

Appian Small Companies Opportunities Fund

Fact Sheet

SEPTEMBER 2015

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

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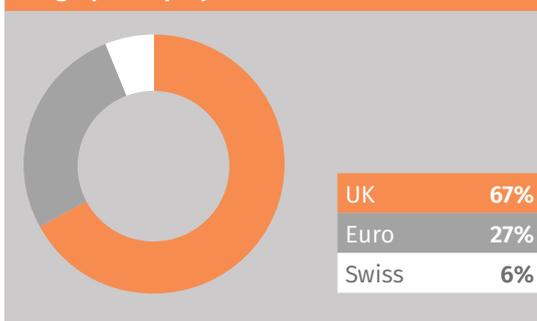
Performance of Appian Small Companies Opportunities Fund



Appian Small Companies Opportunities Fund Performance 01.10.2015

Period	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	2014	2015 YTD
Fund Return	5.91%	-1.00%	9.96%	13.18%	30.50%	12.04%	22.72%

Geographic Equity Distribution



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

Portfolio Comment for Q3 2015

Against the backdrop of challenging equity markets the Appian Small Companies Opportunities Fund delivered a very robust third quarter performance. The Fund was up by 2.42% over the quarter whereas global equity markets fell by close to 10% (in euro terms) in response to a weakening in Chinese economic growth rates and increased uncertainty around the timing of an upward move in US interest rates. The Fund's Q3 performance reflected further takeover activity and a strong earnings-led performance by a number of our holdings. As a result, the Fund increased its very positive year to date gain to 22.7% while its cumulative return is an impressive 80.5% since its inception three years ago.

Q3 saw further M&A activity benefit the ASCOF with three stocks receiving recommended takeover offers. This brings to 12 the number of stocks owned by the Fund which have been taken over in three years. AGA Rangemaster received a firm offer from US peer Middleby in July with a takeover price that represented a gain of 28% on the price at the start of the quarter. Also in July, UK sports marketing company Chime Communications received an offer from private equity, while Lloyds insurer Amlin was bid for by Mitsui Sumitomo of Japan in September. Both of these offers were at a premium of 40% to their respective end June prices.

Elsewhere, paperboard producer Powerflute, the Fund's largest holding, posted another big gain in the quarter. Its shares rose 32% as it announced strong progress in its first half results. Its share price has gained 80% over the first nine months of this year.

Shares in TLA Worldwide, another sports marketing company, also rose by 31% in Q3, reflecting positive execution of its business strategy. We added TLA to the Fund at the end of Q2 following a positive initial meeting with its senior management.

Two of our holdings were weak in Q3. Euromoney's share price fell by 22% over the quarter as market conditions for the specialist publisher's customers in the banking and commodity sectors are challenging, constraining its own profit growth. Bucher, the Swiss producer of agricultural machinery saw a 10% contraction in its share price over Q3 as lower farm incomes dampens demand in its markets.

Volatility is likely to remain a feature in equity markets until greater clarity emerges on Chinese economic trends and US interest rate policy. However, the ASCOF's Q3 performance encourages us that our focus on well-run, high quality, cash generative companies with strategically valuable assets will continue to mitigate the effect of this volatility on the Fund to some extent.

Top 5 Equity Holdings 30.09.2015

Name	Country	Sector	%
Powerflute	UK	Packaging	6.84%
Playtech	UK	Technology	4.37%
Jungheinrich	Eurozone	Machinery	4.13%
Chime Com	UK	Media	3.88%
Amlin	UK	Insurance	3.76%

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Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€30 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.