

Appian Ethical Value Fact Sheet Fund

MARCH 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.

Appian Ethical Value Fund Performance 3.4.2017

Period	2015	2016	Q1 2017
Fund Return	-2.43%	1.93%	0.75%

Geographic Equity Distribution



US	27%
Euro	53%
Swiss	7%
UK	13%

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

Investment Team

Patrick J Lawless

Eugene Kiernan

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Pat Kilduff

Appian Ethical Value Fund Review, Quarter 1 2017

It was a solid start to the year as the Appian Ethical Value Fund advanced by 0.75% in the quarter. The return over the last 12 months has been 5.4% for the fund.

There was a reasonably benign economic backdrop for financial markets in this first quarter. In the US we have seen strong leading indicators such as new orders and solid growth on the ground in retail sales for example. The picture has also been improving in the Eurozone where strong business and consumer confidence readings have led to upward revisions to growth for 2017 from the ECB. The smooth communication and execution of the most recent interest rate increase by the US Federal Reserve also served to boost investor confidence.

Our equity allocation was the biggest driver of returns in the quarter. Many of our long held stocks performed well. Oracle, which rose 16%, delivered results which pointed to its transition to cloud-based business gaining traction. This is a higher growth sector for the company and management remain positive about potential. Our holding in Stryker, the US based manufacturer of speciality surgical and medical equipment was up just under 10% in the quarter on the back of early indications of success in robotics. Among our stocks which disappointed in the quarter was BP where subdued oil prices increase the challenge of managing capital expenditure, dividends and spill cost outlays. The stock continues to offer yield of 7%.

Government bond markets were generally weak over the period in the face of these better growth prospects and a view that, at some point, inflationary pressures may re-emerge. Eurozone bond markets typically lost just over 2% in the quarter.

Our diversified assets also contributed to the fund's total return in the quarter. Both Property and Forestry delivered positive returns. The Irish Property Unit Trust (IPUT) through which we gain property exposure was ahead by 2.56% in Q1. 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 1.32% and looks well set to deliver positive returns over the course of the year.

There are doubtless risks ahead for financial markets, with European and US politics to the fore as a source of such risk, but the Appian Ethical Value fund is very well diversified over economies and asset classes to enable it steer a successful course through any volatility.

Top 5 Equity Holdings 31.03.2017

Name	Country	Sector	%
Nestle	Swiss	Food	3.10%
GlaxoSmithKline PLC	US	Pharmaceuticals	2.76%
BP PLC	UK	Oil & Gas	2.73%
Microsoft	US	Technology	2.68%
Varian Medical Systems	US	Medical Technology	2.57%

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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.