

One Free Share Tip: Today's Tip

31 March 2016

Athelney Trust – even Warren Buffett had to start somewhere says Cynical Bear

Any readers of my articles will know I have a major dislike of subscale investment companies but I must admit that I have a soft spot for Athelney Trust ([LSE:ATY](#)) due to a particular similarity with Berkshire Hathaway. Athelney is an investment trust focussed on small cap stocks. Its share price was down 9% yesterday at 215p having announced the raising of further capital; however, its net asset value as at 31 December 2015 was 245p.

My soft spot is partly driven by its reasonably impressive track record. The fact it is still going with an asset base of well under £5 million is testament to good stock-picking and tight cost control; it pays a dividend and its share price graph has a nice upward trajectory, unlike almost all of the subscale investment companies I normally slate. However, the affection comes more from the insane, witty, ridiculous Chairman's Statement that forms part of each results announcement. I presume it is written by the CEO, Robin Boyle, as it has remained constant even though the Chairman has recently changed.

As an aside, I am a big fan of Warren Buffett, and Charlie Munger, and each year I plough through the Berkshire Hathaway letter to shareholders as well as Charlie's Chairman's letter to Wesco shareholders, to look for interesting snippets. The reality though is that the Berkshire letter is pretty turgid these days with a lot of insurance guff to get through. Robin Boyle has clearly seen this and realised that shareholders want something more than merely a dry assessment of the period under review and removes almost all the sensible stuff and instead throws in jokes, quotes, interviews, rants on various economic and global topics that wouldn't be out of place on this site and loads more.

For ease of reference, I have linked the last three announcements [HERE](#), [HERE](#) and [HERE](#) but my two personal favourite titbits from recent times are the Pravda review of the NATO summit in Wales (2014 finals) and the complete transcript of the Corbyn-related interview between Andrew Neil and John Mann (2015 finals) both set out below:

"September saw the NATO summit in Wales. This is how it was previewed in Pravda. Like an ageing drag queen who can no longer make a living from dressing up in skirts and parading onstage in disguise, today no amount of make-up can hide what NATO is, and always has been: a wolf in sheep's clothing...For many years, NATO has been looking for something to do, like an odd-job man living in a deserted ghost town, like a skilled factory worker in a robot factory, like an ageing and unemployable drag queen who has gone to seed and whose pot belly turns her into the subject of ridicule when she tries to stuff it into her skirt, these days playing to bawling audiences of drunks. What can Pravda mean?"

“Best TV interview of the year?”

Andrew Neil

Given Labour's response to the issue of national security and Syria, do you have confidence in Jeremy Corbyn?

John Mann, Labour MP

I have total confidence in Hilary Benn.

Andrew Neil

So you have confidence in your foreign affairs spokesman Hilary Benn but not in your leader Jeremy Corbyn?

John Mann

Jeremy has confidence in Hilary as well.

Andrew Neil

But you can't bring yourself to say you have confidence in Jeremy Corbyn.

John Mann

I have huge confidence in Jeremy allowing Hilary to lead on Syria.

You couldn't make it up, could you?”

I'm clearly not the only one to see the similarity with Berkshire Hathaway as one of Athelney's largest shareholders, with over 13%, is an Aussie fund, Global Masters Fund, that was set up originally to invest principally in Berkshire Hathaway due to the fact that Berkshire's share price (currently \$212,000) makes it difficult for the average PI to invest directly Or it could be that Dr E C Pohl is on the Board of both companies!

Either way, even if you're not interested in investing in a reasonably successful small cap investment trust, set an alert for the results announcements just to read an interesting, albeit slightly mad, RNS for once.