

Appian Euro Liquidity Fact Sheet Fund

DECEMBER 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 04.01.2016							
Period	2009	2010	2011	2012	2013	2014	2015
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%	-0.06%

Investment Team

Patrick J Lawless

John Mattimoe

Frank O'Brien

Eugene Kiernan

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

Appian Liquidity Fund Comment for Q4 2015

The Appian Liquidity Fund recorded a positive return in the final quarter of the year making for a full year 2015 return of -0.04%.

The backdrop for deposit-type investing remains challenging. The ECB continues to depress interest rates and bond yields with its Quantitative Easing programme and in December, Mario Draghi committed to further extensions of the policy as they seek to achieve the Central Bank inflation target of “close to 2% over the medium term”. Current market expectations for inflation over this period are well anchored below this targeted level, even taking account of base effects which will see some uplift in price inflation from current exceptionally low levels. For that reason, we expect short-term interest rates here in Eurozone to remain at these low levels for the medium term.

Short term government bond yields are now negative across practically all Eurozone members.

Domestically banks continue to lower their deposit rates with little competition for funding.

The primary focus of the Fund is the security of assets and this is reflected in both the duration and credit quality of the Fund’s counterparties.

Fund Facts

LAUNCH DATE

January 2009

NAME

Appian Liquidity Fund

FUND SIZE

€10 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**