

# Appian Small Companies Opportunities Fund

## Fact Sheet



DECEMBER 2017

### About Appian Asset Management

**A**ppian 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.

### Investment Team

Patrick J Lawless

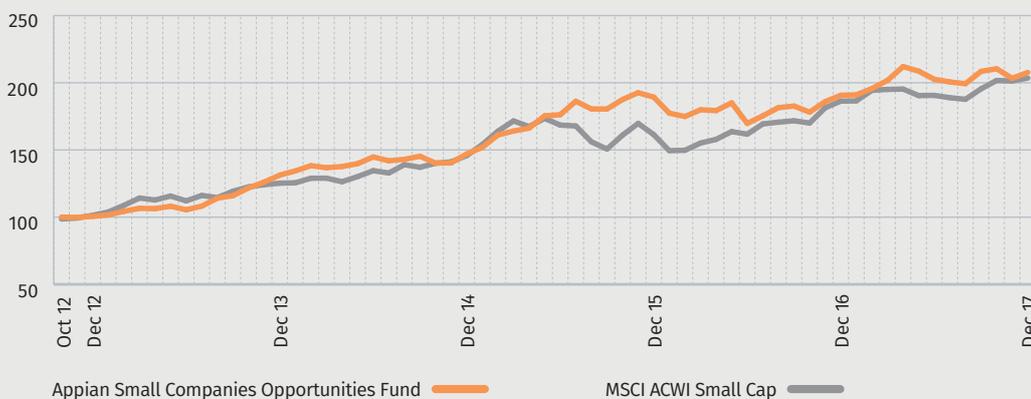
Eugene Kiernan

John Mattimoe

Niall Dineen

Pat Kilduff

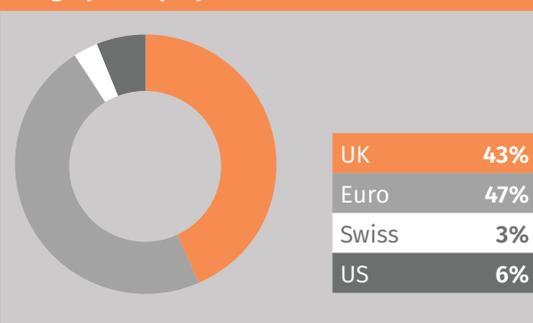
### Performance of Appian Small Companies Opportunities Fund



### Appian Small Companies Opportunities Fund Performance 02.01.18

Period	2012	2013	2014	2015	2016	2017
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	8.93%

### Geographic Equity Distribution



### 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 4 2017

Notwithstanding a subdued final quarter the Appian Small Companies Opportunities Fund (ASCOF) performed positively over 2017 with a gain of 8.9% for the year. Despite a benign backdrop in general equity markets in the last three months of 2017, the Fund dipped by 0.37% in Q4 as strong performances by some of our holdings were offset by drops in the share prices of some other positions.

Entertainment One, a distributor and producer of TV content and movies was the top performer in Q4 with a gain of 26% aided by strong progress by its TV titles (which include 'Peppa Pig' and 'Designated Survivor'). This rewards management's decision to invest more in TV recently, adding credibility to its ambition to double the business between 2015 and 2020 while also making the group more strategically valuable in an industry context. Draper Esprit, the tech focused venture capital provider, was another strong performer, rising by 21% over the quarter. This was driven by the announcement of strong gains within its own portfolio, good progress on deploying its firepower into new investments and a value-enhancing bolt-on acquisition.

Two other holdings gained 17%: IFG's share price reacted positively to the increase in UK interest rates which will help profitability in its UK pensions platform; and SuperGroup, the parent of the SuperDry apparel brand, rose as its model continues to roll out successfully internationally, while continuing to perform well in the UK in spite of a more cautious UK consumer.

Among the fallers during Q4 were two companies which warned that trading in 2017 was lower than expectations: Irish newspaper publisher Independent News & Media, and German car leasing group, Sixt Leasing, both fell by 12% as a result, and we see value in both stocks notwithstanding tougher than expected trading. Elsewhere, Eurocell, a leading UK provider of window frames, dropped by 14% despite reporting strong progress in its business as sentiment to the UK remains nervous, and two Irish stocks, Datalex and Applegreen, which were strong performers previously, also suffered double digit declines due to profit taking by some investors.

During Q4 we topped up our weightings in a number of existing holdings, including Randall & Quilter (niche insurance services), Adler Real Estate (German residential investor), Greencoat UK (windfarm owner), Krones (German producer of bottling equipment) and J2 Global (US provider of cloud services and digit media).

Looking ahead, positive economic and earnings growth provide supportive fundamentals, but we are conscious that valuation levels are elevated. Consequently, we remain committed to our bias toward high-quality, well-run, cash generative businesses which have attractive valuations.

### Top 5 Equity Holdings 29.12.17

Name	Country	Sector	%
Jungheinrich	Eurozone	Machinery	5.19%
Micro Focus	UK	Technology	4.61%
Playtech	UK	Software	4.32%
Patisserie Holdings PLC	UK	Consumer Discretionary	3.48%
Somero Enterprises Inc	UK	Industrials	3.45%

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## Fund Facts

### LAUNCH DATE

**October 2012**

### NAME

**Appian Small Companies Opportunities Fund**

### FUND SIZE

**€47 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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