

Appian Value Fund Fact Sheet



DECEMBER 2018

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.

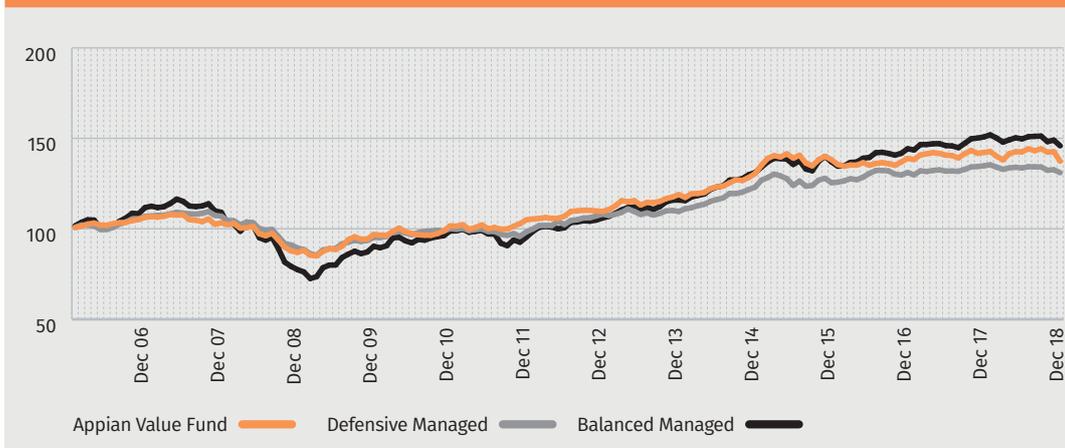
Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

Performance of Appian Value Fund



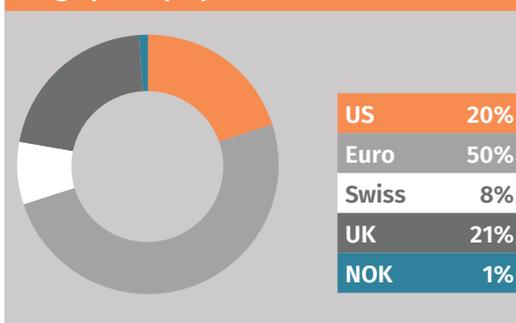
Key Features

- 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

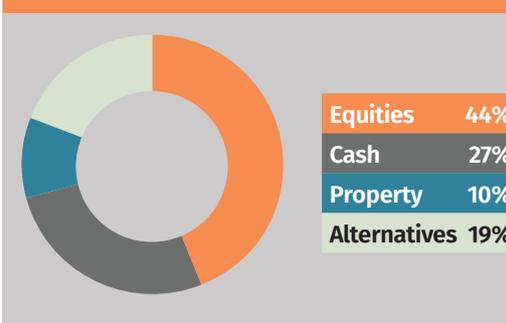
Appian Value Fund Performance 31.12.18

Period	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 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%

Geographic Equity Distribution



Asset Allocation



Appian Value Fund Review, Quarter 4 2018

The Appian Value Fund fell 4.75% during Q4, erasing its gains for the year and finishing down 3.42% for 2018. The story of the fourth quarter was a growing fear in the market that the combination of rising interest rates in the US and the ongoing trade conflict between the US and China would push the global economy into a recession. This fear resulted in major falls in equity markets, and a flight back into government bonds, which resulted in bond yields falling. The calendar year of 2018 finished as the worst year since 1901 for financial assets with all major asset classes failing to produce a positive return.

During the fourth quarter, the equities within the Fund produced a negative return although there were some bright spots including Merck which finished the quarter up 10%, taking its gains for the year to 35%. The energy sector was the worst performing sector globally during the quarter as it fell 20%. Oil prices experienced substantial falls as fears arose as to the outlook for demand with a slowing global economy and fears that OPEC may not have the ability to react quickly with supply cuts. BP and Royal Dutch Shell both saw their share prices fall over 15% during the quarter.

The benefits of holding alternative assets was reflected in 2018. Over the year, our holdings in property, forestry and infrastructure all produced a positive return. The fourth quarter was also beneficial for our exposure to gold, as it rose 10% amid the market volatility.

Bond yields came down during the quarter as the fears of a recession grew. However, bond yields in the US still finished the year higher than where they started and inflationary pressures in the economy continue to build as labour markets tighten. It remains difficult to find value in the bond market as Government bonds in Europe remain too expensive and whilst there is an argument for value in the US, we believe the US dollar is significantly overvalued.

Heading into 2019, we are optimistic that the backdrop for financial assets is better than for 2018 as we enter the year with cheaper valuations although uncertainty is high with respect to many factors, including Federal Reserve monetary policy, the US China trade war and the outlook for global growth. Twelve months ago, valuations were higher and there was excess optimism in the market – today, investor's aspirations seem more realistic and more conducive to sustainable positive returns.

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Fund Facts

LAUNCH DATE

November 2005

NAME

Appian Value Fund

FUND SIZE

€164 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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