

Monthly FACTSHEET

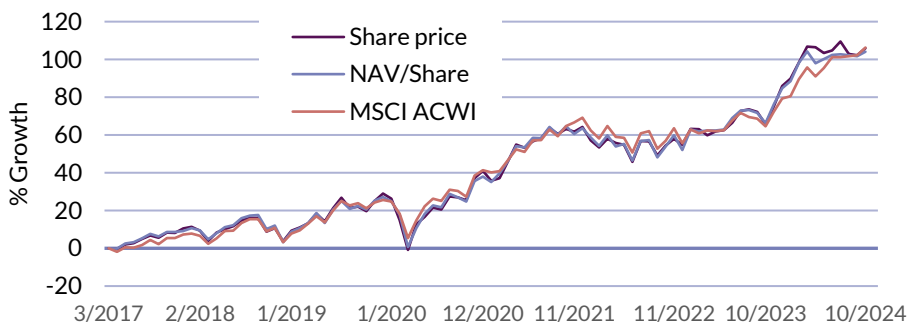
October 2024

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 October 2024	Since 1/4/17 ¹	5 Years	3 Years	1 Year	YTD	Month
Total Shareholder Return	106.0	72.2	26.1	24.3	10.8	1.8
NAV Total Return	104.1	69.4	23.9	22.7	10.4	1.1
MSCI ACWI Total Return ²	106.3	70.2	25.2	25.3	15.0	2.0

Discrete Performance (%)

From To	31/10/23	31/10/22	31/10/21	31/10/20	31/10/19
Total Shareholder Return	24.3	7.3	-5.4	30.2	4.9
NAV Total Return	22.7	8.1	-6.6	32.0	3.6
MSCI ACWI Total Return ²	25.3	4.8	-4.7	29.5	5.0

Note: All data is provided as at 31 October 2024 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	1,212.0p
Net Asset Value (NAV) Per Share	1,277.8p
Premium (Discount)	(5.1%)
OCR Year to 31 Dec 2023 ³	0.62%

Key Facts

Total No. of Stocks	236
Market Capitalisation	£4,850.9m
Total Assets	£5,477.9m
Net Assets	£5,114.3m
Gross Gearing ⁴	8.6%
Net Gearing ⁵	5.1%
Yield ⁶	2.1%
Year End	31/12
Incorporated	21/4/1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue ⁷	400,241,982
Buybacks in October	0.42% of shares in issue
TIDM	ALW
ISIN	GB00B11V7W98
AIC Sector	Global



Alliance Witan has been awarded the AIC Dividend Hero award⁸ and is proud to have over 57 years of consecutive growth.

⁸Awarded when the trust was known as Alliance Trust.

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Top 20 Holdings

Name	£m	%
Microsoft	192.1	3.5
Amazon	181.5	3.3
Visa	149.8	2.7
UnitedHealth Group	129.9	2.4
Eli Lilly	97.6	1.8
Aon	88.0	1.7
Novo Nordisk	87.4	1.6
Alphabet	84.6	1.5
Meta Platforms	83.6	1.5
NVIDIA	83.6	1.5
Diageo	83.1	1.5
Mastercard	78.2	1.4
Salesforce	68.7	1.3
Philip Morris Intl	55.1	1.0
HDFC Bank	52.8	1.0
Safran	49.6	0.9
Mercadolibre	48.7	0.9
Southern Company	47.2	0.9
American Electric Power	46.8	0.9
Petrobras	46.4	0.8

Top 10 holdings 21.5%

Top 20 holdings 32.1%

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. Incorporating these factors has the dual benefit of reducing risk while increasing the sustainability of 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:

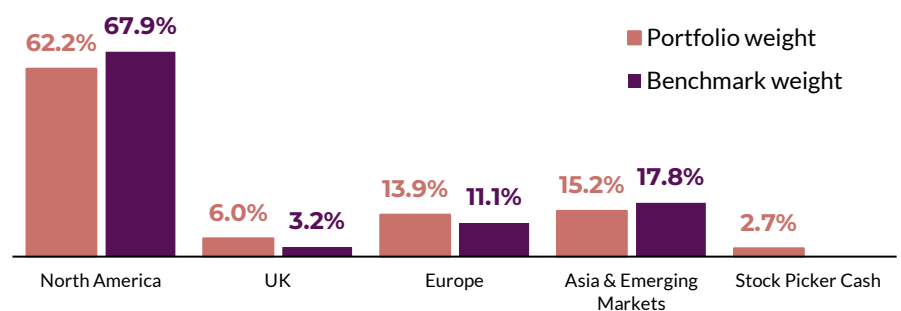
The measure of how different the portfolio is to the benchmark.

73%
Active Share

Country/Sector Allocation

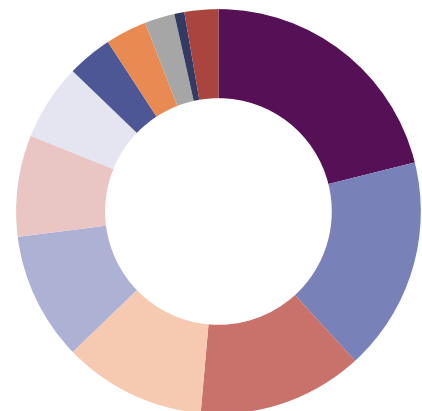
Similar to benchmark by design

By Geography



By Sector

- Information Technology 21.1%
- Financials 17.1%
- Consumer Discretionary 13.2%
- Industrials 11.4%
- Health Care 10.2%
- Communication Services 8.1%
- Consumer Staples 6.1%
- Materials 3.6%
- Energy 3.3%
- Utilities 2.4%
- Real Estate 0.8%
- Stock Picker Cash 2.7%



Investment Commentary

October was a volatile month for global equities. Despite the continued resilience of the US economy, share prices were restrained by uncertainty about the future direction of growth and interest rates, escalating conflict in the Middle East and the outcome of the US presidential election in November. In the UK, investor anxiety in the build-up to the budget also led to significant selling as investors looked to take profits from their investments amid fears of higher capital gains tax rates.

Although they have risen strongly since the start of the year, markets generally finished the month lower. However, the pound's depreciation against the dollar translated into a positive return of 2.0% for the MSCI All Country World Index when measured in sterling. Our portfolio's net asset value increased by 1.1%, although shareholder total returns were slightly higher at 1.8% due to a narrowing of the discount.

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.

The biggest detractor from returns relative to the index was our underweight position in NVIDIA, which gained 14.1%, taking its year-to-date gain to 165.9% on the back of investor enthusiasm for its artificial intelligence (AI) chips. While some of our managers believe NVIDIA is well positioned to continue benefiting from the buildout of AI infrastructure, there are differences of opinion about the company’s valuation. GQG, for example, has been trimming its exposure to the stock for risk management. Others are avoiding the stock altogether.

Diageo, the UK drinks company owned by Metropolis and Veritas, and SGA-owned ICON, the healthcare intelligence and clinical research business headquartered in Dublin, were also significant detractors. Diageo’s share price fell just under 8% as it battled a global slump in demand for spirits, while ICON declined almost 20% after missing estimates of third quarter results.

Metropolis remains confident that Diageo’s difficulties can be overcome and has been adding to its position. It believes that the company’s share price remains well below its intrinsic long-term value and will recover. SGA says that ICON’s results were driven by material but temporary headwinds from two large customers undergoing budget cuts and changes to their development models. It continues to believe that ICON’s ability to save time in expensive drug trials helps increase the runway for patent-protected profits, making its services more valuable and worth paying a premium for.

The biggest contributors to relative returns included Visa, the US payments processing giant (owned by GQG, Metropolis, Sands, SGA, and Vulcan), and Aon, the US insurance broker (owned by SGA and Veritas). Visa, up 10%, beat analysts’ estimates of its fourth-quarter earnings. Aon also posted better than expected results, with revenue up 26% compared to last year, and has completed several acquisitions, which are strengthening its position in the middle market for its services, according to Veritas.

Japan’s Nippon Paint Holdings, which produces paints for cars, buildings, and boats, was another key contributor to relative performance. The stock surged after its announcement of a deal to acquire a US-based chemical formulator, Tennessee-based AOC, from Lone Star Fund for \$2.3 billion. Nippon Paint Holdings is owned by EdgePoint, which was added to the portfolio during the month, replacing Black Creek.

While we continue to rate Black Creek highly, a senior member of the team left in the last 12 months on health grounds, and we have been evaluating succession planning for some time. Lead manager Bill Kanko has no specific retirement date in mind and there are other experienced investors at the firm, but we have taken the opportunity to switch to EdgePoint, in which we have high conviction.

We also added Jennison from Witan’s multi-manager line up to increase the diversity of our growth holdings, and completed the transition of Witan’s assets, which included some in specie transfers of stocks held in common by shared managers, namely GQG and Veritas. A full listing of stocks held in the portfolio in October and their weights will be available on our website towards the start of December.

Although US large-cap tech stocks still dominate the market, it appears that the long-anticipated broadening out of US corporate earnings may finally be underway. As earnings growth becomes less concentrated by sector, it could lead to a regional rotation and a reduction in the discounts of some less-loved equity markets around the world. We believe the portfolio is well-positioned to capture these anticipated gains, given the diversity of its holdings across industries and countries.

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 Kersmanc,
Sudarshan Murthy⁹*

19%

*Mark Baribeau,
Tom Davis,
Rebecca Irwin*

6%

Andrew Wellington

6%



JENNISON ASSOCIATES



*Jonathan Mills,
Simon Denison-Smith*

10%

*Dave Levanson,
Sunil Thakor*

4%

*HK Gupta,
Kishore Rao,
Rob Rohn*

11%



*Andy Headley,
Mike Moore,
Ian Clark*

14%

C.T Fitzpatrick

7%



Note: As at 31 October 2024, £139.9m in assets (making up 3% of the portfolio allocation) are held in the Private Equity and Investment Trust direct holdings.

Contact

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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 2023 was calculated in line with the industry standard using the average of net asset values at each NAV calculation date.
- 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.