

Appian Small Companies Opportunities Fund

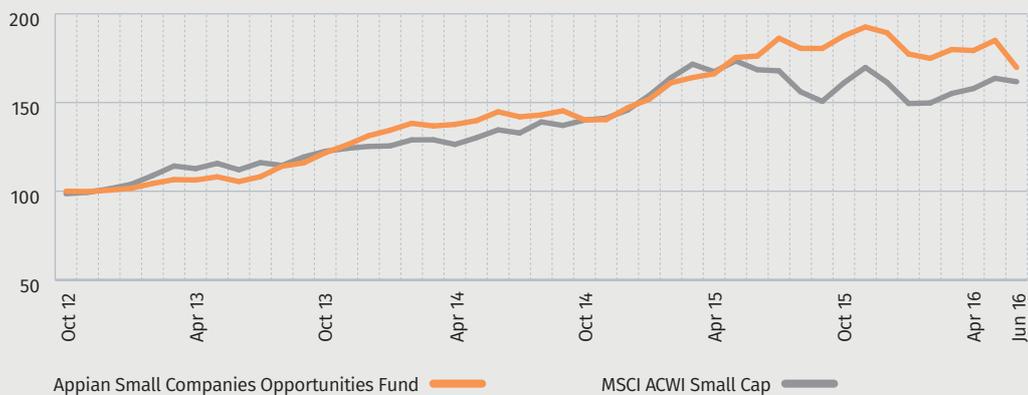
Fact Sheet

JUNE 2016

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.

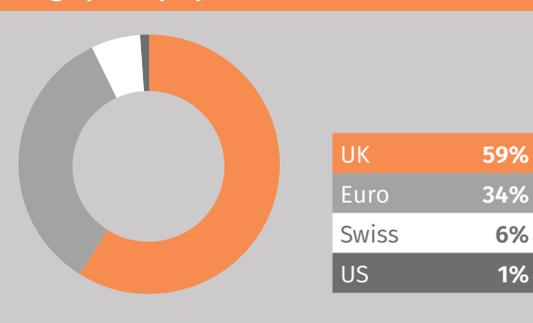
Performance of Appian Small Companies Opportunities Fund



Appian Small Companies Opportunities Fund Performance 30.06.2016

Period	2012	2013	2014	2015	2016 YTD
Fund Return	0.61%	30.50%	12.04%	28.75%	-10.34%

Geographic Equity Distribution



Investment Team

Patrick J Lawless

John Mattimoe

Frank O'Brien

Eugene Kiernan

Niall Dineen

Lisa Neary

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 2016

Turbulence following the Brexit vote was the key feature in the Q2 performance of the Appian Small Companies Opportunities Fund (ASCOF) resulting in a decline of 5.6% over the second quarter. Following a challenging Q1, this brings the decline for the first half of 2016 to 10.3%.

The aftermath of the 'leave' vote in the referendum caused a weakening in sterling and equity markets, particularly impacting the ASCOF's UK positions. Sterling fell by 5% against the euro over the quarter, and this alone accounted for close to half of the Fund's decline in Q2.

While the Fund has a significant exposure of circa 55% to UK listed assets, many of these companies have significant non-UK businesses so the fund's underlying exposure to the UK economy is we believe closer to 25%. The actual impact of Brexit on those internationally spread UK holdings will be less than the initial impact on their share prices would suggest.

The ASCOF's UK focused holdings, like the rest of the positions, are companies with high quality assets and business models which are sustainable through economic cycles. This underlying long term quality was validated by the announcement on the final day of the quarter of a recommended bid for Wireless Group plc (formerly UTV Media) by News Corp at a premium of 70% to its pre-bid share price.

The ASCOF directly benefited from this bid in Q2, having a 3.4% weighting in Wireless. The bid brings to 14 the number of the fund's holdings which have been taken over by other corporates over the past three and a half years, and we expect that other corporate acquirers will take advantage of opportunities presented by market turbulence to swoop on other attractive publicly quoted assets.

This M&A activity generates cash for the fund to reinvest. During Q2, two new names were added to the Fund – Entertainment One, a UK based distributor of TV programming and movies; and we invested in the IPO of Draper Esprit, a specialist investor in development stage technology companies. Positions in some existing holdings were also added to over the quarter. Despite these moves circa 16% of the Fund was in cash at the end of Q2.

The political vacuum in the UK post the Brexit vote continues to cause uncertainty. Markets are expected to see further bouts of volatility, at least until a clearer picture emerges of how the UK's relationship with the UK will evolve. While we are conscious of the challenges we also remain alert for opportunities such volatility may present to invest in in high quality companies at attractive valuations.

Top 5 Equity Holdings 30.06.2016

Name	Country	Sector	%
Wireless Group Plc	UK	Media	5.51%
Jungheinrich	Eurozone	Machinery	5.08%
Powerflute	UK	Packaging	4.49%
Playtech	UK	Technology	4.16%
Micro Focus	UK	Software	3.67%

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Fund Facts

LAUNCH DATE

October 2012

NAME

Appian Small Companies Opportunities Fund

FUND SIZE

€33 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.