



SWIP  
GLOBAL  
LIQUIDITY  
FUND PLC

TRIPLE A RATED MONEY  
MARKET FUNDS

For professional use only -  
not to be relied upon by retail clients



# About SWIP

Scottish Widows Investment Partnership (SWIP) is one of Europe's largest asset management companies.

Our reputation is built on innovation, insight and teamwork; essential elements in our relentless pursuit of consistent, strong performance.

We manage over £97 billion\* worth of assets, for a diverse range of clients, invested across all the major asset classes. We offer a comprehensive product range designed to meet investors' needs.

Our unique, highly disciplined investment process focuses on in-depth research and analysis, coupled with our team approach to generating the very best investment ideas across all our funds.

Both independently and through partnerships with other organisations, we have a physical presence that stretches around the world. This truly international dimension heightens our awareness of global investment developments and issues and enhances our ability to manage client relationships on a global basis.

Forward thinking and strategic acumen combined with the analytical and inquisitive strengths of our investment team are what sets us apart from our peers.

In a results-driven industry, the team from SWIP possesses the knowledge, experience and skill to deliver consistent investment returns for our clients.

\*Source: SWIP, as at 31 December 2007

# Institutional money market funds

An attractive alternative to traditional short-term money market deposits.

Institutional money market funds provide treasurers and investment managers with an attractive alternative to traditional short-term money market deposits. They combine the benefits of same day liquidity with the potential for a competitive return based on the average yield of the underlying investment assets.

Investment assets typically comprise a diversified pool of short-term money market instruments. These include fixed or floating instruments, commercial paper, floating rate notes, certificates of deposit, debentures, asset backed securities and bonds.

Investment companies actively manage these instruments within rigid and transparent investment guidelines with the primary aim of preserving capital. This low risk approach is often recognised by the awarding of a triple A managed rating to these funds by the independent debt agencies.





# The growth of money market funds

In the United States, money market funds were introduced in the early 1970s and are now firmly established as one of the major ways in which investors manage their cash assets. Today, over \$3.354 trillion\* (more than one third of total US mutual fund assets) of retail, corporate and institutional monies are managed in this way.

While the market in Europe is less developed, and bank deposits remain the traditional route for treasury management, this class of investment is rapidly gaining in popularity. Changes in investor practices, growing constraints of the deposit market and the need to maximise returns within a hitherto less 'active' asset class has fuelled much of this growth. Collectively, these have been instrumental in influencing treasurers to look further than bank deposits for cash management. The popularity of institutional money market funds stems from their ability to replicate the access and security aspects of bank deposits and to combine these features with the potential for greater returns.

Recent European regulatory changes – which provide favourable capital adequacy and liquidity treatment for direct investment in money market funds by banks and other financial institutions – are expected to result in a step change in the popularity and use of the product as part of their liquidity cash management strategies.

\*Source: iMoneyNet as at 20 February 2008

## HOW TRIPLE A MONEY MARKET FUNDS OPERATE

Asset managers in the UK operate offshore, institutional money market funds as open ended investment companies. These mirror many consumer based investment products where investors buy and sell shares in the underlying company.

The leading international rating agencies assess the funds offered in the UK for credit, market and management risk, awarding ratings reflecting the strength of these factors.

As a key constituent of the rating award, money market funds offer daily liquidity which facilitates easy withdrawal for investors. Funds accrue yield (i.e. interest) daily and this is paid out monthly, and can either be automatically

re-invested or paid to a nominated bank account. For the convenience of investors, movements can normally be requested by telephone portal or fax. The result is a product that operates in much the same way as a money market call deposit account. Yield details are published daily on the website of the fund provider.

Institutional money market funds can invest in a range of financial instruments including certificates of deposit, commercial paper, government securities, corporate bonds, fixed term deposits, asset backed securities and repurchase agreements. The performance of a fund can be influenced by its size; larger funds often having greater flexibility to invest in longer dated and higher yielding securities whilst still retaining their triple A rating. Like many other types of collective investments, they provide the benefit of scale and access to investment expertise but with the added advantage of daily liquidity.

# Security, access and performance

The SWIP Global Liquidity Fund plc, through its Sterling, Euro and US Dollar Sub-Funds (“the Funds”) offers institutional investors a combination of security through investment in a triple A rated Fund, instant access with no penalties (under normal circumstances)\* and highly competitive money market yields. The Funds are ideal for those companies that require access to their surplus cash at short notice. Investors can withdraw money by either a simple telephone call or fax message. Sale proceeds are normally credited on the same day with no charges applied.

## MAIN FEATURES

### SECURITY

Our Funds have each been awarded Aaa/MR1+ managed ratings from Moody’s, the agency’s highest rating awarded to money market funds. Funds rated MR1+ operate on a stable net asset value basis and are deemed to have very low sensitivity to changing interest rates and other adverse market conditions.

The Funds’ investment assets are legally ring-fenced and the investment manager (Scottish Widows Investment Partnership Ltd) is required to adhere to strict investment parameters. The investment portfolios are subject to regular overview by Moody’s to ensure we maintain the integrity of the ratings.

### ACCESS

The Funds offer penalty-free (under normal circumstances)\* daily liquidity for investors.

### WEIGHTED AVERAGE MATURITY

The Funds operate to a maximum weighted average maturity of 60 days for interest rate exposure purposes. This is the longest weighted average maturity allowed for triple A rated funds, and helps maintain ready liquidity.

### PERFORMANCE

The Funds aim to deliver a yield which is greater than 7-day LIBID (London Interbank Deposit Rate), rolling 30 days.

### CURRENCY

The Funds are available in either Sterling, Euro or US Dollars.

\*Exceptions apply. Please refer to the Prospectus for more information.

# Experience and quality service

The SWIP Global Liquidity Fund investment and service teams have many years experience of managing large cash funds.

## EXPERIENCED TEAM

The SWIP Global Liquidity Fund investment and service teams have many years experience of managing large cash funds and fully understand the service requirements of investors.

## FUND LIQUIDITY

Since launch, the SWIP Global Liquidity Fund has almost tripled in size, from £3.1 billion to £8.9 billion as at 31 March 2008\*, making it one of the largest funds of its kind in Europe. This allows us to maintain a proportion of assets in short dated cash instruments and means we are normally able to meet any redemptions straight away without affecting longer term securities.

\*Source: SWIP

## INVESTMENT LIMITS

There are different share classes to take account of different levels of investment. Shares are issued with a face value of £1, €1 or \$1 and are valued daily on a Stable Net Asset Value basis. This means that share prices do not change and investors are normally able to redeem their shares at par at any time. Interest yields are also calculated daily and paid monthly or can be re-invested in the Funds to purchase additional shares.

## COSTS

All internal operating costs are met by the Funds. The efficiencies of pooling the assets of many investors means that charges can be kept to a minimum.

## SERVICE EXCELLENCE

We know that the success of our clients' cash management operations depends to a large degree on our ability to effectively service their account. We have therefore developed a range of service elements which ensure the smooth running of all client accounts.

## CASH SERVICES UNIT

The Unit is open from 8am until 5pm each working day. It handles all initial share application forms and subsequent subscriptions (deposits) or redemptions (withdrawals) as well as answering any queries you may have. Requests received by the dealing deadline will be processed on that day. The dealing deadlines are 12:30pm for the Sterling Liquidity Fund, 1pm for the Euro Liquidity Fund and 2pm for the Dollar Liquidity Fund. All later requests will be handled on the next working day. Transactions are normally confirmed by fax immediately after they are executed. You can contact the unit on **+44 (0)131 655 2980**.

## MONTHLY STATEMENTS

These show all movements over your account as well as the interest earned during the previous month.

## CLIENT SUPPORT

Our experienced Client Support team is available to provide expert guidance on establishing and operating your account. Initial application forms together with other information is available on our website:

[www.swip.com/liquidity](http://www.swip.com/liquidity)



# Would you like to know more?

We hope that you are now fully aware of our investment capabilities and how we can help meet your money market requirements. If you would like to talk more about our funds, or any of your other investment needs, then please do not hesitate to get in touch.



Contact us for more information:  
**+44 (0) 131 655 2980**

[aaa.fund@swip.com](mailto:aaa.fund@swip.com)

[www.swip.com/liquidity](http://www.swip.com/liquidity)

Scottish Widows Investment Partnership Limited\*, Company No 794936, registered in the United Kingdom in England and Wales. Registered office: 10 Fleet Place, London EC4M 7RH.

Scottish Widows Investment Partnership Limited is the manager and marketing agent for SWIP Global Liquidity Fund plc\*\*, an Open Ended Investment Company registered in the Republic of Ireland (Registered No. 351460). Registered office 25/28 North Wall Quay, Dublin 1, Ireland.

\*Regulated by the Financial Services Authority. \*\*Regulated by the Irish Financial Services Regulatory Authority.

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