



Portfolio objective and information

The portfolio seeks to deliver a total return above that of the FTSE AIM Index while mitigating Inheritance Tax.

Launched 1 March 2015

Benchmark FTSE AIM All Share Index

Data from 31 December 2021

Holding breakdown

Security	Summary	Sector	Market Cap	Div Yield	Weight
AB Dynamics	Provider of testing systems for the global motor industry	Industrial	£400m	0.3%	3.4%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£730m	0.5%	3.4%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£585m	1.5%	3.4%
Clinigen Group	Involved in the manufacture and distribution of pharmaceuticals and clinical trials	Health Care	£1,221m	0.8%	3.4%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£862m	1.1%	3.4%
CVS Group	Operates animal veterinary practices, a diagnostic business and a pet crematorium	Health Care	£1,588m	0.3%	3.4%
Dotdigital Group	Provides software as a service for digital marketers	IT	£590m	0.4%	3.4%
EMIS Group	Designs computer software for the healthcare profession	IT	£861m	2.5%	3.4%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£3,153m	0.6%	3.4%
Focusrite	Manufacturers and distributes hardware and software for musicians	Industrial	£859m	0.4%	3.4%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£1,855m	0.5%	3.4%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1,855m	0.7%	3.4%
Hotel Chocolat Group	Manufacturer and retailer of chocolate and related gifts	Consumer	£693m	0.0%	3.4%
Ideagen	Provider of information management software solutions	IT	£808m	0.1%	3.4%
IG Design Group	Designs, manufactures and distributes gift packaging and greeting cards	Consumer	£248m	2.8%	3.4%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£1,195m	2.7%	3.4%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2,393m	0.0%	3.4%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£657m	0.0%	3.4%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£2,244m	0.0%	3.4%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£1,400m	0.5%	3.4%
Next Fifteen Comms	Digital marketing, PR and communications for the technology sector	Industrial	£1,244m	0.8%	3.4%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£550m	1.3%	3.4%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£670m	0.5%	3.4%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£2,531m	1.6%	3.4%
Smart Metering Sys	Rents and manages gas meters and lays infrastructure pipes	Industrial	£1,120m	3.3%	3.4%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£627m	2.7%	3.4%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£575m	1.2%	3.4%
YouGov	Global public opinion data and analytics company	Industrial	£1,778m	0.4%	3.4%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£537m	0.6%	3.4%
Averages			£1,127m	1.0%	

Stock attribution

Top 5 positive stocks over 3 months

Company	Total return
Clinigen	45.2%
YouGov	27.5%
Hotel Chocolat	24.7%
Next Fifteen Comms	18.9%
Fevertree Drinks	16.1%

Top 5 negative stocks over 3 months

Company	Total return
IG Design Group	-47.0%
Dotdigital	-17.9%
Learning Technology Grp	-17.3%
GB Group	-14.6%
Jet2	-12.9%

Attribution notes

Your holdings and performance may vary from those shown due to transaction dates and market movements. For details of your actual performance, please refer to your valuation.

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Commentary

The Portfolio closed out the year with the news that investee company Clinigen, the pharmaceuticals services company, had accepted a bid from private equity firm Triton. Prior to the announcement the share price was 625p and the bid was made at a 41% premium at 883p. Interestingly, the share price has traded above this level - currently trading at 920p at time of writing – implying the market believes that there is a chance of another counter-bid from another company.

Elsewhere in the Portfolio, Ideagen, the IT solutions company specialising in compliance and regulations, raised £100m in a share placing. The cash raised will be used for a ‘war chest’ for their “healthy pipeline of acquisitions” as they continue to build the business. YouGov, the market research company, was also on the acquisition trail and bought the leading Swiss market research agency, LINK Marketing Services, based in Zurich.

Looking back over the last year, it has been a turbulent one in many ways and the effects of the pandemic continue to ripple through all our lives. That said, stock markets have been relatively robust, supported by government spending and central bank liquidity programmes, and provided opportunities to achieve decent returns.

Over the calendar year, total returns from the Portfolio were 14.8% compared with 6.1% for the FTSE AIM All Share Index. For the year ahead, we remain optimistic for the outlook and the recent bid for Clinigen has highlighted the inherent value of the companies held in the Portfolio.

Performance

Rolling total returns

	3 Months	6 Months	1 Year	3 Years	5 Years
Equilibrium AIM Portfolio	0.03%	5.31%	14.84%	51.40%	56.34%
FTSE AIM All Share Index	-1.92%	-2.06%	6.12%	46.33%	52.79%

Discrete annual total returns

	2021	2020	2019	2018	2017
Equilibrium AIM Portfolio	14.84%	2.32%	28.85%	-22.10%	32.55%
FTSE AIM All Share Index	6.12%	21.75%	13.26%	-17.12%	25.97%
ARC IHT Portfolio Index*		0.31%	25.26%	-15.20%	18.70%

Volatility

	2021	2020	2019	2018	2017
Equilibrium AIM Portfolio	11.76%	26.77%	12.15%	17.68%	9.91%
FTSE AIM All Share Index	12.37%	32.08%	10.08%	14.85%	6.72%

*The ARC IHT Portfolio Index, which comprises of similar portfolios invested in AIM stocks to mitigate Inheritance Tax, provide performance figures with a 3-month lag and we will add this data as soon as it is available.

Performance data sourced from FE Analytics with income reinvested. 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 1.0% 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.

Notes

The views expressed herein should not be taken as statements of fact or relied upon when making investment decisions. 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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