



Equilibrium AIM

Model Portfolio | May 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	£520m	0.2%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£611m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£513m	1.7%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£1,135m	0.9%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,135m	0.0%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£751m	1.0%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£776m	2.6%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,922m	0.6%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,764m	0.3%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,735m	0.6%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£509m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£669m	0.1%	3.4%
Iomart Group	Provides cloud-based IT solutions such as disaster recovery	IT	£303m	2.4%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£585m	1.5%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,053m	3.2%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£3,200m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£693m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,025m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,339m	0.4%	3.4%
Midwich Group	Specialist audio visual and document equipment distributor	Industrial	£418m	0.0%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£809m	0.8%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£535m	2.5%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£503m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,672m	1.3%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£917m	3.1%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£582m	2.8%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£442m	1.5%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,173m	0.5%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£477m	0.0%	3.4%
Averages			£1,060m	1.0%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
CVS Group	45.8%
Next Fifteen Comms	41.3%
Craneware	25.1%
Advanced Med. Solutions	24.6%
Strix Group	23.7%

Top 5 negative stocks over 3 months

Company	Total Return
Iomart Group	-13.2%
Ideagen	-8.9%
Keywords Studios	-0.8%

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

Compared to March, April is a quieter month for company updates and we heard from just five of the portfolio holdings.

Most were distinctly upbeat with Next Fifteen, a provider of marketing services to technology companies, notably strong with a 22% rise in profits and re-instatement of the dividend and veterinary group CVS, surprising the market saying in a trading update that the figures will be “comfortably ahead of market expectations”. Iomart Group, was the one exception and they stated that the third lockdown had resulted in profits at the low end of forecasts although cash generation was strong over the period.

Last month we observed a growing number of acquisitions by our investee companies and April saw three more similar transactions. Document storage company Restore bought a similar business, EDM Group, for £40m, YouGov bought a financial transaction data company, Lean App, and Keywords Studios added to its video gaming services with a £43m acquisition of Climax Studios.

As we near the 21 June date when lockdown restrictions will (hopefully) be lifted in the UK, all the companies in the portfolio would expect to start to resume trading if they have not already done so and none have indicated any permanent impairment to operations. Let's hope the path to recovery continues.

In April, the Portfolio returned 9.04% compared with 7.37% for the FTSE AIM All-Share Index and 4.29% for the FTSE All-Share Index.

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	12.35%	31.99%	35.6%	18.35%	79.83%
FTSE AIM All Share Index	10.89%	36.00%	59.83%	26.32%	88.04%

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 30 April 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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