

# Appian Ethical Value Fact Sheet Fund



JUNE 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

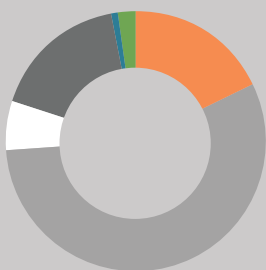
Pat Kilduff

Derek Heffernan

### Appian Ethical Value Fund Performance 30.06.19

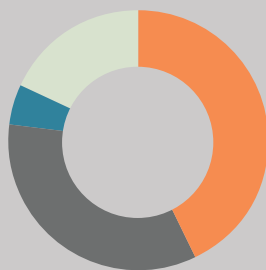
Period	2015	2016	2017	2018	2019 YTD
Fund Return	-2.43%	1.93%	1.86%	-4.48%	8.02%

### Geographic Currency Distribution



US	18%
Euro	56%
Swiss	6%
UK	17%
NOK	1%
DKK	2%

### Asset Allocation



Equities	43%
Cash	34%
Property	5%
Alternatives	18%

## 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 2 2019

The Appian Ethical Value Fund rose 0.03% during the quarter, to leave its gains for the year to the end of June at 8.02%. The modest overall move hides what was an eventful quarter for financial markets as the trade war between the US and China escalated, signs of slowing global economic growth became widespread and central bankers became more dovish. The combination of these factors resulted in a significant amount of fear overhanging markets during the quarter and increased levels of volatility, particularly in the equity market.

Equity markets started the quarter strongly, adding to the first quarter gains during April. However, equity markets fell 6% during the month of May. The correction in equity markets during May did not come as a surprise to us as we had reduced the funds weighting in equities from over 50% to below 40% as we felt the euphoria in markets had gotten overdone. However, the sell-off in May provided us with an opportunity to put money back to work in Equities. We added quality stocks at attractive valuations which included Rockwool, the Danish insulation company, Mosaic the US supplier of crop nutrients and Sulzer, a Swiss engineering company. We finished the quarter with an Equity weighting of 43%.

We continue to have no exposure to fixed income globally as we believe it is significantly over-valued. However, the fear that overhung markets during the quarter coupled with more dovish stances being adopted by central bankers globally drove more investors into fixed income during the quarter. There is now \$13 trillion of negative yielding debt across the globe. With tentative signs that the world is past the fears of deflation that emerged post the GFC and central bankers committed to driving inflation up, we find this negative yield situation difficult to rationalise.

Our alternative assets continued to deliver positive returns and our exposure to infrastructure assets has been a significant contributor to performance this year, with Greencoat Renewables and Greencoat UK wind performing strongly, up 11.7% and 15.1% YTD respectively. We added to our exposure to renewable infrastructure assets during the quarter with an investment in Aquila, a fund whose focus is on European renewable assets. It diversifies our exposure in the renewable space by providing exposure to hydropower plants and solar parks across Europe.

As we head into the second half of the year, we recognise that the global economy has slowed and that political noise is abundant. However, we are confident in the valuation and quality of the assets that we own and continue to believe that they will continue to generate positive returns.

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## Fund Facts

### LAUNCH DATE

July 2015

### NAME

Ethical Value Fund

### FUND SIZE

€27 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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