



Equilibrium AIM

Model Portfolio | April 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	£458m	0.2%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£503m	0.7%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£501m	0.6%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£1,032m	1.0%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,323m	0.0%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£577m	1.3%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£696m	2.9%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,494m	0.7%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,665m	0.4%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,565m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£502m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£734m	0.1%	3.4%
Iomart Group	Provides cloud-based IT solutions such as disaster recovery	IT	£343m	2.1%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£571m	1.5%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,037m	2.8%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,721m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£662m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£1,915m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,112m	0.5%	3.4%
Midwich Group	Specialist audio visual and document equipment distributor	Industrial	£393m	0.0%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£620m	0.0%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£480m	2.8%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£447m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,368m	1.4%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£937m	3.1%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£555m	2.9%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£408m	1.7%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,109m	0.5%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£501m	0.7%	3.4%
Averages			£960m	1.0%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
Next Fifteen Comms	29.3%
CVS Group	24.6%
Strix Group	22.5%
Smart Metering Systems	17.7%
Clinigen Group	15.2%

Top 5 negative stocks over 3 months

Company	Total Return
Learning Technologies	-17.6%
Fevertree Drinks	-15.3%
Restore	-13.8%
Jet2	-11.3%
Midwich Group	-10.5%

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

March was a lively month for announcements from AIM companies as many report profits to the end of 2020 and update investors as to the outlook for the rest of 2021.

In all, fourteen of the Portfolio's investee companies announced profit updates with a very mixed set of numbers, understandable under the circumstances. For example, companies such as Nichols – makers of the Vimto drink - suffered from the closure of pubs and saw profits down 80% year-on-year whilst the very sharp rise in pet population in 2020 (now 21m cats and dogs in the UK!) helped vet chain CVS announce a profit rise of 95%.

The outlook statements were cautiously optimistic. It was encouraging that even companies that have had very tough trading conditions, such as Nichols, have re-instated dividend payments. Underpinning this confidence are balance sheets that are holding up well – of the fourteen that have announced so far, nine had net cash on their balance sheets.

Perhaps more encouraging is the opportunities that the investee companies are seeing in the current situation.

In March alone, six investee companies made acquisitions, from Smart Metering's acquisition of a portfolio of electricity meters for £8m to Gamma Communication's purchase of cloud-based customer service software for £46m and Restore's acquisition of an Apple product re-cycling business. If you believe fortune favours the brave, then these companies may well see good future returns.

For March as a whole, the Portfolio returned 3.85% compared with 1.27% for the FTSE AIM All-Share Index (and, for reference, 3.98% for the FTSE All-Share Index).

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	0.12%	21.27%	39.93%	12.96%	65.41%
FTSE AIM All Share Index	3.69%	25.33%	76.89%	22.27%	79.58%

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	0.31%	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 as at 31 March 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.

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