

## ‘Impacting the Appian Way’

There is no denying the rise of environmental awareness that is prevalent across society today. The debate over the existence of climate change has given way to an acceptance that it is a grave problem which needs to be tackled. The global reaction to the climate issue is set to bring significant changes into all facets of people’s lives through changes in modes of transport, diets and types of housing for example. Whilst these forthcoming changes are obvious, what is less obvious is how the forthcoming changes are going to impact the investment landscape. At Appian, we believe it has the potential to create investment opportunities as a new economy emerges to replace the current fossil fuel led economy. It is for this reason we have launched the “Appian Impact Fund”. We believe it can create a “Double Bottom Line” for investors by allowing them align investments which will have a positive impact on society with the generation of positive financial returns.

Socially responsible investing means different things to different people and there-in lies the conundrum. Traditionally, it meant avoiding investing in areas of the market that many deemed unethical such as armaments, tobacco and alcohol. While this remains important for our Impact Fund and we already recognise this by not being present in these areas, the debate has moved on substantially. Many in the industry believe the right place to be active is around Environmental, Social and Governance factors (ESG). Appian agrees with this logic. However, we consider that engaging in these factors should, and is, a normal part of investing and it in itself does not make one a responsible investor. Our view is that while ESG investing may be the buzzword around markets currently, it doesn’t help investors overcome “Greenwashing”. This is the practice of deceptively appearing to be environmentally friendly. As active investors, we have the ability to go beyond ESG reporting and invest with a positive impact mandate.

The attraction we see with impact investing is that we can benefit from the opportunities that are set to arise due to the forthcoming societal changes. The Global Commission on the Economy and Climate have stated that a \$26 trillion economy is set to emerge as the transition to a more inclusive new climate economy emerges. They believe this economy will be built around four of the five impact themes that we have selected for the fund – Resource Efficiency (clean energy systems and smarter urban development), Food Sustainability, Water Sustainability and the Circular Economy. The additional pillar Appian focuses on is Social Improvement.

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Registered in Ireland No. 364773. Registered Office: 42 Fitzwilliam Place, Dublin 2

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We believe we can use our skillset as active multi-asset investors to invest behind trends that have structural growth drivers. Equities are an important investment area for us but we also see opportunities outside the equity markets for impact investing. As we embrace impact investing, we will continue to invest sensibly by focusing on the quality of the investments we hold and their valuation. Despite the attractiveness of growth themes, one should never lose sight of the fact that valuation drives returns in the long run.

We believe the Appian Impact Fund is a unique offering as it has a differentiated impact focus and retains the Appian investment style and benefits from the Appian expertise in multi-asset investing.

We are running weekly breakfasts on the Impact Fund/our overall market views in the Appian Boardroom, 42 Fitzwilliam Place, D2 on:

Thursday February 20<sup>th</sup>,  
Thursday February 27<sup>th</sup>  
Thursday March 5<sup>th</sup>  
7.30am sharp-8.45.

Please contact [william.mcdonald@appianasset.ie](mailto:william.mcdonald@appianasset.ie) if you would like to attend. ND

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#### **Warnings**

- **If you invest in any of the funds you may lose some or all of the money you invest.**
- **Past performance is not a reliable guide to future performance.**
- **Appian Funds may be affected by changes in currency exchange rates**
- **The value of your investment may go down as well as up.**

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