

Appian Value Fund Fact Sheet

DECEMBER 2016

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.

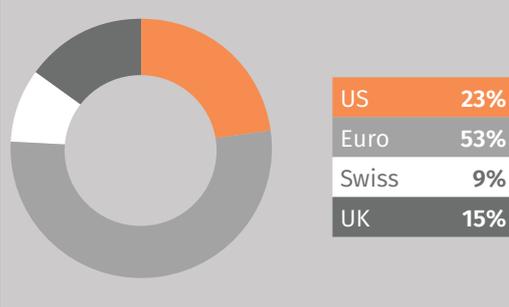
Performance of Appian Value Fund



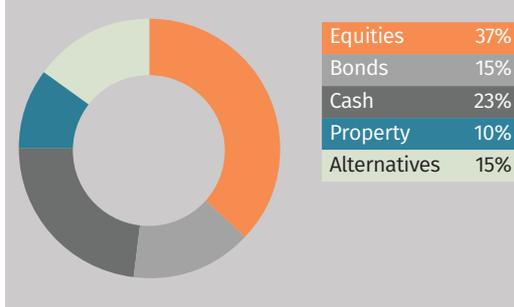
Appian Value Fund Performance 31.12.2016

| Period | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|---------|--------|-------|-------|-------|-------|-------|-------|-------|
| Fund Return | -15.80% | 11.40% | 4.87% | 3.30% | 4.44% | 8.49% | 9.72% | 5.94% | 0.49% |

Geographic Equity Distribution



Asset Allocation



Investment Team

Patrick J Lawless

John Mattimoe

Frank O'Brien

Eugene Kiernan

Niall Dineen

Lisa Neary

Key Features

- Multi-asset Fund
- Dynamic asset allocation
- Active stock selection
- No entry, exit or performance fees
- Low Volatility
- Sustainable Long Term Returns
- Independent Trustee Custodian and Administrator

Appian Value Fund Review Quarter 4 2016

It was a solid final quarter to what had been quite a volatile year for financial markets, especially equities. The Appian Value Fund advanced by 2.1% making for a return of +0.49% for the full year.

The final months of 2016 were quite eventful for investment markets. The result of the US election was a surprise and equity markets generally interpreted it positively focussing on potentially stronger economic growth and reduced corporate taxes. 2017 will give a clearer indication of how much can be achieved and when. We also saw the US Central Bank increase interest rates and point to further rate hikes in 2017. Closer to home, the ECB outlined its extended programme for 2017 and is likely to be buying bonds until December next. Economic news flow over the quarter was generally positive.

The fund benefitted from especially strong returns in our equity portfolio. Bank stocks globally returned to favour with improving economic prospects and more favourable interest rate dynamics. Our holding in UBS advanced by over 20% in the quarter. Energy stocks also performed well on the back of higher crude prices and we saw good progress in both BP and Royal Dutch Shell up 13 and 17% respectively in the period, and they continue to offer very attractive yields. One of our core holdings which lagged slightly was Unilever, which was down by just close to 5%. We continue to view this as a company which can deliver strong and consistent operating performance in the medium term.

Over the quarter as a whole bond markets were weak – Eurozone government bonds losing close to 5% in value – as markets focussed on potential inflationary risks, primarily in the US. Our bond portfolio has a considerably shorter duration and so is less sensitive to market weakness. We have also built in protection with index-linked bonds.

Our diversified assets also contributed to the fund's total return in 2016. Both Property and Forestry delivered positive returns. The Irish Property Unit Trust (IPUT) through which we gain our property exposure was ahead by over 3% in Q4 and over 11% for the year as a whole. Property continues to offer solid income potential in our view. Our investment in forestry also performed well as the Irish Forestry Unit Trust (IFUT) grew by over 4% in 2016.

The Appian Value Fund remains well diversified over a number of asset classes as well as having a significant allocation to cash which should enable the fund to steer a course through any market volatility and take advantage of opportunities that may arise.

Top 5 Equity Holdings 31.12.2016

| Name | Country | Sector | % |
|-------------------|---------|--------------------|-------|
| Nestle | Swiss | Food | 2.12% |
| Royal Dutch Shell | UK | Oil & Gas | 1.94% |
| Microsoft | US | Technology | 1.81% |
| BP PLC | UK | Oil & Gas | 1.51% |
| Wells Frago | US | Financial Services | 1.63% |

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Fund Facts

LAUNCH DATE

November 2005

NAME

Appian Value Fund

FUND SIZE

€177 million

PRICING FREQUENCY

Monthly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

1.5% p.a.

RISK MEASURE

**Target volatility 4%-8%
on a rolling basis over the
last two years**

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.