

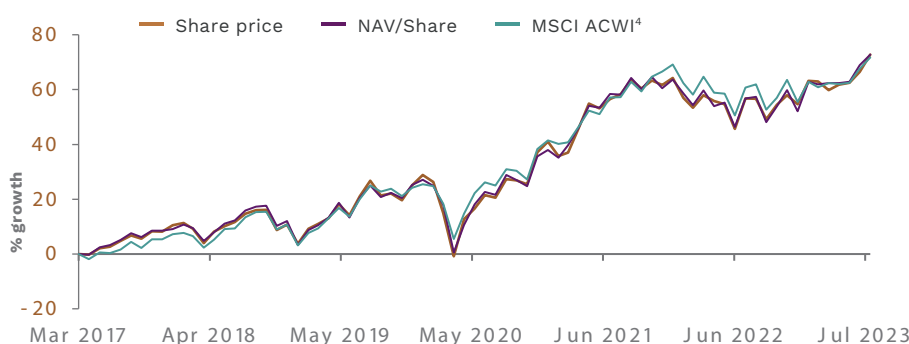
# Monthly Factsheet

## HOW WE INVEST

Alliance Trust aims to be a core equity holding for investors that delivers a real return over the long term through a combination of capital growth and a rising dividend. The Company invests primarily in global equities across a wide range of industries and sectors to achieve its objective.

The Company's investment manager, WTW, has appointed a number of Stock Pickers with different styles, who each ignore the benchmark and only buy a small number of stocks in which they have strong conviction. Therefore, we believe investors get the benefit of both highly focused stock picking to increase potential outperformance versus the benchmark and manager diversification which should reduce risk and volatility. We believe that the Company's diversified but highly active multi-manager portfolio is competitively priced.

## CUMULATIVE PERFORMANCE TOTAL RETURN IN STERLING<sup>5</sup>



## CUMULATIVE PERFORMANCE (%)

To 31 July 2023	Since 01-Apr-17 <sup>5</sup>	5 Years	3 Years	1 Year	YTD	Month
Total shareholder return	72.8	50.6	43.3	10.2	11.7	3.8
NAV total return	72.9	49.2	42.2	10.3	13.8	2.3
MSCI ACWI total return <sup>4</sup>	71.7	51.5	37.3	6.8	10.4	2.4

## DISCRETE PERFORMANCE (%)

From To	31-July-22 31-July-23	31-July-21 31-July-22	31-July-20 31-July-21	31-July-19 31-July-20	31-July-18 31-July-19
Total shareholder return	10.2	-0.9	31.3	-4.9	10.5
NAV total return	10.3	-0.9	30.1	-2.7	7.8
MSCI ACWI total return <sup>4</sup>	6.8	2.3	25.7	0.0	10.3

Note: All data is provided as at 31 July 2023 unless otherwise stated.

**Past performance does not predict future returns and the value of shares and the income from them can rise and fall, so investors may not get back the amount originally invested.**

## KEY STATISTICS

Share Price	1,046.0p
Net Asset Value (NAV) per Share	1,112.4p
Premium (Discount)	(6.2%)
OCR Year to 31 Dec 2022 <sup>7</sup>	0.61%

## KEY FACTS

Total number of stocks	206
Market Capitalisation	£2,980.0m
Total Assets	£3,381.2m
Net Assets	£3,175.3m
Gross Gearing <sup>1</sup>	7.1%
Net Gearing <sup>2</sup>	5.0%
Yield <sup>3</sup>	2.4%
Year End	31 December
Incorporated	21 April 1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue	285,444,600
Buybacks in July	0.49% of shares in issue
TIDM	ATST
ISIN	GB00B11V7W98
AIC Sector	Global
Next AGM	April 2024



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## TOP 20 HOLDINGS

Name	£m	%
Alphabet	152.2	4.5
Microsoft	137.3	4.1
Amazon	105.2	3.1
Visa	94.0	2.8
UnitedHealth Group	70.0	2.1
Mastercard	63.6	1.9
Nvidia	60.8	1.8
Petrobras	48.9	1.4
Meta Platforms	40.9	1.2
ASML	35.2	1.0
Airbus	35.0	1.0
TotalEnergies	35.0	1.0
HDFC Bank	33.0	1.0
MercadoLibre	30.8	0.9
Glencore	30.4	0.9
Vinci	30.4	0.9
Canadian Pacific	30.1	0.9
Kansas	29.6	0.9
DBS Group	29.2	0.9
Bureau Veritas	29.2	0.9
The Cooper Companies	28.5	0.8

**Top 10 holdings 23.9%**

**Top 20 holdings 33.1%**

The 20 largest stock positions, given as a percentage of the total assets. Each Stock Picker selects up to 20 stocks.<sup>8</sup> A full breakdown of the portfolio can be viewed at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

[View all holdings](#)

## RESPONSIBLE INVESTING

As long-term investors, we embed environmental, social and governance factors into every stage of our investment process.

Incorporating these factors has the dual benefit of reducing risk while increasing the sustainability of returns. Read more about this at [www.alliancetrust.co.uk/how-we-invest](http://www.alliancetrust.co.uk/how-we-invest)

[Find out more](#)

## INDIVIDUAL HOLDINGS:

Our portfolio looks very different to the benchmark.

## ACTIVE SHARE:

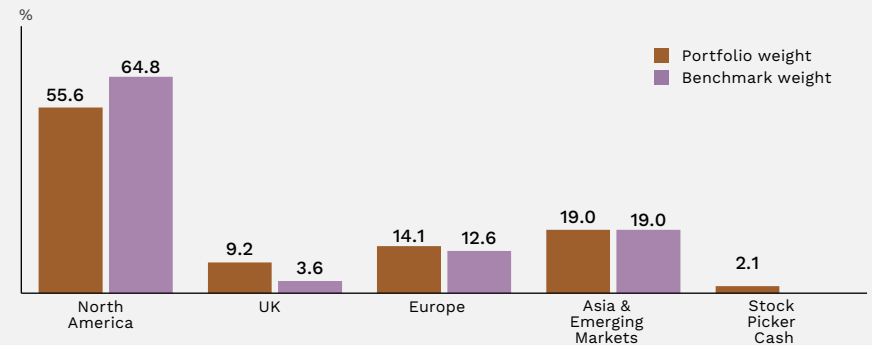
The measure of how different the portfolio is to the benchmark.

74%

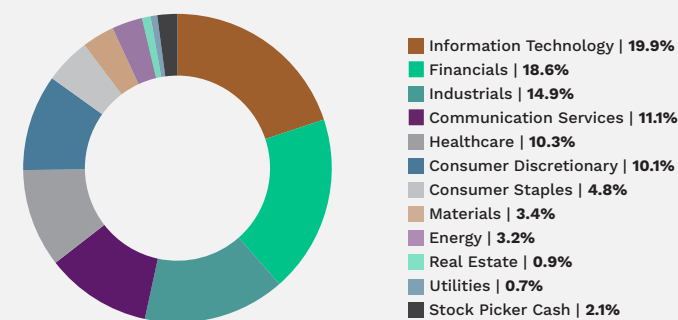
ACTIVE SHARE

## PORTFOLIO ALLOCATION SIMILAR TO BENCHMARK BY DESIGN

### BY GEOGRAPHY



### BY SECTOR



## INVESTMENT COMMENTARY

Global equity markets continued to advance in July, but, in contrast to much of the year-to-date, emerging markets outperformed developed markets. This was driven in part by China, where the government pledged support for the economy. Smaller companies also performed well, having lagged large-cap stocks previously, and there was greater dispersion of returns by region and sector, with the UK and energy, for example, having a better month and the technology sector being more subdued - all hinting, perhaps, that the sources of returns may be starting to broaden out from a very narrow subset of US tech-related companies that have led the market in much of 2023.

Overall, the MSCI All Country World Index returned 2.4%, while our portfolio's net asset value (NAV) total returns were broadly in line at 2.3%. However, a narrowing of the discount of the NAV to the Company's share price, meant that total shareholder returns were higher than the index at 3.8%.

Although all our stock pickers posted positive absolute returns, the strongest performers were GQG and Jupiter. GQG runs a dedicated emerging markets sleeve of the portfolio as well as a global segment. It therefore benefitted disproportionately from the positive tailwind from emerging markets, despite the manager's more bearish stance on China. GQG's biggest contributor to the portfolio's returns was Posco Holdings, South Korea's largest steel producer. The company's share price soared by 69% in July after it delivered better than expected second-quarter earnings. It also benefitted from a frenzy of investors buying stocks linked to electric vehicle batteries. Although steel is Posco's core business, it is shifting its focus to battery materials.

Other emerging markets stocks that boosted GQG's contribution to returns were the Mexican bank Grupo Financiero Banamex, and Adani Green Energy in India. Jupiter's biggest contributor to performance was the UK-listed bank, Standard Chartered, which beat analysts' second quarter earnings ►



Our investment manager, WTW, is responsible for manager selection, portfolio construction and risk management.

Its Investment Committee comprises: Craig Baker, Mark Davis and Stuart Gray.

## STOCK PICKERS % OF PORTFOLIO MANAGED

12%	11%
 BLACK CREEK INVESTMENT MANAGEMENT LTD. Unique Insights. Proprietary Ideas™	 JUPITER
Bill Kanko, Heather Peirce	Ben Whitmore
6%	21%
 Lyrical ASSET MANAGEMENT LTD.	 GQG PARTNERS
Andrew Wellington	Rajiv Jain, Brian Kersmanc, Sudarshan Murthy <sup>8</sup>
10%	14%
 Metropolis Capital FOCUSSED VALUE INVESTMENT	 Veritas — Asset Management
Jonathan Mills, Simon Denison-Smith	Andy Headley
7%	11%
 VULCAN VALUE PARTNERS	 SGA Sustainable Growth Advisors
C.T Fitzpatrick	HK Gupta, Kishore Rao, Rob Rohn
4%	4%
 SANDS CAPITAL	 Dalton Investments
Dave Levanson, Sunil Thakor	James B. Rosenwald III, Gifford Combs, Shiro Hayashi

Note: "JUPITER" and  are the trade marks of Jupiter Investment Management Group Ltd and registered in the UK and as Community Trade Marks and elsewhere.

► estimates with a pre-tax profit increase of 27%, propelled by rising interest rates and a strong trading performance.

Among the biggest detractors from portfolio performance were Black Creek holding, Interpublic, the US-based advertising and marketing services group, and the US-based pharmaceutical waste management company, Stericycle. In both cases, the companies' share prices fell in response to disappointing second quarter results, however, Black Creek has high conviction in their long-term earnings power and used the short-term share price movements to add to positions. Aon, owned by SGA, also detracted after a weak second-quarter report, but SGA continue to view the US-listed professional services company as well positioned to deliver attractive, resilient growth in the future from its core brokering business.

Although shares have generally performed better than expected so far this year, we remain relatively cautious about the outlook for stock markets given the potential for interest rates to remain high and cost pressures to eat into company profit margins. In some cases, it seems that share prices may have got ahead of intrinsic values. For example, Vulcan Value Partners has been trimming its exposure to Alphabet, one of the so-called Magnificent Seven that accounted for the majority of MSCI ACWI's gains year-to-date. We would, therefore, not be surprised to see a pullback in equity valuations in the short term if weaker economic activity starts to materialise. Hence gearing is being kept low.

Even so, Alphabet, which is owned by several of our stock pickers, has been our biggest contributor to performance in the last seven months and remains our largest holding. The US technology sector's outperformance is not without fundamental underpinnings as, in general, last year's cost cutting exercises helped to improve earnings, while artificial intelligence helped to improve future growth prospects. We also retain significant exposure to Microsoft and Amazon. But all our positions are based on analysis of individual companies' prospects rather than a collective view of the whole sector's potential profitability. While some of our ten stock pickers have selected these companies, others have little or no exposure to US tech, believing there are better, cheaper opportunities available elsewhere. US tech stocks may be the biggest driver of market returns now but history shows that sentiment-fuelled rallies favouring one sector can easily turn into a rout, so we're not putting all our eggs in the tech basket.

- As reported in our Interim Results on July 28, a specialist Japan manager, Dalton Investments, was added to the portfolio during July, funded by reallocation of capital from the existing managers.

## CONTACT

Alliance Trust PLC, River Court,  
5 West Victoria Dock Road,  
Dundee DD1 3JT

Tel +44 (0)1382 938320  
Email [investor@alliancetrust.co.uk](mailto:investor@alliancetrust.co.uk)  
Web [alliancetrust.co.uk](http://alliancetrust.co.uk)

**Risk warnings – Past performance does not predict future returns. The value of shares and the income from them can rise and fall, so investors may not get back the amount originally invested. Net Asset Value ("NAV") performance is not the same as share price performance and investors may not realise returns in line with NAV performance. Exchange rate changes may cause the value of overseas investments to go down as well as up and can impact on both the level of income received and capital value of your investment. Investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the NAV, meaning that a relatively small movement, down or up, in the value of an investment trust's assets will result in a magnified movement, in the same direction, of that NAV. This may mean that you could get back less than you invested or nothing at all. The mention of any specific shares should not be taken as a recommendation to deal.**

### Important Information

Alliance Trust is an investment company with investment trust status. Alliance Trust invests primarily in equities and aims to generate capital growth and a progressively rising dividend from its portfolio of investments. Alliance Trust currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The shares in the Company may also be suitable for institutional investors who seek a combination of capital and income return. Private investors should consider consulting an Independent Financial Adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result. The views, information and data in this publication should not be deemed as a financial promotion or recommendation. Alliance Trust is not authorised to give financial advice.

For security and compliance monitoring purposes, telephone calls may be recorded.

The Alliance Trust Board has appointed Towers Watson Investment Management Limited (TWIM) as its Alternative Investment Fund Manager (AIFM). TWIM is part of WTW. Issued by Towers Watson Investment Management Limited. Towers Watson Investment Management Limited, registered office Watson House, London Road, Reigate, Surrey RH2 9PQ is authorised and regulated by the Financial Conduct Authority, firm reference number 446740.

Notes: All data is provided as at 31 July 2023 unless otherwise stated. All figures may be subject to rounding errors. Sources: Key Statistics, Key Facts, Top 20 Holdings and % of Portfolio Managed data is provided by Juniper Partners Limited; Equity Portfolio Allocation and Active Share is provided by WTW, Juniper Partners Limited and MSCI Inc. NAV and NAV total return is based on NAV including income with debt at fair value, after all manager fees (including WTW's fees) and allows for any tax reclaims when they are achieved. The NAV total return shown in factsheets up to May 2018 was based on NAV excluding income with debt valued at par. ISIN stands for International Securities Identification Number; TIDM stands for Tradable Instrument Display Mnemonics; and AIC stands for Association of Investment Companies.

1. Total borrowings at par value divided by net assets with debt at par.
2. Total borrowings at par value minus total cash and equivalents, divided by net assets with debt at par.
3. Annual dividend per share divided by share price.
4. MSCI All Country World Index Net Dividends Reinvested.

5. 1 April 2017 was the date that WTW was appointed investment manager.
6. <https://www.theaic.co.uk/income-finder/dividend-heroes>
7. The OCR for year to 31 December 2022 was calculated in line with the industry standard using the average of net asset values at each NAV calculation date.
8. GQG manages an emerging markets mandate of up to 60 stocks as well as a global equity mandate of up to 20 stocks.