

Appian Equity Fund

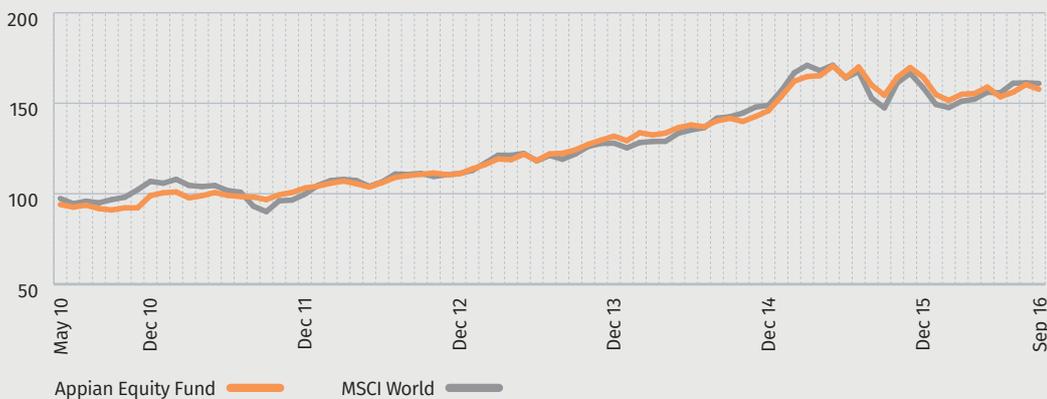
Fact Sheet

SEPTEMBER 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.

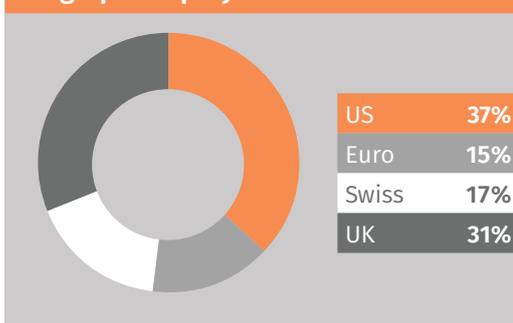
Performance of Appian Equity Fund



Appian Equity Fund Performance 30.09.2016

Period	2011	2012	2013	2014	2015	2016 YTD
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	-4.13%

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 3 2016

Equity markets were calm during the quarter as the fears around Chinese growth and Energy that had engulfed markets at the start of the year faded away. Whilst the second quarter saw volatility in equity and currency markets due to “Brexit”, this volatility didn’t materialise in the third quarter despite political events such as the military coup in Turkey, a further nuclear test by North Korea and the focus turning towards the forthcoming US general election. The Appian Equity Fund finished the quarter up 2.72% and reduced the fall in the Fund for the nine months to 4.13%.

The fund benefited during the quarter due to its holdings in the Information Technology sector. Microsoft, the largest holding in the fund appreciated by 12% during the period after it announced stronger than anticipated revenue and earnings growth in July as its strategy of moving into the “cloud” gained traction. This was followed in September by an announcement from the company that it intended to raise its dividend by 8% and launch a new share buyback program. The other stock from the Information Technology sector that stood out was NXP Semiconductor which rose almost 30% as it was subject to rumours that it was set to be acquired by Qualcomm.

There was a mixed performance from the Financials in the portfolio during the quarter. Legal and General was a standout performer as it rose over 10% as management assured the market about the strength of its balance sheet. In contrast, Wells Fargo was a drag on performance as the share price reacted negatively to a fake account scandal where it emerged employees at the company were opening accounts without customer’s permission. The bank was fined \$185mn for this behaviour but the market reaction was more severe, dragging the share price down over 10% and taking \$30bn off the market value of the company.

During the quarter, the fund added Disney and American Express. Disney is a leading global entertainment franchise that has been rejuvenated by the acquisitions of the Pixar, Marvel and Star Wars franchises. The success of these acquisitions have resulted in the company’s CFROC rising to 9%. American Express remains an iconic global brand and the largest credit card by volume in the US. Future growth at the company should be driven by its growth outside the US and the growth of internet spending which is dominated by credit cards. The addition of these holdings reinforces our belief that it is possible to invest in quality businesses at reasonable valuations despite headline market valuations not looking attractive.

Top 5 Equity Holdings 30.09.2016

Name	Country	Sector	%
Microsoft	US	Technology	4.62%
Wells Fargo & Co	US	Financial Services	3.93%
Novartis	Swiss	Pharmaceuticals	3.28%
Wireless Group Plc	UK	Media	3.17%
Nestle	Swiss	Food	2.71%

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Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€25 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.