

Appian Euro Liquidity Fact Sheet Fund

SEPTEMBER 2016

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 30.09.2016

Period	2009	2010	2011	2012	2013	2014	2015	2016 YTD
Appian Euro Liquidity Fund	2.84%	2.37%	1.10%	0.26%	-0.09%	-0.13%	-0.04%	-0.08%
Moneymate Sector Average Cash	1.61%	0.75%	0.57%	0.34%	0.61%	0.07%	-0.06%	-0.26%

Investment Team

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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 Euro Liquidity Review Quarter 3 2016

The return on the Appian Euro Liquidity Fund was flat in the third quarter of the year.

Focus this quarter was largely on the ECB's September monetary policy meeting and whether the ECB has a clearer picture of what Brexit might mean for financial markets and the real economy. On September 8th, the ECB announced they would leave policy on hold reflecting a reasonably steady tone of economic data. The statement that "monthly asset purchases of €80 billion are intended to run until the end of March 2017, or beyond, if necessary" suggests that the Bank has not yet committed to extending the programme by another six months. This announcement saw a slight rise in government yields in core and peripheral countries however this increase was reversed towards the end of September.

Short term government bond yields are now negative across almost all Eurozone members with the German 3 month government bond down from -0.70% to -0.79% at the end of the third quarter. Domestically banks are continuing to lower their deposit rates with little competition for funding.

While the ECB has seen a slight improvement in economic data, it may still extend quantitative easing ("QE") for fear that the inflation rate might not reach the ECB's target on a sustained basis before completion of the current tranche of QE. This would see further pressure on deposit type investing.

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

€13 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**