

# Appian Small Companies Opportunities Fund

## Fact Sheet



SEPTEMBER 2017

### About Appian Asset Management

**A**ppian 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

Patrick J Lawless

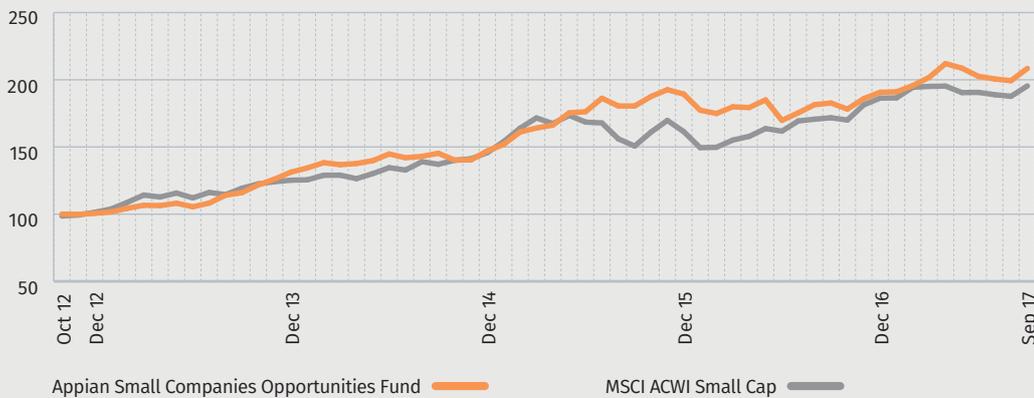
Eugene Kiernan

John Mattimoe

Niall Dineen

Pat Kilduff

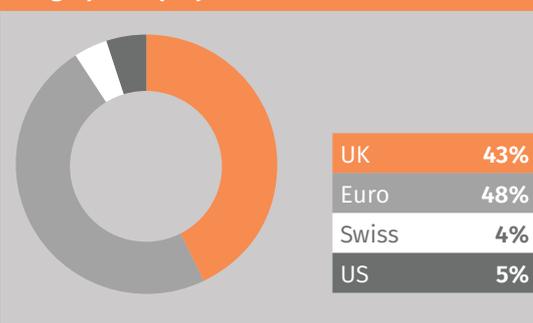
### Performance of Appian Small Companies Opportunities Fund



### Appian Small Companies Opportunities Fund Performance 30.09.17

Period	2012	2013	2014	2015	2016	2017 YTD
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	9.33%

### 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

## Appian Small Companies Opportunities Fund Review, Quarter 3 2017

A positive quarter saw the ASCOF grow by 2.9% over Q3, building the gain for the first nine months of 2017 to 9.3%. It is now five years since the Fund was launched and we are pleased to report that it has gained a very strong 108.6% since inception which equates to a 15.8% annual compound rate over the five year period.

A backdrop of supportive economic data was reflected in firmer equity markets over Q3, but exchange rates were volatile. Sterling in particular weakened significantly, before recovering some ground in September. Good underlying performances from the stocks held allowed the Fund make progress both in Q3 and year to date despite the currency headwind.

Two German manufacturers were the best performers in Q3, gaining c.15%. Jungheinrich benefited from good growth in H1 sales and orders as continued success in its warehouse IT management systems business with customers like IKEA has strengthened its strategic position in the forklift industry. Krones, the producer of high-speed bottling equipment performed well as it demonstrated that recent consolidation among its beverage industry customers has not impacted its business.

Two Irish holdings gained close to 12% over Q3. Applegreen, the forecourt retailer, added to its Q2 gains by delivering two important acquisitions (in the UK and the US) during the summer. Recruitment and staffing company CPL performed on the back of a solid set of H1 results and the announcement of a return of excess cash to shareholders.

Two laggards fell by 6%. Tecnicas Reunidas, the Spanish oil & gas services company, was not immune to the negative sentiment to its sector arising from the level of contract awards in the industry continuing at low levels. The share price of EMIS, the UK provider of IT and data management software to the medical sector, continues to lag against the backdrop of lower NHS spending despite posting solid H1 results.

During Q3, the holdings in Bucher Industries and Escher were sold after their valuations rose to levels we no longer considered attractive. We bought shares in July's IPO of Greencoat Renewables, the Irish windfarm operator. We added to our positions in Norma Group, the German producer of fastening products, Aceto Corp, a US supplier of pharmaceutical ingredients and generic drugs, and Micro Focus, the UK supplier of mature, but high margin software. We used bouts of market volatility to pick attractive entry points for these purchases. We believe our holdings are well positioned to make progress but we will continue to use any further periods of volatility to take advantage of any attractive entry opportunities that arise.

### Top 5 Equity Holdings 30.09.17

Name	Country	Sector	%
Jungheinrich	Eurozone	Machinery	5.43%
Playtech	UK	Software	4.81%
Micro Focus	UK	Technology	4.60%
Norma Group	UK	Industrials	3.54%
Swiss Life Holding	Swiss	Insurance	3.41%

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## Fund Facts

### LAUNCH DATE

**October 2012**

### NAME

**Appian Small Companies Opportunities Fund**

### FUND SIZE

**€45 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.

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