

Appian Small Companies Opportunities Fund

Fact Sheet

SEPTEMBER 2014

About Appian Asset Management

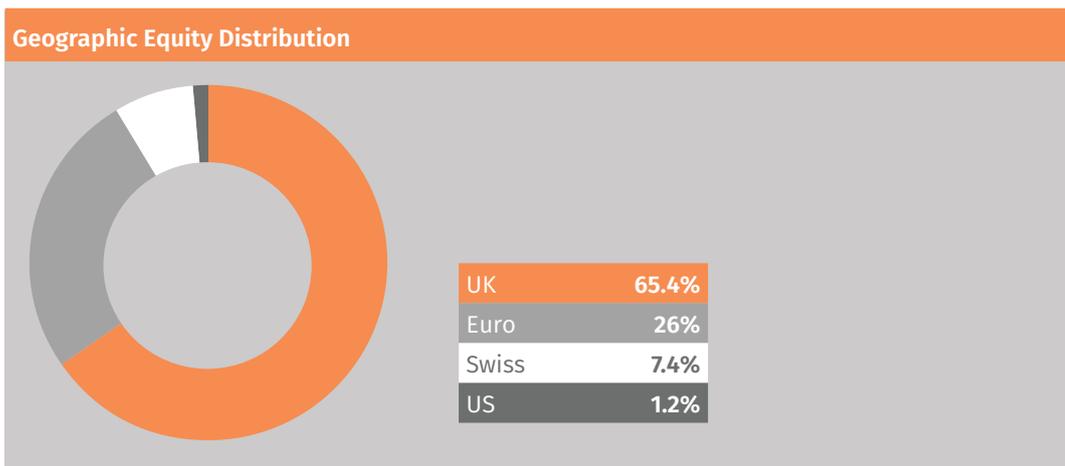
Appian is an independent Irish owned asset management company. Since our establishment in 2003 our investment philosophy has been to achieve solid investment growth with the minimum of risk and volatility. Our objective is to preserve and grow capital through value investing on a sustainable, risk adjusted basis. We ignore investment fashions and do not leverage any of our investments.

The Small Companies Opportunities Fund invests in public companies in the US and Europe (including the UK and Switzerland) with a market capitalisation of between €100 million and €3 billion. As the fund invests in small cap stocks, it has a higher risk profile than our other funds.

The fundamentals of the equities we invest in must be attractive and the stocks on our buy list for this fund enjoy some or all of the following characteristics:

- Operational competitive advantage
- Strategic nimbleness and foresight
- Strong balance sheets and cashflow
- Compelling valuations

Appian Small Companies Opportunities Fund Performance 01.10.2014						
Period	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	2014 YTD
Fund Return	5.91%	-1.00%	9.96%	13.18%	30.50%	10.72%



Investment Team

Patrick J Lawless

John Mattimoe

Pat Kilduff

Frank O'Brien

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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

Portfolio Comment for Q3 2014



After an excellent first half the Fund consolidated its year to date gain with a small rise of just 0.38% in a third quarter which was more volatile for equities particularly second line stocks. This Fund has risen by 10.7% over the first nine months of the year and on the second anniversary of its launch is up 45% since inception or 20.6% per annum.

Q3 was a volatile month for equity markets and small and mid-cap stocks were more volatile than the general indices. This volatility reflected ongoing geopolitical tensions – primarily the Ukrainian crisis, but also Gaza and the Hong Kong democracy protests – and deteriorating economic data in the Eurozone, where the risk of deflation is increasing. Stocks in the fund which were perceived to be exposed to these issues such as the German and Swiss machinery exporters (DMG Mori Seiki, Jungheinrich and Bucher) were among those which saw a weaker share price over Q3. Mincon was another laggard in Q3 as its H1 earnings were impacted by weaker exchange rates in Australia and South Africa, important markets for its mining equipment.

Corporate results in general were good over the quarter, and within the fund Playtech, Swiss Life and Aga Rangemaster were among the risers in Q3 in response to good earnings reports. Other leading stocks were Micro Focus and Powerflute as both announced very significant acquisitions which have the potential to transform their businesses and drive future growth.

We continue to seek out smaller companies with clear business advantage, solid financial fundamentals, strong leadership and attractive valuations – particularly as the sales proceeds from the fund's stocks which have recently been taken over are available for re-investment. These proceeds have been partly redeployed in two new stocks as the fund made its first investments in Next Fifteen Communications (a content marketing company for tech companies) and Westgrund (a German residential property investment company).

Top 5 Holdings			
Name	Country	Sector	%
Powerflute	UK	Packaging	4.6%
Swiss Re	Switzerland	Financial Services	4.5%
Microfocus	UK	Technology	4.2%
Jungheinrich	Eurozone	Machinery	4.1%
AGA	UK	Home Products	3.8%

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Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€22 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.