

Appian Value Fund Fact Sheet



SEPTEMBER 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.

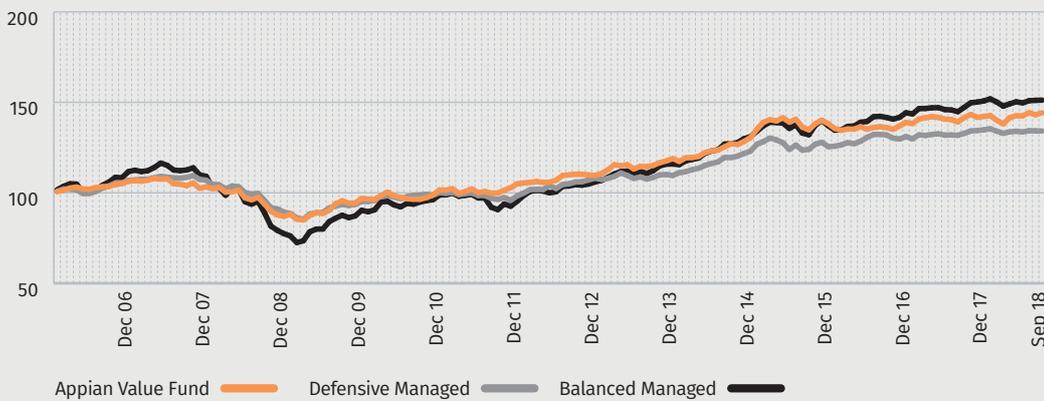
Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

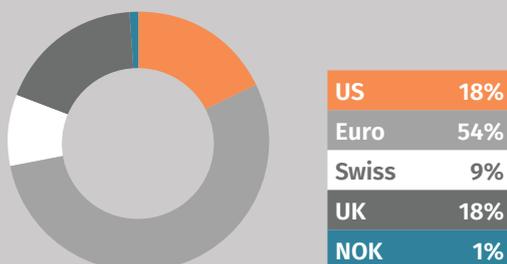
Performance of Appian Value Fund



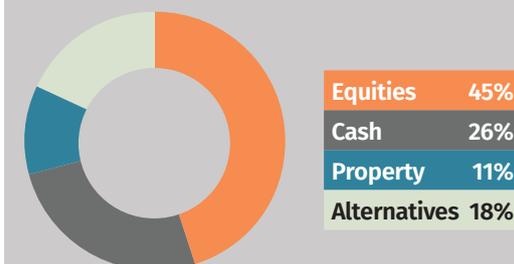
Appian Value Fund Performance 30.09.18

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%	1.40%

Geographic Equity Distribution



Asset Allocation



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 3 2018

The Appian Value Fund rose 1.18% during the quarter to bring its year to date gains to 1.40%. 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 25% 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	%
Novartis	Swiss	Pharmaceuticals	2.09%
Nestle	Swiss	Food	2.05%
Wells Fargo & Co	US	Financial Services	1.80%
BP PLC	UK	Oil & Gas	1.71%
RPC Group	UK	Materials	1.61%

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Fund Facts

LAUNCH DATE

November 2005

NAME

Appian Value Fund

FUND SIZE

€177 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

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.

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