

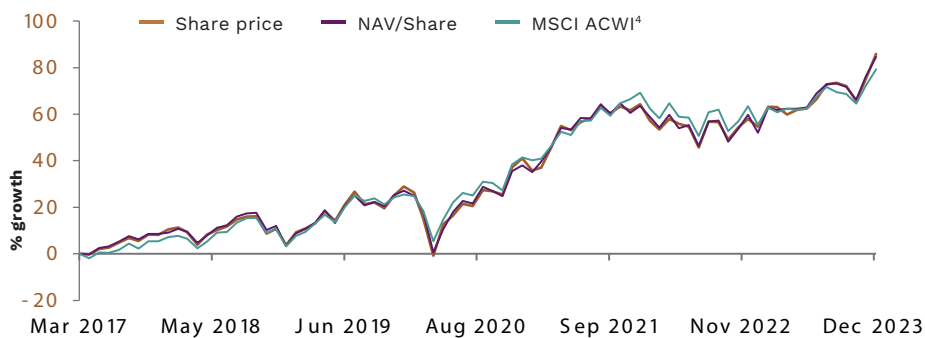
# Monthly Factsheet

## 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.

## CUMULATIVE PERFORMANCE TOTAL RETURN IN STERLING<sup>5</sup>



## CUMULATIVE PERFORMANCE (%)

To 31 December 2023	Since 01-Apr-17 <sup>5</sup>	5 Years	3 Years	1 Year	YTD	Month
Total shareholder return	85.9	79.3	31.9	20.2	20.2	6.1
NAV total return	84.8	78.9	33.9	21.6	21.6	4.8
MSCI ACWI total return <sup>4</sup>	79.3	73.9	26.8	15.3	15.3	4.1

## DISCRETE PERFORMANCE (%)

From To	31-Dec-22 to 31-Dec-23	31-Dec-21 to 31-Dec-22	31-Dec-20 to 31-Dec-21	31-Dec-19 to 31-Dec-20	31-Dec-18 to 31-Dec-19
Total shareholder return	20.2	-5.8	16.5	9.4	24.3
NAV total return	21.6	-7.1	18.6	8.5	23.1
MSCI ACWI total return <sup>4</sup>	15.3	-8.1	19.6	12.7	21.7

Note: All data is provided as at 31 December 2023 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	1,112.0p
Net Asset Value (NAV) per Share	1,175.1p
Premium (Discount)	(5.4%)
OCR Year to 31 Dec 2022 <sup>7</sup>	0.61%

## KEY FACTS

Total number of stocks	200
Market Capitalisation	£3,157.7m
Total Assets	£3,567.0m
Net Assets	£3,336.9m
Gross Gearing	7.1%
Net Gearing	4.5%
Yield <sup>3</sup>	2.2%
Year End	31 December
Incorporated	21 April 1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue	283,964,600
Buybacks in December	There were no shares bought back in December
TIDM	ATST
ISIN	GB00B11V7W98
AIC Sector	Global



Alliance Trust has been awarded the AIC's Dividend Hero award<sup>6</sup> and is proud to have 56 years of consecutive dividend growth.

**SIGN UP** to receive our quarterly newsletter, monthly factsheet and other Company news or visit [www.alliancetrust.co.uk/signup](http://www.alliancetrust.co.uk/signup)

## TOP 20 HOLDINGS

Name	£m	%
Alphabet	140.9	4.0
Microsoft	137.6	3.9
Amazon	111.4	3.1
Visa	92.1	2.6
Nvidia	71.8	2.0
Mastercard	60.4	1.7
Petrobras	55.2	1.5
UnitedHealth Group	50.1	1.4
TotalEnergies	44.2	1.2
Meta Platforms	43.9	1.2
MercadoLibre	40.3	1.1
Airbus	39.7	1.1
Diageo	39.7	1.1
ASML	37.1	1.0
Canadian Pacific	36.8	1.0
HDFC Bank	36.5	1.0
Adani Enterprises	33.5	0.9
Vinci	32.7	0.9
AIA Group	32.1	0.9
Fiserv	31.6	0.9

Top 10 holdings 22.6%

Top 20 holdings 32.5%

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:

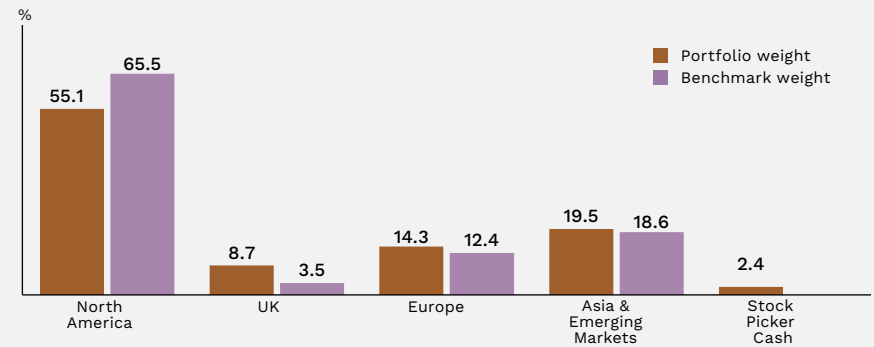
The measure of how different the portfolio is to the benchmark.

74%

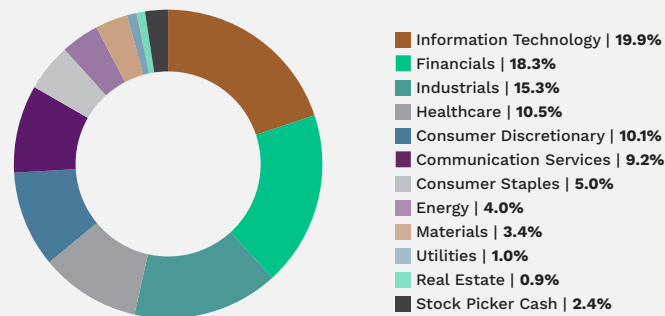
ACTIVE SHARE

## PORTFOLIO ALLOCATION SIMILAR TO BENCHMARK BY DESIGN

### BY GEOGRAPHY



### BY SECTOR



## INVESTMENT COMMENTARY

Global equity markets surged upwards in December on the back of ebbing inflationary pressures and hopes that the next moves in interest rates by major central banks will be down. The “Santa rally” saw our benchmark index, MSCI ACWI, rise by 4.1% in the month, taking the annual gain to 15.3%. Our portfolio outperformed the index over both periods, posting NAV total returns of 4.8% in December and 21.6% over the full year. Share price total returns were higher than the NAV return in December at 6.1% and slightly lower at 20.2% over the year, due to movements in the discount, but the annual return was still one of the highest among global trusts.

This strong outperformance in 2023 was driven primarily by stock selection rather than country sector or investment style exposures, demonstrating that our portfolio construction process is succeeding in isolating company-specific factors as the key source of added value. We believe this stock picking skill could become increasingly important in what is likely to be a period of continuing macroeconomic instability.

Among the top contributors in December was Adani Enterprises, the Indian infrastructure conglomerate, that was the subject of a damaging short-seller report almost a year ago which sent its share price plunging. After the fall in price, one of our stock pickers, GQG Partners, who has covered Adani for several years, bought into the company after their research suggested that the claims against Adani were false or exaggerated. In late November, the Securities and Exchange Board of India (“SEBI”) concluded most of its probe into the company and found no evidence of wrongdoing, and the Supreme Court was expected to soon do the same (which they officially concluded in early January 2024).

Furthermore, The International Development Finance Corp., a US agency that partners with the private sector to fund projects in emerging markets, is making a US\$553 million loan to the consortium building a deep-water shipping container terminal in Sri Lanka. Adani Ports is the majority owner of that consortium. GQG Partners believe that the loan appeared to signal confidence from the US in the Adani Group’s operational ability thereby easing investor concerns over the fraud allegations in the short seller report. These events triggered a strong rally in Adani’s stock price. ▶



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

11%	9%
Bill Kanko, Heather Peirce	Ben Whitmore
6%	21%
Andrew Wellington	Rajiv Jain, Brian Kersmanc, Sudarshan Murthy <sup>a</sup>
10%	15%
Jonathan Mills, Simon Denison-Smith	Andy Headley
6%	13%
C.T Fitzpatrick	HK Gupta, Kishore Rao, Rob Rohn
4%	5%
Dave Levanson, Sunil Thakor	James B. Rosenwald III, Gifford Combs, Shiro Hayashi

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.

► We also benefitted from Jupiter's position in Swire Pacific, the Hong Kong-based real estate business, which rallied after announcing a large share buyback programme, and the strong performance of two of Black Creek's holdings. Elanco Animal Health, the US-based business which produces medicines and vaccines that help prevent and treat disease in livestock and pets, rose by more than 25% in December after successfully completing the integration of Bayer Animal Health. Elanco also has some significant approvals and launches ahead of it in 2024, including a drug for reducing cattle gas emissions. The shares of Kuehne & Nagel, the Swiss logistics group, which operates sea, land, and rail freight transport businesses, rose by 17.0%. There was no company-specific news in the month, but Black Creek says that after global inventory destocking, air and sea freight volumes have begun to increase. Container and air shipping rates have also risen.

The detractors from returns were led by Aon, MercadoLibre and Visa. Aon, purchased for the portfolio by SGA, is a commercial insurance broker that helps corporate clients manage risk, employee retirement, and health benefits. It underperformed after announcing the planned acquisition of NFP, a middle market broker, which created short-term concerns among investors about earnings and cash flow. But SGA says the acquisition makes sound strategic sense. Together with increased investment in technology and headcount reductions, SGA expects the acquisition to contribute to steady long-term earnings growth for the company.

MercadoLibre, Latin America's answer to e-Bay, also owned by SGA, Sands, and GQG, has been a strong contributor to portfolio performance during the year, with its share price rising by 75% since the beginning of January, making December's small setback immaterial. SGA continues to view MercadoLibre as being well-positioned to capitalise on e-commerce growth in Latin America. Visa, which is owned by Metropolis, GQG, Sands, SGA, and Vulcan, falls into the same category, with its shares appreciating by 19% over the year. The stock was down by less than 1% in the month, but our significant overweight amplified the negative impact on portfolio returns.

Although 2023 was a stellar year for equities, it is not easy to predict how they will evolve in 2024. Most economists and analysts were wrong-footed by macroeconomic developments in 2023, with many expecting a recession that didn't materialise. This highlights the difficulty of basing an investment strategy on predictions of top down-down factors such as GDP growth, interest rates or foreign exchange rates. That is why we focus on analysing the fortunes of individual companies. Although it could be another bumpy year, especially with the Middle East conflict and so many elections globally in the pipeline, our stock pickers prioritise the long-term fundamental strengths of businesses and give us a range of different ideas that pay off at different times, which makes our portfolio resilient to different market environments. We're confident that they can continue to add value in 2024, while we dynamically manage them and their allocations of capital in the light of evolving market conditions to ensure the portfolio strikes a comfortable balance between risk and reward for shareholders.

## 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 31 December 2023 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 Juniper Partners Limited; Equity Portfolio Allocation and Active Share is provided by WTW, Juniper Partners Limited 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 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; 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 2022 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.