

Appian Ethical Value Fact Sheet Fund

JUNE 2017

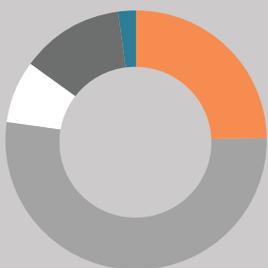
About Appian Asset Management

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 30.06.17

Period	2015	2016	2017 YTD
Fund Return	-2.43%	1.93%	-0.54%

Geographic Equity Distribution



US	25%
Euro	53%
Swiss	8%
UK	13%
Japan	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 EirisTM
- Independent oversight from Ethical Advisory Group

Investment Team

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Appian Ethical Value Fund Review, Quarter 2 2017

Financial markets made little progress in the second quarter, with global equities in Euro terms down by 2.3% driven partly by currency moves, as the US dollar weakened significantly against the Euro. Against this backdrop, the Appian Ethical Value Fund was down by 1.28% making for a slight negative return of 0.54% for the year to end June.

The economic environment was generally benign though we have seen some softening in the data from the US while the Eurozone economy is performing above expectations. US interest rose as expected but there is still little prospect of higher rates in the Eurozone for some time. Despite the growing global economy we have yet to see any meaningful pick-up in inflation. This positive economic background has also been supportive for company profits which so far this year are meeting or beating analyst expectations.

Within our equity portfolios we benefitted from good performance from some of our long held names. Oracle, the US technology company rose by over 12% in the quarter on the back of higher revenues and higher margins as it successfully transition its business to a cloud base model. Our holding in Nestle got a boost from the advent of an “activist” shareholder prompting the company to initiate a share buy-back programme which boosted the share price. The stock rose 8.6% in the quarter. In the quarter Walt Disney slipped by 6% as higher costs in its ESPN operation coupled with tough comparisons in its film business weighed on sentiment in the short term. We remain confident in the investment case.

Bond markets were mixed and remain range bound as they have been for the first 6 months of the year. Eurozone government bonds were marginally ahead in the three months, despite weakening significantly at the end of June. Bond investors initially took heart from the absence of inflation to date, but then became nervous over potential central bank policy shifts.

Our other assets continue to perform well. In property, the value of our holding in IPUT was up over 2% in the quarter making for a return of 4.67% so far this year. Our investment in the Appian Burlington Property fund is also performing well. Forestry also continues to perform in a steady manner – ahead by 1.3% in the quarter and 2.64% for the first 6 months.

The Appian Ethical Value Fund remains well diversified over asset classes and regions and well positioned to steer a course through any market volatility, should it pick up over the course of the year.

Top 5 Equity Holdings 30.06.17

Name	Country	Sector	%
Nestle	Swiss	Food	3.29%
GlaxoSmithKline PLC	US	Pharmaceuticals	3.14%
Microsoft	US	Technology	2.62%
BP PLC	UK	Oil & Gas	2.56%
Oracle	US	Technology	2.22%

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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.