

Specialist UK Smaller Companies investor

28th April 2025

ATY has confirmed a revision to the Asset Manager's fee structure which underlines its intention to build upon a dividend track record stretching back over two decades.

AM fee contingent on absolute return; no performance, no fee

The new fee structure will mean that rewards for Athelney's asset manager will pivot solely upon fund performance, with no ongoing annual management fee. This exemplifies its continuing confidence in the underlying investment proposition.

Although a small number of other UK investment funds do operate on this basis, ATY is the only one in its particular niche i.e., with a specialist UK smaller companies focus.

This is an attractive option for the fund's investors. Fees will be driven solely by performance against shareholder returns (in cash terms) and this new arrangement should translate into lower OCF and improved performance. It will adjust the balance of performance and cost for shareholders, against a backdrop of continuing market headwinds for the UK Investment Trust sector.

The fund has moved onto an external management structure. The investment mandate will continue to be executed by EC Pohl and Company, a top-rated Australian investment firm with over AUD3Bn total funds under management as at end December 2024. This is in line with the fund management model for most investment trusts.

High yield and 21 years of dividend growth

Association of Investment Companies (AIC) research identifies investment trusts which most effectively balance high yields with consistent income. AIC lists 26 investment trusts, 'Dividend Heroes', which consistently pay the highest yields. To make this list the trust must combine at least a 5% yield with a ten-year track record of positive total returns and have recorded no year-on-year dividend cuts.

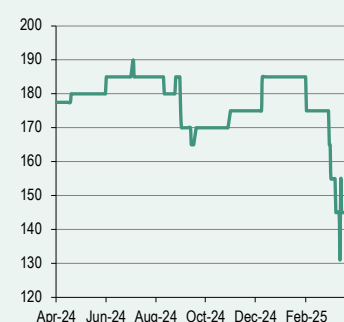
According to a Trustnet article, that list is 'extremely broad in scope and spans asset classes from UK and global equities to infrastructure, debt, renewable energy, property and private equity'. Athelney is, however, the only specialist UK Smaller Companies fund which qualifies.

It currently yields 6.13% pa and targets annual growth in dividends, which currently stands at 21 consecutive years. Athelney has delivered average dividend growth of 3.98% pa over the last ten years.

Company Data

EPIC	ATY
Price (last close)	160p
52 weeks Hi/Lo	190p/131p
Market cap	£3.45m
NAV/share	176.6p
Discount to NAV	9%

Share Price, p



Source: Investing.com

Description

Athelney Trust ('Athelney') is a UK listed investment trust. Its objective is to provide its shareholders with long-term capital and dividend growth from a diversified portfolio of UK listed small cap companies, industries, and sectors.

The strategy is focused on total return, although the Asset Manager is committed to maintaining its 21-year progressive dividend record.

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Discrete annual performance (%)						
On 24 April		2020/21	2021/22	2022/23	2023/24	2024/25
Athelney Trust	Share price total return	40.9	2.0	-11.1	-4.1	-3.9
Athelney Trust	NAV total return	38.5	3.6	-15.8	-7.5	-4.4
Morningstar UK Small Cap	Total return	47.8	34.9	-5.5	2.1	1.3

Source: AIC website (Morningstar data)

Five largest holdings on 31 March 2025	
	% of fund
AEW UK REIT	13.2
Games Workshop	9.2
4imprint	6.4
Alpha Group International	5.3
Mony Group	5.3
Top five total	39.4
Other 19 holdings	58.4
Cash	2.2
Total	100.0

Source: ATY March factsheet

Performance (%) vs benchmarks					
	Return type	1 year	3 years	5 years	10 years
Athelney Trust	Share price total return	-3.9	-18.1	17.7	27.2
UK Smaller Companies AIC sector	Share price total return	-3.2	-8.4	40.9	72.8
Athelney Trust	NAV total return	-4.4	-25.0	8.6	11.4
UK Smaller Companies AIC sector	NAV total return	-3.7	-8.5	44.2	63.6
Morningstar UK Small Cap	Total return	1.3	-2.2	31.9	33.2

Source: AIC website (Morningstar data)

Asset Allocation (end March 2025)

Sector	% of fund
General Financial	19.9
Support Services	17.4
Property Commercial & Residential	17.5
Media	13.0
Leisure Goods	9.5
Technology Software Services	6.2
Multiutilities	4.9
Food and Beverages	3.7
Chemicals	3.2
Travel and Leisure	2.8
Retailers	1.9
Total	100.0

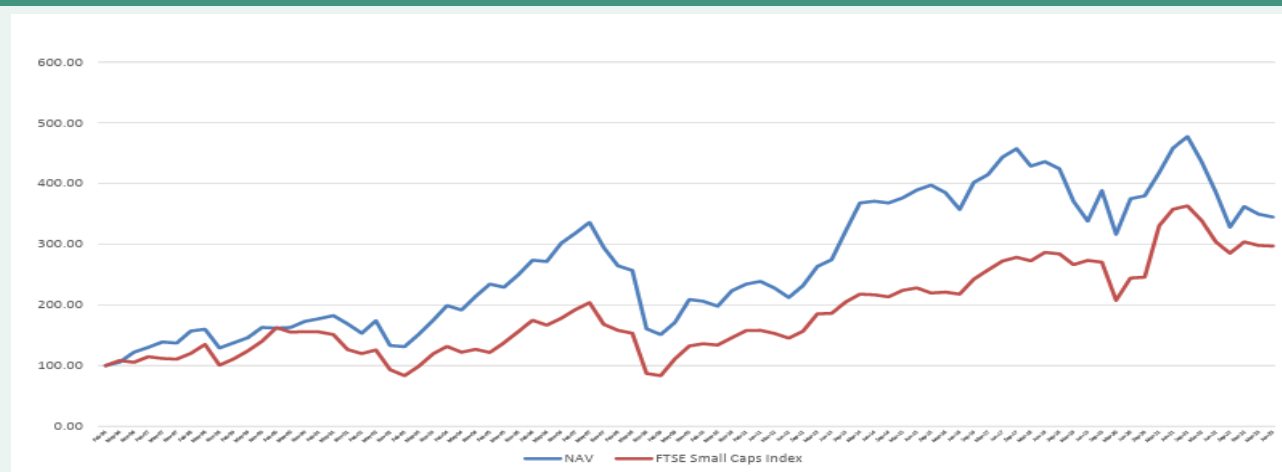
Source: ATY March factsheet

Portfolio holdings by Listing

Small Caps	24.0%
AIM	18.8%
Cash	2.2%
FTSE 300	1.2%
FTSE 100	22.4%
FTSE Mid250	31.4%
Total	100.0%

Source: ATY March factsheet

ATY performance – NAV v FTSE Small Cap Index (rebased over 20 years)





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