

# Appian Equity Fund Fact Sheet

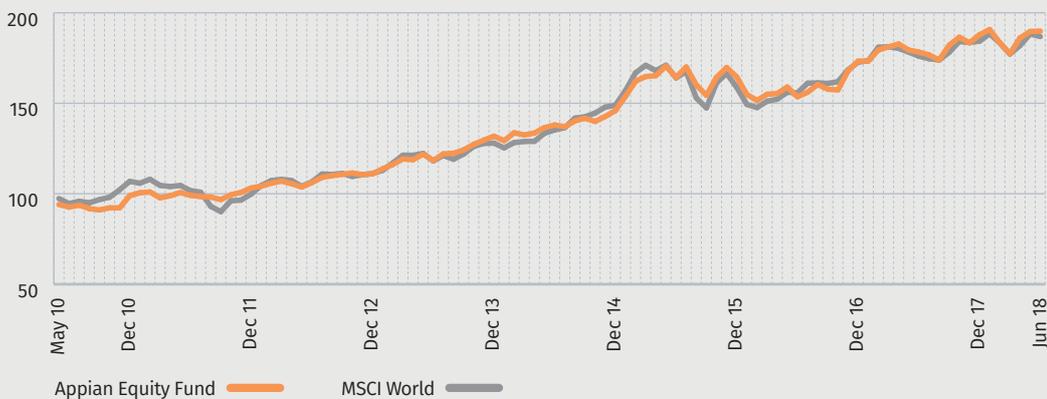


JUNE 2018

## 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.

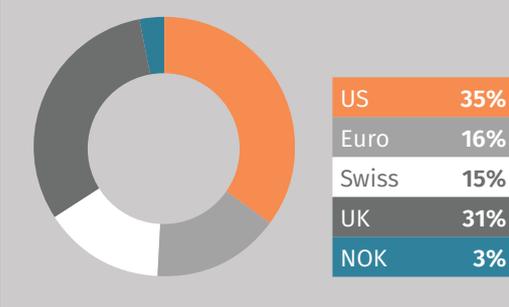
### Performance of Appian Equity Fund



### Appian Equity Fund Performance 30.06.18

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%	1.07%

### Geographic Equity Distribution



## Investment Team

Patrick J Lawless

Eugene Kiernan

John Mattimoe

Niall Dineen

Pat Kilduff

## 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 2 2018

The Appian Equity Fund rebounded strongly during the second quarter, rising each month to finish the quarter up 7.0%, thereby erasing the losses from the first quarter and finishing the first half of the year up 1.1%. However, this performance doesn't tell the full story of the volatility within global equity markets so far this year. Global equities have been broadly negative this year as the positive economic backdrop and strong earnings hasn't been enough to offset geopolitical factors such as a potential trade war, political chaos in Italy and the appearance of stress in Emerging Markets.

European and Emerging markets are negative this year with the US market been held up as a beacon of safety but this is being driven entirely by a rush into a small group of growth stocks. 4 stocks, Amazon, Microsoft, Apple and Netflix have been responsible for 84% of the US markets positive return this year. This fixation with a narrow group of stocks is a reason to worry.

Sainsbury was a standout performer during the quarter, rising over 30% after it announced plans to merge with Asda in a deal, which will see it surpass Tesco as the largest grocer in the UK with a market share in excess of 30%. The potential synergies on offer from the deal meant the share price reacted positively. Kohls was another retailer that performed strongly during the quarter, rising in excess of 40%, taking its twelve-month gains to over 100%. The strong performance was driven by strong sales numbers for the company coupled with an improvement in sentiment towards the broader retail space in the US as investors realised that Amazon won't destroy all retailers. The position in Kohls was sold from the portfolio towards the end of the quarter as valuation no longer remained attractive. However, there was one stock in the portfolio, Walgreen Boots that was adversely impacted by Amazon. It finished the quarter down 20% as Amazon indicated it would enter the pharmaceutical space. We remain confident that the Walgreen Boots franchise is strong enough to withstand the competitive threat from Amazon.

The Fund has an average dividend yield of 3.7% and a price earnings multiple of 13.3x, whilst generating earnings growth of 10% and dividend growth of 6% this year. We continue to believe positive returns are possible in the equity market without chasing the current euphoria in growth stocks.

### Top 5 Equity Holdings 30.06.18

Name	Country	Sector	%
Wells Fargo & Co	US	Financial Services	5.22%
BP PLC	UK	Oil & Gas	4.38%
RPC Group Plc	UK	Packaging	4.21%
Novartis	Swiss	Pharmaceuticals	4.14%
UBS	Swiss	Financial Services	3.70%

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## Fund Facts

### LAUNCH DATE

**May 2010**

### NAME

**Appian Equity Fund**

### FUND SIZE

**€37 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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