

Appian Equity Fund

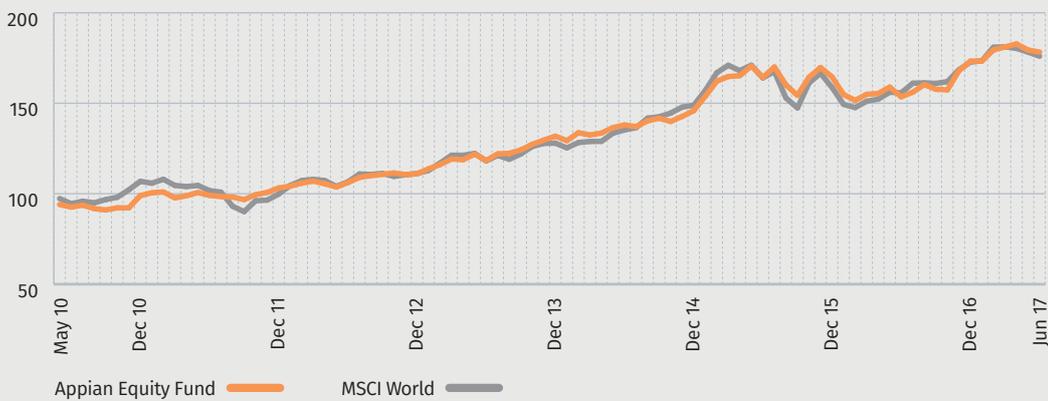
Fact Sheet

JUNE 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.

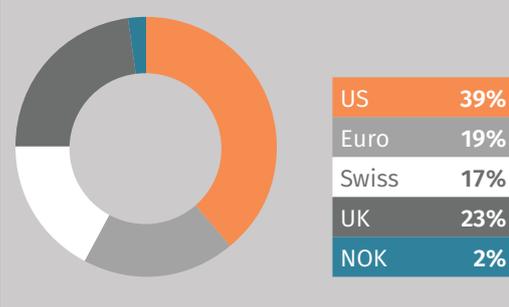
Performance of Appian Equity Fund



Appian Equity Fund Performance 30.06.17

Period	2011	2012	2013	2014	2015	2016	2017 YTD
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	5.32%	2.88%

Geographic Equity Distribution



Investment Team

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Key Features

- Focus on companies with strong balance sheets
- US, UK, Swiss and European stocks 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 2 2017

Global Equity markets were weak during the quarter, falling 2.3% as softening economic data in the US overshadowed the improving performance of the Eurozone economy. The Appian Equity Fund held up better than the market, falling 1.6% meaning that if finished the first half of the year up 2.9%.

Healthcare was the only positive sector in the quarter and the fund benefited from its exposure here. Novartis, the largest healthcare stock in the portfolio finished the quarter up 6%. It was buoyed by an announcement that an anti-inflammatory drug in its portfolio proved to be effective at cutting cardiovascular risk. This may be a \$2bn sales opportunity for the company.

The energy sector has been the worst performing sector this year as the oil price has fallen, despite the cuts in supply OPEC initiated last year. Whilst the funds energy holdings held up better than the wider sector, they still suffered falls with BP and Shell finishing the quarter down 4% and 7% respectively. These stocks still offer significant value with dividend yields over 7%, coupled with business strategies to make these yields sustainable.

The Financials sector was weak through most of the quarter as it was dragged down by falling bond yields. However, sentiment towards the sector changed dramatically at the end of June after the Federal Reserve released its stress test results on US banks. The tests found the US banking system to be in good shape and significant capital return policies were approved. Wells Fargo, the largest US financial in the fund received approval to return 90% of its income to shareholders. This equates to a pay-out of 7%, which breaks down into a dividend yield of 2.8% and a share buyback of 4.2%.

During the quarter, the fund exited its positions in Varian, Kronos and Syngenta. The first two of these were sold purely on valuation grounds. Syngenta exited the fund after it was acquired by Chemchina. The fund added three new names during the quarter, Yara, Prosegur and Mattel. Whilst present in different industries, the common thread between these companies is that they occupy strong market positions. Yara is the world's largest producer of fertilizer. Prosegur is the second largest global cash in transit business, with a dominant market share in Latin America. Mattel is the second largest toy company globally, with strong brands such as Fisher Price and Barbie.

Top 5 Equity Holdings 30.06.17

Name	Country	Sector	%
UBS	Swiss	Financial Services	4.53%
Wells Fargo & Co	US	Financial Services	4.21%
Novartis	Swiss	Pharmaceuticals	4.01%
ABB Ltd	UK	Technology	3.43%
Hanesbrands Inc	US	Consumer	3.39%

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Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€33 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.