

**PRICE:** 466.4p  
**NAV (inc Income):** 536.1p  
**DISCOUNT:** 13.0%

# Alliance Trust PLC Monthly Factsheet

**31 August 2015**

## Objective

Alliance Trust is a self-managed investment company with investment trust status. Our objective is to be a core investment for investors seeking increasing value over the long term. We have no fixed asset allocation benchmark and we invest in a wide range of asset classes throughout the world to achieve our objective.

Our focus is to generate a real return for shareholders over the medium to long term by a combination of capital growth and a rising dividend.

## Commentary for August 2015

### Market Commentary

Stock market volatility in China continued into August with particular focus on the impact of lower inflation and global growth on global equities. The MSCI Chinese Index fell by 10.4% with most other Asian markets also suffering to varying degrees. The UK market fell 6.1%, the US was down 4.7% and the MSCI All Country World Index was off 5.5% in Sterling terms. However, economic data in the US and UK has remained encouraging and there was a strong upward revision to Q2 US GDP from 2.3% to 3.7%. Despite this, speculation of a US interest rate rise in September has diminished and the market now thinks December is the more likely date. We feel that current stock market uncertainty and the possibility of further downward pressure on inflation in the West, following the currency devaluation in China, may delay the move until further evidence of sustainable economic activity is seen. Government Bond markets also had a volatile month.

At a global sector level returns were poor across the board. Worst performers were Financials (-6.8%) and Materials (-6%) but even the more defensive sectors suffered with Utilities down 4.1% and Health Care down 5.9%.

### Portfolio and Performance Update

We have added one new stock to the portfolio, ARM Holdings, the Cambridge based technology company. It is a high growth, high return company with significant cash flow generation over the long term. It specialises in designing more efficient semi-conductor chips which have many applications across numerous technology applications. This has been funded by the sale of Aberdeen Asset Management, BASF and Computershare.

Gearing increased slightly from 14.8% to 15.6% and the discount widened slightly over the month from 12.7% to 13%. Total Shareholder Return remains ahead of the MSCI All Countries World Index over 1, 3 and 5 years.

### Outlook

The macroeconomic environment will continue to be dominated by the timing of interest rate rises. Although equities have a history of being adversely affected at this stage of the cycle, we believe that the timing and extent of interest rate moves is unlikely to result in a market shock. However, it re-emphasises our belief that these factors should not be the key drivers in our stock selection process. We continue to look for well-managed companies with strong sustainable fundamentals and robust business models that will perform throughout the economic cycle. This approach allows us to value companies on their own merits with particular emphasis on their ability to generate above average returns over the long term. We remain convinced that the investment process and the portfolio are well positioned to deliver what our shareholders expect – increasing the value of their investments through capital growth and a rising dividend.

## Asset Allocation

Assets	% of Net Assets
Net Equity Exposure	100.7
Fixed Income	5.8
Private Equity	4.3
Operating Subsidiaries	1.9
Property	0.2
Cash & Other Net Assets	2.7
<b>Gross Assets</b>	<b>115.6</b>
Gearing	(15.6)
<b>Net Assets Inc Income</b>	<b>100.0</b>

Source: Alliance Trust

## Key Information

<b>Market Capital:</b>	£2,576.1m
<b>Total Assets:</b>	£3,418.2m
<b>Net Assets:</b>	£2,956.2m
<b>Total Borrowings:</b>	£462.0m
<b>Ongoing Charges Ratio (year to December 2014):</b>	0.60%
<b>Net Yield on Ordinary Dividend:</b>	2.1%
<b>Year End:</b>	31 December
<b>Date of Incorporation:</b>	21 April 1888
<b>Dividend Paid:</b>	April, June, September, December
<b>Issued Share Capital:</b>	552,334,146

Source: Alliance Trust

## Performance

### Cumulative Performance (%)

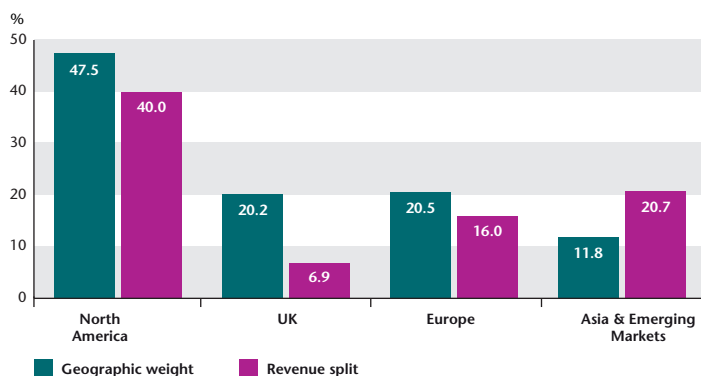
To 31 August 2015	One Month	Six Months	One Year	Three Years	Five Years
<b>Total Shareholder Return</b>					
Alliance Trust	-5.3	-3.7	5.9	38.4	70.8
Global Sector	-4.8	-2.3	7.7	47.7	70.5
<b>NAV Total Return</b>					
Alliance Trust	-5.0	-4.4	5.2	32.2	55.5
Global Sector	-4.4	-3.3	5.6	39.2	60.1

### Discrete Performance – Total Return (%)

12 Months to 31 August	2015	2014	2013	2012	2011
<b>Total Shareholder Return</b>					
Alliance Trust	5.9	9.5	19.4	7.3	14.9
Global Sector	7.7	13.5	20.8	2.0	13.2
<b>NAV Total Return</b>					
Alliance Trust	5.2	8.0	16.4	9.2	7.6
Global Sector	5.6	11.3	18.4	4.5	10.1

Source: FactSet and Morningstar

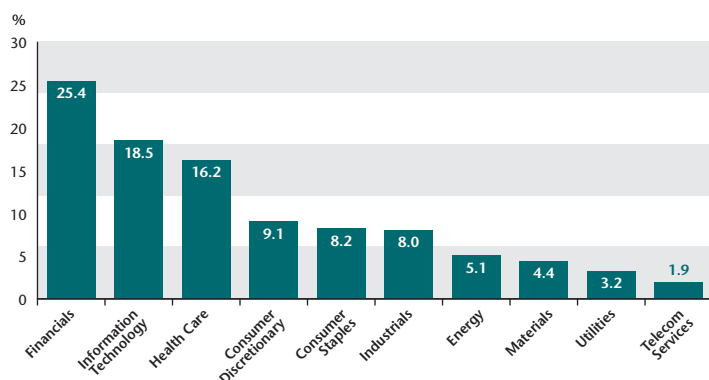
## Regional Allocation & Revenue†



Source: Alliance Trust and FactSet

- Geographic weight is based on the region in which the company is listed.
- Revenue split analyses the segmental reporting of revenue by the companies in which Alliance Trust invests.
- Analysis excludes segmental non-specific income such as "Rest of the World" (16.4%) as the definition varies from company to company.

## Sector Allocation†



Source: Alliance Trust

## Full Portfolio Breakdown

A full breakdown of the Trust's portfolio can be viewed at: [investor.alliancetrust.co.uk/ati/investorrelations/list-of-stock-holdings.htm](http://investor.alliancetrust.co.uk/ati/investorrelations/list-of-stock-holdings.htm)

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## Top 20 Equity Investments†

Rank	Name	£m	% Quoted equities
1	Visa	106.4	3.6%
2	Pfizer	99.2	3.3%
3	CVS Caremark	95.3	3.2%
4	Walt Disney	87.1	2.9%
5	Prudential	82.8	2.8%
6	Accenture	80.1	2.7%
7	Wells Fargo	73.1	2.5%
8	Blackstone	67.0	2.3%
9	Legal & General	62.2	2.1%
10	Intesa Sanpaolo	62.0	2.1%
11	National Grid	61.3	2.1%
12	Amgen	60.9	2.1%
13	Sanofi	56.2	1.9%
14	American Tower	55.7	1.9%
15	Vodafone	54.8	1.8%
16	HSBC	52.0	1.8%
17	Swedbank	51.8	1.7%
18	Reckitt Benckiser	50.2	1.7%
19	WPP	49.9	1.7%
20	Danaher	49.3	1.7%

Source: Alliance Trust

The top 10 holdings currently make up 27.5% of quoted equities.

The top 20 holdings currently make up 45.9% of quoted equities.

## Key Trades

### Largest New Holdings

ARM

### No longer Held

Aberdeen Asset Management, BASF, Computershare

Source: Alliance Trust

## Important Information

Alliance Trust PLC is a self-managed investment trust company, operating from 8 West Marketgait in Dundee.

The views, information and data in this publication should not be deemed as a financial promotion or recommendation. Alliance Trust PLC is not authorised to give financial advice.

Please remember past performance is not a guide to future performance. You may not get back the amount you invest. The value of your investment, and any income from it, may fall as well as increase.

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

Exchange rate changes may cause the value of overseas investments to go down as well as up.

Investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV. This may mean that you could get back nothing at all.

† Weightings are calculated on a look-through basis whereby the Trust's exposure is combined with that of its holdings in Alliance Trust Investments' funds in order to calculate total exposure.