

Appian Euro Liquidity Fact Sheet Fund

JUNE 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 volatility. 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 01.07.2015							
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%	-0.02%
Moneymate Sector Average Cash	1.61%	0.75%	0.57%	0.34%	0.61%	0.07%	-0.02%

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

Portfolio Comment for Q2 2015

The Liquidity Fund recorded a positive return of .02% for the quarter ending 30 June 2015. Banks continue to lower their deposit rates with little competition domestically for funding. Short term bond yields remain at extremely low levels as the ECB maintains a dovish monetary stance.

The ECB continues its Quantitative Easing (QE) program and recently received approval from the European court of Justice with regards its Outright Monetary Transaction program (OMT). OMT is another bond buying program and provides the ECB with an additional flexible monetary tool to reinvigorate the European economy. With inflation well below the ECB's mandated target we expect short term interest rates to remain at these low levels for the foreseeable future.

We warned in the previous quarter of the risks associated with the newly elected Greek government. Unfortunately these risks have come to the forefront of investor concerns with the distinct possibility of Greece exiting the Eurozone. There has been limited contagion risk so far which is a reflection of (1) the new monetary tools (as mentioned above) and rescue funds that have been put in place in the Eurozone (2) the limited exposure of private investors to the Greek economy and (3) the Euro area and more specifically the peripheral nations are in a much stronger position economically than in recent years. This however, is a subject that we will continue to monitor closely both with regards the short term effects and the long term implications of any finalized resolution.

Based on above there will be continued pressure on the Fund to achieve a positive return. 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 million

PRICING FREQUENCY

Weekly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

0.25% p.a.

FUND CUSTODIAN

**BNP Paribas
Securities Services**

STRUCTURE

**Retail Investor Alternative
Investment Fund**