



Equilibrium AIM

Model Portfolio | December 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	£364m	0.3%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£693m	0.6%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£546m	1.6%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£798m	1.3%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£906m	1.1%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,556m	0.3%	3.4%
Dotdigital Group	Provides software as a service for digital marketers	IT	£578m	0.5%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£828m	2.6%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£3,019m	0.6%	3.4%
Focusrite	Manufacturers and distributes hardware and software for musicians	Industrial	£993m	0.3%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,934m	0.9%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,637m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£692m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£677m	0.2%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£236m	2.9%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,149m	2.8%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,095m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£574m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,051m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,319m	0.5%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£1,035m	1.0%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£482m	1.4%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£668m	0.5%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,437m	1.5%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£1,065m	3.5%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£636m	2.8%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£550m	1.3%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,672m	0.4%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£520m	0.6%	3.4%
Averages			£1,079m	1.1%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total Return
Hotel Chocolat Group	40.8%
Advanced Med Solutions	22.4%
Next Fifteen Comms	18.0%
Jet2	5.7%
Fevertree Drinks	2.4%

Top 5 negative stocks over 3 months

Company	Total Return
IG Design Group	-54.5%
Gamma Communications	-21.0%
Thorpe (FW)	-18.9%
Dotdigital Group	-15.2%
Smart Metering Systems	-14.7%

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

Another busy news month in November with eight investee companies announcing results, several trading updates and a couple of large acquisitions. Taking the results and updates first, most of these showed, as expected, good improvements in profits from last year. A couple, namely giftware group IG Design and lighting specialist FW Thorpe, highlighted the on-going issues of supply chain interruptions that will hinder profit margin improvement until the bottlenecks ease.

Two companies that have been particularly hit by the pandemic, holiday company Jet2 and pub chain Young & Co., also reported. It was no surprise that Jet2 announced losses and the news of the new variant Omicron is not going to be welcome, however they did point to strong bookings for Summer 2022. Young & Co. results were ahead of expectations and they reinstated the dividend.

In terms of corporate actions, the IT company Ideagen bought an Australian business for £58m that provides technology for regulated organisations, and GB Group placed shares to fund the acquisition of Acuant Intermediate Holdings for £300m that uses artificial intelligence to provide smart digital identity verification services.

Another development in the broader AIM market has been the review by the Financial Conduct Authority (FCA) into the requirements for small companies to list shares on UK stock markets. Essentially they are looking to change the requirements so that any company below £50m (currently £700,000) in size will be required to list on AIM rather than the main market.

The FCA are expected to make their final ruling on this by the end of this year but the consequence of this could be to significantly increase the number of companies quoted on the AIM market, widening the range and variety of businesses that the Portfolio would be able to invest in – a welcome development.

Equilibrium AIM Portfolio returns in November were -1.82% as compared to -2.80% from the FTSE AIM All Share Index (and -2.24% for the FTSE All Share Index).

Performance

Rolling total returns

	3 months	6 months	1 year	3 years	5 years
Equilibrium AIM Portfolio	-8.40%	-1.30%	19.10%	30.20%	50.74%
FTSE AIM All Share Index	-7.90%	-4.99%	14.04%	31.87%	53.84%

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 November 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.

Equilibrium Investment Management LLP

Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire, SK9 3DF

0161 486 2250 : askus@equilibrium.co.uk : www.equilibrium.co.uk

Equilibrium Investment Management LLP (a limited liability partnership) is authorised and regulated by the Financial Conduct Authority. Equilibrium Investment Management is entered on the Financial Services Register under reference 776977. Copyright Equilibrium Investment Management LLP. Not to be reproduced without permission.