
DAILY DOLLAR INTERNATIONAL, LTD.

87 MARY STREET,
GEORGE TOWN, GRAND CAYMAN
KY1-9002
BRITISH WEST INDIES
(345) 945-3727

SUPPLEMENT DATED OCTOBER 16, 2009 TO THE PROSPECTUS FOR THE INSTITUTIONAL CLASS, INSTITUTIONAL SERVICE CLASS, INVESTOR CLASS, INVESTOR SERVICE CLASS, AND RETAIL CLASS DATED JANUARY 15, 2009

On October 16, 2009, the Board of Directors of Daily Dollar International, Ltd. (the "Fund") approved the creation of a new share series of the Fund, the Premier Institutional Class. The Premier Institutional Class will have the same investment objective and investment policies and will be subject to the same investment restrictions as currently disclosed in the Prospectus.

On October 16, 2009, the Board of Directors of the Fund also approved an increase in the administrative services fee payable to Reich & Tang Asset Management, LLC (the "Investment Manager") pursuant to the Administrative Services Contract dated October 15, 2003. Effective October 16, 2009, the administrative services fee payable to the Investment Manager will be increased from 0.01% to 0.04% of the Fund's average daily net assets. Effective October 16, 2009, the Investment Manager has agreed to waive its fees and/or reimburse Fund expenses, excluding extraordinary expenses, in order to maintain total annual operating expenses for each series of the Fund at the level existing on August 31, 2009 (the "Expense Cap"). The Expense Cap arrangement will remain in effect through May 31, 2011.

The Prospectus is hereby amended in order to incorporate the Premier Institutional Class, to reflect the increase in the administrative services fee and the Expense Cap arrangement, and to disclose a change in the definition of a "Fund Business Day":

The sixth sentence in the first paragraph on the cover page is hereby deleted and replaced with the following:

"The Portfolio currently offers eight series of shares: Institutional Class, Institutional Service Class, Premier Institutional Class, Investor Class, Investor Service Class, Retail Class, BNP Paribas International Money Market Fund Class (the "BNP Class") and the Advantage Offshore Liquidity Fund Class (the "Advantage Class"). A purchase into the Premier Institutional Class requires a minimum initial investment of \$25,000,000."

On pages 4 - 6, the sixth, seventh and eighth paragraphs under the section entitled "Investment Manager," are deleted in their entirety and replaced with the following:

"For its services under the Investment Management Contract, the Investment Manager receives a fee (the "Investment Management Fee") from the Portfolio, accrued daily and paid monthly, at the annual rate of: (i) 0.20% of the average daily net assets for the Institutional Class, Institutional Service Class, Investor Class, Investor Service Class, and Retail Class and (ii) 0.12% of the average daily net assets for the Premier Institutional Class. For the Fund's fiscal years ended May 31, 2007, May 31, 2008 and May 31, 2009, the fees payable to the Investment Manager were \$3,012,229, \$5,285,634 and \$5,249,732 respectively, for its management services under the Investment Management Contract of which \$1,082,852, \$1,585,690 and \$1,061,061, respectively, were waived for each year. The Investment Manager may waive all or a portion of the Investment Management Fee and such waiver may differ among series of the Fund. In addition, with respect to the Premier Institutional Class, at the Investment Manager's discretion, the Investment Manager may retrocede a portion of the Investment Management Fee to certain shareholders in the Premier Institutional Class based on certain factors, including, but not limited to, investment amount, special growth opportunities presented to the Fund, or other factors that may contribute substantially to long-term economies of scale of the Fund.

Pursuant to the Investment Management Contract with the Fund, the Investment Manager also performs clerical, accounting, supervision and office service functions for the Fund and provides the Fund with the personnel to supervise the performance of bookkeeping and related services by The Bank of New York Mellon, the Fund's bookkeeping agent, and performs such other services as the Fund may from time to time request of the Investment Manager. The personnel rendering such services may be employees of the Investment Manager or its affiliates. For these services the Investment Manager receives a fee of 0.01% per annum of the Fund's average daily net assets. For the fiscal years ended May 31, 2007, May 31, 2008 and May 31, 2009, the Investment Manager received \$150,611, \$264,282 and \$262,487, respectively, for these services. The Investment Manager, at its discretion, may waive all or a portion of such fee and such waiver may differ among series of the Fund.

Pursuant to an Administrative Services Contract, dated October 15, 2003, as amended on October 16, 2009, the Investment Manager provides certain administrative services for the Fund, including certain payment and deposit functions relating to the Fund accounts, keeping the Fund's Register of Members and compliance with Cayman Islands anti-money laundering law and regulation. Prior to October 16, 2009, for its services under the Administrative Services Contract, the Investment Manager received a fee from the Fund, accrued daily and paid monthly, at an annual rate of 0.01% of the Fund's average daily net assets. For the fiscal years ended May 31, 2007, May 31, 2008 and May 31, 2009, the Investment Manager received \$150,611, \$264,282 and \$262,487, respectively, for these services. Effective October 16, 2009, for its services under the Administrative Services Contract, the Investment Manager will receive a fee from the Fund, accrued daily and paid monthly, at an annual rate of 0.04% of the Fund's average daily net assets. The Investment Manager, at its discretion, may waive all or a portion of such fee and such waiver may differ among series of the Fund.

On page 7, in the section entitled "Distributor and Shareholder Servicing Agent" the following sentence is deleted:

"There are no distribution or service fees associated with the Institutional Class."

and replaced with the following:

"There are no distribution or service fees associated with the Premier Institutional Class or the Institutional Class."

On page 8, the section entitled "Other Expenses" is supplemented with the following:

Total annualized fund operating expenses for the fiscal quarter ended August 31, 2009, before any waivers or reimbursements were as follows: Institutional Class: 0.30%; Institutional Service Class: 0.55%; Investor Class: 0.83%; Investor Service Class: 0.98%; and Retail Class: 1.13%. Actual total annualized fund operating expenses for the fiscal quarter ended August 31, 2009 were as follows: Institutional Class: 0.30%; Institutional Service Class: 0.49%; Investor Class: 0.63%; Investor Service Class: 0.51%; and Retail Class: 0.52%. The total expenses for the Portfolio based on the actual results of the fiscal quarter ended August 31, 2009 were \$3,274,971, representing an annualized ratio of 0.44% of the average daily net assets of the Portfolio (without regard to series) for the fiscal quarter ended August 31, 2009.

Effective October 16, 2009, the Fund's Investment Manager has contractually agreed to waive fees and/or reimburse Fund expenses, excluding extraordinary expenses, in order to maintain total annual fund operating expenses at: 0.30% for the Institutional Class; 0.55% for the Institutional Service Class; 0.83% for the Investor Class; 0.98% for the Investor Service Class; 1.13% for the Retail Class and 0.16% for the Premier Institutional Class (the "Expense Cap"). The Expense Cap will remain in effect through May 31, 2011."

On page 10, the second sentence in the section entitled "Net Asset Value" is deleted and replaced with the following:

"A Fund Business Day is each day on which U.S. federal banks and the New York Stock Exchange are open for business."

On page 12 in the section entitled "Purchases and Redemptions," the following is added as the penultimate sentence to the first full paragraph:

"With respect to the Premier Institutional Class, the minimum initial investment is \$25,000,000. There is no minimum amount for subsequent investments."

On page 19, the section entitled "Description of Shares" is deleted in its entirety and replaced with the following:

"DESCRIPTION OF SHARES"

The authorized share capital of the Fund is U.S. \$10 million and consists of 10 billion shares having a par value of \$0.001 (U.S.) per share (the "Shares"), 9.5 billion of which have been classified and are currently divided into one class, referred to herein as the "Portfolio." The Fund reserves the right to add additional classes (portfolios) in the future. The Portfolio is currently divided into eight series of Shares, the Premier Institutional Class Shares consisting of 2 billion Shares; the

Institutional Class Shares consisting of 1.5 billion Shares; the Retail Class Shares and the Investor Service Class Shares consisting of 1.25 billion Shares each; the Institutional Service Class Shares, the BNP Class Shares and the Advantage Class Shares consisting of 1 billion Shares each; and the Investor Class Shares consisting of 500 million Shares. The BNP Class and Advantage Class Shares are not offered in this Prospectus. Each Share of each series represents an interest in the same investment portfolio of the Portfolio. The subscription price for Shares is the net asset value as determined on each Fund Business Day, which is expected to be \$1.00 per Share. As described above, under "Investment Manager" and "Distributor and Shareholder Servicing Agent," differing investment management fees, distribution and service fees and certain expense allocations are associated with each series of Shares. To the extent identifiable as being attributable to a specific series, the Portfolio's operating expenses will be allocated to that series. In addition, with respect to the Premier Institutional Class, at the Investment Manager's discretion, the Investment Manager may rebate all or a portion of the Investment Management Fee to certain shareholders in the Premier Institutional Class.

If one or more series should become insolvent then a creditor may be able to attach to the assets of the other series and, in this respect, assets are not segregated. The dividends payable on Retail Class Shares can be expected to be less than the dividends payable on Investor Service Class Shares, which in turn can be expected to be less than the dividends payable on Investor Class Shares, which in turn can be expected to be less than the dividends payable on Institutional Service Class Shares, which in turn can be expected to be less than the dividends payable on Institutional Class Shares, which in turn can be expected to be less than the dividends payable on Premier Institutional Class Shares.

Each Participating Organization will determine which series of Shares it sells. Certain Participating Organizations may offer more than one series of Shares to their customers.

Subject to the exceptions set forth below, all decisions of the shareholders are made by the holders of two-thirds of outstanding Shares (whether BNP Class, Advantage Class, Premier Institutional Class Shares, Institutional Class Shares, Institutional Service Class Shares, Investor Class Shares, Investor Service Class Shares or Retail Class Shares) represented at a meeting, provided that a quorum of the holders of one-third of the outstanding Shares is present. Notwithstanding the foregoing, (a) any merger or consolidation shall require approval by a majority of the holders of all outstanding Shares voted at a meeting at which such majority is represented (although a proposal to dissolve and wind up the Fund would require adoption of an ordinary resolution of shareholders) or by unanimous written consent; (b) amendments to the Memorandum and Articles of Association must be approved by two-thirds of votes of all issued Shares cast at a meeting at which not less than one-third of the issued and outstanding Shares are represented or by unanimous written consent; and (c) the rights of holders of any class or series of Shares may not be modified except by the vote of two-thirds of holders of the outstanding Shares of such class or series, voting as a single class or series. There are no conversion or preemptive rights in connection with any Shares. All Shares, when duly issued, will be fully paid and non-assessable. Any matter referred to herein may also be adopted by unanimous resolution in writing with respect to a particular matter of the Shares entitled to vote. The Fund does not hold annual meetings of shareholders. Special meetings of shareholders may be called by the Board of Directors and shall be called at the request of the holders of 20% or more of the outstanding Shares. All shareholders' meetings will be held in the Cayman Islands or such other location, as the Board of Directors shall determine. All shareholders' meetings require at least seven days' notice although, unless an emergency exists, shareholders will be given at least 21 days' notice of any meeting of shareholders. Except with respect to certain matters, holders of one-third or more of the outstanding Shares comprise a quorum at any shareholders' meeting.

The Fund's Shares have non-cumulative voting rights, which means that the holders of more than 50% of the Shares voting for the election of directors will be able to elect all of the directors if they choose to do so, and in such event the holders of the remaining less than 50% of the Shares voting for such election of directors will not be able to elect any person or persons as directors.

Shares will be issued in book-entry form only. Share certificates will not be issued."

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87 Mary Street
George Town, Grand Cayman
KY1-9002
British West Indies
(345) 945-3727

PROSPECTUS January 15, 2009

Daily Dollar International, Ltd. (formerly Daily Dollar International, Ltd. II), a Cayman Islands exempted company (the "Fund"), is an open-ended investment company which has its registered office in Grand Cayman, British West Indies. The Fund currently consists of one investment portfolio, which is referred to as Class A in the Fund's Articles of Association (the "Portfolio"). The Fund reserves the right to add additional investment portfolios (or classes) in the future. The Portfolio's investment objective is liquidity and high current income consistent with preservation of capital. The Portfolio pursues this objective by investing in a diversified portfolio of money market obligations with maturities of 397 days or less. The Portfolio currently offers seven series of shares: Institutional Class, Institutional Service Class, Investor Class, Investor Service Class, Retail Class, BNP Paribas International Money Market Fund Class (the "BNP Class") and the Advantage Offshore Liquidity Fund Class (the "Advantage Class"). A purchase into Institutional Class or Institutional Service Class requires a minimum initial investment of \$1,000,000. A purchase into Investor Class or Investor Service Class requires a minimum initial investment of \$100,000 and a purchase into Retail Class requires a minimum initial purchase of \$1,000 for Participant Investors and \$5,000 for all other investors. There is no minimum initial investment for the BNP or Advantage Classes. The BNP Class is available only through BNP Paribas Securities Corp. and BNP Paribas Miami Agency, the Advantage Class is available only through Oppenheimer & Co. Inc. and its affiliates. The BNP and Advantage Classes are not offered in this Prospectus.

The distribution of this Prospectus and the offering of shares of the Fund may be restricted in certain jurisdictions; persons possessing this Prospectus are required to inform themselves of and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

No person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering of the Fund's shares and, if given or made, such information or representations must not be relied on as having been authorized by the Fund Administrator. Neither the delivery of this Prospectus nor the issuance of shares of the Fund shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund since the date hereof.

No Registration Statement has been filed with the United States Securities and Exchange Commission or any state securities authority with respect to this offering. The shares of the Fund have not been and will not be registered under the United States Securities Act of 1933 and may not be offered, sold or otherwise transferred directly or indirectly to any United States citizen or resident or to any corporation, partnership, trust or other entity chartered or organized under the laws of any jurisdiction in the United States of America, its territories or possessions. Shares of the Fund may be purchased by a discretionary account or similar account (not an estate or trust) held by a dealer or other professional fiduciary for the benefit of a non-U.S. citizen or resident provided that the fiduciary adheres to certain required representations and undertakings.

THE FUND

Daily Dollar International, Ltd. (formerly Daily Dollar International, Ltd. II) was incorporated in the Cayman Islands on May 23, 2001 and exists under the laws of the Cayman Islands. The Fund's principal office is located at the offices of BNY Fund Management (Cayman) Limited, Anchorage Centre, P.O. Box 2634GT, George Town, Grand Cayman, British West Indies. The Fund's registered office is located at the offices of Walkers SPV Limited, Walkers House, 87 Mary Street, George Town, Grand Cayman KY1-9002, British West Indies. The Fund's investment manager is Reich & Tang Asset Management, LLC (the "Investment Manager") and its administrator is BNY Fund Management (Cayman) Limited (the "Fund Administrator"). The Investment Manager also provides certain administrative services to the Fund. The Fund reserves the right to change its name in the future to such name as the directors, in their sole discretion, think fit and participating shareholder consent will not be sought for such change of name. The Fund's fiscal year end is May 31.

Shares of the Fund may not be purchased, directly or indirectly, by any citizen or resident of the United States or by any corporation, partnership, trust or other entity chartered or organized under the laws of any jurisdiction in the United States or its territories or possessions (hereinafter referred to as "United States Persons"). This Prospectus does not constitute an offer of the Shares (as defined below in the section entitled Description of Shares) to any member of the public in the Cayman Islands and Shares may not be offered to any member of the public in the Cayman Islands. Shares may not be sold, transferred, conveyed, assigned or disposed of without the prior written consent of the Directors, which may be withheld in their absolute discretion.

INVESTMENT OBJECTIVE AND POLICIES

The Portfolio's objective is to seek to provide liquidity and high current income to the extent consistent with the preservation of capital. There is no assurance that the Portfolio will achieve its investment objective. The investment objective of the Portfolio may not be changed without approval by the Portfolio's shareholders.

Set forth below are the investment policies of the Portfolio. The investment policies may be changed by the Board of Directors of the Fund without approval by the Portfolio's shareholders.

It is the current policy of the Portfolio to seek to derive all of its gross income during each year from debt obligations the income from which is treated for United States Federal income tax purposes, under the provisions of section 862 of the Internal Revenue Code of 1986, as amended, as income from sources outside the United States. Income from the following types of debt obligations in which the Portfolio invests will, except under certain circumstances, be treated for federal income tax purposes as income from sources outside the United States: (i) obligations of non-United States branches of non-United States banks; (ii) obligations of foreign branches of United States banks; (iii) obligations issued or guaranteed by foreign governments; and (iv) commercial paper of non-United States issuers, including foreign banks. Investors desiring more detailed information as to the exact circumstances under which income from the foregoing types of debt obligations will not be treated as income from sources outside the United States should consult their tax advisers.

The Portfolio does not purchase securities which it believes, at the time of purchase, will be subject to exchange controls or foreign withholding taxes; however, there can be no

assurance that such laws may not become applicable to certain of the Portfolio's investments. In the event unforeseen exchange controls or foreign withholding taxes are imposed with respect to any of the Portfolio's investments, the effect may be to reduce the income received by the Portfolio on such investments. The Portfolio expects that it will not retain an investment on which exchange controls or foreign withholding taxes are imposed.

The Portfolio seeks to attain its investment objective through investments limited to the types of money market instruments listed below, provided they are denominated in United States dollars and have a remaining maturity of 397 days or less. Investment in short term instruments may, in some circumstances, result in a lower yield than would be available from investments in instruments with a longer term.

- (1) The Portfolio intends to invest at least 25% of its assets, and may invest up to 100% of its assets, in bank obligations. These obligations include, but are not limited to, negotiable certificates of deposit, bankers' acceptances, fixed time deposits and commercial paper (see paragraph (3) below). The Portfolio limits its investments in obligations of foreign branches of United States banks to banks having total assets in excess of one billion dollars and subject to regulation by the United States Government. The Portfolio limits its investments in obligations of foreign banks to United States dollar denominated obligations of foreign banks which at the time of investment have more than five billion dollars, or the equivalent in other currencies, in total assets and which are considered by the Investment Manager to be of high quality. The Portfolio does not limit its investments in obligations of foreign banks to banks and branches located in any particular countries.

Fixed time deposits are obligations of foreign branches of United States banks or foreign banks which are payable at a stated maturity date and bear a fixed rate of interest. Generally, fixed time deposits may be withdrawn on demand by the investor, but they may be subject to early withdrawal penalties which vary depending upon market conditions and the remaining maturity of the obligation. Although fixed time deposits do not have a market, there are no contractual restrictions on the Portfolio's right to transfer a beneficial interest in the deposits to a third party.

- (2) The Portfolio may invest in obligations of, or guaranteed by, foreign governments. The Portfolio does not limit its investments in such foreign government obligations to obligations issued or guaranteed by the governments of any particular countries. Generally, such obligations may be subject to the additional risks described at the end of this section in connection with the purchase of obligations of foreign branches of United States banks and non-United States banks.
- (3) Commercial paper rated Prime-1 by Moody's Investors Service, Inc. ("Moody's") or A-1 by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") or, if not rated, issued by corporations or banks having an outstanding unsecured debt issue currently rated Aa or Aaa by Moody's or AA or AAA by Standard & Poor's.

Since the Portfolio's portfolio of investments will contain securities of foreign branches of United States banks and non-United States banks, an investment in the Portfolio involves certain additional risks. Such investment risks include future political and economic developments, the possible imposition of foreign withholding taxes on interest income payable on such securities held by the Portfolio, the possible seizure or

nationalization of foreign deposits and the possible establishment of exchange controls or other foreign governmental laws or restrictions applicable to the payment of certificates of deposit or time deposits which might affect adversely the payment of principal and interest on such securities held by the Portfolio. In addition, there may be less publicly available information about a non-United States bank than about a United States bank and such banks may not be subject to the same accounting, auditing and financial recordkeeping standards and requirements as United States banks.

INVESTMENT RESTRICTIONS

The Portfolio has adopted the following fundamental investment restrictions which may not be changed without approval by the Portfolio's shareholders:

- (1) The Portfolio will not purchase securities or obligations of any one issuer if immediately after and as a result of such purchase more than 10% of the value of the Portfolio's assets would consist of the securities of that issuer.
- (2) The Portfolio will not borrow money except from banks as a temporary measure for extraordinary or emergency purposes (not for leveraging) or in order to meet unexpectedly heavy redemption requests in an amount not exceeding 15% of the value of its assets and will not purchase any securities at any time when the Portfolio's total outstanding borrowings from banks exceeds 5% of the Portfolio's net assets. The Portfolio will not pledge its assets except to secure borrowings. While the Portfolio may borrow from its custodian for the foregoing purposes, any borrowing from the custodian will be on terms no less favorable to the Portfolio than those offered by the custodian to comparable borrowers.
- (3) The Portfolio will not purchase securities which would cause more than 25% of the value of its assets at the time of purchase to be invested in any one industry, provided however that the Portfolio intends to invest at least 25% of its assets and may invest up to 100% of its assets in bank obligations. The Portfolio will not acquire securities that are not readily marketable if, as a result thereof, more than 10% of the value of its total assets would be invested in such securities. The Portfolio may not invest in fixed time deposits maturing in more than seven days, and fixed time deposits maturing from two business through seven calendar days may not exceed 15% of the Portfolio's total assets.
- (4) The Portfolio will not invest in equity securities (e.g. common stock, preferred stock, options, warrants, puts and calls), voting securities, restricted securities, corporate debt securities (e.g. bonds, debentures) other than those bank securities and commercial paper referred to above under "Investment Objective and Policies," local or state government securities (e.g. municipal bonds, state bonds), commodities or commodity contracts, real estate, or securities of other investment companies. The Portfolio will not sell securities short, write put or call options, engage in underwriting, or invest in companies for the purpose of exercising control. The Portfolio will not make loans to other persons except that it may acquire debt securities as discussed above under "Investment Objective and Policies."

INVESTMENT MANAGER

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors which may delegate any or all of its responsibilities to such persons and entities as it sees fit.

The Fund has retained as its investment manager Reich & Tang Asset Management, LLC, a Delaware limited liability company with principal offices at 600 Fifth Avenue, New York, New York 10020. As of November 30, 2008, the Investment Manager acted as investment manager, adviser or sub-adviser with respect to assets aggregating in excess of \$13.4 billion. The Investment Manager has been an investment adviser since 1970 and currently is manager or sub-adviser of sixteen U.S. registered investment company portfolios and four other non-U.S. investment companies. The Investment Manager also advises high net worth individuals, private funds, pension trusts, profit-sharing trusts and endowments.

The Investment Manager is a direct subsidiary of Natixis Global Asset Management, L.P. (formerly IXIS Asset Management US Group, L.P.) Natixis Global Asset Management, L.P. is part of Natixis Global Asset Management (formerly IXIS Asset Management Group), an international asset management group based in Paris, France, that is ultimately owned principally, directly or indirectly, by three large French financial services entities: Natixis, an investment banking and financial services firm; the Caisse Nationale des Caisses d'Epargne ("CNCE"), a financial institution owned by French regional savings banks known as the Caisses d'Epargne; and Banque Fédérale des Banques Populaires ("BFBP"), a financial institution owned by regional cooperative banks known as the Banques Populaires. Natixis, CNCE and BFBP (the "Affiliated Owners") each owns, directly or indirectly, other investment advisers established in various jurisdictions. Natixis Global Asset Management, L.P., is the direct and indirect owner of fifteen asset management firms managing or administering, in aggregate, more than \$210 billion in assets as of November 30, 2008.

The Investment Manager provides persons who have been approved by the Fund to provide certain services for the Fund. At this time the Fund has no employees.

Pursuant to an Investment Management Contract between the Fund and the Investment Manager, dated July 16, 2001, the Investment Manager manages the Portfolio's portfolio of investments and makes decisions with respect to the purchase and sale of investments, subject to the general control of the Board of Directors of the Fund. The Investment Management Contract continues in effect from year to year. However, it may be terminated at any time by (i) a vote of the holders of a majority of the then outstanding Shares of the Portfolio, (ii) by a majority of the Directors on 60 days' written notice to the Investment Manager or (iii) by the Investment Manager on 60 days' written notice to the Fund. The Investment Management Contract provides that in the absence of willful misfeasance, bad faith or gross negligence on the part of the Investment Manager, or of reckless disregard of its obligations thereunder, the Investment Manager shall not be liable for any action or failure to act in accordance with its duties thereunder.

For its services under the Investment Management Contract, the Investment Manager receives a fee (the "Investment Management Fee") from the Portfolio, accrued daily and paid monthly, at the annual rate of 0.20% of the Portfolio's average daily net assets. For the Fund's fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the fees payable to the Investment Manager were \$2,488,749, \$3,012,229 and \$5,285,634, respectively, for its management services under the Investment Management Contract of which \$820,043, \$1,082,852 and \$1,585,690 were waived, respectively for each year. The Investment Manager may waive all or a portion of the Investment Management Fee.

Pursuant to the Investment Management Contract with the Fund, the Investment Manager also performs clerical, accounting, supervision and office service functions for the Fund and provides the Fund with the personnel to

supervise the performance of bookkeeping and related services by The Bank of New York Mellon, the Fund's bookkeeping agent, and performs such other services as the Fund may from time to time request of the Investment Manager. The personnel rendering such services may be employees of the Investment Manager or its affiliates. For these services the Investment Manager receives a fee of 0.01% per annum of the Fund's average daily net assets. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the Investment Manager received \$124,438, \$150,611 and \$264,282, respectively, for these services. The Investment Manager, at its discretion, may voluntarily waive all or a portion of such fee.

Pursuant to an Administrative Services Contract, dated October 15, 2003, the Investment Manager provides certain administrative services for the Fund, including certain payment and deposit functions relating to the Fund accounts, keeping the Fund's Register of Members and compliance with Cayman Islands anti-money laundering law and regulation. For its services under the Administrative Services Contract, the Investment Manager receives a fee from the Fund, accrued daily and paid monthly, at an annual rate of 0.01% of the Fund's average daily net assets. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the Investment Manager received \$124,438, \$150,611 and \$264,282, respectively, for these services. The Investment Manager, at its discretion, may voluntarily waive all or a portion of such fee.

DISTRIBUTOR AND SHAREHOLDER SERVICING AGENT

The Fund, on behalf of each series of the Portfolio, has entered into a distribution agreement and a shareholder servicing agreement with Reich & Tang Distributors, Inc. (the "Distributor"), the distributor of the Fund's Shares and the Fund's shareholder servicing agent.

Under the distribution agreement, the Distributor, as agent for the Fund, will solicit requests from persons who are not United States Persons, as such term is defined in Regulation S of the Securities Act of 1933 for the purchase of the Fund's Shares provided that any subscriptions and requests will not be binding on the Fund until accepted by the Fund as principal. Under the distribution agreement, the Distributor may also compensate other persons, including certain broker-dealers and other organizations whose customers or clients are Fund shareholders ("Participating Organizations") for providing assistance in distributing the Fund's Shares. The distribution agreement further contemplates that the Distributor may pay for the preparation and printing of brochures and other promotional materials, mailings to prospective shareholders, advertising and other promotional activities in connection with the distribution of the Fund's Shares. The shareholder servicing agreement includes provisions allowing the Distributor to bear the cost of, or compensate Participating Organizations for, providing shareholder, administrative and accounting services to the Fund.

The Fund bears the cost of telecommunications expenses, including the cost of dedicated lines and computer terminals, incurred by the Distributor in carrying out its obligations under the distribution and shareholder servicing agreements. In addition, the Fund may pay all or part of the costs of preparing and printing brochures and other promotional materials, including prospectuses used for promotional purposes, and of delivering those materials to prospective shareholders of the Fund.

For its services under the distribution agreement the Distributor receives from the Portfolio a fee, accrued daily and paid monthly, at an annual rate of each series' average daily net assets as follows: Institutional Service Class: 0.15%; Investor Class: 0.25%; Investor Service Class: 0.40%; and Retail Class: 0.55%. For its services

under the shareholder servicing agreement, the Distributor receives from the Portfolio a fee, accrued daily and paid monthly, at an annual rate of each series' average daily net assets as follows: Institutional Service Class: 0.10%; and 0.25% for the Investor, Investor Service and Retail Classes. There are no distribution or service fees associated with Institutional Class Shares. In no event will any series incur expenses referred to in this section, including the fee payable under the distribution or shareholder servicing agreements, exceeding the amounts set forth above. The service fees are higher for the Investor, Investor Service and Retail Classes than they are for Institutional Service Class Shares because of the higher costs associated with smaller, individual accounts. The distribution fees are also higher due to the varying costs associated with a variety of distribution channels and financial intermediaries. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the Distributor received distribution fees of \$419,952, \$502,003 and \$ 471,639, respectively, for the Institutional Service Class, \$5,344, \$5,732 and \$5,964, respectively, for the Investor Class, \$218,579, \$582,493 and \$2,689,954, respectively, for the Investor Service Class, and \$1,613,259, \$1,995,657 and \$2,786,602, respectively, for the Retail Class. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the Distributor received shareholder servicing fees of \$279,968, \$334,669 and \$314,426, respectively, for the Institutional Service Class, \$5,344, \$5,732 and \$5,964, respectively, for the Investor Class, \$136,612, \$364,058 and \$1,681,221, respectively, for the Investor Service Class, \$733,300, \$907,117 and \$1,266,637, respectively, for the Retail Class.

The Distributor or an affiliate may, from time to time, at its expense and out of its own resources, make cash payments to some but not all Participating Organizations for shareholder services, as an incentive to sell Shares of the Fund and/or to promote retention of their customers' assets in the Fund. These

payments may be referred to as "revenue sharing," but do not change the price paid by investors to purchase the Fund's Shares or the amount the Fund receives as proceeds from such sales. Revenue sharing payments may be made to Participating Organizations that provide services to the Fund or its shareholders, including administration, accounting, transfer agency and/or distribution services. The Distributor negotiates the level of payments described above to any particular Participating Organization with each firm, based on, among other things, the nature and level of services provided by such Participating Organization and the significance of the overall relationship of the Participating Organization to the Investment Manager and its affiliates. The amount of these payments may be significant and may create an incentive for the Participating Organization to sell Shares of the Fund to you or to recommend one fund complex over another. Please speak with your Participating Organization to learn more about payments made to them by the Distributor of its affiliates. In addition, to the extent allowable under the Financial Industry Regulatory Authority ("FINRA") rules and any other applicable regulations, the Distributor or an affiliate may contribute to sales programs for certain Participating Organizations and may provide non-cash compensation to certain Participating Organizations like sponsorship or funding of sales seminars, tickets to sporting events, theater or other entertainment, opportunities to participate in golf or other outings and gift certificates for meals or by giving out merchandise at industry conferences, which may be paid for by the Distributor or an affiliate out of its own resources.

CUSTODIAN, TRANSFER AGENT AND DIVIDEND AGENT

The Bank of New York Mellon, 2 Hanson Place, 7th Floor, Brooklyn, NY 11217, is the custodian for the Fund's cash and securities. Reich & Tang Services, Inc., 600 Fifth Avenue,

New York, New York 10020, an affiliate of the Investment Manager, is the transfer agent and dividend agent for the Shares of the Fund. The Fund's transfer agent and custodian do not assist in, and are not responsible for, investment decisions involving assets of the Fund. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the Bank of New York Mellon received fees of \$68,851, \$103,128 and \$97,780, respectively, for its services as custodian.

For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, Reich & Tang Services, Inc. received fees of \$284,638, \$378,349 and \$784,410, respectively, for its services as transfer agent and dividend agent of which \$105,062, \$153,286, and \$352,429 were waived, respectively for each year (without regard to series).

Portfolio securities of the Fund which are purchased outside the United States are maintained in the custody of foreign branches of other United States banks with which The Bank of New York Mellon has entered into subcustodian agreements.

FUND ADMINISTRATOR

The Fund has entered into an agreement (the "Administration Agreement") with BNY Fund Management (Cayman) Limited (the "Fund Administrator"), Anchorage Centre, P.O. Box 2634GT, George Town, Grand Cayman, British West Indies pursuant to which the Fund Administrator provides certain tasks for the Fund including (i) at its own expense, provide or procure such office accommodation, secretarial staff and other facilities as may be required for the purpose of fulfilling its duties under the Administration Agreement; (ii) arrange for a representative of the Fund Administrator to attend meetings of the Fund in the Cayman Islands when the Board so requires; (iii) provide the principal office of the Fund in the Cayman Islands for the purpose of

Section 4(1)(b) of the Mutual Funds Law and (iv) do all such other acts, matters and things as are necessary to perform its obligations under the Administration Agreement and any acts, matters and things as agreed upon from time to time by the Fund and the Fund Administrator. The Fund Administrator was established in Grand Cayman in 1996. The Fund Administrator has a Mutual Fund Administrator License granted by the Government of the Cayman Islands which enables it to provide a full range of company management services for its clients.

Pursuant to the Administration Agreement, the Fund Administrator receives from the Fund an annual fee of \$15,000.

OTHER EXPENSES

The Portfolio pays its own expenses, including the fees under the Investment Management Contract, Administrative Services Contract, the distribution and shareholder servicing agreements, the fees to the Fund Administrator, all accounting and legal expenses, printing expenses including printing the Portfolio's prospectus and Fund application and delivering them to existing shareholders of the Portfolio, organizational expenses, the cost of maintaining the Portfolio's corporate existence, the cost of attendance by the Fund's Directors at meetings of the Board of Directors, and all investment expenses incurred by the Portfolio.

Total fund operating expenses for the fiscal year ended May 31, 2008, before any waivers or reimbursements were as follows: Institutional Class: 0.26%; Institutional Service Class: 0.51%; Investor Class: 0.79%; Investor Service Class: 0.94%; and Retail Class: 1.09%. The actual total fund operating expenses for the fiscal year ended May 31, 2008 were as follows: Institutional Class: 0.20%; Institutional Service Class: 0.45%; Investor Class: 0.70%; Investor Service Class:

0.85%; and Retail Class: 1.00%. For the fiscal years ended May 31, 2006, May 31, 2007 and May 31, 2008, the total expenses for the Portfolio amounted to \$10,555,995, \$13,102,130 and \$21,932,895, respectively, representing 0.85%, 0.87% and 0.83%, respectively of the average daily net assets of the Fund (without regard to series).

DIVIDENDS AND TAX MATTERS

The Portfolio declares dividends equal to adjusted net income on each Fund Business Day (as defined below under "Net Asset Value") and pays dividends monthly. Adjusted net income includes net investment income and all or a portion of realized gains and/or losses. Realized gains and losses, if any, will be included in the calculation of dividend declarations on either the date of incurrence or over a period of time not to exceed twelve months. Unless the Fund's transfer agent is otherwise instructed by a shareholder or Participating Organization, dividends on the Shares of the Portfolio will automatically be reinvested in additional full and fractional Shares of the Portfolio on the Fund Business Day on which the dividends are paid. If a shareholder elects to redeem all the Shares of the Portfolio which he owns, all dividends accrued to the day of such redemption will be paid to the shareholder on the next Fund Business Day or no later than the next regular dividend payment date, depending on the internal procedures of the Participating Organization in question.

The conclusions set forth in this section with respect to United States tax consequences are based on the assumption that the shareholders are not United States citizens or residents or recent expatriates or former residents for United States tax purposes. Shareholders who are unsure if they are United States residents for tax purposes should consult with their tax advisers.

Under current law and assuming compliance with its stated investment policy and intended

activities, the Portfolio generally will not be subject to income, withholding or capital gains taxes in the United States.

There are at present no corporation, income, capital gains, profits or other taxes in the Cayman Islands which would apply to the profits of the Fund, nor are there gift, estate or inheritance taxes in the Cayman Islands. The Fund has received from the Governor in Council of the Cayman Islands an undertaking that for a period of 20 years from the date of that undertaking:

- No law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on the profits, income, gains or appreciations shall apply to the Fund or its operations; and
- No such tax nor any tax in the nature of estate duty or inheritance tax will be payable by the Fund: (i) on or in respect of the Shares, debentures or other obligations of the Fund; or (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision) of the Cayman Islands.

Under current law, shareholders of the Fund will not be subject to any income, withholding, capital gains or estate or inheritance taxes in the Cayman Islands with respect to the Shares of the Portfolio owned by them and dividends received on such Shares. Non-U.S. shareholders should not be subject to such taxes in the United States based solely on their investment in the Fund.

While foreign withholding taxes may in certain circumstances be imposed on income paid on foreign securities, the Portfolio will not purchase securities which the Portfolio believes, at the time of purchase, will be subject to foreign withholding taxes. (See "Investment Objective and Policies.")

As required by U.S. Treasury Regulations governing tax practice, investors and prospective investors are hereby advised that any tax discussion contained herein was not written or intended to be used (and cannot be used) by any person for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code. The discussion was prepared to support the promotion or marketing of the Shares described in the prospectus, and any person reviewing this discussion should seek advice based on such person's particular circumstances from an independent tax advisor.

NET ASSET VALUE

The net asset value of the Portfolio's Shares (see "Description of Shares") is determined each Fund Business Day as of 4:00 p.m. (Eastern time) and is equal to the value of the Portfolio's net assets divided by the number of the Portfolio's Shares then outstanding. A Fund Business Day is each day the New York Stock Exchange is open for business. However, on certain days that the New York Stock Exchange is closed, the Portfolio, at the discretion of the manager, may be open for purchases and redemptions and will determine the Portfolio's net asset value. The Bank of New York Mellon, the Fund's accounting agent, is responsible for calculating the net asset value of Fund shares. The Fund may temporarily suspend the determination of the Portfolio's net asset value in any of the following events: (i) during any period that any stock exchange on which a substantial part of the securities owned by the Portfolio are traded is closed (other than customary weekend and holiday closings) or during which trading thereon is restricted, (ii) during any period that an emergency exists where it is not reasonably practicable for the Portfolio fairly to determine the value of its net assets, or (iii) where there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of Portfolio securities.

The net assets of the Portfolio at any date shall be determined on an accrual basis of accounting in accordance with generally accepted accounting principles applied in the United States and in accordance with the following:

- (a) No value will be assigned to goodwill;
- (b) Accrued investment management fees and other fees will be treated as liabilities;
- (c) Dividends payable on the Shares after the date as of which the net assets of the Portfolio are being determined to shareholders of record prior to such date will be treated as liabilities; and
- (d) All assets of the Portfolio, including investment assets, will be valued in the manner determined by the Board of Directors of the Fund to reflect their fair value.

The Board of Directors has determined that, in order to maintain a stable net asset value per share of \$1.00, portfolio securities having remaining maturities of 397 days or less will be valued using the amortized cost method of valuation. Amortized cost valuation involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium. There is no assurance that the Portfolio will maintain a stable net asset value per share of \$1.00.

The Portfolio may from time to time advertise its current yield and effective yield. The Portfolio's current yield is calculated by dividing its average daily net income per share for a recent seven-day period by its constant net asset value per share of \$1.00 and annualizing the result on a 365-day basis. For purposes of this paragraph only, "daily net income" excludes net realized gains, but could include net realized losses. The Portfolio's effective yield is calculated by increasing its current yield according to a formula that takes into account the compounding effect of the reinvestment of

dividends. The Fund's seven-day yield can be obtained by calling (212) 830-5345 or toll free at (800) 433-1918.

Although published yield information is useful to investors in reviewing the Portfolio's performance, investors should be aware that the Portfolio's yield fluctuates from day to day and that the Portfolio's yield for any given period is not an indication, or representation by the Portfolio, of future yields or rates of return on the Portfolio's Shares. The yield of the Portfolio is not fixed or guaranteed, and an investment in the Portfolio is not insured. Accordingly, the Portfolio's yield information may not necessarily be used to compare Portfolio Shares with investment alternatives which, like money market instruments or bank accounts, may provide a fixed rate of interest, or which, like other similar investment companies, may compute yield in a different manner. In addition, investments in the Portfolio may not necessarily be used to compare Portfolio Shares with investment alternatives which are insured or guaranteed.

PURCHASES AND REDEMPTIONS OF FUND SHARES

General

Investors may purchase Shares either directly or through Participating Organizations. Each subscriber for Shares (including subscribers purchasing Shares through Participating Organizations, who may act through such organizations) and each transferee of Shares will be required to give certain representations and undertakings to the Fund to the effect that:

- (a) he is not a citizen or resident of, or entity formed under the laws of, the United States or its territories or possessions;
- (b) the beneficial owner of the Shares will not be a citizen or resident of, or entity formed under the laws of, the United States or its territories or possessions;
- (c) he will not transfer directly or indirectly any of his Shares or any interest therein (including without limitation any right to receive dividends or other distributions) to a citizen or resident of, or entity formed under the laws of, the United States or its territories or possessions or to any other person or entity unless the proposed transferee has made warranties similar to those contained in the Fund application and such warranties by such person have been approved by the Fund;
- (d) he will not transfer any of his Shares within the United States or its territories or possessions;
- (e) he did not engage (except in certain cases specifically permitted by the Fund) and will not engage in any activity relating to the sale of Shares of the Fund in the United States or its territories or possessions;
- (f) he will supply the Fund with such other facts as from time to time are deemed necessary or desirable to ascertain in order to avoid the loss of a contemplated tax benefit to the Fund or any of its shareholders and in order to ascertain that no violation by the Fund or the Investment Manager will occur under the securities laws of any relevant jurisdiction; and
- (g) he acknowledges that as part of the Fund's responsibility for the prevention of money laundering, the Fund may require a detailed verification of a prospective investor's identity and the source of the payment. The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Fund may refuse to accept the subscription and any monies relating thereto. If any person who is resident in

the Cayman Islands has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to Cayman Islands' The Proceeds of Criminal Conduct Law (2007 Revision).

Purchases and redemptions of Shares for persons who invest in the Portfolio through Participating Organizations ("Participant Investors") and who elect to use the automated purchase and redemption procedures available from Participating Organizations will be effected automatically in accordance with the procedures established by Participating Organizations. (See "Investment Through Participating Organizations," below.) Investors who do not wish to avail themselves of the automated purchase and redemption procedures available from Participating Organizations may use the Portfolio's other purchase and redemption procedures. (See "Direct Purchase and Redemption Procedures," below.) With respect to the Institutional Class and Institutional Service Class Shares, the minimum initial investment is \$1,000,000. The minimum amount for subsequent investments is \$10,000. With respect to the other series of Shares, minimum initial investment is \$100,000 for Investor Class and Investor Service Class Shares and for Retail Class Shares, \$1,000 for Participant Investors and \$5,000 for all other investors. There is no minimum amount for subsequent investments. The Fund reserves the right to waive the minimum investment amounts.

In order to maximize earnings on its portfolio, the Portfolio normally has its assets as fully invested as is practicable. Many securities in which the Portfolio invests require immediate settlement in funds of Federal Reserve member banks on deposit at a Federal Reserve Bank (commonly known as "Federal Funds").

Shares are issued as of the first determination of the Portfolio's net asset value per share made after receipt and acceptance of the

investor's subscription. The Fund does not accept a purchase order from investors investing in the Portfolio directly (i.e., not through Participating Organizations) until an investor's payment has been converted into Federal Funds and is received by the Fund's transfer agent. Orders from these direct investors that are accompanied by Federal Funds and received after 4:00 p.m., Eastern time, on a Fund Business Day will result in the issuance of Shares on the following Fund Business Day. Shares begin accruing income dividends on the day they are purchased. The Fund reserves the right to reject any subscription of its Shares. In addition, the Fund does not accept cash, and may refuse to accept cash equivalents (i.e., travelers cheques, money orders, cashier's checks or similar instruments) and certain other forms of payment at its discretion.

There is no redemption charge, although there may be a fee charged on certain wire redemption requests, no minimum period of investment, and no restriction on frequency of withdrawals. Proceeds of redemptions are paid either by check or wire. If a shareholder elects to redeem all the Shares he owns, all dividends credited to the shareholder through the date of redemption are paid to the shareholder along with the proceeds of the redemption.

The right of redemption may not be suspended or the date of payment upon redemption postponed for more than seven days after Shares are tendered for redemption, except for any period during which:

- (a) any stock exchange on which a substantial part of the securities owned by the Portfolio are traded is closed, otherwise than for ordinary holidays, or dealings thereon are restricted or suspended; or
- (b) there exists any state of affairs which constitutes a state of emergency as a result of which (1) disposal of a substantial part of

the investments of the Portfolio would not be reasonably practical and might seriously prejudice the shareholders or the Portfolio or (2) it is not reasonably practicable for the Portfolio fairly to determine the value of its net assets; or

- (c) none of the requests for redemption which have been made may be lawfully satisfied by the Portfolio in United States Dollars; or
- (d) there is a breakdown in the means of communication normally employed in determining the prices of a substantial part of the investments of the Portfolio.

The Fund reserves the right to redeem the Shares of any shareholder if the total value of all the remaining Shares in the shareholder's or Participating Organization's account after a withdrawal is less than \$500. Written notice of the proposed mandatory redemption will be given at least 30 days in advance to any shareholder whose account is to be redeemed, or alternately the Fund may impose a monthly service charge of \$10 on such accounts, which does not require prior written notice. For Participant Investor accounts, notice of a proposed mandatory redemption will be made to the appropriate Participating Organization only. The Participating Organization will be responsible for notifying Participant Investors of the proposed mandatory redemption. A shareholder who receives such notice may avoid mandatory redemption by purchasing sufficient additional Shares to increase their account value to the minimum amount during the notice period. The Fund may also redeem the Shares of any shareholder if the Directors determine that any of the representations given by the shareholder were not true or have ceased to be true or that the continuing ownership of Shares by the shareholder would cause an undue risk of adverse tax consequences to the Fund or any of its shareholders.

Investment Through Participating Organizations

Investors may, if they wish, invest in the Portfolio through the Participating Organizations with which they have accounts, and are referred to as Participant Investors. Participating Organizations include securities brokers, banks and financial institutions or other industry professionals or organizations that have entered into agreements with the Distributor with respect to investment of their customer accounts in the Portfolio. When instructed by a Participant Investor to purchase or redeem Portfolio Shares, the Participating Organization, on behalf of the Participant Investor, transmits to the Portfolio's transfer agent a purchase or redemption order, and in the case of a purchase order, payment for the Shares being purchased. Each Participating Organization determines which series of Shares it will offer.

Participating Organizations may confirm to Participant Investors each purchase and redemption of Portfolio Shares for their accounts. Also, Participating Organizations may send periodic account statements to the Participant Investors showing (i) the total number of Portfolio Shares owned by each Participant Investor as of the statement closing date, (ii) purchases and redemptions of Portfolio Shares by each Participant Investor during the period covered by the statement, and (iii) the income earned by Portfolio Shares of each Participant Investor during the statement period (including dividends paid in cash or reinvested in additional Fund Shares). Participant Investors whose Participating Organizations have not undertaken to provide such statements will receive them from the Fund directly.

Participating Organizations may charge Investors a fee in connection with their use of specialized purchase and redemption procedures. In addition, Participating Organizations offering purchase and

redemption procedures similar to those offered to shareholders who invest in the Portfolio directly may impose charges, limitations, minimums and restrictions in addition to or different from those applicable to shareholders who invest in the Portfolio directly. Accordingly, the net yield to investors who invest through Participating Organizations may be less than the yield that could be achieved by investing in the Portfolio directly. Participating Organizations may also set deadlines for receipt of orders from Participating Investors that are earlier than the order deadline of the Portfolio due to processing or other reasons. A Participant Investor should read this Prospectus in conjunction with the materials provided by the Participating Organization describing the procedures under which Portfolio Shares may be purchased and redeemed through the Participating Organization.

Qualified Participating Organizations may transmit an investor's purchase or redemption order to the Fund's transfer agent after 4:00 p.m., Eastern time on the day the order is received from the investor as long as the investor has placed his order with the Participating Organization before 4:00 p.m. Eastern time on that day. The investor will then receive the net asset value of the Portfolio's Shares determined as of 4:00 p.m. Eastern time on the day he placed his order with the qualified Participating Organization. Participating Organizations are responsible for instituting procedures to ensure that purchase orders by their respective clients are processed expeditiously.

Direct Purchase and Redemption Procedures

The following purchase and redemption procedures apply to investors who wish to invest in the Portfolio directly and not through Participating Organizations. These investors may obtain the Fund application form necessary to open an account by telephoning

the Fund at (212) 830-5345 or toll free at (800) 433-1918 during the hours of 8:30 a.m. to 5:30 p.m. Eastern Time.

All shareholders, other than certain Participant Investors, will receive from the Fund a monthly statement listing the total number of Shares owned as of the statement closing date, purchases and redemptions of Shares during the month covered by the statement and the dividends paid on Fund Shares to each shareholder during the statement period (including dividends paid in cash or reinvested in additional Fund Shares).

Initial Purchase of Shares

Mail

Investors may send a check made payable to the Fund in United States currency along with a completed Fund application to:

Daily Dollar International, Ltd.
c/o Reich & Tang Services, Inc.
600 Fifth Avenue – 8th Floor
New York, New York 10020

Checks are accepted subject to collection at full value. Payment by a check drawn on any member bank of the Federal Reserve System can normally be converted into Federal Funds within two business days after receipt of the check by the Fund's custodian. Checks drawn on a non-member bank may take substantially longer to convert into Federal Funds and to be invested in Portfolio Shares.

Bank Wire

To purchase Shares of the Fund using the wire system for transmittal of money among banks, an investor prior to his or her initial purchase of Shares, should first telephone Reich & Tang Services, Inc. at (212) 830-5345 or toll free at (800) 433-1918 to obtain a Fund application necessary to open a new account. The investor should complete and fax the Fund application

along with any required documentation to Reich & Tang Services, Inc. at (212) 315-1112. The original Fund application and documentation should then be mailed to the address specified above under "Mail." The investor should then telephone Reich & Tang Services, Inc. at the above number to obtain a new account number and then instruct a member bank of the Federal Reserve System to wire the amount of the investment immediately to:

The Bank of New York Mellon
ABA # 021000018
DDA Account # 8900403527
Reich & Tang Funds
For Daily Dollar International, Ltd.,
XX Class
Account of:
Fund account number:

An account will not be opened until the Fund has received the Fund application and required documentation in proper form and has accepted the subscription for its Shares.

There may be a charge by the investor's bank for transmitting the money by bank wire, and there also may be a charge for use of Federal Funds. The Fund does not charge investors in the Fund for its receipt of wire transfers. Payment in the form of a "bank wire" received prior to 4:00 p.m. Eastern time on a Fund Business Day will usually be treated as a Federal Funds payment received on that day.

Subsequent Purchases of Shares

Subsequent purchases can be made by mailing a check or by bank wire as indicated above. All payments should clearly indicate the shareholder's account number.

Provided that the information on the Fund application on file with the Fund is still applicable, a shareholder may re-open an account without filing a new Fund application at any time during the year the shareholder's account is closed or during the following calendar year.

Redemption of Shares

A redemption is effected immediately following, and at a price determined in accordance with, the next determination of net asset value per share following receipt by the Fund's transfer agent of the redemption order (and any supporting documentation which it may require). Normally, payment for redeemed Shares is made the same Fund Business Day the redemption is effected, if the redemption proceeds are being paid by wire (on the next Fund Business Day if being paid by check). However, redemption payments will not be paid out, unless the check (including a certified or cashier's check) used for investment has been cleared for payment by the investor's bank, which could take up to 15 days after investment. Shares redeemed are not entitled to participate in dividends declared on the day a redemption becomes effective.

A shareholder's original Fund application permits the shareholder to redeem by written request and to elect one or more of the additional redemption procedures described below. A shareholder may only change the instructions indicated on his original Fund application by transmitting a written direction to the Fund's shareholder servicing agent at the address set forth below (see "Written Requests"). Requests to institute or change any of the additional redemption procedures will require a signature guarantee.

When a signature guarantee is called for, the shareholder should have "Signature Guaranteed" stamped under his signature. It should be signed and guaranteed by an eligible guarantor institution which includes a United States bank, a United States savings and loan institution, a United States credit union, a member bank of the Federal Reserve System or a member firm of a national securities exchange, pursuant to the Fund's transfer agent's standards and procedures.

Written Requests

Shareholders may make a redemption in any amount by sending a written request to Daily Dollar International, Ltd., c/o Reich & Tang Services, Inc., 600 Fifth Avenue, 8th floor, New York, New York 10020. All written requests for redemption must be signed by the shareholder, in each case with signature guaranteed, unless otherwise indicated on the Fund application or in a subsequent written authorization. Normally, the redemption proceeds are paid by check and mailed to the shareholder at the address of record.

Checks

By making the appropriate election on their Fund application, an individual shareholder may request a supply of checks that may be used to effect redemptions from the Fund. The checks, which will be issued in the shareholder's name, are drawn on a special account maintained by the Fund with the Fund's agent bank. Checks may be drawn in any amount and may be used like an ordinary commercial bank check except that they may not be certified. The Fund may maintain balances, not to exceed .25% of the Fund's assets, at the agent bank to facilitate the timely processing of shareholder checks. Any interest earned on these balances may be retained by Reich & Tang Services, Inc. as a fee to offset a portion of the cost of providing the check program. When a check is presented to the Fund's agent bank, it instructs the Fund's transfer agent to redeem a sufficient number of full and fractional Shares in the shareholder's account to cover the amount of the check. The use of a check to make a withdrawal enables a shareholder in the Fund to receive dividends on the Shares to be redeemed up to the Fund Business Day on which the check clears.

There is no charge to the shareholder for checks provided by the Fund or requirement that the checks be used only for amounts in excess of a specified minimum, although there may be fees

charged for checks provided in connection with certain cash management programs offered through Participating Organizations. The Fund reserves the right, however, to impose a charge or impose a minimum check amount in the future.

Shareholders electing the checking option are subject to the procedures, rules and regulations of the Fund's agent bank governing checking accounts. Checks drawn on a jointly owned account may, at the shareholder's election, require only one signature. Checks in amounts exceeding the value of the shareholder's account at the time the check is presented for payment will not be honored. Since the dollar value of the account changes daily, the total value of the account may not be determined in advance and the account may not be entirely redeemed by check. Shareholders will be charged a \$16 fee for any stop payment requests, a \$15 fee if the Fund is requested to deliver a supply of checks overnight and a \$4 fee for each copy of a check requested. In addition, the Fund reserves the right to charge the shareholder's account a fee of up to \$20 for checks not honored as a result of an insufficient account value, a check deemed not negotiable because it has been held longer than six months, an unsigned check and/or a post-dated check. The Fund reserves the right to terminate or modify the check redemption procedure at any time or to impose additional fees following notification to the Fund's shareholders.

Corporations and other entities electing the checking option are required to furnish a certified resolution or other evidence of authorization in accordance with the Fund's normal practices. Individuals and joint tenants are not required to furnish any supporting documentation. Appropriate authorization forms will be sent by the Fund or its agents to corporations and other shareholders who select this option. As soon as the authorization forms are filed in good order with the Fund's agent bank, the Fund will provide the shareholder with a supply of checks.

Telephone

The Fund accepts telephone requests for redemption from shareholders who elect this option. The proceeds of a telephone redemption will be sent to the shareholder at his address or to his bank account as set forth in the Fund application or in a subsequent written authorization. An investor may select this option by executing on the Fund application his agreement that the Fund shall not be liable for any loss incurred by the investor by reason of the Fund accepting unauthorized telephone redemption requests for his account. The Fund may accept telephone redemption instructions from any person with respect to accounts of shareholders who elect this service, and thus shareholders risk possible loss of dividends in the event of a telephone redemption not authorized by them. The Fund will employ reasonable procedures to confirm that telephone redemption instructions are genuine, and will require that shareholders electing such option provide a form of personal identification at the time of such redemption request.

A shareholder making a telephone redemption should call Reich & Tang Services, Inc. at (212) 830-5345 or toll free at (800) 433-1918 and state (i) the name of the shareholder appearing on the Fund's records, (ii) his account number with the Fund, (iii) the amount to be withdrawn and (iv) the name of the person requesting the redemption. Usually, the proceeds are sent to the designated bank account or address on file the same Fund Business Day the redemption is effected, if the redemption proceeds are being paid by wire (on the next Fund Business Day if being paid by check), provided the redemption request is received before 4:00 p.m., Eastern time. The Fund reserves the right to terminate or modify the telephone redemption service in whole or in part at any time and will notify shareholders accordingly.

BOARD OF DIRECTORS

The Directors of the Fund are Steven W. Duff, President and Chief Executive Officer of the Investment Manager, Michael P. Lydon, Executive Vice President of the Investment Manager, Richard De Sanctis, Chief Operating Officer and Executive Vice President of the Investment Manager; Scott Lennon and Alison Martinson, Directors of Walkers Fund Services Limited.

Mr. Duff is President and Chief Executive Officer of the Investment Manager, and has been associated with the Investment Manager since August 1994. Mr. Duff is also Director/Trustee of six registered investment companies in the Reich & Tang Fund Complex and serves as a Director of Reich & Tang Services, Inc. and Director and President of Reich & Tang Distributors, Inc.

Mr. Lydon is Executive Vice President of the Investment Manager, and has been associated with the Investment Manager since January 2005. Mr. Lydon serves as President of New York Daily Tax Free Income Fund, Inc., President and Chief Executive Officer of Tax Exempt Proceeds Fund, Inc., Principal Executive Officer of Delafield Fund, Inc., and President and Director/Trustee of five other registered investment companies in the Reich and Tang Fund Complex. Mr. Lydon also serves as Executive Vice President and Chief Operations Officer of Reich & Tang Distributors, Inc. and President and Chief Executive Officer of Reich & Tang Services, Inc.

Mr. De Sanctis is Chief Operating Officer and Executive Vice President of the Investment Manager, and has been associated with the Investment Manager since 1990. Mr. De Sanctis is also Vice President of eight registered investment companies in the Reich & Tang Fund Complex and serves as Executive Vice President and Chief Financial Officer of Reich & Tang Distributors, Inc., and

Executive Vice President and Chief Operating Officer of Reich & Tang Services, Inc.

Mr. Lennon is a Senior Vice President at Walkers Fund Services Limited a Cayman Islands licensed Trust Company and Mutual Fund Administrator. Mr. Lennon joined Walkers Fund Services Limited from State Street Cayman Trust Company Ltd. He joined State Street after it acquired the Global Securities Services business from Deutsche Bank in early 2003. He was the former Head of Investment Fund Services at Deutsche Bank (Cayman) Ltd., and prior to that he was a Manager in the investment funds group at KPMG in Cayman.

Mr. Lennon arrived in Cayman in 1997, after spending three years at Deloitte & Touche, and one year at KPMG, in Montreal, Canada.

Mr. Lennon is a member of the Institute of Chartered Accounts of Ontario (Canada), the American Institute of Certified Public Accountants, and he is a Chartered Financial Analyst charterholder. In addition Mr. Lennon received a Graduate Diploma in Public Accounting from McGill University, Montreal, Canada and a Bachelor of Commerce (Honours) from Carleton University in Ottawa, Canada.

Ms. Martinson is currently a Vice President at Walkers Fund Services Limited. Walkers Fund Services Limited is a licensed Cayman Islands Trust Company and Mutual Fund Administrator. Prior to joining Walkers Fund Services Limited, Ms. Martinson was employed by Credit Suisse Investment Services (Cayman) Limited as part of their fund administration team and served as Compliance Officer.

Prior to her employment at Credit Suisse, Ms. Martinson was an audit senior at Deloitte in Johannesburg, South Africa and San Jose, California.

Ms. Martinson is a member of the South African Institute of Chartered Accountants and she received a Bachelor of Accounting degree from

Rhodes University in Grahamstown (South Africa). Ms. Martinson has been involved in the investment funds industry since 2005.

PORTFOLIO TRANSACTIONS

The Portfolio's purchases and sales of portfolio securities usually are principal transactions. Portfolio securities are normally purchased directly from the issuer or from an underwriter or market maker for the securities. There usually are no brokerage commissions paid for such purchases. Any transaction for which the Portfolio pays a brokerage commission will be effected at the best price and execution available. Purchases from underwriters of portfolio securities include a commission or concession paid by the issuer to the underwriter, and purchases from dealers serving as market makers include the spread between the bid and asked price.

Allocation of transactions, including their frequency, to various dealers is determined by the Investment Manager in its best judgment and in a manner deemed in the best interest of shareholders of the Portfolio rather than by any formula. The primary consideration is prompt execution of orders in an effective manner at the most favorable price.

Investment decisions for the Portfolio will be made independently from those for any other investment companies or accounts that may be or become managed by the Investment Manager or its affiliates. If, however, the Portfolio and other investment companies or accounts managed by the Investment Manager are simultaneously engaged in the purchase or sale of the same security, the transactions may be averaged as to price and allocated equitably to each account. In some cases, this policy might adversely affect the price paid or received by the Portfolio or the size of the position obtainable for the Portfolio. In addition, when purchases or sales of the

same security for the Portfolio and for other investment companies managed by the Investment Manager occur contemporaneously, the purchase or sale orders may be aggregated in order to obtain any price advantages available to large denomination purchasers or sellers.

No portfolio transactions are executed with the Investment Manager or any of its affiliates, acting either as principal, to the extent prohibited by applicable law, or as paid broker.

REGULATION OF THE FUND

The Fund falls within the definition of a “Mutual Fund” in terms of the Mutual Funds Law (as amended) of the Cayman Islands (the “Law”) and accordingly is regulated in terms of that Law.

As a regulated mutual fund, the Fund is subject to the supervision of the Cayman Islands Monetary Authority (the “Monetary Authority”). The Fund must file this document and details of any changes that materially affect any information in this document with the Monetary Authority. The Monetary Authority may, at any time, instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. In addition, the Monetary Authority may ask the Directors to give the Monetary Authority such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable it to carry out its duty under the Law.

The Monetary Authority shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Law and applicable anti-money laundering regulations are being complied with.

The Directors must give the Monetary Authority access to, or provide at any reasonable time,

all records relating to the Fund and the Monetary Authority may copy or take an extract of a record it is given access to. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund:

- (a) is or is likely to become unable to meet its obligations as they fall due;
- (b) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;
- (c) is not being managed in a fit and proper manner; or
- (d) has persons appointed as Director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority include, inter alia, the power to require the substitution of Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to cancel the registration of the Fund and to apply to the court for approval of other actions.

DESCRIPTION OF SHARES

The authorized share capital of the Fund is U.S. \$10 million and consists of 10 billion shares having a par value of \$0.001 (U.S.) per share (the “Shares”), 9 billion of which have been classified and are currently divided into one class, referred to herein as the “Portfolio.” The Fund reserves the right to add additional classes (portfolios) in the future. The Portfolio is currently divided into seven series of Shares,

the following consisting of 1.5 billion Shares each: Institutional Class Shares, Institutional Service Class Shares, Investor Service Class Shares, and BNP Paribas International Money Market Fund Class (the "BNP Class") and the following consisting of 1 billion Shares each: Investor Class Shares, Retail Class Shares and Advantage Offshore Liquidity Fund Class (the "Advantage Class"). The BNP and Advantage Classes are not offered in this Prospectus. Each Share of each series represents an interest in the same investment portfolio of the Portfolio. The subscription price for Shares is the net asset value as determined on each Fund Business Day, which is expected to be \$1.00 per Share. As described above, under "Distributor and Shareholder Servicing Agent," differing distribution and service fees and certain expense allocations are associated with each series of Shares. To the extent identifiable as being attributable to a specific series, the Portfolio's operating expenses will be allocated to that series.

If one or more series should become insolvent then a creditor may be able to attach to the assets of the other series and, in this respect, assets are not segregated. The dividends payable on Retail Class Shares can be expected to be less than the dividends payable on Investor Service Class Shares, which in turn can be expected to be less than the dividends payable on Investor Class Shares, which in turn can be expected to be less than the dividends payable on Institutional Service Class Shares, which in turn can be expected to be less than the dividends payable on Institutional Class Shares.

Each Participating Organization will determine which series of Shares it sells. Certain Participating Organizations may offer more than one series of Shares to their customers.

Subject to the exceptions set forth below, all decisions of the shareholders are made by the holders of two-thirds of outstanding Shares

(whether BNP Class, Advantage Class, Institutional Class Shares, Institutional Service Class Shares, Investor Class Shares, Investor Service Class Shares or Retail Class Shares) represented at a meeting, provided that a quorum of the holders of one-third of the outstanding Shares is present. Notwithstanding the foregoing, (a) any merger or consolidation shall require approval by a majority of the holders of all outstanding Shares voted at a meeting at which such majority is represented (although a proposal to dissolve and wind up the Fund would require adoption of an ordinary resolution of shareholders) or by unanimous written consent; (b) amendments to the Memorandum and Articles of Association must be approved by two-thirds of votes of all issued Shares cast at a meeting at which not less than one-third of the issued and outstanding Shares are represented or by unanimous written consent; and (c) the rights of holders of any class or series of Shares may not be modified except by the vote of two-thirds of holders of the outstanding Shares of such class or series, voting as a single class or series. There are no conversion or preemptive rights in connection with any Shares. All Shares, when duly issued, will be fully paid and non-assessable. Any matter referred to herein may also be adopted by unanimous resolution in writing with respect to a particular matter of the Shares entitled to vote. The Fund does not hold annual meetings of shareholders. Special meetings of shareholders may be called by the Board of Directors and shall be called at the request of the holders of 20% or more of the outstanding Shares. All shareholders' meetings will be held in the Cayman Islands or such other location, as the Board of Directors shall determine. All shareholders' meetings require at least seven days' notice although, unless an emergency exists, shareholders will be given at least 21 days' notice of any meeting of shareholders. Except with respect to certain matters, holders of one-third or more of the outstanding Shares comprise a quorum at any shareholders' meeting.

The Fund's Shares have non-cumulative voting rights, which means that the holders of more than 50% of the Shares voting for the election of directors will be able to elect all of the directors if they choose to do so, and in such event the holders of the remaining less than 50% of the Shares voting for such election of directors will not be able to elect any person or persons as directors.

Shares will be issued in book-entry form only. Share certificates will not be issued.

COUNSEL AND AUDITORS

Paul, Hastings, Janofsky & Walker LLP, New York, New York, serves as United States counsel to the Portfolio. Walkers Attorneys-at-Law, George Town, Grand Cayman, serves as Cayman Islands counsel. PricewaterhouseCoopers, Grand Cayman, has been appointed independent auditors for the Portfolio.

REPORTS TO SHAREHOLDERS; SHAREHOLDER INQUIRIES

The Fund sends to all shareholders an annual audited financial statement. Shareholder inquiries may be directed to the shareholder's Participating Organization or directly to the Fund, c/o Reich & Tang Services, Inc., 600 Fifth Avenue, New York, NY 10020.

GENERAL COMMENTS

The foregoing does not purport to be and should not be construed as a complete description of the Memorandum and Articles of Association of the Fund, the Investment Management Contract, or the distribution and shareholder servicing agreements, copies of which will be furnished upon request made to the Fund at its business office.

Shares may be transferred only if the proposed transferee of the Shares obtains the prior

approval of the Fund. In this regard, the proposed transferee will be required to make the representations and warranties required of a subscriber in form and substance satisfactory to the Fund. The Fund will have full discretion to approve or disapprove any proposed transferee, and no proposed transfer will be recognized until the documents relating to it have been approved by the Fund. The Fund need not approve any transfer that is not or may not be consistent with any representation or warranty that the transferor of the Shares may have given to the Fund.

Among other things, the Memorandum and Articles of Association provides certain rights of indemnification in favor of directors, officers, employees and agents of the Fund against legal liability and expenses if such persons have acted in accordance with certain standards of conduct and, in connection with the matter giving rise to a particular claim, did not engage in willful misfeasance, bad faith, negligence or reckless disregard of the duties involved in the conduct of their office.

Some Important Guidelines for Offshore Investors and Their Investment Professionals

▶ Who Can Invest

Only non-resident aliens and non-U.S. entities may invest in our offshore funds. If you are a U.S. citizen or resident alien, you do not qualify as an eligible investor.

▶ Presence in the U.S.

Offshore funds may not be offered to you while you are present in the United States. Investors may only be solicited while OUTSIDE of the UNITED STATES.

▶ Distribution of Materials

Fund prospectuses and related material MAY NOT BE MAILED OR DISTRIBUTED WITHIN THE U.S. In certain cases, the Fund may distribute materials to approved, U.S.-based financial intermediaries.

▶ Documentation Requirements

All accounts are required to have signed applications, which include the representations of bona fide offshore status, on file. These documents must be signed by the beneficial owner or, with the Fund's permission, by an approved financial intermediary acting on behalf of the investor. Supporting documentation, such as a Power of Attorney, may be requested.

▶ Address Requirements

The address of record on your account must be either:

- a) outside of the United States, or
- b) with the Fund's permission, in care of an approved financial intermediary in the U.S. who has made appropriate representation to the Fund.

If you have further questions as to whether or not you may invest in an offshore fund, please consult your investment professional. The Fund reserves the right to reject investments which do not comply with the above requirements.

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DAILY DOLLAR INTERNATIONAL, LTD.

PROSPECTUS