

# Monthly Factsheet

## SUMMARY OF APPROACH

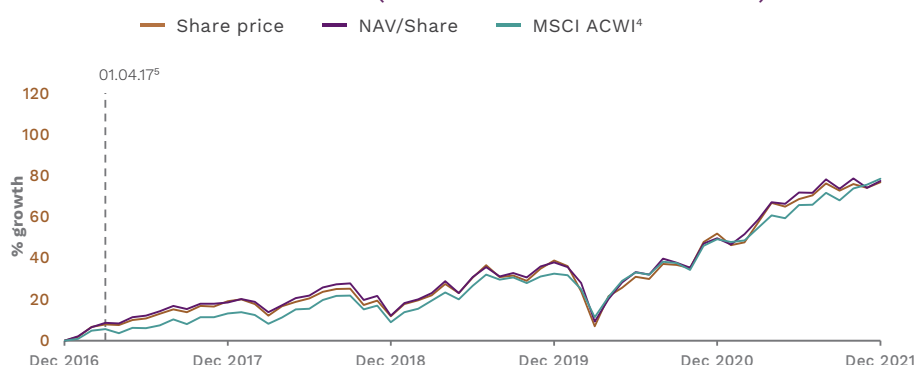
Alliance Trust aims to be a core equity holding for investors that delivers a real return over the long term through a combination of capital growth and a rising dividend. The Company invests primarily in global equities across a wide range of industries and sectors to achieve its objective.

The Company's investment manager, Willis Towers Watson, 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.

## INVESTMENT PERFORMANCE

### ABSOLUTE PERFORMANCE (TOTAL RETURN IN STERLING)



### CUMULATIVE PERFORMANCE (%)

To 31 December 2021	5 Years	Since 01.04.17 <sup>5</sup>	3 Years	1 Year	YTD	Month
Total shareholder return	77.2	64.2	58.4	16.5	16.5	1.6
NAV total return	77.8	63.6	58.5	18.6	18.6	1.9
MSCI ACWI total return <sup>4</sup>	78.7	69.2	64.0	19.6	19.6	1.6

The NAV total return reflects the impact of owning investments other than global equities prior to 30 June 2019, which had a drag on the return. Between 1 April 2017 and 31 December 2021, the performance of the equity portfolio before fees (a good approximation of the NAV total return after costs had these legacy investments not been included), was 65.1% versus the return on the MSCI ACWI Index<sup>4</sup> of 69.2%.

### DISCRETE PERFORMANCE (%)

From To	31-Dec-20 31-Dec-21	31-Dec-19 31-Dec-20	31-Dec-18 31-Dec-19	31-Dec-17 31-Dec-18	31-Dec-16 31-Dec-17
Total shareholder return	16.5	9.4	24.3	-6.1	19.2
NAV total return	18.6	8.5	23.1	-5.4	18.6
MSCI ACWI total return <sup>4</sup>	19.6	12.7	21.7	-3.8	13.2

For an explanation of how we measure performance, please refer to our website<sup>6</sup>.

### Risk warnings

**Past performance is not a reliable indicator of 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.**

Notes: All data is provided as at 31 December 2021 unless otherwise stated. All figures may be subject to rounding errors. Sources: Investment Performance data is provided by The Bank of New York Mellon Performance & Risk Analytics Europe Limited, Morningstar and MSCI Inc; Key Statistics, Key Facts and Charges data is provided by The Bank of New York Mellon (International) Ltd. NAV and NAV total return is based on NAV including income with debt at fair value, after all manager fees (including Willis Towers Watson'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; AIC stands for Association of Investment Companies; and ATST stands for Alliance Trust PLC.

- Total borrowings at par value divided by net assets with debt at par.
- Total borrowings at par value minus total cash and equivalents, divided by net assets with debt at par.
- Annual dividend per share divided by share price.
- MSCI All Country World Index Net Dividends Reinvested.
- 1 April 2017 was the date that Willis Towers Watson was appointed investment manager.

6. <https://www.alliancetrust.co.uk/>

7. <https://www.theaic.co.uk/income-finder/dividend-heroes>

8. The OCR target of 0.65% is based on NAV reported as at 31 December 2017.

9. The OCR for year to 31 December 2020 was calculated in line with the industry standard using the average of net asset values at each NAV calculation date.

## KEY STATISTICS

Share Price	1,032.0p
Net Asset Value (NAV) per Share	1,090.0p
Premium (Discount)	(5.3%)

## KEY FACTS

Market Capitalisation	£3,179.8M
Total Assets	£3,736.7M
Net Assets	£3,358.4M
Gross Gearing <sup>1</sup>	10.0%
Net Gearing <sup>2</sup>	7.5%
Net Yield <sup>3</sup>	1.6%
Year End	31 December
Incorporated	21 April 1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue	308,117,181
Buybacks in December	237,000 shares at a cost of £2.4M (0.08% of the issued share capital)
TIDM	ATST
ISIN	GB00B11V7W98
AIC Sector	Global
Next AGM	April 2022



## CHARGES

Targeted Ongoing Charges Ratio (OCR) <sup>8</sup>	0.65% OR Less
OCR Year to 31 Dec 2020 <sup>9</sup>	0.64%

## TOP 20 HOLDINGS

Name	£m	%
Alphabet	189.5	5.1
Visa	122.8	3.3
Microsoft	117.5	3.1
Amazon	71.7	1.9
Facebook	68.4	1.8
Charter Communications	68.3	1.8
Mastercard	61.7	1.7
salesforce.com	59.1	1.6
UnitedHealth Group	57.8	1.5
Taiwan Semiconductor Manufacturing	57.0	1.5
KKR	52.5	1.4
GlaxoSmithKline	46.5	1.2
Booking Holdings	41.8	1.1
Petrol Brasileiros	41.7	1.1
Baidu	40.7	1.1
Transdigm	39.1	1.0
CVS Health	39.1	1.0
Heineken	36.2	1.0
Adidas	35.8	1.0
Booz Allen Hamilton	35.1	0.9

Top 10 holdings 23.3%

Top 20 holdings 34.1%

The 20 largest stock positions, given as a percentage of the total assets.

## Investment Commentary

Over December, global equity markets suffered continued volatility as labour market and supply chain disruption, and consequent inflation pressure, led to investor concerns around potential tightening of monetary policy and fears of interest rate hikes, resulting in a substantial risk off sentiment amongst investors. The benchmark MSCI All Country World Index (ACWI) returned 1.6% for the month. The Company's NAV Total Return for December was 1.9%, with Total Shareholder Return lower due to a widening discount at 1.6%, in line with the benchmark.

Over the month, US electronic payments company Visa Inc was the leading contributor to relative performance, held by 5 of the Company's managers (GQG, SGA, Sands, Metropolis and Vulcan) at an overweight position in the Company's portfolio and returning 8.9% in a bounce back from the sentiment-led sell-off the stock experienced in November. Visa Inc delivered strong returns as the company experienced a significant boost in consumer spending through the holiday season, with many governments holding off on introducing new COVID-19 restrictions, further boosting consumer confidence. Following November's sell-off, the Company's managers owning the stock took the resulting price weakness as an opportunity to add to their positions, with the Company's position increasing approximately 25% by share volume in

November, resulting in the Company being well positioned to benefit from December's price rally. This is a good example of how the long-term stock owner mindset, driven by fundamental company strength, can capitalise on short-term volatility to add value for investors.

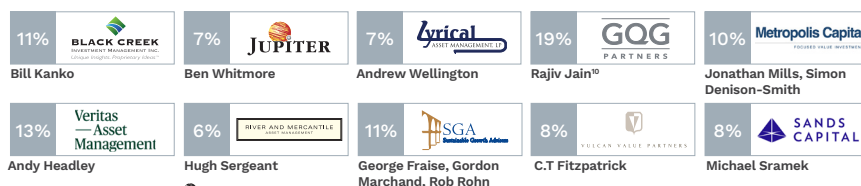
The Company's NAV further benefitted relative to the benchmark from not holding Tesla, Inc. which delivered a return of -9.8%, as the electric car company suffered from a recall of thousands of vehicles and a shortage of key parts within their supply chain. With regards to regional exposure, the Company benefitted from its overweight position in the UK vs the benchmark, as UK companies (particularly consumer goods and financial services) experienced an uptick in December in the lead up to Christmas.

Detractors from relative performance over December included a number of the Company's technology names such as Salesforce.com, an American cloud-based software company, and Singapore-based internet company Sea Ltd, both held at significant overweights to benchmark. Tech in general was amongst the weakest sectors in the benchmark in December so it is not entirely surprising to see these names amongst the more significant detractors for the month.

The Company's target allocations and strategic gearing target of 10% were unchanged over the month.

**Past performance is not a reliable indicator of future returns. The mention of any specific shares should not be taken as a recommendation to deal.**

## STOCK PICKERS % OF PORTFOLIO MANAGED



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

## ACTIVE SHARE

75%

Active Share is a measure of how actively a portfolio is managed; is the percentage of the portfolio that differs from its comparative index.

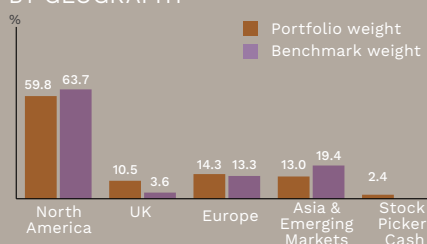
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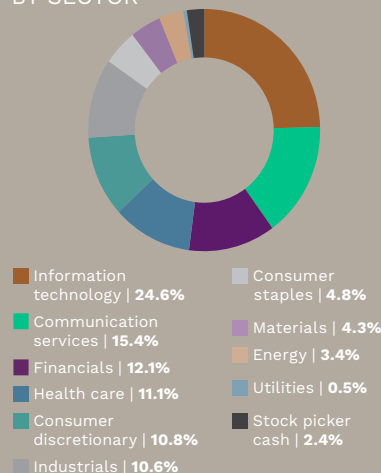
## SIGN UP

If you wish to sign up to the Alliance Trust factsheet, please visit [alliancetrust.co.uk/signup](http://alliancetrust.co.uk/signup)

## PORTFOLIO ALLOCATION BY GEOGRAPHY



## BY SECTOR



## ASSET BREAKDOWN

Assets	% net assets
Portfolio	110.7
Central cash	0.6
Total Assets	111.3
Total borrowings at fair value	-11.3
<b>Total Net Assets</b>	<b>100.0</b>

## 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 Willis Towers Watson. 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 December 2021 unless otherwise stated. All figures may be subject to rounding errors. Sources: Top 20 Holdings, % of Equity Portfolio Managed and Total Trust Assets data is provided by The Bank of New York Mellon (International) Ltd; Equity Portfolio Allocation and Active Share is provided by The Bank of New York Mellon (International) Ltd and MSCI Inc.

10. GQG manages an emerging markets and a global equity mandate for the Company.