



Equilibrium AIM

Model Portfolio | September 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	£407m	0.3%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£574m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£578m	1.5%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£833m	1.2%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£853m	1.1%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,766m	0.0%	3.4%
Dotdigital Group	Provides software as a service for digital marketers	IT	£845m	0.3%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£875m	2.3%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£2,590m	0.7%	3.4%
Focusrite	Manufacturers and distributes hardware and software for musicians	Industrial	£1,024m	0.3%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,771m	0.7%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£2,213m	0.5%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£514m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£799m	0.1%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£542m	1.6%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,195m	2.9%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,477m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£654m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,359m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,800m	0.3%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£974m	0.7%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£486m	1.4%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£642m	0.0%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,529m	1.4%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£1,098m	2.6%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£774m	2.1%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£607m	1.2%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,595m	0.4%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£552m	0.0%	3.4%
Averages			£1,149m	0.9%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
Learning Technologies	35.0%
Focusrite*	34.2%
YouGov	27.4%
Thorpe (FW)	26.5%
Strix Group	26.3%

Top 5 negative stocks over 3 months

Company	Total Return
Clinigen Group	-26.2%
AB Dynamics	-16.3%
Jet2	-14.5%
Johnson Service Group	-13.2%
Fevertree Drinks	-13.0%

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.

*Since inclusion in the Portfolio

Commentary

August tends to be a quieter month for corporate activity as many people take a well-deserved break but there have been some notable announcements over the period.

A couple of companies have reported updates with gift and stationery manufacturer IG Design Group pointing to sales ahead of expectations but also costs that are also rising sharply, resulting in a “good” earnings outlook - but may have been better without the sharp rise in cost inflation. Commercial flooring company James Halstead also reflected this picture highlighting the delays at international ports and supply chains, although they have managed the issues well and “expects to report both turnover and pre-tax profit at record levels”.

On the corporate activity front, Keywords Studios bought a video game studio in Eastern Europe, extending its geographical and product reach, and Restore purchased PRM Green Technologies which specialises in recycling technology hardware, especially in the education sector. Restore itself rejected the approach from Marlowe PLC for a proposed takeover and the latter declared that it would not proceed with a formal bid.

Jet2, which has seen more than its fair share of volatile trading in the last 18 months, announced an agreement with Airbus to buy 36 new A321 Neo aircraft (with flexibility for up to 60 aircraft) for delivery over the next six years. Capitalising on the travails in the travel industry, the company has used its financial strength to negotiate large discounts to the list price for the planes and should provide a strong basis for future growth and profitability.

Overall for the month, the Portfolio returned 5.5% compared to the 3.4% for the FTSE AIM All-Share Index.

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	7.76%	22.12%	37.37%	18.20%	67.30%
FTSE AIM All Share Index	3.16%	9.75%	35.29%	21.10%	73.74%

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 August 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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