

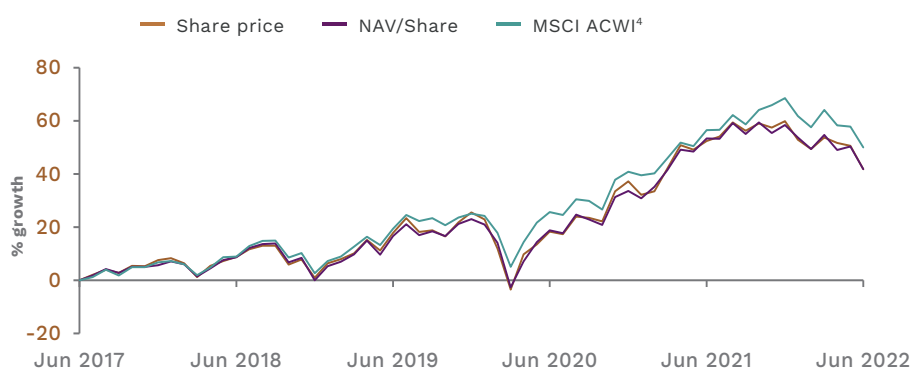
# Monthly Factsheet

## 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 30 June 2022	5 Years	Since 01.04.17 <sup>5</sup>	3 Years	1 Year	YTD	Month
Total shareholder return	41.9	45.7	20.3	-6.9	-11.3	-5.8
NAV total return	41.8	46.4	21.5	-7.6	-10.5	-5.7
MSCI ACWI total return <sup>4</sup>	50.0	50.6	25.6	-4.2	-11.0	-5.0

## DISCRETE PERFORMANCE (%)

From To	30-Jun-21 to 30-Jun-22	30-Jun-20 to 30-Jun-21	30-Jun-19 to 30-Jun-20	30-Jun-18 to 30-Jun-19	30-Jun-17 to 30-Jun-18
Total shareholder return	-6.9	28.9	0.3	8.4	8.8
NAV total return	-7.6	29.1	1.9	7.3	8.7
MSCI ACWI total return <sup>4</sup>	-4.2	24.6	5.2	9.7	8.9

Note: All data is provided as at 30 June 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	904.0p
Net Asset Value (NAV) per Share	964.0p
Premium (Discount)	(6.2%)
OCR Year to 31 Dec 2021 <sup>7</sup>	0.60%

## KEY FACTS

Total number of stocks	194
Market Capitalisation	£2,691.8m
Total Assets	£3,121.4m
Net Assets	£2,870.4m
Gross Gearing <sup>1</sup>	8.8%
Net Gearing <sup>2</sup>	6.2%
Yield <sup>3</sup>	2.4%
Year End	31 December
Incorporated	21 April 1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue	297,760,600
Buybacks in June	0.31% 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	118.6	3.8
Visa	100.4	3.2
Microsoft	95.9	3.1
Mastercard	54.9	1.8
Amazon	54.6	1.7
Exxon Mobil	53.8	1.7
Petrol Brasileiros	52.7	1.7
UnitedHealth Group	52.6	1.7
salesforce.com	46.6	1.5
HDFC Bank	36.6	1.2
DBS	34.6	1.1
BAE Systems	33.8	1.1
Charter Communications	33.8	1.1
Canadian Pacific	32.8	1.1
Bureau Veritas	31.2	1.0
Baidu	31.0	1.0
Booz Allen Hamilton	30.6	1.0
Intuit	30.5	1.0
Interpublic Group	29.8	1.0
AstraZeneca	29.7	1.0

**Top 10 holdings 21.4%**

**Top 20 holdings 31.8%**

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:

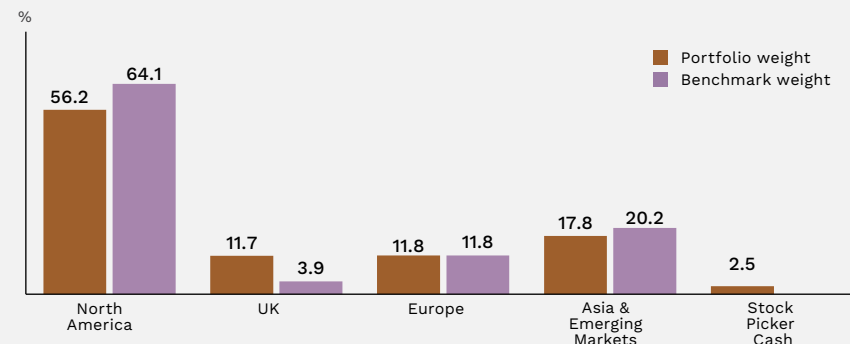
The measure of how different the portfolio is to the benchmark.

77%

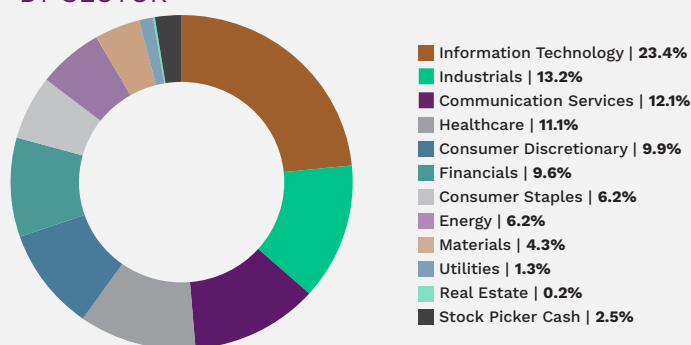
ACTIVE SHARE

## PORTFOLIO ALLOCATION SIMILAR TO BENCHMARK BY DESIGN

### BY GEOGRAPHY



### BY SECTOR



## INVESTMENT COMMENTARY

June was a challenging month for global equities as persistent high inflation coupled with weak economic data in the U.S. made investors question the direction of economic growth and future monetary policy. As such, June was a 'risk-off' period in markets. Central Bank policy continues to be the main driver of market volatility, with the Fed hiking rates by 0.75 percentage points in the middle of the month and hinting at a further 0.75 increase in July. The ongoing conflict in Ukraine is another factor weighing down on global growth, with oil and commodity prices remaining at historically high levels despite falling slightly over the month, alongside ongoing supply chain shortages. In terms of positive factors, China's loosening of Covid-19 restrictions boosted investor confidence as the increase in global demand from China is expected to cushion some of the impacts from tighter monetary policy. The MSCI All Country World Index ended the month down -5.0%. The Company's NAV Total Return was -5.7%, the Total Shareholder Return was -5.8%.

Given this backdrop, the key trend in the market was outperformance from defensive sectors such as Healthcare, Consumer Staples and to a lesser extent Utilities. Energy and Commodities, and to a lesser degree technology, were the weakest sectors. In addition, the US Dollar strengthened against most major currencies and China outperformed.

Within the Company's portfolio, in terms of stock picker performance, Veritas was the best performer over the period given its more defensive style. BAE Systems (British multinational defence company) and AIA Group (Hong Kong based insurance and finance company) held by Veritas have seen strong share performance over the month. While, Lyrical was the biggest underperformer over the period. ▶



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

13%	11%
Bill Kanko	Ben Whitmore
7%	21%
Andrew Wellington	Rajiv Jain*
10%	15%
Jonathan Mills, Simon Denison-Smith	Andy Headley
8%	10%
C.T Fitzpatrick	HK Gupta, Gordon Marchand, Rob Rohm
5%	
Michael Sramek	

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.

► The cheap valuations of Lyrical's companies were no protection this month in more cyclical areas such as technology and consumer discretionary.

At a stock level, the biggest contributors to performance were Salesforce Inc (American software company held by Sustainable Growth Advisers and Vulcan Value Partners) and Baidu Inc (Chinese multinational technology company held by Black Creek Investment Management). Salesforce has delivered a strong earnings report that beat investor expectations. The stock returned 6.5% over the month. Baidu Inc also released a strong earnings report but has also benefitted from improving market sentiment in China. The stock returned 10.7% over the month.

From a regional perspective, stock selection was weak in the Americas, with some of our stocks such as Booking Holdings (U.S. travel technology company held by Metropolis Capital) and Kyndryl Holdings (U.S. multinational IT infrastructure services company held by Jupiter Asset Management) pulling back on the fears of an economic slowdown and inflationary pressures. Recessionary fears also led to underperformance in some of our Emerging Markets companies with Petroleo Brasileiro SA (Brazilian multinational petroleum company held by GQG Partners), MercadoLibre Inc (Argentine online marketplace company held by SGA and Sands Capital) and Vale SA (Brazilian multinational metal and mining company held by GQG Partners) being the key detractors.

From a sector perspective, stock selection within the Consumer Discretionary sector detracted 0.3% from relative performance. The sector is commonly seen as most sensitive to economic cycles, and so had a difficult month on the back of weak economic data and rising fears of a recession. MercadoLibre was the biggest detractor from performance within the sector. Financials stocks contributed positively to the Company's relative performance. This was partly due to portfolio's lower allocation to the sector compared to the benchmark, and partly due to strong stock selection, with emerging market financials, particularly in China and India performing well.

As markets continued to fall in June, we further reduced the Company's borrowing in order to bring gearing back to approximately 9%. We maintain a more cautious outlook on equities given the level of uncertainty and remain below our long-term gearing target of 10%.

## CONTACT

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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 30 June 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 reclaimers 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.

- 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 WTW was appointed investment manager.
- <https://www.theaic.co.uk/income-finder/dividend-heroes>
- 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.
- GQG manages an emerging markets mandate of up to 60 stocks as well as a global equity mandate of up to 20 stocks.