

Appian Small Companies Opportunities Fund

Fact Sheet

JUNE 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.

Investment Team

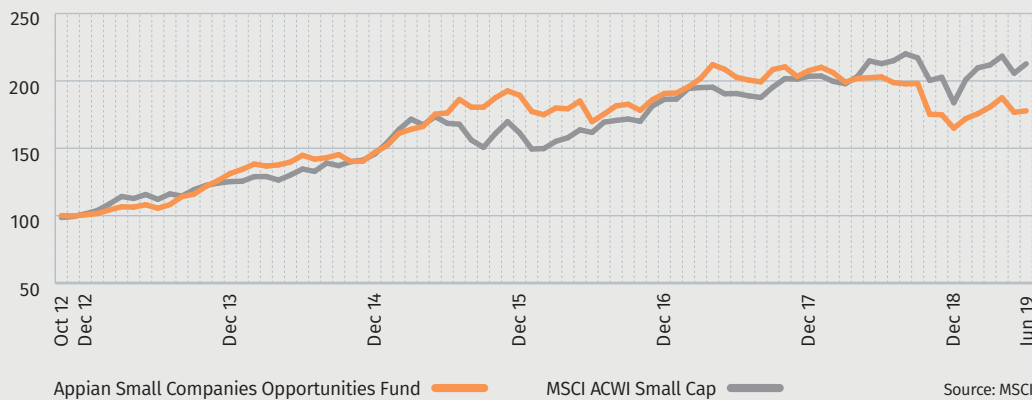
Niall Dineen

John Mattimoe

Pat Kilduff

Derek Heffernan

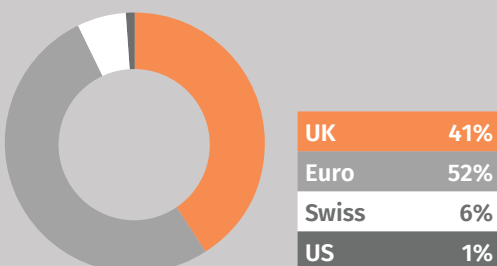
Performance of Appian Small Companies Opportunities Fund



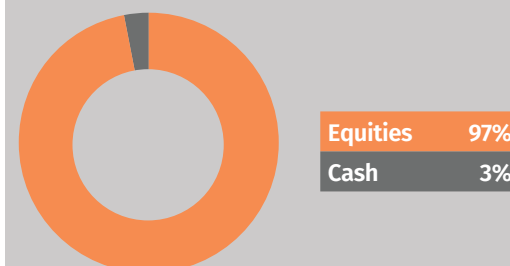
Appian Small Companies Opportunities Fund Performance 30.06.19

Period	2012	2013	2014	2015	2016	2017	2018	2019 YTD
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	8.93%	-20.59%	7.77%

Geographic Equity Distribution



Asset Allocation



Key Features

- Concentrated stock selection
- We meet and engage with management
- No entry, exit or performance fees
- Typically invest in lowly geared companies
- All stocks are publicly quoted
- Independent Trustee Custodian and Administrator

Appian Small Companies Opportunities Fund Review, Quarter 2 2019

After a positive first quarter, the performance of the Appian Small Companies Opportunities Fund was more muted in Q2. The Fund contracted by 1.57% over the quarter resulting in a gain of 7.77% for the first half. Although central bank policy continued to be supportive, equity markets were volatile over Q2 in response to a re-escalation in US / China trade tensions, and the US restrictions placed on Huawei (the Chinese producer of telecom equipment). The uncertainty created by a possible trade war had a dampening effect on economic indicators during the quarter.

TF1 was a standout gainer during the quarter as it rose by 18% on strengthening market confidence in its ability to grow earnings strongly this year. Kingspan, a long term holding in the portfolio saw its share price rise 16% as a reflection of ongoing good trading in the business. The expansion in the valuation of the company has seen the Fund reduce its weighting. Swiss life was another stock which showed strong performance during the quarter, rising 15% as its strong and visible dividend growth profile attracted more attention. The Fund's holdings in machinery companies saw the biggest impact from the trade war concerns: Kronos (-4%), Norma (-13%) and Jungheinrich (-5%) reacted negatively on concerns for Germany's export markets.

Five new stocks were introduced to the Fund during Q2 – Wienerberger, the Austrian brick maker; Irish beverage group C&C; Anglo-French investment bank Rothschild; Premier Asset Management in the UK; and Manitou, the French producer of telehandlers. We took some profits by trimming weightings in three stocks: Jungheinrich and Micro Focus in April; and Kingspan in June. We exited Playtech fully, while we added to our Wizz Air position.

Equity markets are displaying bouts of volatility, which we expect to continue even though we remain positive on equities. We continue to focus on stocks with solid fundamentals such as sustainable business models which generate good returns and cash flow, consistent dividend payments and strong balance sheets. In particular, the valuations of our stocks are attractive, both in absolute and relative terms, with an average price / earnings ratio of 12.5x and a dividend yield of 3.4%.

Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€37 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