

# Appian Ethical Value Fact Sheet Fund

SEPTEMBER 2017

## 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.

## Investment Team

Patrick J Lawless

Eugene Kiernan

John Mattimoe

Niall Dineen

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### Appian Ethical Value Fund Performance 30.09.17

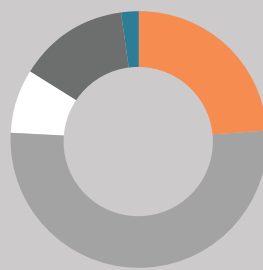
Period	2015	2016	2017 YTD
Fund Return	-2.43%	1.93%	-0.47%

### Asset Allocation



Equities	45%
Bonds	14%
Cash	22%
Property	9%
Alternatives	10%

### Geographic Currency Distribution



US	24%
Euro	52%
Swiss	8%
UK	14%
NOK	2%

## Key Features

- Focus on companies with strong balance sheets
- US, UK, Swiss and European stocks only
- Active stock selection
- No entry, exit or performance fees
- Lower volatility than global equity markets
- Sustainable long term returns
- Independent Trustee Custodian and Administrator
- Robust ethical screening using Vigeo Eiris™
- Independent oversight from Ethical Advisory Group

## Appian Ethical Value Fund Review, Quarter 3 2017

There was little clear trend in financial markets in this third quarter and the Appian Ethical Value Fund delivered a return of 1.02%. The economic background has been broadly supportive as growth remains solid, and in fact we have seen upgrades to forecasts over the past 6 months. Interest rates remain low and will continue to do so certainly in Eurozone and likely increases in the US will be modest and measured. To date financial markets have not reacted to the increase we have seen in geo-political risk such as North Korea.

Currencies played a significant role in investor returns in the period. Sterling weakened significantly but subsequently recovered while the US dollar was weak relative to the Euro. Global equities, measured in US dollar terms, were ahead by 4.96% in Q3, but when translated into Euros only gained 1.5%.

Our equity holdings delivered returns in line with global benchmarks. Two of our recently added names performed well. Yara International, the world's leading producer of nitrates and a significant producer of ammonia and phosphates, advanced by 14% in the three months. The stock benefitted from a recovery in prices for a range of key crop nutrients and upgrades from broker analysts. Another strong performer was American Express which has performed well since purchase and in the quarter was ahead by 7.4%. The company continues to regain market share and the most recent quarterly revenue growth numbers were the best since 2011. One of our core holdings which disappointed in the quarter was Oracle, down by just over 3%, but we remain confident in its evolving business model emphasising the use of cloud technology.

Bonds were marginally positive in the quarter as inflation remains the missing ingredient in this economic expansion. However we still see little fundamental value in the asset class and as Central Bank policy becomes less supportive, yields should drift up.

Elsewhere in the Fund we saw good returns from our holdings in both property and forestry. The Irish Property Unit Trust was ahead by 3.83% in the quarter and 8.68% in the year to date. The Appian Burlington Property Fund also had a strong performance and is up 8.83% for the first 9 months of the year. We achieve our forestry exposure through IFUT and this continues to deliver solid, uncorrelated, performance, up 1.28% in the quarter making for a 3.95% return for the year to date.

The Fund remains extremely well diversified over quality assets and, with reasonable cash holdings, well equipped to cope with any financial market turbulence.

Top 5 Equity Holdings 30.09.17			
Name	Country	Sector	%
Nestle	Swiss	Food	3.00%
GlaxoSmithKline PLC	US	Pharmaceuticals	2.80%
BP PLC	UK	Oil & Gas	2.70%
Microsoft	US	Technology	2.68%
Wells Fargo & Co	US	Financial Services	2.49%

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## Fund Facts

### LAUNCH DATE

**July 2015**

### NAME

**Ethical Value Fund**

### FUND SIZE

**€17 million**

### PRICING FREQUENCY

**Monthly**

### PRICING BASIS

**Single Price**

### ANNUAL MANAGEMENT CHARGE

**1.5% p.a.**

### FUND CUSTODIAN

**BNP Paribas  
Securities Services**

### STRUCTURE

**Retail Investor Alternative  
Investment Fund**

**WARNING** The value of your investment may go down as well as up. Past performance is not a reliable guide to future performance. These investments may be affected by changes in currency exchange rates.