

# Appian Ethical Value Fact Sheet Fund

MARCH 2018

## 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.

## Investment Team

Patrick J Lawless

Eugene Kiernan

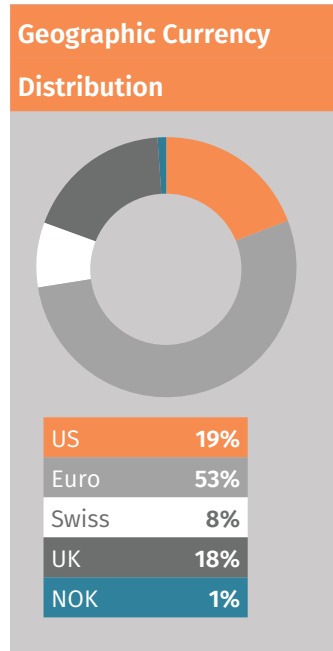
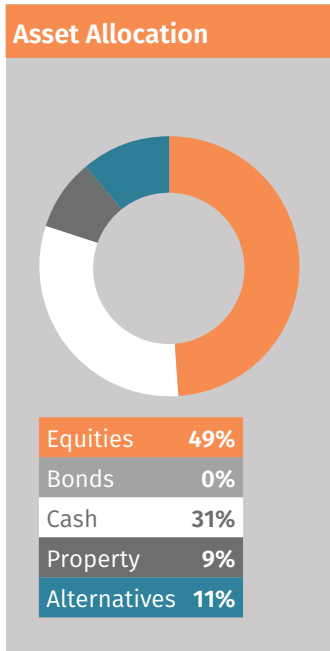
John Mattimoe

Niall Dineen

Pat Kilduff

### Appian Ethical Value Fund Performance 31.03.18

Period	2015	2016	2017	2018 YTD
Fund Return	-2.43%	1.93%	1.86%	-2.58%



## 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

## Appian Ethical Value Fund Review, Quarter 1 2018

The first quarter of 2018 was a challenging one for financial markets. A confluence of political uncertainty, potential trade wars and sector specific issues bore down on equity markets making for a weak start to the year. Against this backdrop, the Appian Ethical Value Fund lost 2.58% in value.

The economic backdrop remained very supportive. Global growth continues to be strong and broad based, and while there is some upward pressure on interest rates in the US, Eurozone interest rates are set to remain low well, into 2019. Inflation rates generally remain subdued though we have seen some upward pressure on US wage costs. In fact as US wages data came in ahead of expectations we did see a fall back in bond markets which translated into concern for equity markets. Fragile sentiment was then hit by a number of departures from President Trump's cabinet. This was then followed by the proposal of higher tariffs on steel and aluminium imports, which markets viewed as a significant potential negative. Subsequently we did see some softening of the trade stance. Towards the end of the quarter technology stocks, especially those with access to personal data, came under pressure as investors weighed up the implications of data security and handling controversies in the UK. Technology is a large sector with the ability to influence market direction.

In our equity portfolios we are underweight technology and do not hold the stocks that have borne the brunt of the downturn (such as Facebook). Among the stocks which performed well in the fund was GlaxoSmithKline where the market responded favourably to its decision to buy out the Novartis share in the consumer healthcare joint venture. We did see some weaker performances for our holdings in the financial sector especially in names such as Wells Fargo.

In the quarter, we moved out of bonds totally. We had already been quiet defensively positioned within the portfolio, but in anticipation of higher bond yields and the withdrawal of support from global central banks, increasing the risk of capital losses, saw no merit in maintaining any position.

Property exposure was a positive contributor to fund performance as were our holdings in alternative assets such as forestry and infrastructure.

Our view is that underlying investment fundamentals are sound. We have previously signalled that we would expect somewhat higher volatility in markets than in the recent past, but to counter this, the Appian Ethical value Fund retains a tactically high cash weighting and is widely diversified over asset classes and regions.

### Top 5 Equity Holdings 31.03.18

Name	Country	Sector	%
BP PLC	UK	Oil & Gas	3.18%
GlaxoSmithKline PLC	US	Pharmaceuticals	3.14%
Wells Fargo & Co	US	Financial Services	2.73%
Rio Tinto	UK	Industrials	2.73%
Nestle	Swiss	Food	2.68%

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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. If you invest in this fund you may lose some or all your investment.