-
Revenue	11,019,732		7,609,685	
Expenses	(1,347,629)		(875,378)	
Finance costs: Interest	(168)		-	
Net revenue before taxation	9,671,935		6,734,307	
Taxation	-		-	
Net revenue after taxation		9,671,935		6,734,307
Total return before distributions		9,671,935		6,734,307
Finance costs: Distributions		(9,671,935)		(6,734,308)
Change in net assets attributable to shareholders from investment activities		-		(1)

Aggregated statement of change in net assets attributable to shareholders (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10*	30.09.10
	£	£	£	£
Opening net assets attributable to shareholders		2,087,217,981		1,380,335,245
Movement due to creation and cancellation of shares:				
Amounts receivable on creation of shares	6,526,450,591		3,220,105,434	
Less: Amounts payable on cancellation of shares	(6,195,080,971)		(2,637,391,011)	
		331,369,620		582,714,423
Change in net assets attributable to shareholders from investment activities		-		(1)
Currency revaluation reserve		2,985,219		(9,857,288)
Retained distribution on accumulation shares		243,067		364,000
Closing net assets attributable to shareholders		2,421,815,887		1,953,556,379

*Section 3.30 of the IMA SORP requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to net assets at the start of the current period.

Aggregated balance sheet (unaudited)

as at 30 September 2011

	30.09.11	30.09.11	31.03.11	31.03.11
	£	£	£	£
ASSETS				
Investment assets		2,423,554,784		2,097,387,075
Debtors	1,787,392		3,118,814	
Cash and bank balances	264,374		99,522	
Total other assets		2,051,766		3,218,336
Total assets		2,425,606,550		2,100,605,411
LIABILITIES				
Investment liabilities		-		-
Creditors	(2,248,201)		(12,147,594)	
Distribution payable on income shares	(1,542,462)		(1,239,836)	
Total other liabilities		(3,790,663)		(13,387,430)
Total liabilities		(3,790,663)		(13,387,430)
Net assets attributable to shareholders		2,421,815,887		2,087,217,981

Notes to the aggregated financial statements (unaudited)

for the period ended 30 September 2011

Accounting policies

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Authorised funds, issued by the IMA in October 2010.

The accounting policies are consistent with those disclosed within the annual Financial Statements for the year ended 31 March 2011.

Euro Liquidity Fund

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 Report

As the half year ended, no resolution to the problem for Eurozone sovereigns – not just the PIIGS, but also certain economies affected by contagion – was apparent. Not surprisingly, therefore, those countries' banks also saw their credit ratings come under pressure and their cost of funding rise. This would have been most noticeable in foreign currencies, had the ECB, in blissful isolation, not increased the official repo rate by ¼% pa in July. As it was, three months LIBOR, which started the period at 1.19% pa had already reached 1.53% p.a. when the well publicised rise took place, since when it was consolidated around that level.

For those funds (mainly in mainland Europe) that have allied themselves to Eonia, this overnight index has been an absolute roller coaster. In early April it was just over 0.5% p.a., but exceeded 1.4% p.a. on two different days that month before again slumping to below 60 basis points. The roller coaster ride continued in May (0.60% to 1.16% and back down to 0.85%), June (up to 1.34% mid-month, 0.84% later), July (further down to 0.60%, before rising within 2 days to 1.48% following the ECB rate rise, then falling back to 0.85%) and even in August and September, where the low has been 0.85% and the high 1.21%.

The fund meanwhile has seen a much steadier return, with the return more closely allied to a mix of 1 week and 3 months LIBOR.

The fund continued to focus on liquidity and security, investing in top quality names for up to 4 months. At the end of September the fund's weighted average maturity was 24.32 days, with just over 43% of the fund maturing within 8 days.

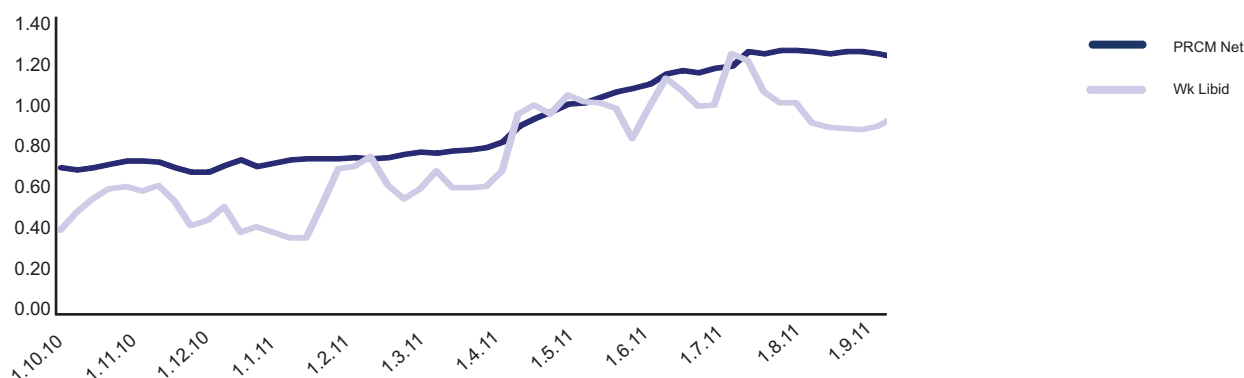
At the end of September 2011 the fund had assets of approximately €81m with 40 investors including the Isle of Man feeder fund which comprised 40.28% of the fund. The Isle of Man fund itself had 26 investors.

Despite the fund's conservative investment criteria it maintained its strong performance with consistent top decile performance against its peers. The fund's performance against its IMMFA peers since inception is shown in the table below.

Euro Liquidity Fund

	September 2011	2011 YTD	2010	2009
Prime Rate Yield	1.25	1.03	0.71	-
IMMFA Average Yield	0.98	0.89	0.42	-
Position v Peer Group	1	1	2	-
Peer Group Universe	22	22	23	-

Money Market and MMF Net Returns EUR



Sources: Prime Rate Capital Management LLP, Bloomberg Net returns are for Share Class 3

Performance record

Accounting period performance

The tables below show the total net asset value of the Euro Liquidity Fund, the number of shares which go to make up the Fund, and the net asset value of each share.

Date	Share class	Net asset value of share class €	Number of shares in issue	Net asset value per share €
30.09.2011	Share class 2 - income	32,869,400	32,869,400	1.0000
31.03.2011	Share class 2 - income	59,404,809	59,404,809	1.0000
30.09.2011	Share class 3 - income	34,236,316	34,236,316	1.0000
31.03.2011	Share class 3 - income	37,427,019	37,427,019	1.0000
30.09.2011	Share class 4 - income	2,449,960	2,449,960	1.0000
31.03.2011	Share class 4 - income	2,009,591	2,009,591	1.0000
30.09.2011	Share class 8 - accumulation	-	-	-
31.03.2011	Share class 8 - accumulation	-	-	-
30.09.2011	Share class 9 - accumulation	11,927,608	11,698,268	1.0196
31.03.2011	Share class 9 - accumulation	11,794,722	11,623,053	1.0148

Performance record (continued)

Share price history and revenue record

Calendar year	Share class	Highest share price €	Lowest share price €	Net revenue per share €
2011	Share class 2 - income†	1.0000	1.0000	0.0080
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	0.0076
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	0.0073
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†	1.0196	1.0133	0.0062
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 30 September 2011

Total expense ratio

The total expense ratio is the annualised ratio of the share classes' total operating cost for the period to their average daily net asset value.

	30.09.2011	31.03.2011
Share class 2 - income*	0.07%	0.07%
Share class 3 - income	0.12%	0.12%
Share class 4 - income	0.17%	0.17%
Share class 8 - accumulation	-	-
Share class 9 - accumulation	0.32%	0.32%

* Investment may only be made into Share class 2 - income when specifically offered by Prime Rate Capital Management LLP.

Portfolio statement (unaudited)

as at 30 September 2011

Holding	Investment	Fair value €	Percentage of total net assets
Certificates of Deposit - 23.91%; (31 March 2011 - 8.12%)			
€500,000	ABN Amro Certificate of Deposit 14/11/2011	499,177	0.61
€3,000,000	BNP Paribas Certificate of Deposit 21/10/2011	2,997,510	3.67
€2,500,000	Credit Agricole 1.25% Certificate of Deposit 31/10/2011	2,500,000	3.07
€2,000,000	HSBC 1.35% Certificate of Deposit 24/10/2011	2,000,038	2.45
€3,000,000	ING Bank 1.49% Certificate of Deposit 30/12/2011	3,000,000	3.68
€3,000,000	ING Bank Certificate of Deposit 5/10/2011	2,999,502	3.68
€3,000,000	Pohjola Bank Certificate of Deposit 7/11/2011	2,995,362	3.68
€2,500,000	Royal Bank of Scotland 1.44% Certificate of Deposit 21/12/2011	2,500,000	3.07
		19,491,589	23.91
Commercial Papers - 26.47%; (31 March 2011 - 44.20%)			
€500,000	ABN Amro Commercial Papers 24/10/2011	499,535	0.61
€2,000,000	ABN Amro Commercial Papers 4/1/2012	1,992,464	2.45
€2,000,000	ABN Amro Commercial Papers 6/10/2011	1,999,600	2.45
€1,500,000	Deutsche Apotheker Commercial Papers 25/10/2011	1,498,672	1.84
€3,000,000	FMS Wertmanagement Commercial Papers 1/11/2011	2,996,563	3.68
€3,000,000	Nordea Bank Commercial Papers 14/11/2011	2,995,139	3.68
€1,500,000	Raiffeisen Bank International Commercial Papers 26/10/2011	1,498,586	1.84
€600,000	Royal Bank of Scotland Commercial Papers 25/11/2011	598,539	0.73
€1,500,000	Skandinaviska Enskilda Banken Commercial Papers 12/10/2011	1,499,474	1.84
€2,500,000	Stadshypotek Commercial Papers 21/10/2011	2,498,021	3.06
€500,000	Svenska Commercial Papers 13/12/2011	498,736	0.61
€3,000,000	Unedic Commercial Papers 21/10/2011	2,997,807	3.68
		21,573,136	26.47
Euro Denominated Fixed Rate Bonds - 10.44%; (31 March 2011 - 18.27%)			
€104,000	BPCE 5.5% Bonds 30/10/2011	104,284	0.13
€1,663,000	Commerzbank 5.5% European Medium Term Notes 25/10/2011	1,667,225	2.05
€548,000	Deutsche Bank 0% Bonds 30/11/2011	574,359	0.70
€475,000	Deutsche Postbank 3.375% Bonds 20/12/2011	476,835	0.58
€1,500,000	DZ Private Bank 2.625% Bonds 19/10/2011	1,500,945	1.84
€1,430,000	Erste Abwicklungsanstalt 2.4% Bonds 27/10/2011	1,431,080	1.76
€245,000	NRW Bank 2.38% Bonds 04/10/2011	245,020	0.30
€500,000	NRW Bank 3% Bonds 01/12/2011	501,348	0.62
€2,000,000	ÖBB-Infrastruktur 3.88% Guaranteed Medium Term Notes 17/10/2011	2,002,262	2.46
		8,503,358	10.44
Euro Denominated Variable Rate Bonds - 4.05%; (31 March 2011 - 6.81%)			
€110,000	Commonwealth Bank of Australia Floating Rate Senior Medium Term Notes 02/11/2011	110,025	0.14
€1,000,000	Credit Mutuel Arkea Floating Rate Senior European Medium Term Notes 03/11/2011	1,000,192	1.23
€2,179,000	NRW Bank Floating Rate Notes 18/11/2011	2,180,099	2.68
		3,290,316	4.05
Term Deposits - 37.66%; (31 March 2011 - 31.45%)			
€7,109,590	Barclays call account*	7,109,590	8.73
€3,650	Clydesdale Bank call account*	3,650	0.00
€3,983,805	KBC Bank call account*	3,983,805	4.89
€8,078,710	Lloyds Bank call account*	8,078,710	9.91
€2,199,160	Nationwide International call account*	2,199,160	2.70
€2,974,662	Royal Bank of Scotland call account*	2,974,662	3.65

Portfolio statement (unaudited) (continued)

as at 30 September 2011

Holding	Investment	Fair value €	Percentage of total net assets
	Term Deposits (continued)		
€4,587,743	Santander UK call account*	4,587,743	5.63
€1,748,244	Wells Fargo call account*	1,748,244	2.15
		30,685,564	37.66
	Portfolio of investments	83,543,963	102.53
	Net current liabilities	(2,060,679)	(2.53)
	Total net assets	81,483,284	100.00

All investments, unless otherwise stated, are admitted to official stock exchange listings or trade on a regulated market.

*Unlisted securities within the meaning of the Collective Investment Schemes Sourcebook ("COLL").

Statement of total return (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	€	€	€	€
Income				
Net capital gains/(losses)		-		-
Revenue	589,957		585,036	
Expenses	(58,309)		(81,004)	
Finance costs: Interest	(191)		-	
Net revenue before taxation	531,457		504,032	
Taxation	-		-	
Net revenue after taxation		531,457		504,032
Total return before distributions		531,457		504,032
Finance costs: Distributions		(531,457)		(504,033)
Change in net assets attributable to shareholders from investment activities		-		(1)

Statement of change in net assets attributable to shareholders (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	€	€	€	€
Opening net assets attributable to shareholders		110,636,141		127,032,888
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	75,127,431		155,080,887	
Less: Amounts paid on cancellation of shares	(104,345,034)		(94,085,471)	
		(29,217,603)		60,995,416
Change in net assets attributable to shareholders from investment activities		-		(1)
Retained distribution on accumulation shares		64,746		57,945
Closing net assets attributable to shareholders		81,483,284		188,086,248

The above statement shows the comparative closing net assets at 30 September 2010 whereas the current accounting period commenced 1 April 2011.

Balance sheet (unaudited)

as at 30 September 2011

	30.09.11	30.09.11	31.03.11	31.03.11
	€	€	€	€
ASSETS				
Investment assets		83,543,963		120,431,426
Debtors	324,015		669,629	
Cash and bank balances	7,966		8,273	
Total other assets		331,981		677,902
Total assets		83,875,944		121,109,328
LIABILITIES				
Investment liabilities		-		-
Creditors	(2,318,199)		(10,410,559)	
Distribution payable on income shares	(74,461)		(62,628)	
Total other liabilities		(2,392,660)		(10,473,187)
Total liabilities		(2,392,660)		(10,473,187)
Net assets attributable to shareholders		81,483,284		110,636,141

Notes to the financial statements (unaudited)

for the period ended 30 September 2011

Accounting policies

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds, issued by the IMA in October 2010.

The accounting policies are consistent with those disclosed within the annual Financial Statements for the year ended 31 March 2011.

Distribution table (unaudited)

Interim distributions paid

for the period ended 30 September 2011

	Share class 2 - income* € per share	Share class 3 - income* € per share	Share class 4 - income* € per share	Share class 8 - accumulation* € per share	Share class 9 - accumulation* € per share
April 2011 distribution	0.0008	0.0008	0.0007	-	0.0006
May 2011 distribution	0.0009	0.0009	0.0009	-	0.0007
June 2011 distribution	0.0010	0.0009	0.0009	-	0.0008
July 2011 distribution	0.0011	0.0010	0.0010	-	0.0009
August 2011 distribution	0.0011	0.0011	0.0010	-	0.0009
September 2011 distribution	0.0011	0.0010	0.0010	-	0.0009

* from 1 April 2011 to 30 September 2011

Interim distributions paid

for the period ended 30 September 2010

	Share class 2 - income* € per share	Share class 3 - income* € per share	Share class 4 - income** € per share	Share class 8 - accumulation* € per share	Share class 9 - accumulation* € per share
April 2010 distribution	0.0006	0.0006	-	-	0.0004
May 2010 distribution	0.0006	0.0006	-	-	0.0004
June 2010 distribution	0.0006	0.0006	0.0003	-	0.0004
July 2010 distribution	0.0006	0.0006	0.0006	-	0.0004
August 2010 distribution	0.0007	0.0006	0.0006	-	0.0005
September 2010 distribution	0.0006	0.0006	0.0002	-	0.0004

* from 1 April 2010 to 30 September 2010

** from 14 June 2010 to 30 September 2010

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.

Distributions are paid gross.

Sterling Liquidity Fund

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 Sterling 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 Report

Although official interest rates remained unchanged during the period, LIBOR rates rose from a low point at the beginning of April to a high at the end of September. 3 months LIBOR, for instance, gained 13bp from 0.82% pa to 0.95% pa, with the rise accelerating in August and September. Meanwhile the FTSE, which started the period at 6000, despite a mid June dip to 5,700 did not start its plunge until late July, dropping in August to 5000, and ending the period nearly 15% down.

The main, one could argue, only talking point has been the continued pressure on Eurozone economies. This is why interest rates, even in sterling, have risen. On the back of a raft of downgrades more and more sovereigns and their banks have found their cost of borrowing soaring in the UK, official rates, at the back of their US cousins, are unlikely to rise much before mid 2013. Quantitative Easing, and other stimulative measures will be used to kick start the economy. The Government must stand firm against easy answers, as crowds have rioted and key workers threaten strike action. Meanwhile, cash is king – higher actual rates and returns which are not compromised by erratic equity prices.

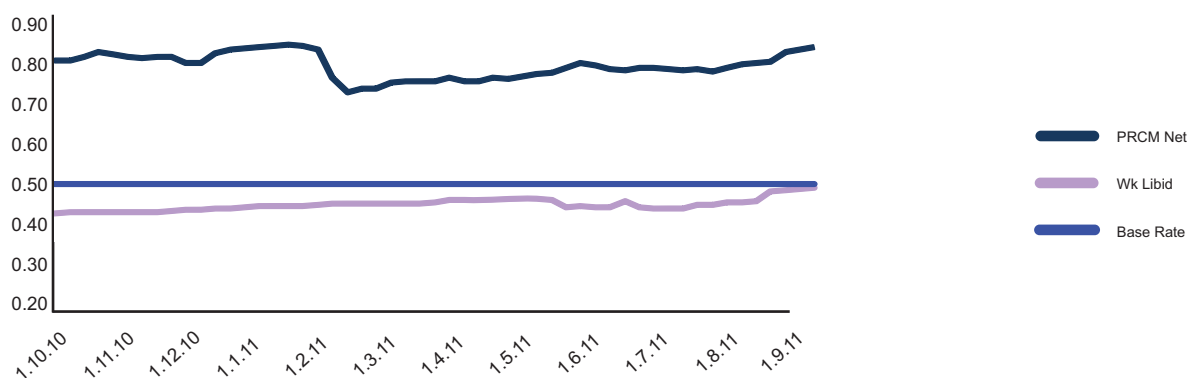
At the end of September 2011 the fund's weighted average maturity was 32.60 days, with the WAL also 32.60 days. Approximately 39% of the fund was maturing within 8 days. It held assets in excess of £2.1bn with 468. The two largest accounts were corporates both with an exposure of 3.58% of the fund.

The fund's performance against its IMMFA peers since inception is shown in the table below.

Sterling Liquidity Fund

	September 2011	2011 YTD	2010	2009
Prime Rate Yield	0.83	0.79	0.86	1.48
IMMFA Average Yield	0.63	0.62	0.52	0.99
Position v Peer Group	1	1	1	3
Peer Group Universe	19	19	23	22

Money Market and MMF Net Returns GBP



Sources: Prime Rate Capital Management LLP, Bloomberg Net returns are for Share Class 3

Performance record

Accounting period performance

The tables below show the total net asset value of the Sterling Liquidity Fund, the number of shares which go to make up the Fund, and the net asset value of each share.

Date	Share class	Net asset value of share class £	Number of shares in issue	Net asset value per share £
30.09.2011	Share class 2 - income	221,925,134	221,925,134	1.0000
31.03.2011	Share class 2 - income	345,136,393	345,136,393	1.0000
30.09.2011	Share class 3 - income	1,764,656,853	1,764,656,853	1.0000
31.03.2011	Share class 3 - income	1,316,898,034	1,316,898,034	1.0000
30.09.2011	Share class 4 - income	97,889,851	97,889,851	1.0000
31.03.2011	Share class 4 - income	33,548,269	33,548,269	1.0000
30.09.2011	Share class 5 - income	88,000	88,000	1.0000
31.03.2011	Share class 5 - income	3,088,000	3,088,000	1.0000
30.09.2011	Share class 7 - income	64,453	64,453	1.0000
31.03.2011	Share class 7 - income	89,481	89,481	1.0000
30.09.2011	Share class 8 - accumulation	15,691,169	15,252,403	1.0288
31.03.2011	Share class 8 - accumulation	18,264,259	17,823,976	1.0247
30.09.2011	Share class 9 - accumulation	34,681,458	33,857,477	1.0243
31.03.2011	Share class 9 - accumulation	37,404,037	36,624,071	1.0213
30.09.2011	Share class 11 - accumulation	2,552,099	2,524,675	1.0109
31.03.2011	Share class 11 - accumulation	2,951,506	2,925,554	1.0089

Performance record (continued)

Share price history and revenue record

Calendar year	Share class	Highest share price £	Lowest share price £	Net revenue per share £
2011	Share class 2 - income†	1.0000	1.0000	0.0063
2010	Share class 2 - income	1.0000	1.0000	0.0090
2009	Share class 2 - income	1.0000	1.0000	0.0152
2011	Share class 3 - income†	1.0000	1.0000	0.0060
2010	Share class 3 - income	1.0000	1.0000	0.0087
2009	Share class 3 - income	1.0000	1.0000	0.0145
2008	Share class 3 - income*	1.0000	1.0000	0.0351
2011	Share class 4 - income†	1.0000	1.0000	0.0054
2010	Share class 4 - income	1.0000	1.0000	0.0081
2009	Share class 4 - income**	1.0000	1.0000	0.0115
2011	Share class 5 - income†	1.0000	1.0000	0.0052
2010	Share class 5 - income	1.0000	1.0000	0.0075
2009	Share class 5 - income***	1.0000	1.0000	0.0049
2011	Share class 7 - income†	1.0000	1.0000	0.0045
2010	Share class 7 - income	1.0000	1.0000	0.0060
2009	Share class 7 - income	1.0000	1.0000	0.0079
2008	Share class 7 - income****	1.0000	1.0000	0.0169
2011	Share class 8 - accumulation†	1.0288	1.0247	0.0061
2010	Share class 8 - accumulation	1.0247	1.0141	0.0087
2009	Share class 8 - accumulation*****	1.0141	1.0000	0.0139
2011	Share class 9 - accumulation†	1.0243	1.0213	0.0045
2010	Share class 9 - accumulation	1.0213	1.0131	0.0066
2009	Share class 9 - accumulation	1.0131	1.0003	0.0126
2008	Share class 9 - accumulation*****	1.0003	1.0000	0.0003
2011	Share class 11 - accumulation†	1.0109	1.0089	0.0029
2010	Share class 11 - accumulation	1.0089	1.0033	0.0047
2009	Share class 11 - accumulation*****	1.0033	1.0000	0.0033

* from 7 May 2008

** from 6 February 2009

*** from 3 July 2009

**** from 1 September 2008

***** from 9 January 2009

***** from 29 December 2008

***** from 13 July 2009

† to 30 September 2011

Performance record (continued)**Total expense ratio**

	30.09.2011	31.03.2011
Share class 2 - income*	0.06%	0.05%
Share class 3 - income	0.11%	0.10%
Share class 4 - income	0.16%	0.15%
Share class 5 - income	0.21%	0.21%
Share class 7 - income	0.31%	0.30%
Share class 8 - accumulation	0.11%	0.10%
Share class 9 - accumulation	0.31%	0.30%
Share class 11 - accumulation	0.51%	0.50%

The total expense ratio is the annualised ratio of the share classes' total operating cost for the period to their average daily net asset value.

* Investment may only be made into Share class 2 - income when specifically offered by Prime Rate Capital Management LLP.

Portfolio statement (unaudited)

as at 30 September 2011

Holding	Investment	Fair value £	Percentage of total net assets
Certificates of Deposit - 18.62%; (31 March 2011 - 13.47%)			
£40,000,000	ABN Amro Certificate of Deposit 8/12/2011	39,933,453	1.87
£30,000,000	Barclays 0.90% Certificate of Deposit 15/12/2011	30,000,000	1.40
£40,000,000	DB 0.9% Certificate of Deposit 9/11/11	40,000,000	1.87
£50,000,000	Fortis Bank 0.96% Certificate of Deposit 05/12/2011	50,000,889	2.33
£45,000,000	ING 0.82% Certificate of Deposit 31/10/2011	45,000,000	2.11
£20,000,000	ING 0.83% Certificate of Deposit 9/11/11	20,000,000	0.94
£20,000,000	ING 0.92% Certificate of Deposit 29/12/2011	20,000,000	0.94
£13,000,000	Nationwide 0.78% Certificate of Deposit 12/10/2011	13,000,000	0.61
£35,000,000	Nationwide 0.79% Certificate of Deposit 28/10/2011	35,000,000	1.64
£25,000,000	Nationwide 0.92% Certificate of Deposit 5/1/2012	25,000,000	1.17
£30,000,000	Nordea Bank Certificate of Deposit 5/12/2011	29,954,951	1.40
£50,000,000	Nordea Bank Certificate of Deposit 8/12/2011	49,920,526	2.34
		397,809,819	18.62
Commercial Paper - 43.09%; (31 March 2011 - 44.35%)			
£15,000,000	ABN Amro Commercial Paper 22/12/2011	14,969,236	0.70
£25,000,000	ABN Amro Commercial Paper 28/12/2011	24,944,078	1.17
£30,000,000	ACOSS Commercial Paper 14/12/2011	29,942,961	1.40
£25,000,000	Australia & New Zealand Bank Commercial Paper 14/10/2011	24,993,512	1.17
£20,000,000	Bank Of Western Australia Commercial Paper 02/11/2011	19,986,088	0.94
£15,000,000	Bank Of Western Australia Commercial Paper 16/11/2011	14,984,525	0.70
£30,000,000	Bank Of Western Australia Commercial Paper 28/11/2011	29,960,755	1.40
£20,000,000	Bank Of Western Australia Commercial Paper 19/12/2011	19,960,697	0.92
£40,000,000	BFCM Commercial Paper 3/10/2011	39,997,987	1.87
£25,000,000	BNP Paribas Commercial Paper 6/12/2011	24,952,433	1.17
£40,000,000	BPCE Commercial Paper 7/11/2011	39,962,351	1.87
£50,000,000	Caisse D'amortissement Commercial Paper 2/11/2011	49,880,770	2.33
£30,000,000	Caisse D'amortissement Commercial Paper 7/12/2011	29,949,727	1.40
£11,000,000	Deutsche Postbank Commercial Paper 18/11/2011	10,985,555	0.51
£40,000,000	DZ Private Bank Commercial Paper 12/12/2011	39,984,345	1.86
£30,000,000	Erste Abwicklungsanstalt Commercial Paper 28/10/2011	29,982,724	1.40
£50,000,000	Erste Abwicklungsanstalt Commercial Paper 1/11/2011	49,964,827	2.34
£10,000,000	Erste Abwicklungsanstalt Commercial Paper 4/11/2011	9,992,006	0.47
£35,000,000	FMS Wertmanagement Commercial Paper 14/11/2011	34,963,795	1.64
£50,000,000	FMS Wertmanagement Commercial Paper 9/12/2011	49,915,122	2.34
£40,000,000	KA Finanz Commercial Paper 7/10/2011	39,991,724	1.87
£40,000,000	Natixis Commercial Paper 26/10/2011	39,975,380	1.87
£15,000,000	NRW Commercial Paper 3/10/2011	14,999,290	0.70
£32,000,000	NRW Commercial Paper 24/10/2011	31,981,980	1.50
£38,000,000	NRW Commercial Paper 25/10/2011	37,978,044	1.78
£5,000,000	Pohjola Bank Commercial Paper 7/10/2011	4,999,303	0.23
£4,000,000	Pohjola Bank Commercial Paper 21/10/2011	3,998,163	0.19
£5,500,000	Pohjola Bank Commercial Paper 10/11/2011	5,492,969	0.26
£40,500,000	Pohjola Bank Commercial Paper 16/11/2011	40,433,481	1.89
£14,500,000	Pohjola Bank Commercial Paper 22/11/2011	14,473,643	0.68
£9,000,000	Pohjola Bank Commercial Paper 30/11/2011	8,981,858	0.42
£10,000,000	Pohjola Bank Commercial Paper 6/12/2011	9,979,265	0.47
£25,000,000	Stadshypothek Commercial Paper 12/12/2011	24,960,135	1.17
£10,000,000	Stadshypothek Commercial Paper 19/12/2011	9,981,751	0.47
£3,000,000	Stadshypothek Commercial Paper 19/12/2011	2,994,492	0.13

Portfolio statement (unaudited) (continued)

as at 30 September 2011

Holding	Investment	Fair value £	Percentage of total net assets
Commercial Papers (continued)			
£15,000,000	Transport for London Commercial Paper 15/12/2011	14,973,856	0.70
£25,000,000	Vasteras Commercial Paper 15/12/2011	24,954,893	1.16
		921,423,721	43.09
Sterling Denominated Fixed Rate Bonds - 0.10%; (31 March 2011 - 1.32%)			
£1,199,000	Mellon Financial 6.375% Guaranteed Bonds 8/11/2011	1,205,602	0.06
£824,000	Metlife of Connect 5.75% Bonds 6/12/2011	830,201	0.04
		2,035,803	0.10
Sterling Denominated Variable Rate Bonds - 4.14%; (31 March 2011 - 2.96%)			
£2,031,000	ANZ National Floating Rate Guaranteed European Medium Term Notes 13/12/2011	2,030,770	0.10
£4,905,000	Bank of Scotland Floating Rate Guaranteed European Medium Term Notes 7/12/2011	4,902,809	0.23
£81,450,000	Rabobank Nederland Floating Rate Senior Medium Term Notes 12/10/2011	81,453,275	3.81
		88,386,854	4.14
Term Deposits - 34.07%; (31 March 2011 - 37.85%)			
£1,335,709	Alliance & Leicester call account*	1,335,709	0.06
£100,000,000	Alliance & Leicester depo*	100,000,000	4.68
£25,473,937	Barclays call account*	25,473,937	1.19
£68,779,142	Cater Allen call account*	68,779,142	3.22
£50,066,311	Clydesdale Bank call account*	50,066,311	2.34
£119,039	Credit Agricole call account*	119,039	0.01
£102,103,892	KBC Bank call account*	102,103,892	4.78
£197,300,998	Lloyds Bank call account*	197,300,998	9.23
£40,887,073	Nationwide International call account*	40,887,073	1.91
£136,531,974	Royal Bank of Scotland call account*	136,531,974	6.38
£5,059,244	Scottish Widows call account*	5,059,244	0.24
£626,382	Wells Fargo call account*	626,382	0.03
		728,283,701	34.07
	Portfolio of investments	2,137,939,898	100.02
	Net current liabilities	(390,881)	(0.02)
	Total net assets	2,137,549,017	100.00

All investments, unless otherwise stated, are admitted to official stock exchange listings or trade on a regulated market.

*Unlisted securities within the meaning of the Collective Investment Schemes Sourcebook ("COLL").

Statement of total return (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	£	£	£	£
Income				
Net capital gains/(losses)		-		-
Revenue	10,054,008		6,610,136	
Expenses	(1,185,576)		(726,266)	
Finance costs: Interest	-		-	
Net revenue before taxation	8,868,432		5,883,870	
Taxation	-		-	
Net revenue after taxation		8,868,432		5,883,870
Total return before distributions		8,868,432		5,883,870
Finance costs: Distributions		(8,868,432)		(5,883,870)
Change in net assets attributable to shareholders from investment activities		-		-

Statement of change in net assets attributable to shareholders (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	£	£	£	£
Opening net assets attributable to shareholders		1,757,379,979		1,117,120,220
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	6,299,829,095		2,846,697,114	
Less: Amounts paid on cancellation of shares	(5,919,845,605)		(2,393,755,155)	
		379,983,490		452,941,959
Change in net assets attributable to shareholders from investment activities		-		-
Retained distribution on accumulation shares		185,548		314,478
Closing net assets attributable to shareholders		2,137,549,017		1,570,376,657

The above statement shows the comparative closing net assets at 30 September 2010 whereas the current accounting period commenced 1 April 2011.

Balance sheet (unaudited)

as at 30 September 2011

	30.09.11	30.09.11	31.03.11	31.03.11
	£	£	£	£
ASSETS				
Investment assets		2,137,939,898		1,756,502,407
Debtors	1,013,905		2,097,600	
Cash and bank balances	250,245		82,704	
Total other assets		1,264,150		2,180,304
Total assets		2,139,204,048		1,758,682,711
LIABILITIES				
Investment liabilities		-		-
Creditors	(233,410)		(174,633)	
Distribution payable on income shares	(1,421,621)		(1,128,099)	
Total other liabilities		(1,655,031)		(1,302,732)
Total liabilities		(1,655,031)		(1,302,732)
Net assets attributable to shareholders		2,137,549,017		1,757,379,979

Notes to the financial statements (unaudited)

for the period ended 30 September 2011

Accounting policies

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds, issued by the IMA in October 2010.

The accounting policies are consistent with those disclosed within the annual Financial Statements for the year ended 31 March 2011.

Distribution tables

Interim distributions paid

for the period ended 30 September 2011

	Share class 2 - income* £ per share	Share class 3 - income* £ per share	Share class 4 - income* £ per share	Share class 5 - income* £ per share
April 2011 distribution	0.0007	0.0006	0.0006	0.0005
May 2011 distribution	0.0007	0.0007	0.0006	0.0006
June 2011 distribution	0.0007	0.0007	0.0006	0.0006
July 2011 distribution	0.0007	0.0007	0.0006	0.0006
August 2011 distribution	0.0007	0.0007	0.0006	0.0006
September 2011 distribution	0.0007	0.0007	0.0006	0.0006

	Share class 7 - income* £ per share	Share class 8 - accumulation* £ per share	Share class 9 - accumulation* £ per share	Share class 11 - accumulation* £ per share
April 2011 distribution	0.0005	0.0006	0.0005	0.0003
May 2011 distribution	0.0005	0.0007	0.0005	0.0003
June 2011 distribution	0.0005	0.0007	0.0005	0.0003
July 2011 distribution	0.0005	0.0007	0.0005	0.0003
August 2011 distribution	0.0005	0.0007	0.0005	0.0003
September 2011 distribution	0.0005	0.0007	0.0005	0.0004

* from 1 April 2011 to 30 September 2011

Distribution tables (continued)

Interim distributions paid

for the period ended 30 September 2010

	Share class 2 - income* £ per share	Share class 3 - income* £ per share	Share class 4 - income* £ per share	Share class 5 - income* £ per share
April 2010 distribution	0.0007	0.0007	0.0007	0.0006
May 2010 distribution	0.0008	0.0007	0.0007	0.0006
June 2010 distribution	0.0008	0.0007	0.0007	0.0006
July 2010 distribution	0.0008	0.0008	0.0007	0.0007
August 2010 distribution	0.0008	0.0008	0.0007	0.0007
September 2010 distribution	0.0007	0.0007	0.0006	0.0006

	Share class 7 - income* £ per share	Share class 8 - accumulation* £ per share	Share class 9 - accumulation* £ per share	Share class 11 - accumulation* £ per share
April 2010 distribution	0.0005	0.0007	0.0005	0.0004
May 2010 distribution	0.0006	0.0007	0.0006	0.0004
June 2010 distribution	0.0005	0.0007	0.0006	0.0004
July 2010 distribution	0.0006	0.0008	0.0006	0.0004
August 2010 distribution	0.0006	0.0008	0.0006	0.0004
September 2010 distribution	0.0005	0.0007	0.0005	0.0004

* from 1 April 2010 to 30 September 2010

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.

Distributions are paid gross.

US Dollar Liquidity Fund

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 Dollar 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 Report

When the FOMC announce that US rates will not increase for 2 years, the expectation is that circumstances needed to re-stimulate the US economy are some way away. Yet in a world where the USA can see its rating reduced by Standard and Poor's, such pronouncements do not preclude the market from pushing interbank rates up. As such 3 month LIBOR, which started the period at 0.30%, fell back to just 0.245% in mid June, increased from then on to a high of 0.375% by the 30th September.

The increase in LIBOR rates can partially be attributed to the action of US Money Market Funds which withdrew significant amounts from Eurozone banks by the expedient of not renewing maturities, with the resulting cash being reinvested in US Treasuries and agencies. The switch over was considerably less appreciable in Europe, although a move from Eurozone banks to Sovereigns quasi-sovereigns and supra nationals was the norm.

The affect on the PRCM USD liquidity fund has been an increase in securities issued by higher rated entities, but accompanied by further increases in fund yield.

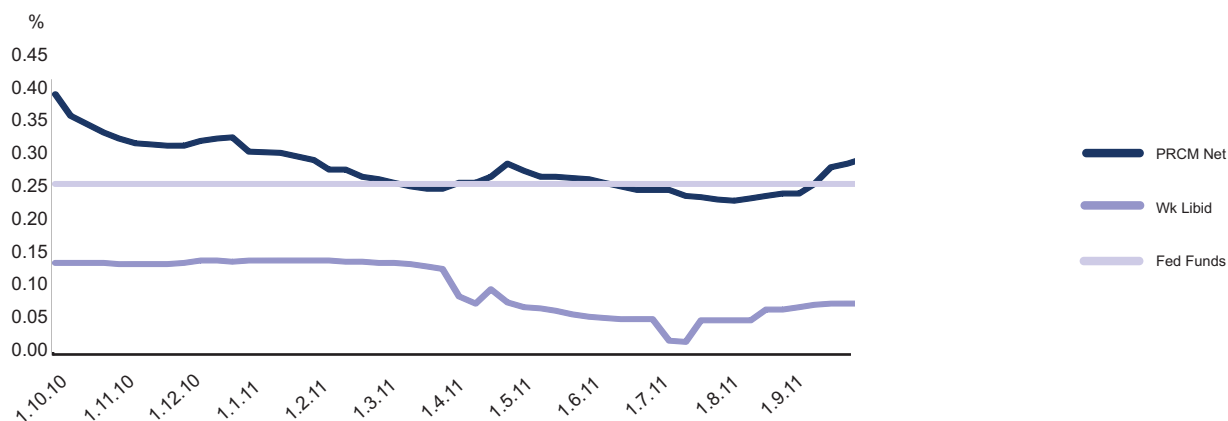
The fund continued to focus on liquidity and security, investing in top quality names for up to 4 months. At the end of September the fund's weighted average maturity was 33.41 days, with just over 40% of the fund maturing within 8 days.

At the end of September 2011 the fund had assets of US\$335m with 61 investors, including the Isle of Man feeder fund with 16% of the fund. The Isle of Man fund itself had 35 investors. Despite the fund's conservative investment criteria it maintained its strong performance with consistent top decile performance against its peers. Performance is shown below both against money market rates and against the IMMFA fund universe.

US Dollar Liquidity Fund

	September 2011	2011 YTD	2010	2009
Prime Rate Yield	0.30	0.27	0.37	1.00
IMMFA Average Yield	0.09	0.12	0.18	0.47
Position v Peer Group	1	1	2	2
Peer Group Universe	21	20	22	21

Money Market and MMF Net Returns USD



Sources: Prime Rate Capital Management LLP, Bloomberg Net returns are for Share Class 3

Performance record

Accounting period performance

The tables below show the total net asset value of the US Dollar Liquidity Fund, the number of shares which go to make up the Fund, and the net asset value of each share.

Date	Share class	Net asset value of share class \$	Number of shares in issue	Net asset value per share \$
30.09.2011	Share class 2 - income	124,753,030	124,753,030	1.0000
31.03.2011	Share class 2 - income	182,224,297	182,224,297	1.0000
30.09.2011	Share class 3 - income	198,426,856	198,426,856	1.0000
31.03.2011	Share class 3 - income	188,845,942	188,845,942	1.0000
30.09.2011	Share class 4 - income	10,782,766	10,782,766	1.0000
31.03.2011	Share class 4 - income	50,000	50,000	1.0000
30.09.2011	Share class 8 - accumulation	583,110	580,000	1.0054
31.03.2011	Share class 8 - accumulation	582,340	579,525	1.0049

Performance record (continued)

Share price history and revenue record

Calendar year	Share class	Highest share price \$	Lowest share price \$	Net revenue per share \$
2011	Share class 2 - income†	1.0000	1.0000	0.0024
2010	Share class 2 - income	1.0000	1.0000	0.0041
2009	Share class 2 - income	1.0000	1.0000	0.0106
2008	Share class 2 - income*	1.0000	1.0000	0.0137
2011	Share class 3 - income†	1.0000	1.0000	0.0020
2010	Share class 3 - income	1.0000	1.0000	0.0038
2009	Share class 3 - income	1.0000	1.0000	0.0096
2008	Share class 3 - income**	1.0000	1.0000	0.0121
2011	Share class 4 - income†	1.0000	1.0000	0.0018
2010	Share class 4 - income	1.0000	1.0000	0.0032
2009	Share class 4 - income***	1.0000	1.0000	0.0059
2011	Share class 8 - accumulation†	1.0062	1.0042	0.0020
2010	Share class 8 - accumulation	1.0042	1.0005	0.0038
2009	Share class 8 - accumulation****	1.0005	1.0000	0.0005

* from 4 August 2008

** from 18 August 2008

*** from 19 March 2009

**** from 13 November 2009

† to 30 September 2011

Total expense ratio

	30.09.2011	31.03.2011
Share class 2 - income*	0.06%	0.07%
Share class 3 - income	0.11%	0.12%
Share class 4 - income	0.16%	0.17%
Share class 8 - accumulation	0.11%	0.12%

The total expense ratio is the annualised ratio of the share classes' total operating cost for the period to their average daily net asset value.

* Investment may only be made into Share class 2 - income when specifically offered by Prime Rate Capital Management LLP.

Portfolio statement (unaudited)

as at 30 September 2011

Holding	Investment	Fair value \$	Percentage of total net assets
Certificates of Deposit - 10.17%; (31 March 2011 - 9.28%)			
\$12,000,000	ABN Amro Certificate of Deposit 16/11/2011	11,994,179	3.59
\$12,000,000	Caisse D'Amortissement Certificate of Deposit 23/01/2012	11,978,761	3.58
\$10,000,000	Credit Agricole 0.42% Certificate of Deposit 1/11/2011	10,000,000	3.00
		33,972,940	10.17
Commercial Papers - 46.43%; (31 March 2011 - 60.90%)			
\$1,000,000	Aviva Commercial Paper 20/10/2011	999,831	0.30
\$5,000,000	Aviva Commercial Paper 12/12/2011	4,996,303	1.49
\$13,500,000	Bank Nederlandse Commercial Paper 7/11/2011	13,495,079	4.02
\$10,000,000	Bank of Western Australia Commercial Paper 19/12/2011	9,993,093	2.99
\$10,000,000	BCCE Luxembourg Commercial Paper 29/12/2011	9,989,134	2.99
\$10,000,000	BNP Paribas Commercial Paper 9/12/2011	9,990,429	2.99
\$1,000,000	Caisse Dépôts Consignations Commercial Paper 21/12/2011	998,989	0.30
\$6,500,000	DZ Private Bank Commercial Paper 3/10/2011	6,499,715	1.94
\$6,500,000	DZ Private Bank Commercial Paper 31/10/2011	6,495,453	1.93
\$10,000,000	Erstaa Commercial Paper 6/12/2011	9,993,223	2.99
\$13,500,000	FMS Wertmanagement Commercial Paper 28/11/2011	13,494,133	4.03
\$6,500,000	KA Finanz Commercial Paper 26/10/2011	6,495,580	1.94
\$13,000,000	L'Agence Centrale Commercial Paper 25/11/2011	12,994,246	3.88
\$11,000,000	Nationwide Commercial Paper 2/11/2011	10,997,264	3.29
\$14,000,000	Nederlandse Waterschapsbank Commercial Paper 3/11/2011	13,995,961	4.18
\$5,000,000	Pohjola Bank Commercial Paper 26/10/2011	4,998,682	1.49
\$3,000,000	Pohjola Bank Commercial Paper 23/11/2011	2,995,814	0.90
\$6,000,000	Pohjola Bank Commercial Paper 28/11/2011	5,990,936	1.79
\$10,000,000	Vasteras Commercial Paper 1/12/2011	9,993,059	2.99
		155,406,924	46.43
Term Deposits - 36.42%; (31 March 2011 - 26.23%)			
\$30,705,471	Barclays USD call account*	30,705,471	9.18
\$221,678	Clydesdale Bank call account*	221,678	0.07
\$15,985,192	KBC Bank call account*	15,985,192	4.78
\$30,893,749	Lloyds USD call account*	30,893,749	9.23
\$13,135,853	Nationwide International call account*	13,135,853	3.93
\$11,090,878	Santander call account*	11,090,878	3.32
\$19,757,523	Wells Fargo call account*	19,757,523	5.91
		121,790,344	36.42
US Dollar Denominated Fixed Rate Bonds - 5.19%; (31 March 2011 - 2.22%)			
\$120,000	Australia & New Zealand Bank 5.125% European Medium Term Notes 14/11/2011	120,613	0.04
\$2,000,000	General Electric Capital 4.375% Medium Term Notes 21/11/2011	2,010,993	0.60
\$710,000	General Electric Capital 5% Medium Term Notes 15/11/2011	713,917	0.21
\$6,629,000	Total Capital SA 4.125% Medium Term Notes 6/10/2011	6,631,777	1.98
\$7,924,000	Total Capital SA 5% Medium Term Notes 10/10/2011	7,932,865	2.36
		17,410,165	5.19

Portfolio statement (unaudited) (continued)

as at 30 September 2011

Holding	Investment	Fair value \$	Percentage of total net assets
	US Dollar Denominated Variable Rate Bonds - 1.59%; (31 March 2011 - 2.39%)		
\$300,000	BNZ International Floating Rate Notes 8/12/2011	299,714	0.09
\$2,000,000	General Electric Capital Floating Rate Notes 21/11/2011	2,000,259	0.60
\$3,000,000	UBS AG London Floating Rate Notes 26/10/2011	3,001,459	0.90
		5,301,432	1.59
	Portfolio of investments	333,881,805	99.80
	Net current assets	663,957	0.20
	Total net assets	334,545,762	100.00

All investments, unless otherwise stated, are admitted to official stock exchange listings or trade on a regulated market.

*Unlisted securities within the meaning of the Collective Investment Schemes Sourcebook ("COLL").

Statement of total return (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	\$	\$	\$	\$
Income				
Net capital gains/(losses)		-		-
Revenue	724,481		773,436	
Expenses	(179,814)		(123,445)	
Finance costs: Interest	-		-	
Net revenue before taxation	544,667		649,991	
Taxation	-		-	
Net revenue after taxation		544,667		649,991
Total return before distributions		544,667		649,991
Finance costs: Distributions		(544,667)		(649,991)
Change in net assets attributable to shareholders from investment activities		-		-

Statement of change in net assets attributable to shareholders (unaudited)

for the period ended 30 September 2011	30.09.11	30.09.11	30.09.10	30.09.10
	\$	\$	\$	\$
Opening net assets attributable to shareholders		371,702,580		227,381,852
Movement due to creation and cancellation of shares:				
Amounts received on creation of shares	260,640,996		370,559,599	
Less: Amounts paid on cancellation of shares	(297,798,583)		(250,906,189)	
		(37,157,587)		119,653,410
Change in net assets attributable to shareholders from investment activities		-		-
Retained distribution on accumulation shares		769		1,080
Closing net assets attributable to shareholders		334,545,762		347,036,342

The above statement shows the comparative closing net assets at 30 September 2010 whereas the current accounting period commenced 1 April 2011.

Balance sheet (unaudited)

as at 30 September 2011

	30.09.11	30.09.11	31.03.11	31.03.11
	\$	\$	\$	\$
ASSETS				
Investment assets		333,881,805		375,508,678
Debtors	772,794		686,639	
Cash and bank balances	11,364		15,219	
Total other assets		784,158		701,858
Total assets		334,665,963		376,210,536
LIABILITIES				
Investment liabilities		-		-
Creditors	(31,513)		(4,417,728)	
Distribution payable on income shares	(88,688)		(90,228)	
Total other liabilities		(120,201)		(4,507,956)
Total liabilities		(120,201)		(4,507,956)
Net assets attributable to shareholders		334,545,762		371,702,580

Notes to financial statements (unaudited)

for the period ended 30 September 2011

Accounting policies

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds, issued by the IMA in October 2010.

The accounting policies are consistent with those disclosed within the annual Financial Statements for the year ended 31 March 2011.

Distribution table (unaudited)**Interim distributions paid**

for the period ended 30 September 2011

	Share class 2 - income* \$ per share	Share class 3 - income* \$ per share	Share class 4 - income* \$ per share	Share class 8 - accumulation* \$ per share
April 2011 distribution	0.0003	0.0002	0.0002	0.0002
May 2011 distribution	0.0003	0.0002	0.0002	0.0002
June 2011 distribution	0.0003	0.0002	0.0002	0.0002
July 2011 distribution	0.0002	0.0002	0.0002	0.0002
August 2011 distribution	0.0002	0.0002	0.0002	0.0002
September 2011 distribution	0.0003	0.0003	0.0002	0.0003

* from 1 April 2011 to 30 September 2011

Interim distributions paid

for the period ended 30 September 2010

	Share class 2 - income* \$ per share	Share class 3 - income* \$ per share	Share class 4 - income* \$ per share	Share class 8 - accumulation* \$ per share
April 2010 distribution	0.0003	0.0003	0.0002	0.0003
May 2010 distribution	0.0003	0.0003	0.0003	0.0003
June 2010 distribution	0.0004	0.0003	0.0003	0.0003
July 2010 distribution	0.0004	0.0004	0.0004	0.0004
August 2010 distribution	0.0005	0.0004	0.0004	0.0004
September 2010 distribution	0.0004	0.0004	0.0003	0.0004

* from 1 April 2010 to 30 September 2010

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.

Distributions are paid gross.

Useful information

Report and Accounts

This document is the Manager's Interim Long Form Report of the Prime Rate Cash Management Funds, for the period ended 30 September 2011. All information provided is at 30 September 2011 unless otherwise stated.

Important Company names and addresses

The Authorised Corporate Director:	Prime Rate Capital Management LLP One Vine Street London W1J 0AH (Authorised and regulated by the Financial Services Authority)
Partners of the ACD:	J. Benson H. Buckmaster D. Gepp G. Haywood Matrix PRCM Limited
Investment Adviser:	Prime Rate Capital Management LLP One Vine Street London W1J 0AH (Authorised and regulated by the Financial Services Authority)
Registrar of Shareholders:	The Bank of New York Mellon Europe Limited 12 Blenheim Place Edinburgh EH7 5JH
Depositary of the Company:	BNYMellon Trust & Depositary (UK) Limited The Bank of New York Mellon Centre 160 Queen Victoria Street London EC4V 4LA (Authorised and regulated by the Financial Services Authority)
Independent Auditors:	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY