

Appian Equity Fund Fact Sheet



MARCH 2018

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.

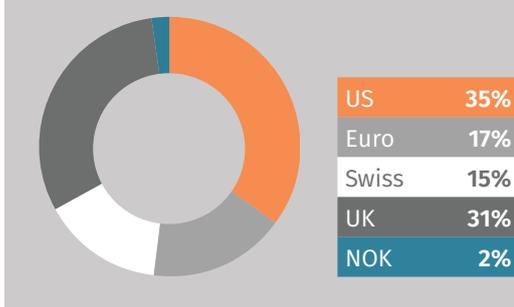
Performance of Appian Equity Fund



Appian Equity Fund Performance 31.03.18

Period	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	5.32%	8.42%	-5.57%

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 1 2018

The period of calm which equity markets had enjoyed throughout 2017 came to an end during the last quarter as volatility returned. Equity markets started the year strongly before becoming unsettled, firstly by the prospect of rising bond yields as wage growth in the US picked up and then by global growth slowing down, which ironically caused bond yields to fall. Whilst the market has been struggling to decide if growth is good or not, other factors also emerged that have increased volatility. These were a sell off in technology names in the US and heightened conflict between the US and China over trade. The Appian Equity Fund was not immune to this volatility and finished the quarter down 5.6%.

The best performing stock in the Fund over the quarter was Kohls, the US retailer which finished the quarter up 19%. Kohls returned to same store sales growth during the quarter as the company started to benefit from its investment in its omnichannel infrastructure which is allowing it to compete against pure online retailers. The most disappointing stock during the quarter was Wells Fargo, which fell 13% after being stopped by the Federal Reserve from increasing its asset size until corporate governance issues have been addressed. This has created uncertainty around the stock but hasn't changed the long-term strength of the retail franchise and whilst the uncertainty is unwelcome, the stocks remains attractively valued on a P/E of 11.

The biggest decision taken during the quarter was to reduce the technology weighting in the fund. Three technology names were sold from the portfolio, Microsoft, Corning and NXP Semiconductors. The valuation of these names had gotten stretched as they got propelled higher with the positive sentiment towards the sector. For example, the PE ratio of Microsoft had reached 27. The Fund continues to have a weighing in the sector through holdings of Intel and Oracle as valuations at these companies continue to be reasonable. During the quarter there were four new names added to the Fund and these came from a variety of sectors, Amgen in the Pharmaceutical sector, CRH in Materials, Banco Santander in Financials and Walgreen Boots in Consumer Staples.

Top 5 Equity Holdings 31.03.18			
Name	Country	Sector	%
Wells Fargo & Co	US	Financial Services	5.29%
UBS	Swiss	Financial Services	4.43%
Antofagasta Plc	UK	Industrials	4.13%
BP PLC	UK	Oil & Gas	3.77%
Bank of America	US	Financial Services	3.58%

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Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€34 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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