



## 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 January 2024

## Holding breakdown

Security	Summary	Sector	Market Cap	Div Yield	Weight
AB Dynamics	Provider of testing systems for the global motor industry	Industrial	£407m	0.4%	3.3%
Advanced Medical Slns	Designer, manufacturer and distributor of novel medical polymers	Health Care	£455m	1.0%	3.3%
Alliance Pharma	Acquirer and distributor of pharmaceuticals	Health Care	£203m	4.6%	3.3%
Alpha Financial Mkts	Provides foreign currency services	Industrial	£414m	4.1%	3.3%
Ashtead Technology	Provides of subsea equipment and engineering services	Industrial	£528m	0.2%	3.3%
Cerillion	Supplier of CRM systems for mobile phone networks, utilities and industrials	IT	£467m	0.7%	3.3%
Craneware	Develops and licences computer software for the US healthcare industry	IT	£760m	1.4%	3.3%
CVS Group	Operates animal veterinary and health care services	Health Care	£1210m	0.4%	3.3%
Fevertree Drinks	A developer and supplier of premium mixer drinks with outsourced manufacturing	Consumer	£1179m	1.5%	3.3%
Focusrite	Manufacturers and distributes hardware and software for musicians	Industrial	£308m	1.3%	3.3%
FRP Advisory	Provides insolvency, pension and corporate finance services	Financial	£317m	3.9%	3.3%
Gamma Comms	Telecoms, broadband and data communications systems	IT	£1164m	1.3%	3.3%
GB Group	Provides electronic ID verification services, combating fraud and money laundering	IT	£712m	1.5%	3.3%
James Halstead	Manufacturer and distributor of flooring products	Industrial	£825m	4.0%	3.3%
Jet2	Operator of scheduled and charter flights by Jet2.com and provision of holidays	Consumer	£2868m	0.9%	3.3%
Johnson Service Group	Provides workwear rental, laundering and dry-cleaning services	Industrial	£606m	1.8%	3.3%
Judges Scientific	Manufacturer of specialist scientific instruments	Industrial	£609m	0.9%	3.3%
Keywords Studios	Provides production and user services to digital gaming companies	IT	£1311m	0.2%	3.3%
Learning Tech. Group	Provides IT platforms for online learning and training	IT	£641m	2.0%	3.3%
Midwich Group	Distributor of audio visual equipment	Industrial	£390m	4.1%	3.3%
Next 15 Group	Digital marketing, PR and communications for the technology sector	Industrial	£910m	1.6%	3.3%
Nichols	Supplies soft drinks to the retail, wholesale, catering, licensed and leisure industries	Consumer	£383m	2.6%	3.3%
Renew	Provides specialist engineering and building services	Industrial	£696m	2.1%	3.3%
Restore	Secure services in document storage, online storage and document shredding	Industrial	£328m	3.1%	3.3%
RWS Holdings	Provides services for the translation and validation of European patents	Industrial	£882m	5.1%	3.3%
Strix Group	Designs and manufactures kettle safety controls and filtration products	Industrial	£158m	5.8%	3.3%
Thorpe (FW)	Designs, manufactures and supplies professional lighting equipment	Industrial	£441m	1.8%	3.3%
Volex	Manufacturer of data and power cabling	Industrial	£576m	1.3%	3.3%
YouGov	Global public opinion data and analytics company	Industrial	£1349m	0.8%	3.3%
Young & Co Brewery	Operates a managed and tenanted pub estate	Consumer	£353m	2.0%	3.3%
<b>Averages</b>			<b>£729m</b>	<b>2.0%</b>	

## Stock attribution

### Top 5 positive stocks over 3 months

Company	Total return
Smart Metering Systems	50.1%
Next 15 Group	44.8%
YouGov	38.2%
Craneware	37.0%
Jet2	33.8%

### Top 5 negative stocks over 3 months

Company	Total return
Alliance Pharma	-6.2%
Midwich Group	-2.3%
Young & Co. Brewery	-0.5%

### 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 FTSE AIM Index had a slight pull-back in returns since the rally that started last October. Overall, the market returned -1.0% in January, with the Portfolio returning 0.2% (and, for reference, the FTSE 100 Index returned -1.3%).

January is the month when companies reflect on their performance over the previous year and report to the City on how trading is looking for the current year. In all, 20 of the 30 companies in the Portfolio have provided these 'trading updates' and across the board the message has been "in-line with expectations". If there is a recession around the corner in the UK, you would not tell it from these announcements that talk of "optimism about future prospects" and a "positive outlook". One company, AB Dynamics announced its full-year results with sales, profits and dividends rising by over 20% over the 12 months.

As usual, we rebalanced the portfolios in January, reducing a few of the holdings that have performed well and re-investing the proceeds into those that have lagged. We sold two holdings in their entirety; Smart Metering Systems that received bid from a private equity company in December and is due to be de-listed, and Alpha Group, that had announced is to move up to the main market and thus would not qualify for Business Relief if clients retained the stock. These holdings were replaced by FRP Advisory, a corporate finance and pensions consultant, and Ashtead Technology Holdings, which specialises in the provision of underwater equipment, largely for the offshore energy sector.

## Performance

### Rolling total returns

	10 Years	5 Years	3 Years	1 Year	6 Months
Equilibrium AIM Portfolio	74.26%	-0.78%	-17.67%	-8.03%	3.96%
FTSE AIM All Share Index	0.49%	-12.27%	-32.11%	-11.33%	-0.35%

### Discrete annual total returns

	2023	2022	2021	2020	2019
Equilibrium AIM Portfolio	-2.33%	-28.72%	14.84%	2.32%	28.85%
FTSE AIM All Share Index	-6.40%	-30.67%	6.12%	21.75%	13.26%
ARC IHT Portfolio Index*	-11.23%	-27.91%	18.82%	0.31%	25.26%

### Volatility

	2023	2022	2021	2020	2019
Equilibrium AIM Portfolio	15.21%	20.63%	11.76%	26.77%	12.15%
FTSE AIM All Share Index	12.54%	16.98%	12.37%	32.08%	10.08%

\*The ARC IHT Portfolio Index comprises of similar portfolios invested in AIM stocks to mitigate Inheritance Tax.

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. Performance data before 1 March 2015 based on the back tested data using the Portfolio's investment process.

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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