

Appian Equity Fund

Fact Sheet

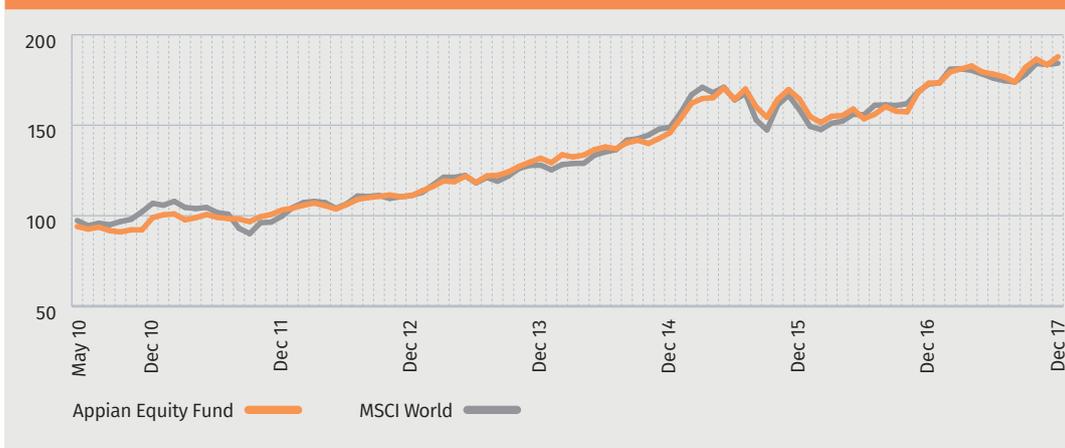


DECEMBER 2017

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.

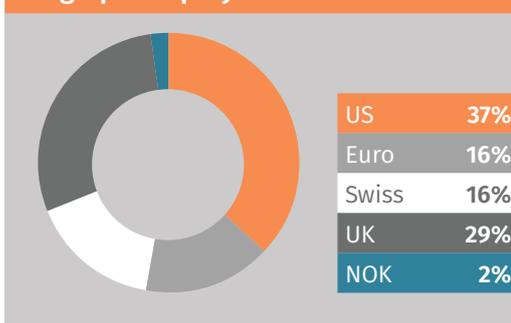
Performance of Appian Equity Fund



Appian Equity Fund Performance 02.01.18

Period	2011	2012	2013	2014	2015	2016	2017
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	5.32%	8.42%

Geographic Equity Distribution



Investment Team

Patrick J Lawless

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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 4 2017

The Equity Fund enjoyed a positive fourth quarter, rising 3.2% to finish the year up 8.42%. In many ways the fourth quarter was a continuation of the trends that have been seen throughout the year, with global equity markets continuing to strengthen and the US dollar continuing its decline. The US dollar finished the year down 15% against the Euro and has had a negative impact on returns from US assets. The ability of the US to pass tax reform helped boost market sentiment as the year ended as it should provide a further boost to US economic growth.

The Fund benefited during the quarter due to its holdings in US financials. Bank of America rose 17% and Wells Fargo, the largest holding in the Fund rose 11%. The banks are seen as being significant beneficiaries of the “Trump” tax cuts. The banks are also beneficiaries of rising yields which are likely if the economy keeps improving. The Fund benefited from its holdings in consumer stocks. Kohls rose 19% as US retailers reported better footfall than anticipated in pre-Christmas trading. Wal-Mart was also a standout gainer, rising 26% over the quarter as it reported stronger sales. Healthcare stocks were a detractor from performance during the quarter as GlaxoSmithKline fell 10% and Merck 11%. GlaxoSmithKline fell as the market reacted to rumours that the dividend may be cut to finance acquisitions whilst Merck fell 11% as its key lung cancer drug, Keytruda, may be delayed. Despite the under-performance of both names, they continue to represent exceptional value opportunities with free cash flow yields in excess of 7%.

During the quarter, the Fund added Intel, the US semiconductor company. When added it was trading on a PE of 13, with a dividend yield of almost 3%. This was an attractive entry point for a company which is set to be at the forefront of technological advances in the coming decades. The stock has rallied 14% since its purchase as it released a set of quarterly numbers that showed the company on a higher growth path than the market had been anticipating.

Heading into 2018, the outlook for the Fund remains positive as it retains solid value characteristics, with a weighted average dividend yield of 3.4% and price earnings ratio of 14.4. It is also set to be a beneficiary of continued growth in both the global economy and corporate earnings. 2018 may see more volatility in equity markets than 2017 but the Fund is well-positioned to weather this due to the focus on quality and valuation.

Top 5 Equity Holdings 29.12.17

Name	Country	Sector	%
UBS	Swiss	Financial Services	5.38%
Wells Fargo & Co	US	Financial Services	5.37%
BP PLC	UK	Oil & Gas	4.65%
Antofagasta PLC	UK	Materials	3.74%
Novartis	Swiss	Pharmaceuticals	3.54%

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Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€36 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. If you invest in this fund you may lose some or all your investment.

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