

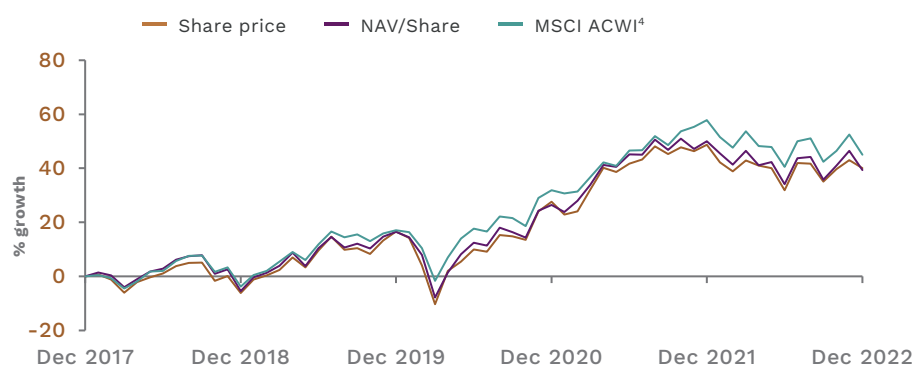
# Monthly Factsheet

## 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.

## INVESTMENT PERFORMANCE ABSOLUTE PERFORMANCE (TOTAL RETURN IN STERLING)



## CUMULATIVE PERFORMANCE (%)

To 31 December 2022	Since 01.04.17 <sup>5</sup>	5 Years	3 Years	1 Year	YTD	Month
Total shareholder return	54.7	40.0	20.0	-5.8	-5.8	-2.1
NAV total return	52.1	39.4	19.6	-7.1	-7.1	-4.8
MSCI ACWI total return <sup>4</sup>	55.5	45.1	23.9	-8.1	-8.1	-4.9

## DISCRETE PERFORMANCE (%)

From To	31-Dec-21 31-Dec-22	31-Dec-20 31-Dec-21	31-Dec-19 31-Dec-20	31-Dec-18 31-Dec-19	31-Dec-17 31-Dec-18
Total shareholder return	-5.8	16.5	9.4	24.3	-6.1
NAV total return	-7.1	18.6	8.5	23.1	-5.4
MSCI ACWI total return <sup>4</sup>	-8.1	19.6	12.7	21.7	-3.8

Note: All data is provided as at 31 December 2022 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	948.0p
Net Asset Value (NAV) per Share	989.5p
Premium (Discount)	(4.2%)
OCR Year to 31 Dec 2021 <sup>7</sup>	0.60%

## KEY FACTS

Total number of stocks	196
Market Capitalisation	£2,773.7m
Total Assets	£3,101.8m
Net Assets	£2,895.2m
Gross Gearing <sup>1</sup>	7.8%
Net Gearing <sup>2</sup>	4.7%
Yield <sup>3</sup>	2.5%
Year End	31 December
Incorporated	21 April 1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue	292,579,600
Buybacks in December	0.38% of shares in issue
TIDM	ATST
ISIN	GB00B11V7W98
AIC Sector	Global
Next AGM	April 2023



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## TOP 20 HOLDINGS

Name	£m	%
Alphabet	103.3	3.3
Visa	95.4	3.1
Microsoft	93.7	3.0
Mastercard	66.0	2.1
Amazon	61.9	2.0
UnitedHealth Group	53.8	1.7
Exxon Mobil	49.0	1.6
HDFC Bank	47.4	1.5
Petroleo Brasileiro SA	43.7	1.4
Vale	36.6	1.2
Interpublic Group	36.3	1.2
TotalEnergies	34.1	1.1
AstraZeneca	34.1	1.1
British American Tobacco	33.2	1.1
Safran	32.6	1.0
Bureau Veritas	31.2	1.0
DBS	29.8	1.0
Berkshire Hathaway	29.5	1.0
HeidelbergCement	29.2	0.9
Canadian Pacific	29.1	0.9

**Top 10 holdings 20.9%**

**Top 20 holdings 31.2%**

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:

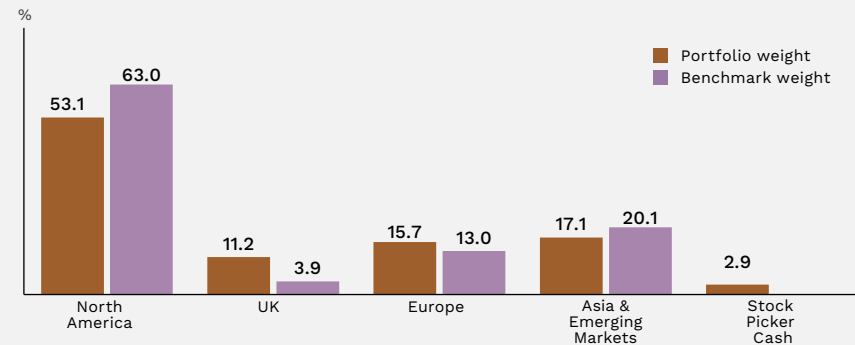
The measure of how different the portfolio is to the benchmark.

79%

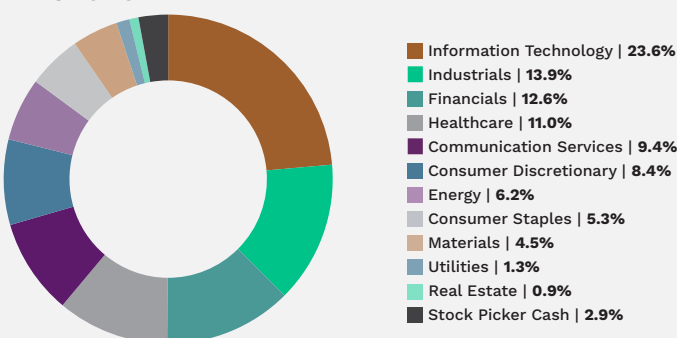
ACTIVE SHARE

## PORTFOLIO ALLOCATION SIMILAR TO BENCHMARK BY DESIGN

### BY GEOGRAPHY



### BY SECTOR



## INVESTMENT COMMENTARY

Most equity markets were down in December, giving back some of November's gains. The main driver was once again shifting market sentiment in reaction to changes in interest rate policy, as the U.S. Federal Reserve (Fed) raised rates again in December and appeared to rule out cuts in 2023. Together these signals fuelled investor concerns about growth over the coming year. In contrast, Chinese equities had another strong month as the country continues to relax its zero COVID policy. Despite the surging level of infection in the country, opening up is expected to be more beneficial than the stringent lock-downs which materially damaged economic growth. Overall, December was another risk-off month as the MSCI All Country World Index ended the month down 4.9%. The Company's NAV Total Return was -4.8% and the Total Shareholder Return was -2.1%.

From a regional perspective, the Company's portfolio benefitted from its overweight to the UK and an underweight to the US, as UK equities outperformed the US over December. With a hawkish narrative from the Fed, large cap technology, communications and consumer stocks in the US led losses over the month, and for the Company's portfolio the main detractors were Alphabet, Amazon and Salesforce. This was offset by not holding others such as Apple, Tesla and Nvidia. In contrast to much of the past five years, small and mid-cap stocks outperformed over December. The greater breadth of outperforming stocks benefitted the Company's portfolio which is driven by diverse stock selection and is overweight mid and smaller sized companies.

Looking at the Company's managers, Black Creek was the biggest contributor to performance over the month. The manager benefitted from December's market environment given its exposure to smaller cap and value companies and underweight to the US relative to the benchmark. Some notable stocks within the manager's portfolio included HeidelbergCement (German multinational building materials company) and Makita Corporation (Japanese manufacturer of power tools). ▶



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

14%	11%
 BLACK CREEK INVESTMENT MANAGEMENT INC. Unique Insights. Proprietary Ideas™	 JUPITER
Bill Kanko, Heather Peirce	Ben Whitmore
7%	20%
 Lyrical ASSET MANAGEMENT LTD	 GQG PARTNERS
Andrew Wellington	Rajiv Jain, Brian Kersmanc, Sudarshan Murthy <sup>8</sup>
10%	15%
 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
5%	
 SANDS CAPITAL	
Dave Levanson, Sunil Thakor	

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.

► These stocks did well on the back of China's re-opening given the expected boost to construction activity in the region. On the other hand, SGA and Vulcan lagged the Company's other managers with their "big tech" names Alphabet, Amazon and Salesforce driving down performance. Alphabet detracted from performance as its shares remained under pressure given concerns around elevated costs and slowing online advertising growth amid a weakening economic backdrop. Amazon carried out job cuts through November and December, with more expected in 2023, pointing to rising costs and slowing growth in its online store business. Salesforce's share price was negatively impacted by disappointing Q4 guidance, the lack of guidance for the next fiscal year and the resignation of co-CEO Bret Taylor. Salesforce has also faced similar challenges to Amazon, and along with other big tech names has come under pressure to cut costs. In general, many so called "big tech" companies went on a hiring spree during the pandemic as demand surged, however this has now reversed, with most of the names looking at ways of cutting costs as the current economic environment dampens demand and inflation remains elevated. Whilst Vulcan believes Salesforce continues to offer value, SGA liquidated their positions in Salesforce and Recruit (Japanese human resources company) over December and replaced with higher confidence opportunities in Workday and S&P Global. Workday is the leader in the human capital management SaaS market given superior technology in terms of user experience and scalability for large enterprises. Workday benefits from secular growth trends within the enterprise software market, international expansion opportunities, and cross-selling potential to existing customers. S&P Global provides transparent and independent bond ratings, benchmarks, analytics, and data to the financial services, commodity, and industrials markets. S&P Global's critical data and insights are deeply embedded in client workflows and highly valued.

With a sell-off in large cap US growth names, not holding Apple or Tesla made a large positive contribution to the Company's relative performance. Petrobras (Brazilian state-owned multinational energy company), having been a strong contributor in 2022, detracted from performance. The company CEO departed in early December following the election of a new president in Brazil, who is to select a new candidate for the post. The president-elect has plans for Petrobras to expand its refining capacity and be more involved in the low-carbon energy transition. The market has responded negatively to the news as in the past the interventionist approach of the president elect's party has forced Petrobras into a lot of debt to subsidise fuel prices.

Gross gearing at the end of the month stood at 7.8%, below our long-term target of 10%, as our outlook remains cautious in this market environment.

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**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 December 2022 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 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. 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 reclaim 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 2021 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.