

Appian Small Companies Opportunities Fund

Fact Sheet



JUNE 2018

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.

Investment Team

Patrick J Lawless

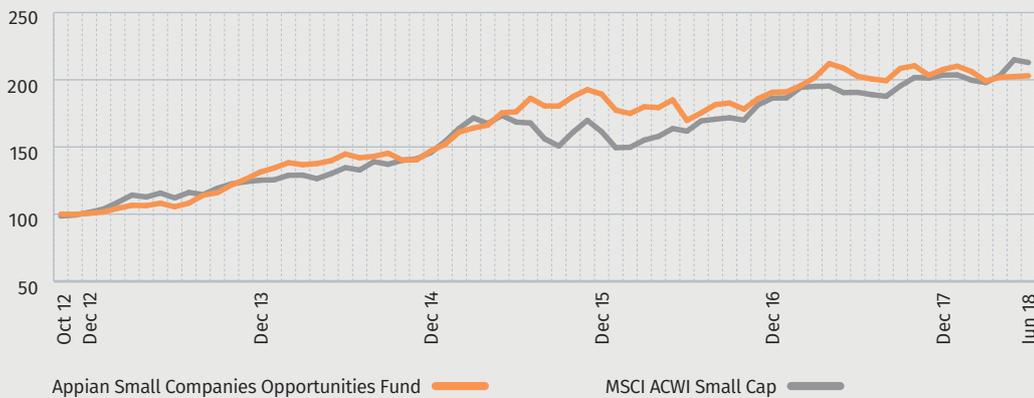
Eugene Kiernan

John Mattimoe

Niall Dineen

Pat Kilduff

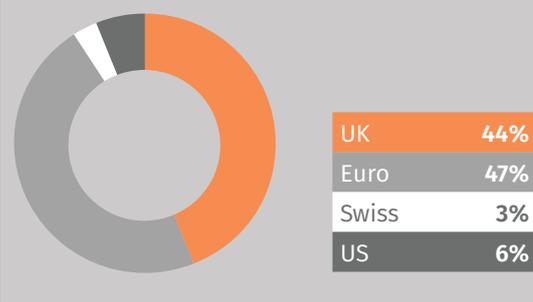
Performance of Appian Small Companies Opportunities Fund



Appian Small Companies Opportunities Fund Performance 30.06.18

Period	2012	2013	2014	2015	2016	2017	2018 YTD
Fund Return	0.61%	30.50%	12.04%	28.75%	0.71%	8.93%	-2.28%

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 2 2018

The Appian Small Companies Opportunities Fund (ASCOF) gained 1.95% over Q2, recouping some of the ground lost in Q1 and bringing the first half decline to 2.28%.

During Q2 mostly encouraging economic data was overshadowed by escalating threats of a global trade war and political uncertainty in Italy. Returns within the Fund reflected, as was the case in Q1, a wide dispersion of moves by our holdings which were again mainly driven by stock specific news.

Shares in Patisserie Holdings, the owner of the Patisserie Valerie chain in the UK, rose by 25% in Q2 as the company continued to expand successfully while further proving it can protect margins by seeing off challenges from higher costs and consumer uncertainty. Micro Focus, the UK software company, saw a 34% gain – this recovers some of Q1 fall as its latest trading update signalled trading was at the better end of revised expectations. Randall & Quilter, the specialist insurer, gained a further 24% in as it reported good results for 2017 and signalled strong growth prospects for both 2018 and the medium term.

Shares in apparel company SuperDry experienced a 28% drop in Q2 as worries over deteriorating sales trends in its UK stores more than offset further international and online success. Hostelworld, one of our strongest 2017 performers, saw an 18% retrenchment in its share price as management succession was announced – the outgoing CEO is highly regarded, and his replacement, while well qualified, will have to prove himself to investors. Hudson Technologies, the US refrigerant supplier, suffered a halving in its share price as it signalled it will suffer a greater than expected margin decline in 2018. While disappointing given we only recently added Hudson, our weighting was very modest and we have the capacity to build our position in advance of the structural improvement to both margins growth prospects regulatory change is expected to drive from 2019 onwards.

During Q2 we sold our positions in Aceto (US pharma ingredients) and EMIS (UK software) as we felt the outlook for both companies had weakened. We also trimmed our weighting in IRES (Irish residential REIT) as its valuation, while not expensive, is less compelling than previously. We increased our weightings in Draper Esprit (the investor in developing technology companies) and Datalex (software for airlines).

While there has been a high degree of volatility in some of our holdings, we remain encouraged by a supportive economic and earnings outlook and we remain focused on owning quality companies that are well positioned to deliver on the prospects we've recognised for their businesses.

Top 5 Equity Holdings 30.06.18

Name	Country	Sector	%
Draper Esprit Plc	UK	Private Equity	4.87%
Somero Enterprises Inc	UK	Industrials	4.55%
Patisserie Holdings Plc	UK	Food	4.45%
Jungheinrich	Eurozone	Machinery	4.30%
Randall & Quilter Investment	UK	Financial Services	4.09%

Appian Asset Management Ltd is regulated by the Central Bank of Ireland. No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Appian Asset Management Ltd on the basis of publicly available information, internally developed data and other sources believed to be reliable. It does not constitute an offer or an invitation to invest, or the provision of investment advice. No party should treat any of the contents herein as advice in relation to any investment. While all reasonable care has been given to the preparation of the information, no warranties or representation express or implied are given or liability accepted by Appian Asset Management Ltd or its affiliates or any directors or employees in relation to the accuracy fairness or completeness of the information contained herein. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. Further information in relation to all risks is provided in the Fund Prospectus and supplements.

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.

Morningstar, All rights reserved. The information contained herein is proprietary to Morningstar; may not be copied or distributed and is not warranted to be accurate complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Morningstar Data is based on performance to June 30th 2018.