

Monthly FACTSHEET

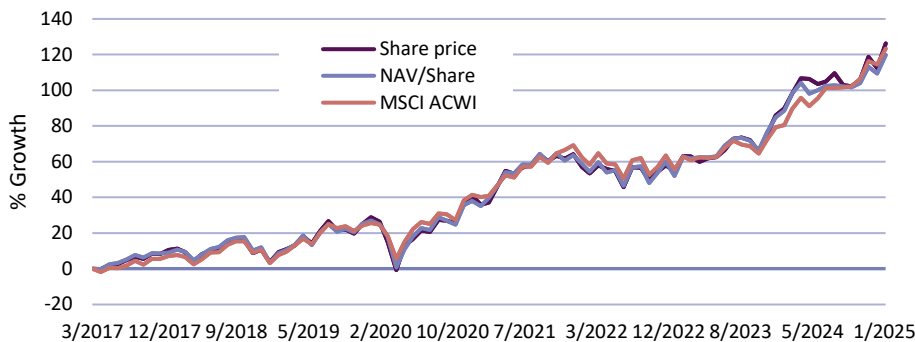
January 2025

How We Invest

Alliance Witan 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)



Cumulative Performance (%)

To 31 January 2025	Since 1/4/17 ¹	5 Years	3 Years	1 Year	YTD	Month
Total Shareholder Return	126.2	79.1	44.0	19.1	6.4	6.4
NAV Total Return	119.9	76.0	38.5	16.6	5.0	5.0
MSCI ACWI Total Return ²	123.4	79.1	37.6	23.7	4.2	4.2

Discrete Performance (%)

From To	31/01/24	31/01/23	31/01/22	31/01/21	31/01/20
Total Shareholder Return	19.1	16.4	3.9	15.7	7.5
NAV Total Return	16.6	15.8	2.6	17.4	8.2
MSCI ACWI Total Return ²	23.7	10.9	0.3	15.9	12.3

Note: All data is provided as at 31 January 2025 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	1,324.0p
Net Asset Value (NAV) Per Share	1,369.8p
Premium (Discount)	(3.3%)
OCR Year to 31 Dec 2024 ³	0.56%

Key Facts

Total No. of Stocks	237
Market Capitalisation	£5,298.5m
Total Assets	£5,843.7m
Net Assets	£5,481.9m
Gross Gearing ⁴	8.0%
Net Gearing ⁵	3.9%
Yield ⁶	2.0%
Year End	31/12
Incorporated	21/4/1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue ⁷	400,191,982
Buybacks in January	None
TIDM	ALW
ISIN	GB00B11V7W98
AIC Sector	Global



Alliance Witan has been awarded the AIC Dividend Hero award⁸ and is proud to have over 58 years of consecutive growth.

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Top 20 Holdings

Name	£m	%
Amazon	215.9	3.7
Microsoft	212.6	3.6
Visa	163.1	2.8
Meta Platforms	113.6	1.9
Alphabet	106.4	1.8
Diageo	93.1	1.6
Taiwan Semiconductor	91.4	1.6
UnitedHealth Group	87.5	1.5
Netflix	83.3	1.4
Aon	78.4	1.3
Mastercard	70.6	1.2
Novo Nordisk	69.7	1.2
Eli Lilly	62.5	1.1
Safran	61.0	1.0
HDFC Bank	57.0	1.0
Salesforce	56.6	1.0
Petrobras	53.6	0.9
Philip Morris Intl	52.0	0.9
Airbus	51.4	0.9
State Street	50.2	0.9

Top 10 holdings 21.2%

Top 20 holdings 31.3%

The 20 largest stock positions, given as a percentage of the total assets. Each Stock Picker selects up to 20 stocks.⁹ A full breakdown of the portfolio can be viewed at www.alliancewitan.com

[To view all holdings click here](#)

Responsible Investing

As long-term investors, we embed environmental, social and governance factors into every stage of our investment process. We believe incorporating these factors has the potential to reduce risk and protect returns. Read more about this at: www.alliancewitan.com/how-we-invest

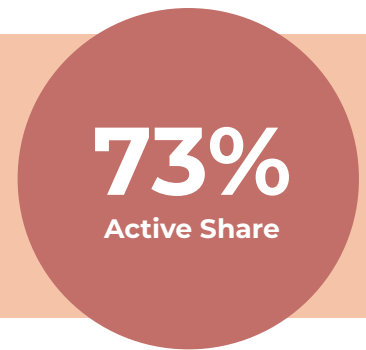
[To find out more click here](#)

Individual Holdings:

Our portfolio looks very different to the benchmark.

Active Share:

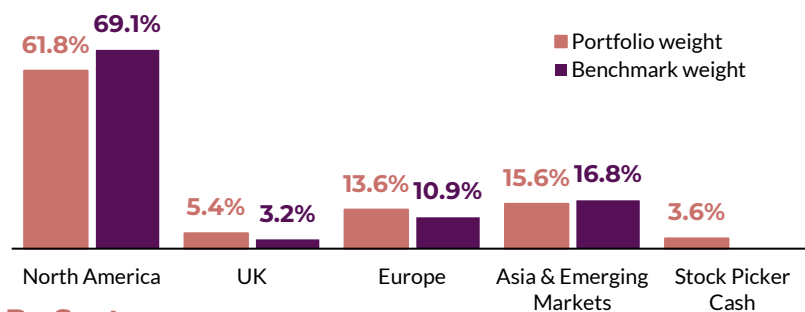
The measure of how different the portfolio is to the benchmark.



Country/Sector Allocation

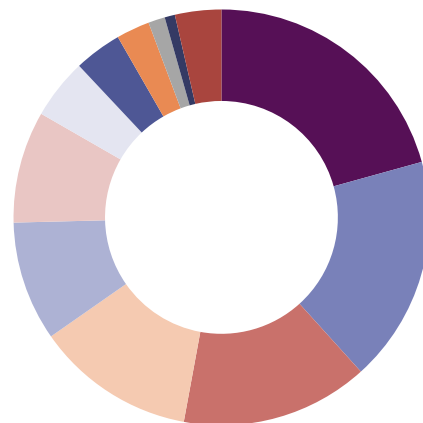
Similar to benchmark by design

By Geography



By Sector

- Information Technology 20.7%
- Financials 17.6%
- Consumer Discretionary 14.6%
- Industrials 12.4%
- Communication Services 9.3%
- Health Care 8.7%
- Consumer Staples 4.7%
- Materials 3.7%
- Energy 2.6%
- Utilities 1.3%
- Real Estate 0.8%
- Stock Picker Cash 3.6%



Investment Commentary

Global stock markets began the year in a buoyant mood with all regions delivering positive returns. But, in a welcome break with the pattern of the recent years, European and UK shares outperformed the US. Although the US shares gained in January, they were held back by investor concerns that Chinese start-up DeepSeek might challenge American leadership in generative artificial intelligence (AI). The information technology sector was the only one to experience a decline, with broad based gains across the other ten led by communication services, healthcare and financials.

Does this mark the beginning of the end of the dominance of AI related stocks, which have had an outsized impact on index returns in the US market? It's difficult to say, but a wider dispersion of returns would certainly help our diversified strategy.

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.

Notes: All figures may be subject to rounding differences. 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.

Important Information

Alliance Witan is an investment company with investment trust status. Alliance Witan invests primarily in equities and aims to generate capital growth and a progressively rising dividend from its portfolio of investments. Alliance Witan 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. Alliance Witan is not authorised to give financial advice. For security and compliance monitoring purposes, telephone calls may be recorded. The Alliance Witan 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.

Against that backdrop, the portfolio’s net asset value (NAV) rose by 5.0% in January, outperforming our benchmark index, MSCI ACWI, which gained 4.2%, while total shareholder returns increased by 6.4% due to a narrowing of the share price discount to NAV.

Having led the market up last year, NVIDIA’s share price plunged by 17% on January 27, losing almost \$600 billion in market capitalisation in one day. This dramatic decline, the biggest in US history¹⁰, was driven by claims that DeepSeek has trained its generative AI capacity to produce results rivalling US market leaders at a fraction of the cost. Investors began to question the need for NVIDIA’s advanced chips and the wisdom of its customers investing billions of dollars in data centre capacity. By month end, these fears had subsided, but the stock still ended the month down by around 10%. Our large underweight in NVIDIA was a significant contributor to relative returns.

Performance versus the index also benefitted from limited ownership of Apple, another tech giant which fell 5%, but remains the world’s largest company by market capitalisation, and from being overweight to Richemont. The Swiss luxury goods group delivered results that smashed expectations, with strong growth in jewellery sales in the US and Europe, offsetting continued weak demand in China. Veritas, which owns the stock, said Richemont’s jewellery business, which includes Cartier and Van Cleef, grew 14% over the year, at least 10% more than expected. Safran, the French aerospace company, also owned by Veritas, was another significant contributor amid positive market sentiment towards the aerospace industry. Together, the performance of Richemont and Safran helped to make Veritas the biggest driver of portfolio performance last month, alongside GQG.

GQG’s best performing stock was WhatsApp and Facebook-owner Meta, whose share price was volatile but reached record highs in January. Unlike NVIDIA, Meta was seen as being less directly threatened by DeepSeek, as its business benefits from open-source AI models that align with the Chinese company’s approach. Meta also benefitted from the perception that its stock price valuation was less stretched than NVIDIA’s. Meta’s business is essentially providing media entertainment to users and advertising solutions to brands looking to access those users. GQG says that in recent years, not only has Meta demonstrated that it can serve ads effectively to relevant audiences, but also increasingly harness AI to optimise monetisation too, and generate good returns on the investments they’re making in this area, especially in comparison to its competitors.

The detractors from our performance were led by Diageo, the UK-based drinks company which was impacted by a US Surgeon General’s call for alcoholic beverages to display warning labels indicating cancer risk. It was also hit by President Trump’s threat of tariffs on both Mexico and Canada, later rescinded. Diageo distils Don Julio tequila in Mexico and operates sites across the country. Imports from Mexico account for 26% of its US sales, while Canada represents another 16%. The shares did rise after a Bloomberg News report saying Diageo is reviewing its brand portfolio, and the potential spinoff or sale of Guinness, which would likely be valued north of \$10 billion. However, the company denied it is looking to sell Guinness at this time. Metropolis took advantage of Diageo’s stock price decline to add to its position, believing its true value as a business is underpriced.

Other purchases included a new position in Dollarama, Canada’s largest discount retailer, and an increased stake in Taiwan Semiconductor (TSMC), the world’s largest producer of leading-edge logic chips. Both stocks were bought by Sands. TSMC, already owned by Jennison and GQG, was also purchased by SGA and Metropolis. They saw the stock’s decline in the wake of the news about DeepSeek as an attractive entry point. Sands says its research suggests that TSMC’s leadership position is only going to strengthen. It views the company as “a primary beneficiary of the proliferation of AI given its chokepoint position in the value

Stock Pickers

% of portfolio managed



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.

A. Rama Krishna

8%

*James B. Rosenwald III,
Gifford Combs,
Shiro Hayashi*

5%

*Tye Bousada,
Geoff MacDonald*

7%



DaltonInvestments



EDGEPOINT

*Rajiv Jain,
Brian Kersman,
Sudarshan Murthy⁹*

18%

*Mark Baribeau,
Tom Davis,
Rebecca Irwin*

6%

Andrew Wellington

7%



JENNISON ASSOCIATES



*Jonathan Mills,
Simon Denison-Smith*

10%

*Dave Levanson,
Sunil Thakor*

5%

*HK Gupta,
Kishore Rao,
Rob Rohn*

11%



*Andy Headley,
Mike Moore,
Ian Clark*

15%

C.T Fitzpatrick

8%



VULCAN VALUE PARTNERS

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Notes:

- 1 April 2017 was the date that WTW was appointed investment manager.
- MSCI All Country World Index Net Dividends Reinvested.
- The OCR for year to 31 December 2024 was calculated in line with the industry standard using the average of net asset values at each NAV calculation date and includes a management fee waiver. The OCR excluding the management fee waiver is 0.61%.
- 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.
- Excluding ordinary shares held in Treasury.
- <https://www.theaic.co.uk/income-finder/dividend-heroes>
- GQG manages an emerging markets mandate of up to 60 stocks as well as a global equity mandate of up to 20 stocks.
- <https://www.forbes.com/sites/dereksaul/2025/01/27/biggest-market-loss-in-history-nvidia-stock-sheds-nearly-600-billion-as-deepseek-shakes-ai-darling/>