

Appian Equity Fund

Fact Sheet

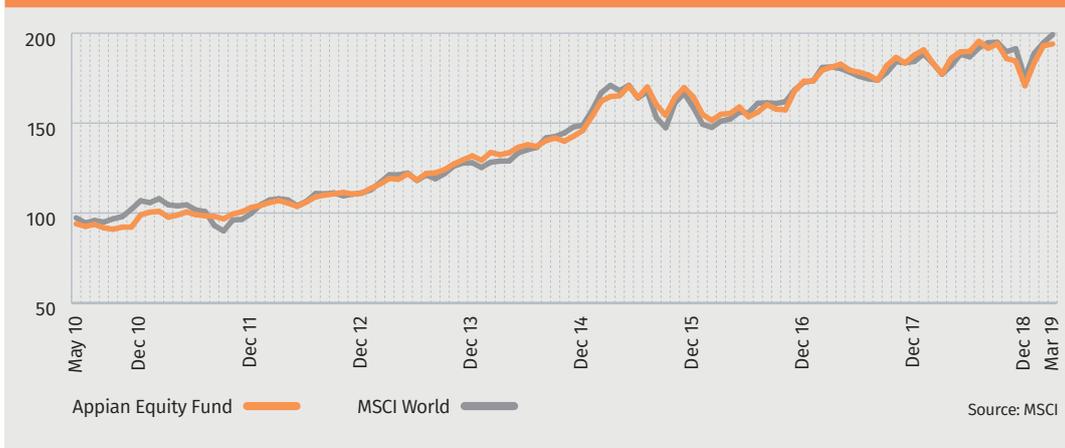


MARCH 2019

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.

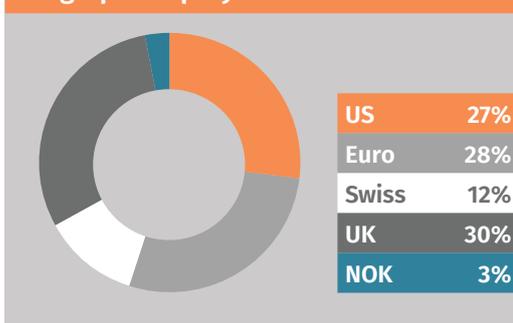
Performance of Appian Equity Fund



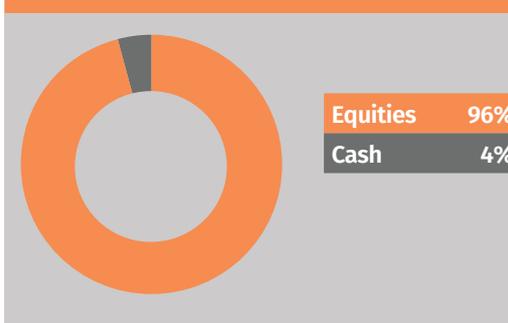
Appian Equity Fund Performance 31.03.19

Period	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD
Fund Return	4.25%	7.42%	18.73%	10.70%	12.77%	5.32%	8.42%	-9.11%	13.60%

Geographic Equity Distribution



Asset Allocation



Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

Derek Heffernan

Key Features

- Focus on companies with strong balance sheets
- Developed Stock Markets 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 1 2019

The Appian Equity Fund was up 13.6% during the first quarter. It was helped by a strong rally in global equities as they rebounded back from the sell-off at the end of 2018. Recession fears were stoked in Q4 2018, as the Federal Reserve seemed determined to keep increasing rates in the face of economic data that was slowing. The US/Chinese trade dispute was also concerning investors. Both of these fears have eased since the market bottomed on December 26th.

The sharp retreat in Q4 gave the Fund an opportunity to buy quality assets at a discount to their intrinsic value. One example of the stocks we added is D R Horton. The US homebuilder D R Horton was up 22% in the first quarter. D R Horton has a strong balance sheet, good returns and a long runway for growth. These facts combined with a bargain valuation (8x Price/Earnings) attracted us to this opportunity. Our mining stocks also had a strong first quarter with Rio Tinto rising over 30%. Despite this, Rio Tinto continues to offer value with a dividend yield of over 5%.

During the fourth quarter, Information Technology was the best performing sector of the market. The valuations in this sector have now re-approached all-time highs. For this reason, we have only a small exposure to IT stocks and believe they will underperform the broader market over the medium term. We used the strong rally in the IT sector as an opportunity to sell our remaining position in Oracle.

We added a number of new names in the first quarter including TUI AG. We view TUI as an owner of a unique set of assets in the cruise and hotel space. It has been struggling recently due to a combination of factors including weak sterling, a shift of European holidaymakers from Spain and Portugal back to Turkey and a profit warning related to costs associated with having to ground Boeing 737 Max aircraft. The share price weakness has allowed us acquire a quality franchise which is currently yielding 8.5%. As mentioned above, we sold Oracle, which was trading at all-time highs, and we sold Swiss Life, which was trading at its highest level in almost twenty years.

We have been surprised by the speed of the equity rally so far this year but remain confident in the outlook for the equities in the Fund, which continue to trade at attractive valuations as evident by the average dividend yield in the Fund of 3.7% and the average Price/Earnings ratio of 13.3.

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Fund Facts

LAUNCH DATE

May 2010

NAME

Appian Equity Fund

FUND SIZE

€38 million

PRICING FREQUENCY

Monthly

PRICING BASIS

Single Price

ANNUAL MANAGEMENT

CHARGE

1.5% p.a.

FUND CUSTODIAN

Citibank Europe Plc

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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