

Merrion Technology Fund II FACTSHEET

30th September 2019

The Merrion Technology Fund II is a specialist investment vehicle that focuses on the Technology, Media, Telecommunications and other dynamic growth sectors. Over the long term, we believe that technology will continue to be an important driver of global economic growth and equity market return.

FUND

Fund Type	Equity
Bid/Offer Spread	None
Launch date	21.12.1994
Base Currency	EUR
Liquidity	Daily
Risk Rating	6
Volatility*	18.5%
Benchmark	MSCI ACWI Tech Index

The Merrion Technology fund 2014 delivered a disappointing third quarter returning 0.5% versus the benchmark which returned 6.9%.

The funds large underweight in semiconductor stocks was the main drag on performance during the third quarter with names such as KLA Corp + 41.5% and Taiwan Semiconductor + 19.7%.

Entering the third quarter, the fund is maintaining its conviction on the bearish Semiconductor view.

In Summary, the stocks seem to be discounting an upturn which is six months away at best and this could prove to be disappointing if there is no resolution to the China/US trade war. The expected earnings growth recovery from -10% in 2019 to +16% in 2020 with inventory levels still high very high versus history seems optimistic.

Historically the sector has been correlated with industry revenue trends and US ISM and currently the sector is trading near all time highs while ISM is at the lowest levels since 2009. All eyes will be on earnings season, with Texas instruments the first large cap to report on October 22nd.

An overweight position in Netflix also negatively impacted post poor results in July and this position was closed before the stock deteriorated further September.

An Apple underweight also impacted performance and exposure to the stock was increased over the quarter.

The technology sector offers investors companies with little or no debt and strong free cash flow, attributes that make large cap technology companies particularly attractive. The sector continues to provide opportunities for growth from companies exposed to structural drivers/ themes.

*'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

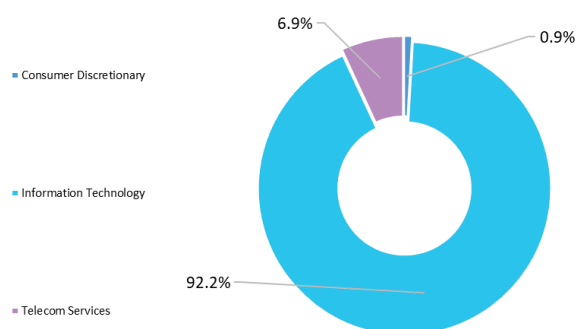
	Technology II*	MSCI ACWI (Tech)
1 Month	0.3%	2.9%
Quarter 2	0.5%	6.9%
YTD	25.8%	34.7%
1 Year	7.0%	13.3%
3 Years p.a.	14.5%	20.5%
5 Years p.a.	15.0%	19.0%
10 Years p.a.	15.8%	17.8%
15 Years p.a.	11.1%	11.8%
20 Years p.a.	6.5%	N/A

Source: MoneyMate 30.09.2019

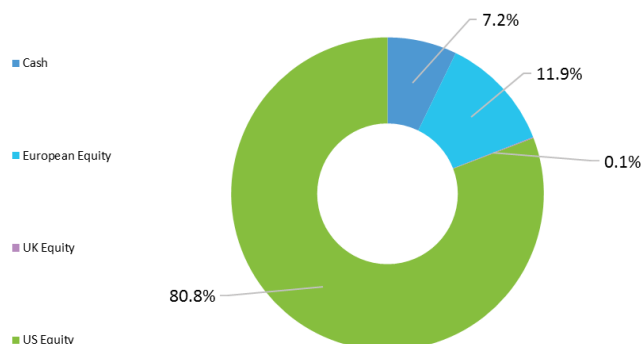
*Performance figures are quoted gross of management fees.

Management fees are detailed in the relevant share

SECTORIAL DISTRIBUTION OF EQUITIES



ASSET DISTRIBUTION



**The Technology Fund Series II was launched in May 2014. Therefore, it does not have an established long-term past performance record. To demonstrate the investment manager's capabilities in differing historic market conditions, we have shown the past performance of the Technology Fund. This Fund and the original Technology Fund are managed by the same investment team, using the same investment process and built around the same model equity portfolio. Consequently, we anticipate that the past performance of the Technology Fund is representative of the past performance that would have been achieved by the Technology Fund Series II had it been available over the historical periods shown. The Technology Fund Series II returns are shown when available since May 2014. Please refer to our website link: <https://www.merrion-investments.ie/assets/documents/policy-research-third-party.pdf> for our policy regarding the provision of research by third parties. In relation to Merrion Investment Trust - KIDs additional information is available on request from Merrion Investment Managers - please contact 670 2500 or e-mail info@merrion-investments.ie. Further details are available on request from Merrion Investment Managers.*

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.