



# Equilibrium AIM

## Model Portfolio | October 2020

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
Abcam	Producer and distributor of products for the life sciences industry	Health Care	£2,646m	0.3%	3.4%
AB Dynamics	Provider of testing systems for the global motor industry	Industrial	£419m	0.2%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£464m	0.7%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£393m	0.7%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£935m	1.2%	3.4%
CVS Group	Operates animal veterinary practices, diagnostic businesses and a pet crematorium	Health Care	£873m	0.0%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£416m	1.7%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£658m	2.9%	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	£1,370m	0.0%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,572m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£446m	0.0%	3.4%
Iomart Group	Provides cloud-based IT solutions such as disaster recovery	IT	£387m	1.8%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£409m	2.0%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,007m	0.9%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£1,200m	0.5%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£400m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£1,607m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£967m	0.6%	3.4%
Midwich Group	Specialist audio visual and document equipment distributor	Industrial	£307m	1.3%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£461m	0.5%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£462m	2.3%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£402m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£1,555m	1.5%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£734m	0.4%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£483m	3.3%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£356m	1.9%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£913m	0.5%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£292m	1.2%	3.4%
<b>Averages</b>			<b>£841.2m</b>	<b>1.1%</b>	

## Stock attribution

### Top 5 positive stocks over 3 months

Company	Total Return
Next Fifteen Comms	43.5%
Gamma Communications	28.7%
Strix Group	26.0%
Keywords Studios	20.1%
CVS Group	20.0%

### Top 5 negative stocks over 3 months

Company	Total Return
Johnson Service Group	-22.1%
Jet2 (formerly Dart Group)	-21.1%
IG Design Group	-15.9%
Young & Co.	-15.8%
Clinigen Group	-13.2%

### 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

The AIM Index was flat over the month of September. The broader economic recovery was seen to be on hold whilst concerns over localised lockdowns and a potential 'second wave' kept investors at bay.

September is a busy month for corporate updates and fourteen of the Portfolio companies announced either interim or full year figures and two others gave trading updates.

It is pleasing to report that there were no bombshells in the announcements. Indeed, many of the statements were encouraging with several stating optimism for the outlook (IG Design, Jet2 and Next 15) and, "seeing the first signs of sales slowly normalising" (Craneware and Hotel Chocolat).

Two companies (Midwich and CVS) decided not to pay dividends but notably five companies actually increased their dividends and top prize goes to Gamma Communications, the telecommunications company, that announced an 11% rise in dividend payments.

Significant uncertainty remains as to the direction of the virus infection rate and the impact of any preventative measures on economic growth. We regularly review the companies and the state of their balance sheets. Half of the companies that reported figures have no debt and in fact hold net cash on their balance sheets whilst those with debt have facilities that would allow between three and six times their current level of debt – plenty of headroom.

Over the last 12 months, the Portfolio has had a small negative return of -2.12% against the AIM Index which has seen many mining companies and small technology companies push the returns up to 11.03%. In comparison, the FTSE 100 Index has returned -18.07% over the same period.

# Performance

## Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	1.38%	14.76%	-2.12%	-11.98%	40.31%
FTSE AIM All Share Index	8.78%	41.14%	11.03%	-0.86%	41.46%

## Discrete annual total returns

	2019	2018	2017	2016	2015
Equilibrium AIM Portfolio	28.39%	-22.38%	32.34%	13.60%	37.11%
FTSE AIM All Share Index	13.26%	-17.12%	25.97%	16.07%	6.63%
ARC IHT Portfolio Index	25.26%	-15.20%	18.70%	11.60%	21.60%

## Volatility

	2019	2018	2017	2016	2015
Equilibrium AIM Portfolio	12.15%	17.68%	9.91%	13.21%	7.77%
FTSE AIM All Share Index	10.08%	14.85%	6.72%	10.47%	7.27%

All performance statistics are on a total return basis from Financial Express Analytics with income reinvested. Data prior to March 2015 is calculated using a backtested model portfolio.

# Important information

All data is at 30 September 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.

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