



Equilibrium AIM

Model Portfolio | August 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	£420m	0.3%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£617m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£556m	1.6%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£821m	1.3%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£782m	1.2%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,663m	0.0%	3.4%
Dotdigital Group	Provides software as a service for digital marketers	IT	£730m	0.3%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£812m	2.6%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,727m	0.7%	3.4%
Focusrite	Manufacturers and distributes hardware and software for musicians	Industrial	£833m	0.3%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,662m	0.6%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,974m	0.6%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£483m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£712m	0.1%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£479m	1.7%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,166m	2.9%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,736m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£694m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,187m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,703m	0.4%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£840m	0.8%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£525m	1.3%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£629m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,187m	1.7%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£1,025m	2.9%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£671m	2.5%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£497m	1.4%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,434m	0.4%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£540m	0.0%	3.4%
Averages			£1,086m	0.9%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
Strix	23.0%
YouGov	19.6%
Learning Technologies	19.1%
Restore	18.5%
Young & Co. Brewery	17.0%

Top 5 negative stocks over 3 months

Company	Total Return
Clinigen Group	-29.8%
RWS	-17.3%
Jet2	-16.8%
IG Design Group	-13.6%
Hotel Chocolat Group	-11.1%

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

It's been a busy month. 20 of the investee companies have provided trading updates or half-yearly profit figures and I'm pleased to say that they were all in-line or ahead of market expectations. At times like this, it would be easy to blame poor performance on the pandemic or Brexit but instead the companies have pushed hard to make up for lost time.

One of the companies, Hotel Chocolat, raised £40m in a share placing to fund future growth, in particular focusing on boosting online sales. The new shares, amounting to nearly 10% of the issued capital were snapped up by investors.

On the theme of corporate activity, July also saw Marlowe, a UK health and safety company, make two approaches to investee company Restore at around 20% above the share price prior to the announcement. The Board of Restore has rejected these approaches, however, stating that they undervalued the company although a firm, higher bid from Marlowe cannot be ruled out. Restore was one of the companies that provided a trading update in the month which was upbeat and included the announcement of the re-instatement of the dividend.

We carried out the half-yearly portfolio rebalances in July. As a reminder, this is when we 'level-up' the portfolio by taking some of the profits in stocks that have done well and re-invest in those that have performed less well. We only undertake this process twice a year in order to keep costs low but also to keep portfolios in shape without undue risks of lumpy holdings.

As part of the rebalance, we also review the holdings and in this rebalance two stocks, Iomart and Midwich Holdings, fell out of qualification for inclusion and were sold whilst two new stocks, Dotdigital and Focusrite were added. Dotdigital is a digital marketing company and Focusrite makes software and equipment for musicians. Indeed, our very own Investment Manager, Mike Deverell, uses their equipment to enhance his sweet music (whereas the cacophony of my saxophone playing needs no amplification).

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	2.45%	15.16%	37.95%	14.04%	66.28%
FTSE AIM All Share Index	-2.38%	8.25%	42.59%	18.40%	76.00%

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 July 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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