

Appian Ethical Value Fact Sheet Fund



SEPTEMBER 2019

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

Niall Dineen

John Mattimoe

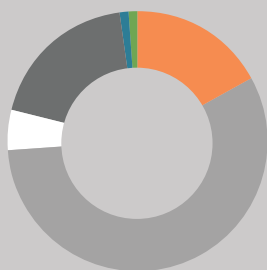
Pat Kilduff

Derek Heffernan

Appian Ethical Value Fund Performance 30.09.19

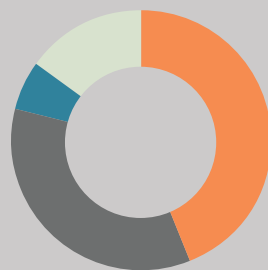
Period	2015	2016	2017	2018	2019 YTD
Fund Return	-2.43%	1.93%	1.86%	-4.48%	8.40%

Geographic Currency Distribution



US	18%
Euro	56%
Swiss	6%
UK	17%
NOK	1%
DKK	2%

Asset Allocation



Equities	44%
Cash	35%
Property	6%
Alternatives	15%

Key Features

- Focus on companies with strong balance sheets
- Developed Stock Markets 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 EirisTM
- Independent oversight from Ethical Advisory Group

Appian Ethical Value Fund Review, Quarter 3 2019

The Appian Ethical Value Fund gained 0.36% in Q3 2019 bringing the year to date return to 8.4%.

The third quarter of 2019 proved one of most interesting quarters for multi-asset investors. High levels of economic and political uncertainty resulted in a stampede by investors out of equities into bonds, \$1.1 trillion has moved from equities into bonds over the last twelve months. This is at a point in time where bonds have never been more expensive, with \$17 trillion of fixed income paper generating negative yields. The move in the bond market also had implications for other asset classes. Within quoted equities, the premium for growth over value surpassed the levels seen in 1999 and within private equity, valuations are surpassing those seen in the quoted market, turning what has traditionally been a liquidity premium into a liquidity discount.

When we look back in years to come August may prove to be the crescendo of the valuation bubbles that have developed in markets over the last decade as September provided the first glimpse of a rotation in markets as bonds fell in value and value orientated equities started to outperform their growth counterparts.

During the quarter our equities performed well, driven by the rotation back into value that occurred during September. Biffa, the leading commercial waste management company in the UK was one of the standout-performers during the quarter as it rose over 16%. The catalyst for the share price performance was an announcement that it intends to grow earnings by 50% by 2023 through investment in areas such as plastics recycling and energy for waste plants.

The quarter also saw a strong performance from other asset classes. Our investments in renewable infrastructure continued their strong performance of 2019, rising on average 4% during the quarter. The impetus behind the need to invest in renewables has accelerated this year and it is estimated that €1.8 trillion is set to be invested in Europe by 2050. This is creating a positive investment environment for companies such as Aquila European Renewables and the Renewables Infrastructure Group which have been added to the fund this year.

Our asset allocation remains broadly unchanged as we continue with a zero percent exposure to fixed income, our equities remain value orientated, our alternative assets continue to have valuation support and our cash weighting remains high to allow us take advantage of the opportunities that may arise of parts if financial markets correct. We believe this is an asset allocation that can continue to generate returns whilst avoiding the riskier parts of the market.

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Fund Facts

LAUNCH DATE

July 2015

NAME

Ethical Value Fund

FUND SIZE

€31 million

PRICING FREQUENCY

Monthly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

1.5% p.a.

FUND CUSTODIAN

Citibank Europe Plc

STRUCTURE

Retail Investor Alternative
Investment Fund

WARNING If you invest in any of the Appian Funds you may lose some or all of the money you invest. Past performance is not a reliable guide to future performance. Appian Funds may be affected by changes in currency exchange rates. The value of your investment may go down as well as up.

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