



Equilibrium AIM

Model Portfolio | February 2021

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

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

Security	Summary	Sector	Market Cap	Div Yield	Weight
AB Dynamics	Provider of testing systems for the global motor industry	Industrial	£384m	0.2%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£529m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£399m	0.7%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£865m	1.2%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,025m	0.0%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£590m	1.1%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£620m	3.2%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,693m	0.7%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,652m	0.4%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,531m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£477m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£486m	0.1%	3.4%
Iomart Group	Provides cloud-based IT solutions such as disaster recovery	IT	£371m	2.0%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£600m	1.5%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£974m	3.2%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,501m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£604m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£1,698m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,017m	0.6%	3.4%
Midwich Group	Specialist audio visual and document equipment distributor	Industrial	£387m	0.0%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£451m	0.0%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£399m	2.7%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£446m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,187m	1.5%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£727m	3.9%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£475m	3.3%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£386m	1.7%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£963m	0.5%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£395m	1.1%	3.4%
Averages			£881.1m	1.1%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
Jet2	55.1%
Young & Co Brewery	52.7%
Johnson Service Group	51.7%
Craneware	45.7%
Next Fifteen Comms	39.0%

Top 5 negative stocks over 3 months

Company	Total Return
Gamma Communications	-3.9%
GB Group	-3.4%
-	-
-	-
-	-

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

At the beginning of January we rebalanced the Equilibrium AIM Portfolios as we normally do every six months. Rebalancing is the process by which we sell some of the stocks that have risen the most in the Portfolio and re-invest in those that have not performed as well over the period.

You may recall that in the throes of the stock market volatility last July, we decided not to rebalance because the spreads (the difference between the buying and the selling price of a stock in the market) were so wide that the costs of trading were simply too high. Thankfully, these spreads have returned to more normal levels which allowed us to go ahead with the recent rebalance. We sometimes use the rebalance to sell our entire positions in stocks that fall out of our criteria for inclusion and buy new positions but there were no changes this time.

January is also the month when companies update investors on trading for the previous year-end. So far, 18 of the investee companies have provided trading updates, 12 of which stated that trading is in-line with profits expected by forecasters and 6 have said that profits will be ahead of expectations.

Whilst it is pleasing that none of the companies has needed to warn of lower profits, we are constantly reviewing the companies for any financial distress. As lockdowns appear to be lasting longer than initially envisaged, we have stress-tested for more delays before businesses can start to operate at any form of normal level.

Many of the companies in the Portfolio have taken action to limit the rise of debt or even raise additional capital to reduce it – one or two of the companies are even taking advantage of the situation by making bolt-on acquisitions.

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	17.07%	18.73%	1.71%	0.89%	53.83%
FTSE AIM All Share Index	22.56%	30.14%	22.13%	11.89%	78.54%

Discrete annual total returns

	2020	2019	2018	2017	2016
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

	2020	2019	2018	2017	2016
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 29 January 2021 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

Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire, SK9 3DF

0161 486 2250 : askus@equilibrium.co.uk : www.equilibrium.co.uk

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