

Appian Value Fund

Fact Sheet

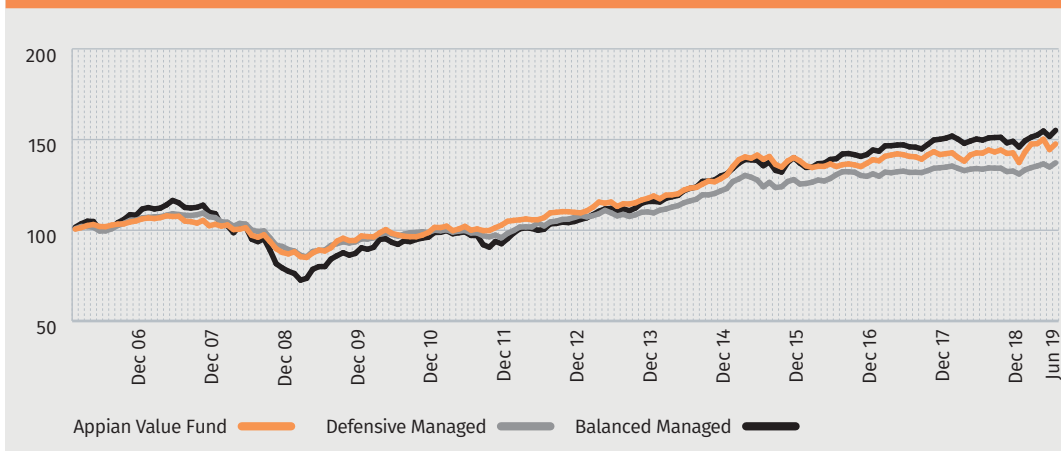


JUNE 2019

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.

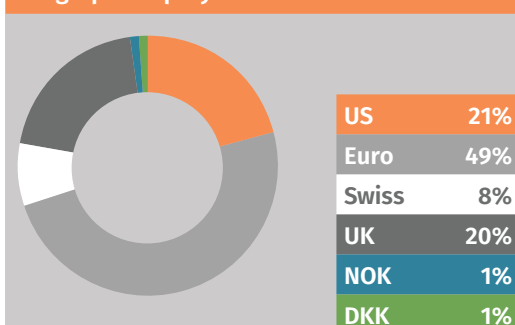
Performance of Appian Value Fund



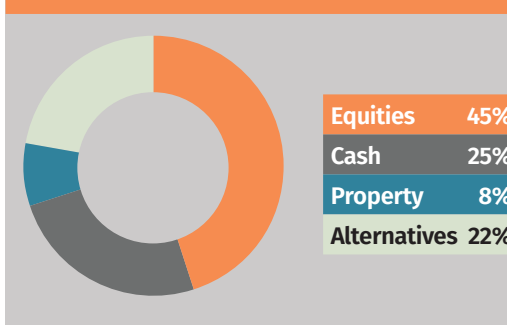
Appian Value Fund Performance 30.06.19

| Period | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 YTD |
|-------------|---------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|----------|
| Fund Return | -15.80% | 11.40% | 4.87% | 3.30% | 4.44% | 8.49% | 9.72% | 5.94% | 0.49% | 2.39% | -3.42% | 7.44% |

Geographic Equity Distribution



Asset Allocation



Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

Derek Heffernan

Key Features

- Multi-asset Fund
- Dynamic asset allocation
- Active stock selection
- No entry, exit or performance fees
- Low Volatility
- Sustainable Long Term Returns
- Independent Trustee Custodian and Administrator

Appian Value Fund Review, Quarter 2 2019

The Appian Value Fund declined 0.11% during the quarter, to leave its gains for the year to the end of June at 7.44%. 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. During the month of May equity markets fell over 6%. 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 Ashtead, Tesco and Rockwool. We finished the quarter with an Equity weighting of 45%.

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. Gold was also a standout performer during the quarter, rising 7% as it showed its defensive characteristics in a period where equity markets were volatile and fear was the overriding feeling within markets.

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

November 2005

NAME

Appian Value Fund

FUND SIZE

€176 million

PRICING FREQUENCY

Monthly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

1.5% p.a.

RISK MEASURE

Target volatility 4%-8%
on a rolling basis over the
last two years

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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