

## Alliance Trust -Update No. 2 - Half Year Results

Yesterday (23/7/2015) Alliance Trust (ATST) announced its results for the six months to 30 June 2015. The results were disappointing with a net asset value (NAV) total return of 1.4% and a share price total return of 2.7%. Based on data published by Morningstar the NAV and share price total returns were below comparable figures for the company's peer group. The Morningstar peer group NAV return was 4.26% and share price return 5.53%. The Alliance Trust discount has, however, fallen from 12.4% at the end of December to 11.2% at the end of June.

As usual, the announcement tries to place a positive gloss on the results, highlighting the out-performance of the equity team since it took over responsibility for the portfolio in September 2014. The new team have been concentrating the portfolio with the number of holdings coming down from 88 to 68 over the past year. There is now a heavy emphasis on Financials, Information Technology and Health Care in the portfolio holdings.

Assets under management in Alliance Trust Savings (ATS) increased but the business again made an operating loss in the first half, excluding the costs of the acquisition of Stocktrade. Overall loss including those costs was £1.1 million.

Alliance Trust Investments also lost money although the losses were reduced to £1.1 million.

Having digested the feedback from shareholders in the run up to the AGM last April, the Board is planning to make an announcement, in the Autumn, of the changes it intends to make but gives no indication as to what these changes might be. The interim results announcement also states that the Board's search for a third new non-executive director is progressing well.

**Comment:** The poor investment performance, the continuing losses in the subsidiary operations, and the more concentrated investment portfolio may not impress long standing investors in Alliance Trust.

Roger Lawson 24/7/2015 © ShareSoc ATSAG: [www.sharesoc.org/alliance.html](http://www.sharesoc.org/alliance.html)