

# Appian Ethical Value Fact Sheet Fund

SEPTEMBER 2016

## About Appian Asset Management

**A**ppian 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.

### Appian Ethical Value Fund Performance 30.09.2016

Period	2015	2016 YTD
Fund Return	-2.43%	-1.32%

### Geographic Equity Distribution



US	43%
Euro	8%
Swiss	15%
UK	34%

## 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 EirisTM
- Independent oversight from Ethical Advisory Group

## Investment Team

Patrick J Lawless

John Mattimoe

Frank O'Brien

Eugene Kiernan

Niall Dineen

Lisa Neary

## Appian Ethical Value Fund Comment for Q3 2016

Financial markets were generally be-calmed in the third quarter of 2016. Unlike the beginning of the year which was impacted by fears over China and Energy, and the second quarter where Brexit dominated, there was little by ways of news or events to unnerve investors, other than the continuing fall in the value of Stg which impacted negatively on the value of the circa 15% of Stg assets held in the Fund. Bond markets were broadly unchanged as extremely low yields saw little movement, and equity markets generally saw a gentle rise. Against this backdrop, the Appian Ethical Value Fund advanced by 1.21% in the quarter which reduced the nine month decrease in the Fund to 1.32%.

Global economic activity remains sub-par. Investors remain focussed on Central Banks and what their next policy moves may be. In the Eurozone, Mario Draghi disappointed somewhat by not announcing any expansion of the QE programme in September, but kept the door firmly open for further moves later in the year. In the US, the central bank looks set to move interest rates up in December but as always their decision will be very dependent on the economic data between now and then. In the UK the impact from Brexit has really yet to be seen as data such as retail sales have held up well. The key will be how corporate investment plans are impacted in the new economic regime.

In the equity component of the Ethical Value fund, we benefitted from strong performance from our holding in Varian Medical Systems, the US based manufacturer of medical devices and software. This has been a long-term holding for Appian and the company announced that it would be ahead of market expectations for both sales and profits in the current year. The company is being especially successful in both oncology and imaging. The stock was up by 21% in the period. A more positive tone in commodity markets supported our quality holding in this sector such as Rio Tinto which added 12% in the quarter. One of our stocks which lagged slightly in the quarter was Oracle which declined 4%. We believe its strategy of migrating much of its business to cloud-based processes will ultimately be a positive.

While our bond holdings were broadly flat in the quarter, we have added some inflation protection in the US which we believe will be a positive contributor to the fund.

We saw further gains of 2.4% in our property exposure in the third quarter. Forestry and infrastructure were also positive.

The Appian Ethical Value fund is well diversified over both traditional assets such as equities and bonds as well as alternative assets like Infrastructure and forestry. We believe this spread of assets coupled with current solid levels of cash make it well positioned for any market volatility.

### Top 5 Equity Holdings 30.09.2016

Name	Country	Sector	%
Nestle	Swiss	Food	2.73%
Varian Medical Systems Inc	US	Medical Devices	1.95%
Oracle Corp	US	Information Technology	1.94%
GlaxoSmithKline PLC	UK	Pharmaceuticals	1.94%
Royal Dutch Shell	UK	Oil & Gas	1.85%

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## Fund Facts

### LAUNCH DATE

**July 2015**

### NAME

**Ethical Value Fund**

### FUND SIZE

**€10 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.