

Appian Equity Fund

Fact Sheet

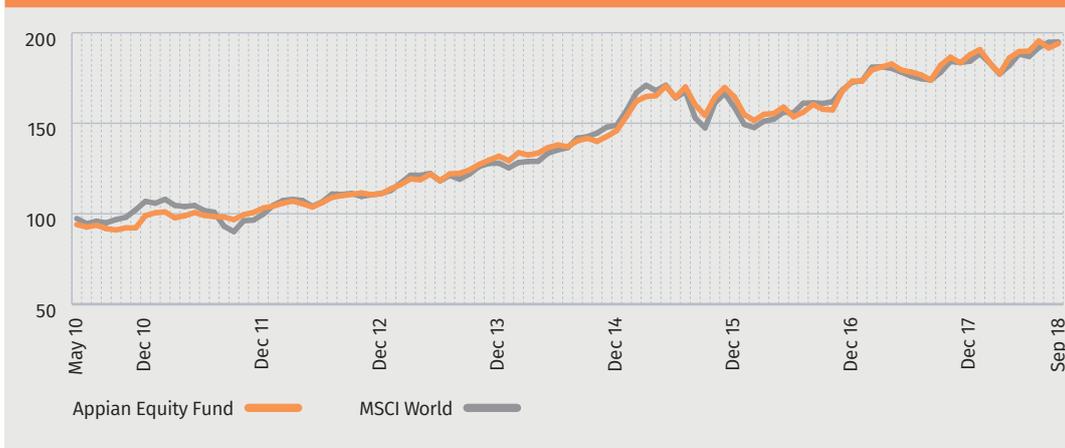


SEPTEMBER 2018

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.

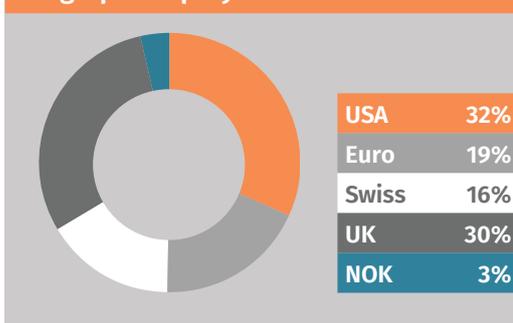
Performance of Appian Equity Fund



Appian Equity Fund Performance 30.09.18

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%	3.30%

Geographic Equity Distribution



Investment Team

Niall Dineen

John Mattimoe

Pat Kilduff

Key Features

- Focus on companies with strong balance sheets
- Developed 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 2018

The Appian Equity Fund performed strongly during the third quarter, rising 2.2%, bringing the gains for the year to 3.3%. The equity market strength during the quarter meant that headline equity markets have recovered all the losses from the sell-off in February. However, this hides the reality of what has been happening this year. Most equity markets remain in negative territory, with European equities faltering amid a weaker than expected economy and emerging markets bearing the brunt of extreme selling pressure as the trade war rhetoric between the US and China has reached fever pitch. This has left the US as the sole driver of equity returns this year and within the US market it has been US growth stocks driving the market. These have driven the US equity market to all time high valuations. We regard the extreme valuations in US markets as a real risk and therefore have only selective exposure to this market.

The top performing stock over the quarter was Walgreen Boots as it rose 23%. The share price rebounded from a fear of Amazon entering the pharmacy sector and the market once again became attracted to the strong footprint the company has along with its proven management team. The stock remains attractively valued at 12x's next year's earnings.

During the quarter, the Fund sold out of two stocks, Walt Disney and American Express. With Walt Disney we felt the risk profile of the company was too high as it increased debt to finance acquisitions. American Express was sold after rerating from 10x's earnings when we purchased, to 15x's earnings. The Fund also added two stocks, both great American franchises, Masco and Caterpillar. Masco is a leading supplier of home improvement products in the US, where its paint brand "Behr" has a 30% market share. Masco provides the Fund with exposure to the US housing market, which is still on a path to recovery post the financial crisis.

This year has been a year where our companies have continued to grow earnings, cash flow and dividends. We continue to believe that dividends and the ability to grow dividends are the most important drivers of equity returns over a long-term time horizon. Granted today, the low dividend growth stocks are monopolising the limelight but we are happy not to be chasing this momentum. The Appian Equity Fund currently has an average dividend yield of 3.4% with dividend growth this year of 7.0%.

Top 5 Equity Holdings 30.09.18

Name	Country	Sector	%
Wells Fargo & Co	US	Financial Services	4.76%
BP PLC	UK	Oil & Gas	4.11%
ABB Ltd	US	Industrials	3.80%
Antofagasta Plc	UK	Industrials	3.77%
UBS	Swiss	Financial Services	3.74%

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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

**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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