

Merrion Cash Fund **FACTSHEET**

30th September 2019

The Merrion Cash Fund is designed to provide capital security for pension fund investors approaching retirement. It may also be used as a short-term "safe-haven" by investors in times of market uncertainty.

FUND

Fund Type	Cash
Bid/Offer Spread	None
Launch date	31.05.2003
Base Currency	EUR
Liquidity	Daily
Risk Rating	1
Volatility*	0.1%
Benchmark	MoneyMate Cash Fund Average

*'Volatility' on a risk scale of 1 to 7, with level 1 being generally low risk and level 7 being generally high risk. The volatility is measured from past returns over a period of five years using weekly and monthly data where applicable. Prior to making an investment decision, you should talk to your financial advisor or broker in relation to the risk profile most suitable for you.

PERFORMANCE UPDATE AT 30.09.2019

	Cash Fund*	MoneyMate Cash Fund Average
1 Month	-0.1%	0.0%
Quarter 3	-0.1%	0.0%
YTD	0.0%	0.0%
1 Year	-0.4%	0.0%
3 Years p.a.	-0.3%	0.1%
5 Years p.a.	-0.1%	0.2%
10 Years p.a.	0.3%	0.6%
15 Years p.a.	1.2%	1.5%

Source: MIM, MoneyMate & Bloomberg 30.09.2019

*Performance figures are quoted gross of management fees.

Management fees are detailed in the relevant share class addendum.

Over the last number of years, our overriding concern with respect to cash management was security of capital and security of liquidity. The sovereign debt crisis in Europe highlighted that sovereign guarantees for banks do not give the levels of comfort that they once did and we have seen dramatic increases in underlying sovereign bond market volatility in the past few years.

These issues have in turn had significant implications for both term-deposit yields offered by banks and the yields that are available on short-term Treasury Bills issued by the various Eurozone governments.

We actively manage our exposure to banks and underlying sovereign risk and at times opt for the security and liquidity of call accounts with our custodian rather than fixed deposits.

The introduction of negative interest rates in the Eurozone coupled with quantitative easing means that monetary policy is likely to remain especially easy for some time to come. This means that interest rates will not rise for the foreseeable future. In addition, as the banking crisis has eased, rates available from banks in the periphery of Europe have fallen dramatically. These rates are now less than zero (a situation we expect to persist for some time) as the ECB continues to maintain a negative interest rate policy in the Eurozone.

We continue to look at high quality European banks in order to diversify the holdings and increase the yield on the fund. In addition, we will invest in high quality, short-dated bonds which offer a positive yield.

However, as mentioned above, it is likely that yields will remain low for some time to come.

WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Merrion Capital Investment Managers Limited (trading as Merrion Investment Managers) is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland and is a Member Firm of The Irish Stock Exchange and The London Stock Exchange.

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