

# Appian Ethical Value Fact Sheet Fund

SEPTEMBER 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

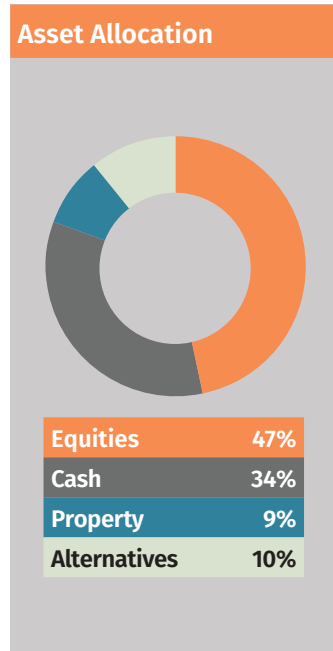
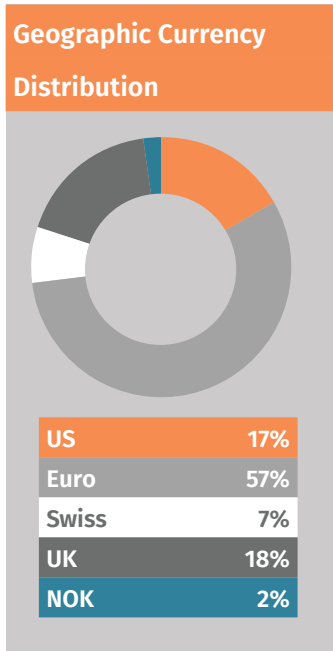
Niall Dineen

John Mattimoe

Pat Kilduff

### Appian Ethical Value Fund Performance 30.09.18

Period	2015	2016	2017	2018 YTD
Fund Return	-2.43%	1.93%	1.86%	1.84%



## 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 3 2018

The Appian Ethical Value Fund rose 0.99% during the quarter to bring its year to date gains to 1.84%. The economic picture during the quarter remained supportive for financial markets. The US fiscal stimulus combined with relatively low and growth friendly levels of interest rates provide a continuing incentive to invest in risk assets. Despite this positive backdrop, there are plenty of risks in the market today including a potential trade war between China and the US, a hard or no deal Brexit and Italian budgetary concerns. These risks, coupled with rising interest rates have the potential to create volatility in financial markets.

The big decision that was made to the Fund during the quarter was to reduce the equity weighting from 50% to 45%. The equity weighting in the Fund had been moved up earlier in the year after equity markets became oversold. The recovery in markets since, coupled with the prospect of a more volatile environment meant a reduction in the equity weighting was the most prudent decision. Despite this we continue to believe our equities will contribute to returns for the Fund on an aggregate basis as they are attractively valued and generate strong cash flows and dividends. The equities in the Fund are producing a dividend yield of 3.6% which is currently growing at 7.0% p.a.

We continue to hold no bonds in the Fund, reflecting our concerns with this asset class in a setting of increasing short term interest rates and more hawkish messaging from Central Banks. As bond yields continue to climb, this looks a sensible decision and one we remain comfortable with.

Our property holdings in the quarter performed well and in particular the Appian Burlington Property Fund which was up a very strong 6.47%. In addition, our alternative assets continue to provide positive returns for the Fund over the quarter. Our forestry assets appreciated .85% in the quarter, whilst our exposure to wind farms, via Greencoat UK Wind plc, was up 1.68% in the quarter.

We continue to view the investment environment as being encouraging for risk assets with downside risk on Government and Corporate Bonds, the US dollar and US growth stocks. The recognition of these risks is influencing our present asset allocation which includes a 30% cash holding. We have a relentless focus on the risk-return trade off available across all asset classes and the previously referenced asset classes are carrying a lot of valuation risk with limited potential return.

### Top 5 Equity Holdings 30.09.18

Name	Country	Sector	%
GlaxoSmithKline PLC	UK	Pharmaceuticals	3.10%
BP PLC	UK	Oil & Gas	3.06%
Oracle Corp	US	Technology	2.28%
Wells Fargo & Co	US	Financial Services	2.18%
Nestle	Swiss	Food	2.16%

Appian Asset Management Ltd is regulated by the Central Bank of Ireland. No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Appian Asset Management Ltd on the basis of publicly available information, internally developed data and other sources believed to be reliable. It does not constitute an offer or an invitation to invest, or the provision of investment advice. No party should treat any of the contents herein as advice in relation to any investment. While all reasonable care has been given to the preparation of the information, no warranties or representation express or implied are given or liability accepted by Appian Asset Management Ltd or its affiliates or any directors or employees in relation to the accuracy fairness or completeness of the information contained herein. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. Further information in relation to all risks is provided in the Fund Prospectus and supplements.

## 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.