



# Equilibrium AIM

## Model Portfolio | January 2021

The portfolio seeks to deliver a total return above that of the FTSE AIM Index while mitigating Inheritance Tax.

<b>Manager</b>	Equilibrium Investment Management LLP	<b>Benchmark</b>	FTSE AIM All Share Index
<b>Launched</b>	1 March 2015	<b>Holdings</b>	29

Security	Summary	Sector	Market Cap	Div Yield	Weight
AB Dynamics	Provider of testing systems for the global motor industry	Industrial	£477m	0.2%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£523m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£467m	0.6%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£898m	1.1%	3.4%
CVS Group	Operates animal veterinary practices, diagnostic businesses and a pet crematorium	Health Care	£1,061m	0.0%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£617m	1.2%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£685m	2.9%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,944m	0.6%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,840m	0.3%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,569m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£530m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£706m	0.1%	3.4%
Iomart Group	Provides cloud-based IT solutions such as disaster recovery	IT	£350m	2.0%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£625m	1.4%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,016m	2.9%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,557m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£622m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,118m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,345m	0.4%	3.4%
Midwich Group	Specialist audio visual and document equipment distributor	Industrial	£440m	0.0%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£479m	0.0%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£498m	2.1%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£519m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,083m	1.7%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£803m	3.5%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£453m	3.5%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£402m	1.6%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,152m	0.5%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£447m	0.8%	3.4%
<b>Averages</b>			<b>£961.7m</b>	<b>1.0%</b>	

## Stock attribution

### Top 5 positive stocks over 3 months

Company	Total Return
Jet2	113.3%
Johnson Service Group	55.6%
IG Design Group	55.2%
Young & Co Brewery	52.9%
Craneware	49.4%

### Top 5 negative stocks over 3 months

Company	Total Return
Iomart Group	-9.9%
Strix Group	-8.4%
Clinigen Group	-3.2%
Gamma Comms	-0.3%
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### Attribution Note

Your holdings and performance may vary slightly from those shown due to transaction dates and market movements. For details of your individual performance, please refer to your personal valuation.

# Commentary

What a roller-coaster of a year that was! After the precipitous fall in March, the AIM Index finished the year up 21.8%. The AIM Portfolio returned 3.4% although both were comfortably ahead of the FTSE 100 Index that returned -11.6% over the year.

Much of the AIM Index performance was propelled by highly-speculative stocks such as mining companies Greatland Gold and Eurasia Mining and biotechnology companies such as Novacyt and E-Therapeutics.

Whilst most of these stocks do not fulfil the requirements for inclusion in the Portfolio, there were a number of strong performances from the stocks we do hold. Keywords Studios, for example, nearly doubled and YouGov was up over 60% over the 12 months.

Clearly not all stocks were winners and the repercussions of the pandemic were felt particularly in the leisure industry which resulted in Johnson Service Group, Young & Co Brewery and Jet2 as key detractors from returns. That said, their stronger performances in the last quarter of the year (see table, above) gives us hope that they can drive good returns for the Portfolio going forward as the vaccine is rolled out and things return to some form of normality.

We appreciate that this has been a trying time for all our clients. For our part, we have tried to keep the Portfolio steady and it has been pleasing to see volatility has been below the AIM Index and even below the broad FTSE All Share Index over the year. We have also looked to keep costs down and for the half-year rebalance we only topped and tailed a few holdings to avoid high trading costs.

We know we are not out of the woods yet and we will remain vigilant as the news unfolds. In the meantime, we wish all our customers a Happy New Year and the very best for the year ahead.

## Performance

### Rolling total returns

	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
Equilibrium AIM Portfolio	21.13%	23.18%	3.37%	5.54%	61.94%
FTSE AIM All Share Index	20.87%	31.49%	21.75%	14.29%	67.11%

### Discrete annual total returns

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Equilibrium AIM Portfolio	3.37%	28.39%	-22.38%	32.34%	13.60%
FTSE AIM All Share Index	21.75%	13.26%	-17.12%	25.97%	16.07%
ARC IHT Portfolio Index	TBC	25.26%	-15.20%	18.70%	11.60%

### Volatility

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Equilibrium AIM Portfolio	26.77%	12.15%	17.68%	9.91%	13.21%
FTSE AIM All Share Index	32.03%	10.08%	14.85%	6.72%	10.47%

All performance statistics are on a total return basis from Financial Express Analytics with income reinvested.

## Important information

All data is at 31 December 2020 and provided by Equilibrium Investment Management LLP unless otherwise stated. The views expressed herein should not be taken as statements of fact or relied upon when making investment decisions.

Past performance is never a guide to future performance. Investments may (will) fall as well as rise and you may not get back your original investment. Changes in currency exchange rates or interest rates may have an adverse effect on the value of your investments.

The performance is stated after a 1.25% Equilibrium Financial Planning fee, a 0.25% plus VAT Equilibrium Investment Management fee and a platform charge of 0.3% (based on the portfolio being held via Seven Investment Management (7IM)). The figures include dividends that may not yet be credited to your account.

The Portfolio consists of stocks quoted on the Index that pay a dividend and that we believe qualify for Business Relief, although this cannot be guaranteed. This fact sheet should be read in conjunction with our *Managing your investments: Specialist* brochure which includes more details about investing in AIM stocks.

### Equilibrium Investment Management LLP

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