

Appian Ethical Value Fact Sheet Fund

JUNE 2018

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.

Investment Team

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Appian Ethical Value Fund Performance 30.06.18

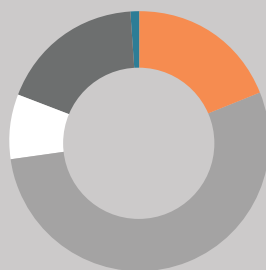
Period	2015	2016	2017	2018 YTD
Fund Return	-2.43%	1.93%	1.86%	0.84%

Asset Allocation



Equities	49%
Bonds	0%
Cash	32%
Property	9%
Alternatives	10%

Geographic Currency Distribution



US	19%
Euro	54%
Swiss	8%
UK	18%
NOK	1%

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 2 2018

The Appian Ethical Value Fund had a strong second quarter rising by 3.5%, recouping the losses from the prior quarter, and making for a positive return of 0.84% in the year to date. The return of 0.84% placed the Fund as the leading performer within the cautiously managed finds segment of the market in the 6 month period.

The economic backdrop for financial markets remains very constructive – solid growth and still low interest rates. Two issues which impacted on markets in the quarter were political uncertainty in Italy and a growing threat of a global trade war emanating from the US. Political risk in Italy was a key focus for markets in May and June. While at one point a general election seemed inevitable, a coalition was ultimately formed and a near term crisis averted. This impacted on both Italian assets and Eurozone markets in general. Global trade tensions are also escalating as the Trump administration imposes tariffs on a variety of goods and countries. To date market impact has been modest but the risk is that we see a broad escalation into a global trade war.

Our equity portfolios performed well in the quarter. One of our stand-out performers was Sainsbury in the UK. Improving sales and ahead of schedule synergies from the Argos acquisition were then topped off by the announcement of a proposed merger with ASDA. Sainsbury was up over 30% in the quarter. BP was another good performer for the Fund, essentially reflecting the move in oil prices from \$66 to close to \$80 per barrel in the quarter. The stock continues to deliver a 5% dividend yield. Performance from a recent purchase, Banco Santander, was disappointing in the quarter as European banks as a sector were out of favour, and in particular it was dragged down by its Brazilian exposure. We still view it as one of the top quality banks in Europe.

Elsewhere in the Fund, we continue to hold no bonds, viewing the asset class as poor value into a rising interest rate and inflation environment. Our performance in the quarter also reflects good returns from our property holdings in the Irish Property Unit Trust, which rose 2.5% in the quarter and a rise of 3.65% from the Appian Burlington Property Fund. Forestry continues to benefit the Fund - up over 1% in the quarter.

The Appian Ethical Value Fund remains very well diversified over a wide range of assets, including cash. A positive performance in the first half of the year is a solid outcome given the degree of market volatility and the concentration of equity returns in sectors such as technology, and stands in contrast to negative returns posted by many similar multi-asset funds.

Top 5 Equity Holdings 30.06.18

Name	Country	Sector	%
BP PLC	UK	Oil & Gas	3.45%
GlaxoSmithKline PLC	UK	Pharmaceuticals	3.11%
Rio Tinto	UK	Industrials	2.86%
Wells Fargo & Co	US	Financial Services	2.84%
Nestle	Swiss	Food	2.53%

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Fund Facts

LAUNCH DATE

July 2015

NAME

Ethical Value Fund

FUND SIZE

€19 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.