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# Alliance Trust PLC Monthly Factsheet

**31 May 2017**

## Objective

Alliance Trust is an investment company with investment trust status. The Trust's objective is to generate a real return for our shareholders over the medium to long term by a combination of capital growth and a rising dividend. The Trust has no fixed asset allocation benchmark although it mainly invests in global equities but can use a range of asset classes throughout the world to achieve its objective. The Trust aims to be a core holding for investors seeking to increase the value of their investments over the long term.

## Commentary for May 2017

### Performance and Portfolio Update

Over May, the Trust's Total Shareholder Return and Net Asset Value (NAV) each returned 2.3%, performing broadly in line with the MSCI All Country World Index (ACWI) which returned 2.5% over the same period.

The manager line-up has remained unchanged and the portfolio is within our expected rebalancing ranges. As a result, there was no change to the portfolio this month.

### Market Commentary

Politics continued to dominate the headlines in May, as the conclusion of the French election was immediately followed by the announcement of a UK general election. Despite the political uncertainties, global equities (MSCI ACWI) performed well, returning 2.5%. Regionally, European and UK equities returned 5.1% and 4.8% respectively, outperforming US equities, which returned 1.5%, all as measured by MSCI. Growth companies continued to rebound this year from their 2016 lows, while value stocks have traded largely sideways.

### Outlook

Whilst we currently expect aggregate equity returns over the longer-term to be low compared to recent years, we also believe that this aggregate picture masks significant dispersion in the expected returns between companies. Therefore we continue to believe that this is an excellent environment for active stock selection. Our portfolio is currently positioned relatively neutral against the market in terms of countries, sectors and style exposures. This positioning allows the return of the portfolio to be driven predominantly by the stock selection of our underlying portfolio managers.

### Buy Backs

In May the Trust bought back 3.1m shares at a cost of £21.3m. This represents 0.9% of the issued share capital.

## Asset Allocation

Assets	% of Net Assets
Net Equity Exposure	97.1
Fixed Income	-
Private Equity	3.9
Operating Subsidiaries	2.4
Property	-
Cash and Other Net Assets	4.9
<b>Gross Assets</b>	<b>108.3</b>
Gearing	(8.3)
<b>Net Assets Inc Income</b>	<b>100.0</b>

Source: BNY Mellon Fund Services (Ireland) Limited

## Key Information

<b>Market Capital:</b>	£2,493.2m
<b>Total Assets:</b>	£2,876.8m
<b>Net Assets:</b>	£2,656.8m
<b>Total Borrowings:</b>	£220.0m
<b>Ongoing Charges Ratio (year to December 2016):</b>	0.43%
<b>Net Yield:</b>	1.9%
<b>Year End:</b>	31 December
<b>Date of Incorporation:</b>	21 April 1888
<b>Dividend Paid:</b>	March, June, September, December
<b>Issued Share Capital:</b>	356,684,141

Source: BNY Mellon Fund Services (Ireland) Limited

## Performance

### Cumulative Performance (%)

To 31 May 2017	One Month	Six Months	One Year	Three Years	Five Years
Total Shareholder Return	2.3	22.0	37.1	66.4	132.3
NAV Total Return	2.3	15.9	32.6	52.8	102.1
Equity portfolio gross return	2.5	13.5	30.8	52.5	N/A
MSCI ACWI Total Return (£)	2.5	10.1	33.2	54.3	111.2

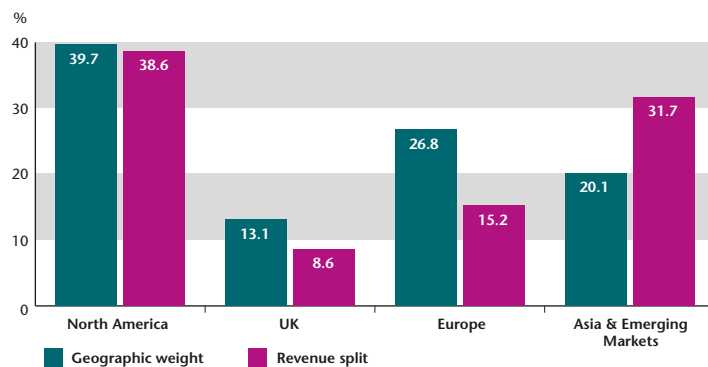
### Discrete Performance – Total Return (%)

12 months to May	2017	2016	2015	2014	2013
Total Shareholder Return	37.1	5.4	15.3	2.6	36.0
NAV Total Return	32.6	0.7	14.5	3.1	28.2
Equity portfolio gross return	30.8	2.0	14.3	3.9	N/A
MSCI ACWI Total Return (£)	33.2	-0.3	16.1	6.4	28.6

Source: BNY Mellon Fund Services (Ireland) Limited, Morningstar and MSCI Inc. (data provided 'as is')

Notes: NAV Total Return is net of management fees. In order to report the long-term record of the equity portfolio, the returns of the portfolio prior to its restructure early in April 2017 have been combined with the returns to date of the current portfolio. Equity portfolio returns prior to December 2012 are not comparable and have been excluded from the long-term record. Past performance is not a reliable indicator of future results.

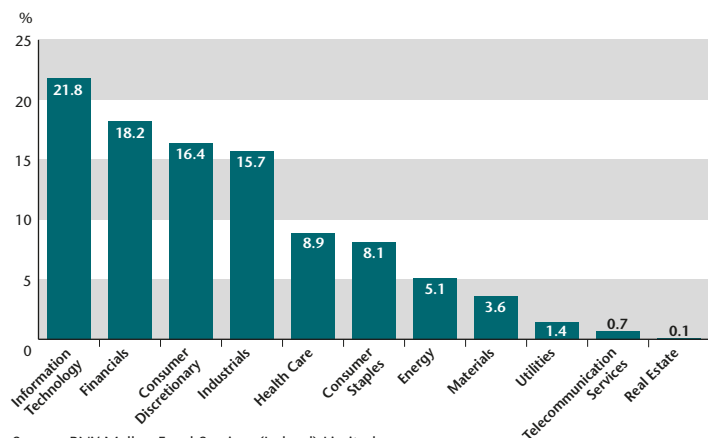
## Regional Allocation & Revenue



Source: BNY Mellon Fund Services (Ireland) Limited 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" (5.9%) as the definition varies from company to company.

## Sector Allocation



Source: BNY Mellon Fund Services (Ireland) Limited

## Full Portfolio Breakdown

A full breakdown of the Trust's portfolio can be viewed at: [www.alliancetrust.co.uk/en/portfolio-information2/stock-holding](http://www.alliancetrust.co.uk/en/portfolio-information2/stock-holding)

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## Top 20 Equity Investments

Rank	Name	£m	% Quoted equities
1	Charter Communications	45.6	1.8
2	UnitedHealth Group	44.3	1.7
3	Microsoft	39.7	1.5
4	Nielsen	35.8	1.4
5	Oracle	35.4	1.4
6	CVS Caremark	33.3	1.3
7	Comcast	32.3	1.3
8	Nestle	31.9	1.2
9	Western Union	31.6	1.2
10	Ryanair	30.4	1.2
11	Johnson	29.6	1.2
12	Alphabet	28.0	1.1
13	Anglo American	26.9	1.0
14	Safran	26.8	1.0
15	Airbus	26.0	1.0
16	TP ICAP	25.6	1.0
17	Regeneron Pharmaceuticals	25.1	1.0
18	Koninklijke Philips Electronics	24.4	0.9
19	AIA	23.8	0.9
20	Novo-Nordisk	23.7	0.9

Source: BNY Mellon Fund Services (Ireland) Limited

The **top 10** holdings currently make up **14.0%** of quoted equities within the portfolio. The **top 20** holdings currently make up **24.0%** of quoted equities within the portfolio.

## Key Trades

### Largest New Holdings

Priceline, Flex, Johnson & Johnson, Lam Research, Qualcomm

### No longer Held

Whole Foods Market, Symantec, CR Bard, Arcelormittal, MMC Norilsk Nickel

Source: BNY Mellon Fund Services (Ireland) Limited

## Important Information

Alliance Trust is an investment company with investment trust status. 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.

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

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 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.

All data in this document is as at 31 May 2017 unless otherwise stated.

## Share Investment

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 Trust 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.