

# Monthly FACTSHEET

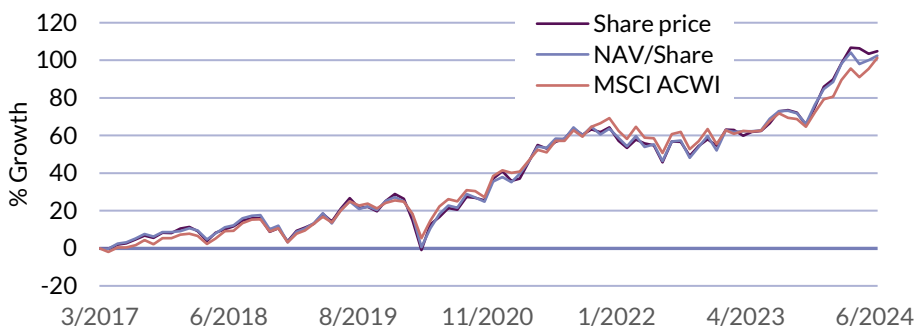
## June 2024

### 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)



### Cumulative Performance (%)

To 30 June 2024	Since 1/4/17 <sup>1</sup>	5 Years	3 Years	1 Year	YTD	Month
Total Shareholder Return	104.8	69.2	30.8	23.0	10.2	0.7
NAV Total Return	102.4	68.0	27.7	19.8	9.5	1.1
MSCI ACWI Total Return <sup>2</sup>	101.3	67.8	28.1	20.1	12.2	3.0

### Discrete Performance (%)

From To	30/6/23	30/6/22	30/6/21	30/6/20	30/6/19
Total Shareholder Return	23.0	14.3	-6.9	28.9	0.3
NAV Total Return	19.8	15.4	-7.6	29.1	1.9
MSCI ACWI Total Return <sup>2</sup>	20.1	11.3	-4.2	24.6	5.2

Note: All data is provided as at 30 June 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	1,273.9p
Premium (Discount)	(4.9%)
OCR Year to 31 Dec 2023 <sup>3</sup>	0.62%

### Key Facts

Total No. of Stocks	205
Market Capitalisation	£3,421.0m
Total Assets	£3,862.9m
Net Assets	£3,595.7m
Gross Gearing <sup>4</sup>	7.8%
Net Gearing <sup>5</sup>	4.6%
Yield <sup>6</sup>	2.1%
Year End	31/12
Incorporated	21/4/1888
Dividend Paid	Mar, Jun, Sep, Dec
Shares in Issue <sup>7</sup>	282,259,600
Buybacks in June	0.60% of shares in issue
TIDM	ATST
ISIN	GB00B11V7W98
AIC Sector	Global



Alliance Trust has been awarded the AIC Dividend Hero award<sup>8</sup> and is proud to have over 57 years of consecutive growth.

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## Top 20 Holdings

Name	£m	%
Alphabet	146.2	3.8
Amazon	145.6	3.8
Microsoft	142.3	3.7
Visa	107.4	2.8
NVIDIA	87.7	2.3
UnitedHealth Group	58.3	1.6
Diageo	57.2	1.5
Meta Platforms	52.5	1.4
Novo Nordisk	49.5	1.3
Synopsys	48.9	1.3
Mastercard	47.3	1.2
Eli Lilly	45.5	1.2
HDFC Bank	45.4	1.2
ASML	41.8	1.1
Skyworks Solution	41.5	1.1
Broadcom	39.2	1.0
Aon	36.8	1.0
S&P Global	35.5	0.9
Nutrien	34.7	0.9
Petrobras	34.6	0.9

Top 10 holdings 23.5%

Top 20 holdings 34.0%

The 20 largest stock positions, given as a percentage of the total assets. Each Stock Picker selects up to 20 stocks.<sup>9</sup> A full breakdown of the portfolio can be viewed at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk)

[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.alliancetrust.co.uk/how-we-invest](http://www.alliancetrust.co.uk/how-we-invest)

[To find out more click here](#)

### Individual Holdings:

Our portfolio looks very different to the benchmark.

### Active Share:

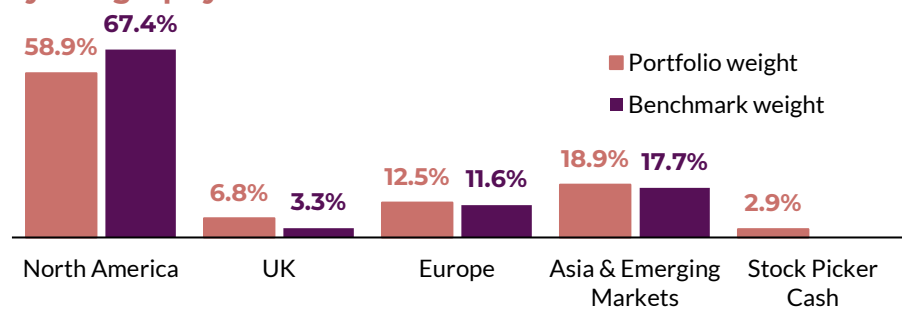
The measure of how different the portfolio is to the benchmark.

**71%**  
Active Share

## Portfolio Allocation

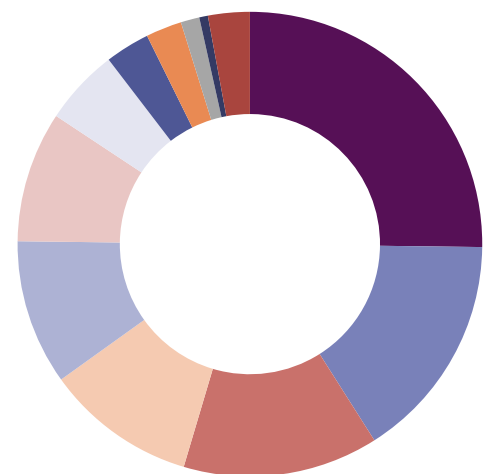
Similar to benchmark by design

### By Geography



### By Sector

- Information Technology 25.2%
- Financials 15.8%
- Industrials 13.6%
- Consumer Discretionary 10.5%
- Health Care 10.1%
- Communication Services 9.1%
- Consumer Staples 5.3%
- Materials 3.1%
- Energy 2.5%
- Utilities 1.3%
- Real Estate 0.6%
- Stock Picker Cash 2.9%



## Investment Commentary

Global stock markets continued to rise in June amid ongoing enthusiasm for shares exposed to generative artificial intelligence (AI). Softer economic data also eased concerns about delays to the timing of expected US interest rates cuts. Emerging markets were the strongest performers, supported by a rebound in China, followed by the US, with Europe and the UK both posting negative returns.

Our portfolio underperformed the benchmark index, delivering an NAV total return of 1.1% in the month, compared to 3.0% for MSCI ACWI. Total shareholder returns were 0.7%, due to the discount widening.

While the share prices of US technology holdings Autodesk, the San-Francisco software company, and chipmaker Skyworks Solutions both recovered strongly from temporary setbacks, they are relatively small holdings. So, the value that

**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 data is provided as at 30 June 2024 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 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.

**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. 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.

our holdings added to returns versus the index was more than offset by underweight exposure to the two tech giants Apple and NVIDIA, who enjoyed share prices gains of 10.3% and 13.5%, respectively.

Both companies’ stock market valuations were buoyed by investors anticipating increased profitability from AI applications. Apple unveiled upgrades to its software, including a smarter Siri voice assistant, which helped to allay fears that it was falling behind other tech giants in the race to develop new products using AI. NVIDIA, which is the poster child for the new technology, continued to enjoy strong demand for the chips used to power AI, briefly becoming the world’s most valuable company.

Although we own stakes in both companies, they were too small to keep up with the benchmark’s return. Together, our lack of relative exposure accounted for 0.5% of the portfolio’s underperformance. The rest came from stock selection across a range of industries and countries.

The stock market excitement around AI is understandable. It could be a game-changing technology, with huge potential benefits for productivity as it infiltrates the wider economy. But AI’s impact is still largely unknown. We therefore prefer to maintain diversified exposure to a wide range of around 200 companies to avoid the excessive concentration risk embedded in the index.

The benchmark holds around 3,000 stocks with an average position size of 0.03%, compared to 4.2% for Apple and NVIDIA. When their share prices move, they move the whole index. Such return concentration risk in a few stocks is a clear danger for future market returns if Apple and Nvidia show any sign of weakness, although it’s also a risk to relative performance in the other direction if they continue to do well. We did add to our exposure to GQG and Sands towards the end of the quarter, thereby indirectly increasing the portfolio’s holdings in NVIDIA and Apple but by a small margin.

The other main detractors from performance versus the index included Nutrien, the Canadian potash giant, whose share price fell 11.8%, and Airbus, which was down 18.2%. Black Creek, which owns Nutrien, said the company did not suffer from any company-specific news, but it has a very attractive valuation as supply and demand fundamentals come back into balance after the supply shock caused by the onset of the war in Ukraine. Airbus shares fell after it cut its annual profit forecast due to supply chain disruptions. Veritas, which owns the stock, argues that enduring trends towards demand for cleaner aircraft continue to support Airbus. The company has launched its new A321XLR aircraft that flies further on less fuel and, given quality control issues at Boeing, continues to win the bulk of orders.

Besides Skyworks and Autodesk, the contributors included Amazon and HDFC, the Indian bank. Amazon’s share price benefitted from strong results, including a massive 221% year-on-year increase in operating income. HDFC’s share price was dragged down by the initial shock of the Indian election result, in which Prime Minister Modi lost his parliamentary majority, but it subsequently rebounded. SGA, which owns the stock with Sands, continues to see an attractive growth opportunity for HDFC over a 3-5 year investment horizon, with earnings expected to grow in the mid-single digits as India’s growing middle class increasingly demands more sophisticated banking services.

## 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%

**ARGA**

Bill Kanko,  
Heather Peirce

10%



James B. Rosenwald  
III, Gifford Combs,  
Shiro Hayashi

5%

DaltonInvestments

Rajiv Jain,  
Brian Kersmanc,  
Sudarshan Murthy<sup>10</sup>

22%

**GQG**  
PARTNERS

Andrew Wellington

6%

**LYRICAL**  
ASSET MANAGEMENT

Jonathan Mills,  
Simon Denison-  
Smith

11%

**Metropolis Capital**  
FOCUSED VALUE INVESTMENT

Dave Levanson,  
SunilThakor

6%

**SANDS**  
CAPITAL

HK Gupta, Kishore  
Rao, Rob Rohn

13%

**SGA**  
Sustainable Growth Advisers

Andy Headley, Mike  
Moore, Ian Clark

13%

Veritas  
— Asset  
Management

C.T Fitzpatrick

6%



VULCAN VALUE PARTNERS

Note: As at 30 June 2024, £107k in assets are held in the Blackrock transition account.

## 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.

6. Annual dividend per share divided by share price.
7. Excluding ordinary shares held in Treasury.
8. <https://www.theaic.co.uk/income-finder/dividend-heroes>
9. GQG manages an emerging markets mandate of up to 60 stocks as well as a global equity mandate of up to 20 stocks.
10. GQG comprises a global portfolio and an Emerging Markets portfolio.