

Appian Small Companies Opportunities Fund

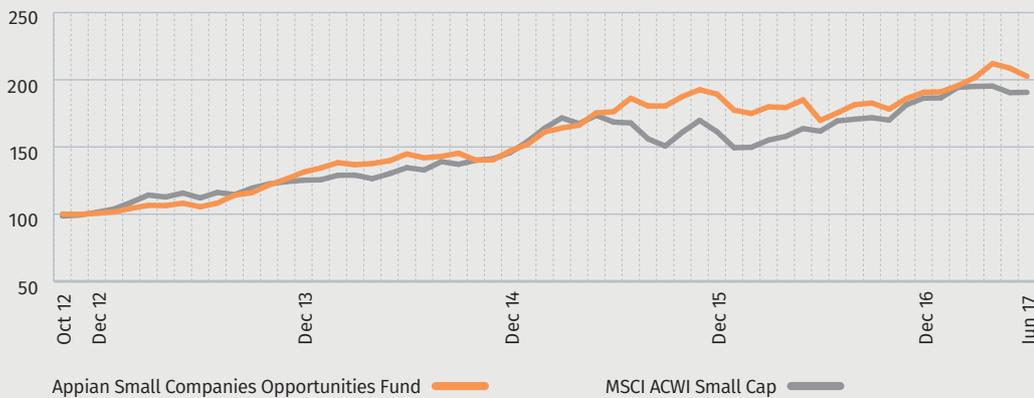
Fact Sheet

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.

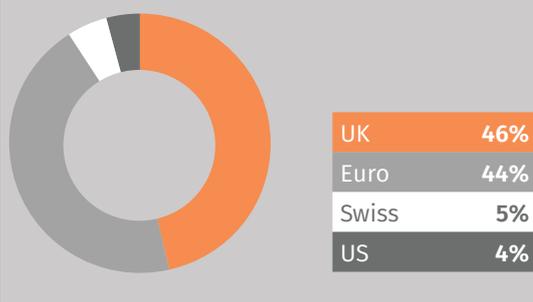
Performance of Appian Small Companies Opportunities Fund



Appian Small Companies Opportunities Fund Performance 30.06.17

Period	2012	2013	2014	2015	2016	2017 YTD
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	6.24%

Geographic Equity Distribution



Investment Team

Patrick J Lawless

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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 2 2017

Against a backdrop of softer equity and currency markets it was pleasing that the Appian Small Companies Opportunities Fund (ASCOF) made a modest gain of 0.4% over Q2, bringing the return for the first half of the year to 6.2%.

The fund performed strongly in April benefitting from a positive results reporting season for the ASCOF's holdings in late March and April and from the outcome in the French Presidential election. However, many of the fund's key holdings surrendered April's gains over May and June as markets reacted to worries that key central banks may be becoming less accommodative and to the UK election result.

Four stocks owned by the Fund gained circa 10% over Q2. Forecourt retailer Applegreen and Patisserie Holdings, the UK chain of patisseries, both reported continued successful expansion of their networks, which increased investor confidence in their growth prospects. While the share prices of the two Irish REITs the Fund is invested in, IRES and Hibernia, both experienced positive share price reactions to their delivery of good growth in rental income and asset value.

The share price of two of the holdings in the ASCOF jumped significantly in the quarter. Hostelworld gained 42% on the back of reporting good results for 2016, continued positive trends into 2017, and the announcement of a special dividend. Shares in Randall & Quilter, a specialist niche operator in the general insurance sector, rose by 32% as it confirmed continued progress in its strategy of growing its legacy run-off business while crystallising value from exiting non-core business lines.

These gains more than offset the impact from the fall in Q2 in the share prices of Utilitywise, the UK utility intermediary broker, and TLA, a sports marketing company. Both companies announced difficulties in achieving results as expected and their share prices suffered negatively as a result. The impact of these on the Fund was mitigated by both being among the smaller holdings in the ASCOF.

Two new holdings were introduced during Q2. Norma Group, the German designer & producer of fastening products for automotive and water customers, was purchased on the view that its de-rating undervalued its growth potential. An initial position was bought in Aceto Corp, a US supplier of pharmaceutical ingredients and generic drugs, also on the basis of an attractive valuation. Additionally, the weighting in Draper Esprit, the tech venture capitalist, was increased in Q2. Equity markets continue to display bouts of volatility and these may present opportunities to further invest in target stocks at attractive entry points.

Top 5 Equity Holdings 30.06.17

Name	Country	Sector	%
Playtech	UK	Software	5.38%
Jungheinrich	Eurozone	Machinery	4.81%
Micro Focus	UK	Technology	3.97%
Somero Enterprises Inc	UK	Building Materials	3.95%
Patisserie Holdings Plc	Eurozone	Food	3.73%

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Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€42 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.