

Portfolio Details – December 2018



Fund Facts

Gross Assets:	£4.86m
NAV:	226p per share
Price:	236p

Share Capital:	2,157,881 Ordinary 25p

Shares Gearing:	Nil

Launch Date:	August 1994

Year End:	31 December

AGM:	April

Fund Manager:	Dr. Manny Pohl

Listing:	The London Stock Exchange

Asset Allocation

	%
Property Comm and Res	27.5
Support Services	16.6
General Financial	14.9
Travel & Leisure	8.5
Construction & Materials	7.2
Media	6.2
Industrial Transportation	4.0
Industrial Engineering	3.9
Leisure Goods	2.9
Food & Beverages	2.3
Insurance	1.5
Electronic & Electrical Equipment	1.4
Chemicals	1.0
Telecommunications	0.9
Home Construction	0.8
Retailers	0.4
Total	100

Fund Manager's comment for December 2018

The Athelney Trust unaudited NAV continued to decline during December, the seventh month in a row, to 226p, a decline of 5.24% which compares with a 3.61% decline in the FTSE Index, a 7.66% decline in the AIM All Share index and a 4.41% decline in the Small Cap Index. Most other major stock markets around the world declined during the month. The Dow Jones Index declined in US\$ by 8.66% and there was a 7.71% decline in the MSCI World Index during the month.

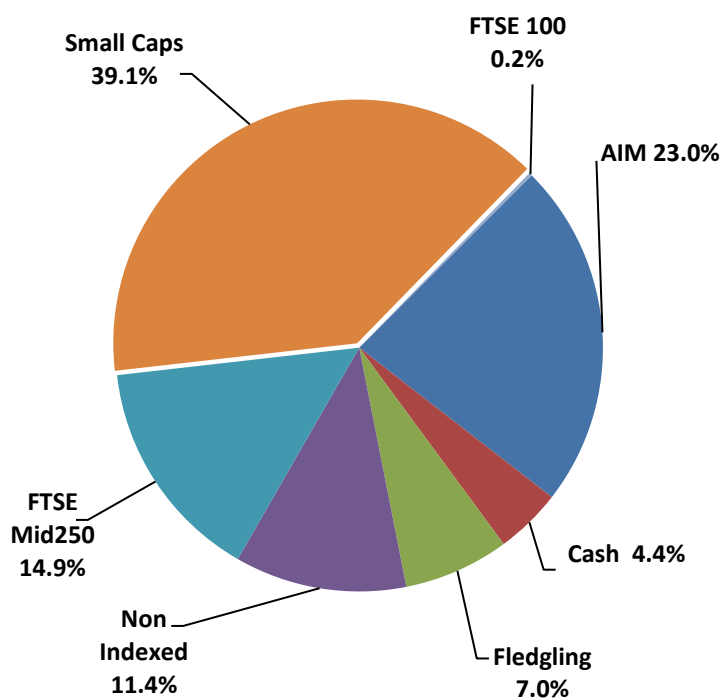
As mentioned in last month commentary, the portfolio continues to be affected by world politics and macro-economic events rather than specific business-related factors. Interest rates have been rising gradually in the US for the last three years with the Fed Funds rate increasing from essentially zero three years ago to almost 2.5% today. While it is not clear how the trade tensions between China and the US will be resolved, it seems inevitable that some concessions will be made but, of course, what happens in Washington now that the Democrats control the House of Representatives makes the eventual outcome totally unpredictable. However, experience has shown that during these trying times one should ensure that the companies in the portfolio are of high quality. Our focus should be on the level of predictability of a business's medium-term future economic performance because the more predictable the future cash flows, the more confident we can be that our forecast investment outcome will be achieved.

To this end we have commenced a program of selling our holdings in companies where there has been a change to the industry structure, the business model, the senior management team or the product/service offering, the occurrence of which will result in our view in a deterioration in future profitability and hence dividends. Our positions in Bonmarche Holdings, Communisis, Standard Life and UK Commercial Property were sold. We added to our position in Belvoir Lettings.

Athelney Trust was founded in 1994 and, one year later, became one of the ten pioneer members of the Alternative Investment Market. In 2008 the shares became Fully Listed.



Portfolio by Listing



20 Largest Holdings as at 31.12.18

	%
1. VP	4.1
2. Picton Property Income	3.2
3. Mountview Estates	3.0
4. Games Workshop	2.9
5. Jarvis Securities	2.7
6. Target Healthcare REIT	2.3
7. Park Group	2.2
8. Cineworld	2.1
9. Air Partner	2.0
10. Andrews Sykes Group	2.0
11. Forterra	1.9
12. S & U	1.8
13. Hill & Smith	1.8
14. Tritax Big Box	1.7
15. Charles Taylor	1.7
16. Ocean Wilsons	1.6
17. Marstons	1.6
18. Belvoir Lettings	1.6
19. Randall & Quilter Investment Holdings	1.4
20. XP Power Ltd	1.4
Top 20 total %	43.0
Other 64 Holdings %	57.0
Total %	100.0

Risk Factors

The value of investments and the income from them may go down as well as up and you may not get back your original investment. Smaller companies are riskier and less liquid than larger companies which means their share price may be more volatile. Certain annual management expenses are currently charged to the capital of the Fund. Whilst this increases the yield, it will restrict the potential for capital growth. The level of yield may be subject to fluctuation and is not guaranteed. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns the same as NAV performance.