

# Appian Ethical Value Fact Sheet Fund



MARCH 2019

## 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

Niall Dineen

John Mattimoe

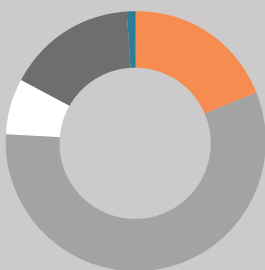
Pat Kilduff

Derek Heffernan

### Appian Ethical Value Fund Performance 31.03.19

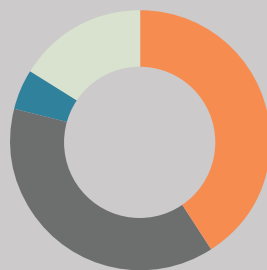
Period	2015	2016	2017	2018	2019 YTD
Fund Return	-2.43%	1.93%	1.86%	-4.48%	7.99%

### Geographic Currency Distribution



US	19%
Euro	57%
Swiss	7%
UK	16%
NOK	1%

### Asset Allocation



Equities	41%
Cash	38%
Property	5%
Alternatives	16%

## Key Features

- Focus on companies with strong balance sheets
- Developed Stock Markets 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

## Appian Ethical Value Fund Review, Quarter 1 2019

The Appian Ethical Value Fund appreciated 8% during the first quarter as global asset markets rallied.

The first quarter of 2019 has seen financial markets breathe a huge sigh of relief as the pessimism that engulfed the last quarter of 2018 has given way to optimism. The catalyst for this positivity has been a change of course by Central Bankers globally from a tightening bias to an easing bias. This change of direction has been greeted positively by the markets, and has resulted in the best start to a year in two decades for equity markets.

The major asset allocation decision taken during the quarter was to increase the equity weighting in the Fund from 43% to 50% in the first week of January. This decision was based on a belief that our equities offered significant value post the sell-off at the end of 2018. We have not been surprised by the change in Central Bank policy but we have been surprised by the speed of the equity market rally.

During the quarter, three new names were added to the Fund, Vidrala, DS Smith and Solvay. Vidrala, is a Spanish glass bottle manufacturer which we believe is set to see a step up in its growth profile as it will continue to win market share from plastic. DS Smith, the leader in European paper recycling saw its share price come back due to cyclical concerns and we used this opportunity to add it to the portfolio. It trades today on a price earnings ratio of 10x and offers a dividend yield of 4.3%. The final stock that was added was Solvay. The attraction of Solvay is that it has recognised the changing focus globally towards resource efficiency and has refocused its business accordingly with over 50% of its portfolio now in sustainable solutions. This will be a significant growth driver for the company going forward.

Post the rally in equity markets; we have become more cautious towards equities as the rise in valuations means that markets do not have the same cushion to withstand fears that may emerge as the year progresses. Concerns that could exert themselves through the remainder of the year include a resumption of Central Bank tightening or a geopolitical shock. In recognition of these risks, we have sold down our equity weighting in the Fund from 52% to 41%. When we consider the risks, this appears prudent but we have mixed feelings because we recognise the long-term value that exists within our equities.

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## Fund Facts

### LAUNCH DATE

**July 2015**

### NAME

**Ethical Value Fund**

### FUND SIZE

**€25 million**

### PRICING FREQUENCY

**Monthly**

### PRICING BASIS

**Single Price**

### ANNUAL MANAGEMENT

#### CHARGE

**1.5% p.a.**

### FUND CUSTODIAN

**Citibank Europe Plc**

### 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.

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