

Appian Equity Fund Fact Sheet

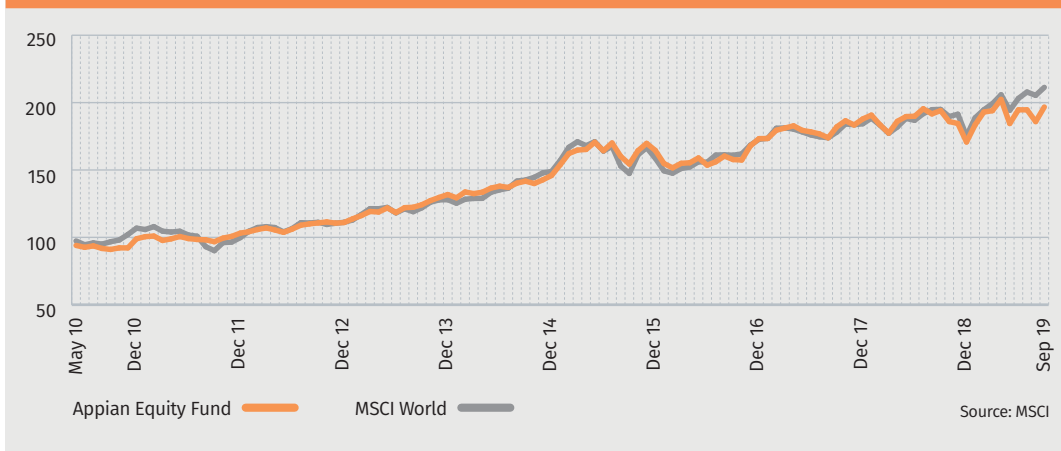


SEPTEMBER 2019

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.

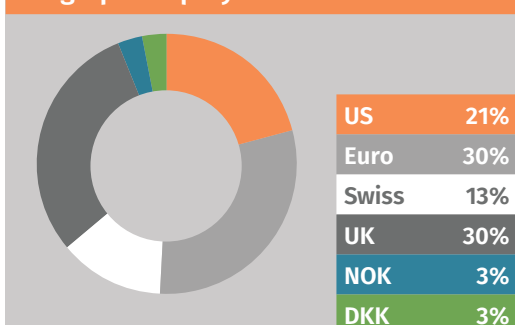
Performance of Appian Equity Fund



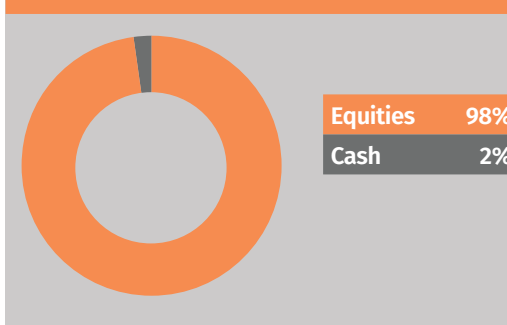
Appian Equity Fund Performance 30.09.19

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	5.32%	8.42%	-9.11%	15.20%

Geographic Equity Distribution



Asset Allocation



Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

Derek Heffernan

Key Features

- Focus on companies with strong balance sheets
- Developed Stock Markets 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

Appian Equity Fund Review, Quarter 3 2019

The Appian Equity Fund gained 1.08% in Q3 2019 bringing the year to date return to 15.20%.

Despite finishing in positive territory for the quarter, the amount of uncertainty within equity markets increased during the quarter as recession fears reared their head again.

Within equity markets this fear is continuing to feed a duration bubble whereby expensive equities continue to get more expensive as their valuations decouple from fundamentals and are being driven by bond yields. We continue to believe a focus on valuation is of paramount importance. Today our equity fund exhibits strong value characteristics, trading on a Price Earnings multiple of 11.9.

September may be the month that marks a turning point in how investors invest as value orientated stocks experienced their strongest weekly performance in a decade and we began to witness a rotation out of the expensive areas of the equity market. It was also a month which saw European stocks outperform their US counterparts. There are signs that fatigue is seeping into the love affair with expensive US equities. September was an exceptionally strong month for the Equity Fund as it rallied 5.8%.

We recognise we can't influence how others invest and continue to remain focused on investing our way, owning companies that pay and grow their dividends. On average, companies in our portfolio have a 4.4% dividend yield and have been growing these dividends by 10% p.a. over the last 5 years. An example of the dividend growth we are seeing in the portfolio comes from Tesco. The company has adapted to a new competitive environment and is now seeing the benefits in terms of improved levels of growth and profitability. Shareholders are set to share in this improvement and the dividend has been hiked 45% this year and Tesco is now yielding 4%.

We added to our healthcare weighting during the quarter with the addition of HCA. HCA is a US hospital provider which has a long runway for growth ahead of it as it benefits from ageing US demographics. At a price earnings multiple of 11.3X, we believe the market is ignoring this structural growth,

The final quarter of 2019 has the potential to be eventful for equity markets. Top down issues such as the trade war and the direction of monetary policy will garner the headlines but the real story will be if others in the market open their eyes to the record valuation gap between growth stocks and value stocks and the opportunity this offers long term value orientated investors.

Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€38 million

PRICING FREQUENCY

Monthly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

1.5% p.a.

FUND CUSTODIAN

Citibank Europe Plc

STRUCTURE

Retail Investor Alternative
Investment Fund

WARNING If you invest in any of the Appian 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.