Appian
Asset Management

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Appian Fact Sheet Euro Liquidity Fund

MARCH 2015

About Appian Asset Management

Appian is an independent Irish owned asset management company. Since our establishment in 2003 our investment philosophy has been to achieve solid investment growth with the minimum of risk and volitality. Our objective is to preserve and grow capital through value investing on a sustainable, risk adjusted basis. We ignore investment fashions and do not leverage any of our investments.

The Appian Euro Liquidity Fund was set up in response to our clients' demands for a diversified Euro liquidity fund which would be actively and prudently managed with a view to minimising risk on cash deposits.

The Appian Euro Liquidity Fund has the following features:

- The fund may invest in bank deposits with terms of up to 5 years.
- The fund may invest in government and corporate debt securities with maturities of less than 5 years.
- No more than 30% of the fund can be placed on deposit with any single credit institution.
- Detailed due diligence and credit analysis is completed prior to any investment.
- The fund's investments are in Euro.
- The fund assets will be appropriately diversified through fundamental analysis of each investment.

Appian Euro Liquidity Fund Performance 01.04.2015

Period	2009	2010	2011	2012	2013	2014	2015 YTD
Appian Euro Liquidity Fund	2.84%	2.37%	1.10%	0.26%	-0.09%	-0.13%	-0.04%
Moneymate Sector Average Cash	1.61%	0.75%	0.57%	0.34%	0.61%	0.07%	-0.11%

Investment Team

- Patrick J Lawless
- John Mattimoe
- Pat Kilduff
- Frank O'Brien
- Eugene Kiernan
- Gareth Henson

Key Features

- Focus on counterparty risk
- A well-diversified portfolio of cash and highly liquid assets
- All investments in Euro
- No entry, exit or performance fees
- No more than 30% with a single institution
- Independent Trustee Custodian and Administrator

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Portfolio Comment for Q1 2015

The Liquidity Fund recorded a negative return of -0.04% for the quarter ending 31 March 2015. This reflected lower deposit rates offered by financial institutions and the continued suppression of short term bond yields. In many cases high quality short term bonds are offering negative yields.

The ECB began its Quantitative Easing (QE) programme in Q1. This entailed the purchasing of €60bn of debt (Corporate and Government) per month. The explicit aim of QE for the ECB is to raise inflation to more normalised levels and closer to their mandated target. The QE programme is to end in September 2016 and the ECB has forecast that its bond buying will raise inflation by c 0.75%. With such a programme in place interest rates are likely to remain at historically low levels for the foreseeable future. QE has maintained pressure on short dated Eurozone government bond yields with Governments directly benefiting from the low cost of funding. The relatively new Greek government continue to raise the possibility of an exit from the Eurozone. This geopolitical risk will ensure that the ECB will maintain its monetary support in an attempt to limit contagion risk.

The ability of banks to source cheap funding has limited the attractiveness of cash deposits as an investment class in the short term. As a result there will be continued pressure on the Fund to achieve a positive return. The possible exit of Greece from the Eurozone, whilst unlikely, does create a risk that is unprecedented and therefore the associated risks with such an outcome are difficult to measure. Hence, we maintain a short term maturity profile for the investments in the Fund at this present time. The primary purpose of the Fund remains the continued security of the assets.

Fund Facts

LAUNCH DATE
January 2009

NAME
Appian Liquidity Fund

FUND SIZE
€11.72 million

PRICING FREQUENCY
Monthly

PRICING BASIS
Single Price

ANNUAL MANAGEMENT CHARGE
0.25% p.a.

FUND CUSTODIAN
BNP Paribas Securities Services

STRUCTURE
Retail Investor Alternative Investment Fund

WARNING The value of your investment may go down as well as up. Past performance is not a reliable guide to future performance. These investments may be affected by changes in currency exchange rates.