

Appian Ethical Value Fact Sheet Fund

DECEMBER 2016

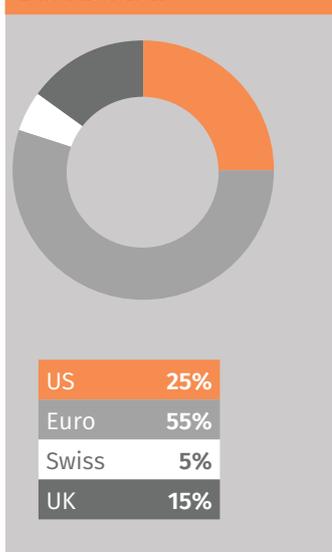
About Appian Asset Management

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.

Appian Ethical Value Fund Performance 31.12.2016

Period	2015	2016
Fund Return	-2.43%	1.93%

Geographic Equity Distribution



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

Investment Team

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Appian Ethical Value Fund Review Quarter 4 2016

It was a solid final quarter to what had been quite a volatile year for financial markets, especially equities. The Appian Ethical Value Fund advanced by 3.3% in the quarter, making for a return of just under 1.93% for the full year.

The final months of 2016 were quite eventful for investment markets. The result of the US election was a surprise and equity markets generally interpreted it positively focussing on the potentially stronger economic growth and reduced corporate taxes. 2017 will give a clearer indication of how much can be achieved and when. We also saw the US Central Bank increase interest rates and point to further rate hikes in 2017. Closer to home, the ECB outlined its extended programme for 2017 and is likely to be buying bonds until December next. Economic news flow over the quarter was generally positive.

The fund benefitted from especially strong returns in our equity portfolio. Bank stocks globally returned to favour with improving economic prospects and more favourable interest rate dynamics. Our holding in JP Morgan was notably strong with a rise close to 30%. Energy stocks also performed well on the back of higher crude prices and we saw good progress in both BP and Royal Dutch Shell up 13 and 17% respectively in the period, and they continue to trade on very attractive dividend yields. One of our holdings which lagged slightly was GlaxoSmithKline, which was down by just under 5%. We continue to see potential in this stock and note its progress in the key vaccines segment.

Over the quarter as a whole bond markets were weak – Eurozone government bonds losing close to 5% in value – as markets focussed on potential inflationary risks, primarily in the US. Our bond portfolio has a considerably shorter duration and so is less sensitive to market weakness. We have also built in protection with index linked bonds.

Our diversified assets also contributed to the fund's total return in 2016. Both Property and Forestry delivered positive returns. The Irish Property Unit Trust (IPUT) through which we gain our property exposure was ahead by over 3% in Q4 and over 11% for the year as a whole. Property continues to offer solid income potential in our view. Our investment in forestry also performed well as the Irish Forestry Unit Trust (IFUT) grew by over 4% in 2016.

The Appian Ethical Value Fund remains well diversified over a number of asset classes as well as having a significant allocation to cash which should enable the fund to steer a course through any market volatility and take advantage of opportunities that may arise.

Top 5 Equity Holdings 31.12.2016

Name	Country	Sector	%
Microsoft Corp	US	Technology	2.71%
Nestle	Swiss	Food	2.57%
Royal Dutch Shell	UK	Oil & Gas	2.15%
BP PLC	UK	Oil & Gas	2.06%
Oracle Corp	US	Information Technology	1.99%

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Fund Facts

LAUNCH DATE

July 2015

NAME

Ethical Value Fund

FUND SIZE

€11 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.