

Appian Small Companies Opportunities Fund

Fact Sheet

MARCH 2017

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.

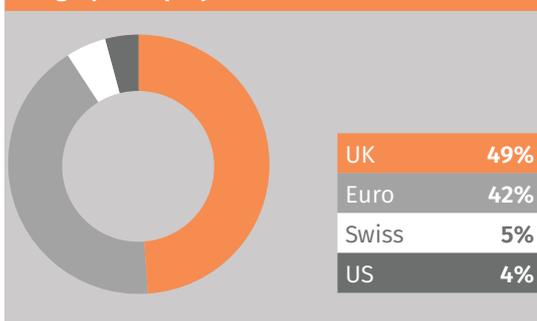
Performance of Appian Small Companies Opportunities Fund



Appian Small Companies Opportunities Fund Performance 3.4.2017

Period	2012	2013	2014	2015	2016	Q1 2017
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	5.82%

Geographic Equity Distribution



Investment Team

Patrick J Lawless

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John Mattimoe

Niall Dineen

Pat Kilduff

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 1 2017

A positive start to 2017 saw the Appian Small Companies Opportunities Fund (ASCOF) gain 5.8% over Q1. This followed a strong end to 2016 and the Fund is now up by 10.4% over the past six months.

While the general backdrop in financial markets over Q1 was supportive, the outperformance in the Fund was driven by positive updates by many of the companies in the Fund. This was particularly the case over results season in March, with the fund adding 3.1% in that month alone.

Somero Enterprises, the US producer of specialist concrete levelling equipment, was a strong performer again, with its share pricing rising by a further 44% over the three months as it reported good results for 2016 with an upbeat outlook for 2017. Shares in Eurocell, the UK provider of window frame systems, gained 35% in Q1 as it successfully differentiates itself from other UK providers of building materials by demonstrating how it can grow through capturing market share by expanding its efficient (and high return) branch distribution network and adding to its product range.

Importantly, double-digit gains were posted over the quarter by three of the Fund's largest holdings – Playtech, the provider of IT solutions to the on-line gaming sector, Jungheinrich, the German producer of forklifts and logistics equipment, and financial services company Swiss Life. Again, delivery of good results was the common driver here.

The laggards included apparel retailer SuperGroup (parent of the SuperDry brand) and Utilitywise, which helps UK SME's lower utility bills and consumption. Both gave up part of the gains made in the latter part of 2016 as persistent worries for the UK consumer overshadow underlying progress in both businesses.

Towards the end of the quarter we started to build a position in Tecnicas Reunidas, a Spanish based global provider of engineering services to the chemical and oil & gas industries. It is a high quality operator which has successfully protected its business during the recent down-cycle in its sector, and in our view the market is underestimating its potential both to win further market share and to improve its operating margin. We also topped up some of our existing positions during Q1 when attractive entry points presented themselves.

An improving global economic outlook provides a positive outlook for equities. We are confident that our specific holdings are well placed to make further operating and strategic progress in the coming year. Delivery of this will further highlight the quality of the companies we invest in and we expect will be a key influence on their valuations over the rest of 2017.

Top 5 Equity Holdings 31.03.2017

Name	Country	Sector	%
Playtech	UK	Software	5.57%
Jungheinrich	Eurozone	Machinery	4.80%
Somero Enterprises Inc	UK	Building Materials	4.57%
Micro Focus	UK	Technology	4.22%
Swiss Life	Swiss	Life Insurance	3.82%

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Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€41 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.