



For immediate release: Wednesday 17 September 2008

IMMFA STATEMENT ON MARKET CONDITIONS

Late last night, The Reserve Management Corporation announced that one of its funds, a US domiciled fund managed out of New York, was unable to maintain a US\$1.00 net asset value, a situation known as 'breaking the buck'. It should be noted that The Reserve Management Corporation is not a member of the Investment Company Institute nor IMMFA, the two recognised trade associations for money market funds.

This is an extremely rare event, triggered by unprecedented market conditions. The situation is a result of exposure of the Reserve fund to unsecured Lehman debt securities. Whilst it is not our policy to comment on individual funds' holdings, IMMFA has consulted its members and is confident that this is an isolated incident related to Lehman Brothers.

The Board of IMMFA continues to work closely with its members and with European regulators to monitor the ongoing situation in the money market and the impact on the money market fund industry.

Importantly, the fundamental structure of money market funds remains sound. Money market funds have been, and continue to remain, a successful product and investment of choice for short-term cash. These funds have experienced significant growth over the last year, indicating their ability to deliver on their objectives of capital security and liquidity during these testing market conditions. This has been achieved through prudent management, diversification of risk, and the stringent rules governing the management and investment of the funds.

IMMFA members' money market funds are all authorised under the UCITS Directive and the associated investment parameters (including strict restrictions on eligibility of assets, asset maturity and diversification), and have all been awarded the highest available fund rating from one or more of the independent rating agencies. In addition, all IMMFA members must adhere to the IMMFA Code of Practice, which places explicit requirements on investment managers to ensure any instrument held within the fund presents appropriate risk, both initially and for the duration the instrument is held by the fund.

-Ends-

1. About IMMFA - IMMFA was established on 14 June 2000, and currently has 37 members. It is the trade association for providers of triple-A rated money



market funds, and covers nearly all of the major providers of this type of fund outside the US. Funds under management exceed €460 billion as at 12 September 2008.

2. All IMMFA funds must have been awarded the highest available fund rating from one of more of Moody's Investors Services (Aaa/MR1+), Standard & Poor's (AAAm) or Fitch Ratings (AAA/V-1+).
3. All data from iMoneyNet.

www.immfa.org

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