Alliance Trust
INVESTING FOR GENERATIONS

CONNECTION

THE IMPORTANCE OF STRUCTURE IN SECURING STEADY LONG-TERM PERFORMANCE FROM GLOBAL EQUITIES

By Alliance Trust

The stories of 'star' fund managers with runaway performance figures dominate headlines when it comes to investment. These are the tales of funds that outperform the index by double-digit percentages, and of managers who bet on a narrow group of stocks at the right time and reap the rewards as their fortunes soar.

However, for a retail investor, entrusting your savings to a popular manager, even one that may have been recommended by your adviser or investment platform, can end in disappointment, if their investment style falls out of favour and performance lags. If your money is locked up in illiquid stocks, this can add a further headache, making it difficult to redeem your savings if a number of other investors want to withdraw at the same time.

These risks can be minimised and fears mitigated, by opting for diverse investments held in the most suitable structure.

The Alliance Trust global equity portfolio aims to do just that. Its closed-ended structure means outflows have less of an impact on the portfolio's holdings than in an open-ended fund. The portfolio is shielded from having to raise cash to meet redemptions.

ALLIANCE TRUST: DIVERSIFIED, HIGH-CONVICTION

Research shows that active equity managers add most value through a small number of their highest-conviction positions[1]. Yet, the performance of concentrated portfolios can also be highly volatile.

The Alliance Trust portfolio mitigates this risk by blending together the best ideas of eight best-in-class[2] stock pickers, each with different, complementary styles. We believe our diversified, high-conviction, global equity strategy should deliver more consistent outperformance and lower volatility than a strategy run by a single manager. Returns from single-manager strategies are often prone to sharp up and down moves; we aim to provide investors with a smoother ride.

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1. Sebastian & Attaluri, Conviction in Equity Investing, The Journal of Portfolio Management, Summer 2014.
2. As rated by Willis Towers Watson.

This means investors can rest safe in the knowledge they will be able to buy and sell the Trust at any stage, without having a negative impact on the portfolio itself.

The managers chosen to pick stocks for the portfolio by Willis Towers Watson also play a crucial part in mitigating the risks for the Trust's investors.

Firstly, as they are primarily institutional managers, their businesses are typically less affected by retail flows, and secondly, the managers invest only in quoted companies that often have deep market liquidity.

The Trust's multi-manager investment approach is the third key differentiator that offers benefits to investors. It ensures that the equity portfolio is well balanced in terms of its exposure to different managers' styles, as well as sector and geographical spread.

This commitment to a diverse style-neutral process, ensures there is no drifting towards unexplored sectors, such as unlisted small-cap firms. It also means the performance of the portfolio should be more measured. It may not shoot the lights out in the short term, but it should do well in the long run, and deliver a smoother trajectory throughout a market cycle.

It also helps to have robust checks and balances when it comes to decision-making. With Willis Towers Watson's scale, and manager research and operational due diligence resources, there is solid oversight of the decisions made on investments, ensuring no manager is able to make drastic changes to the process without being challenged. And there is an additional layer of protection for investors from the Board, which holds Willis Towers Watson to account.

Willis Towers Watson understands the danger of relying on a single star manager. Even if he or she does have real skill, their style of investing can fall easily out of favour for long periods. That's why it has combined the top stock selections of eight world-class managers, all with complementary approaches to investing, which means that the portfolio is never significantly biased in favour of one style, country or sector. It seeks to generate its outperformance almost entirely from stock selection.

Targeting an outperformance of 2% per annum after fees may seem modest, however, it is far from an easy threshold to meet and is one that very few investment funds manage to achieve over a prolonged period.

"The Trust's multi-manager investment approach is a key differentiator that offers benefits to investors. It ensures that the equity portfolio is well balanced in terms of its exposures to different managers' styles, as well as sector and geographical spread."

According to eVestment's global database of funds, an actively managed global equity fund that achieved 2% net annual outperformance for five years, would have ranked in the top quarter of funds in terms of performance[3]. Over a decade it would also have ranked in the top quarter, with other funds failing to maintain performance over longer periods. This is evidence that a slow and steady approach pays off against more volatile performance, which may soar in one year only to slump the next. Over time, big swings in performance can eat away at long-term returns.

Alliance Trust won't necessarily achieve its performance target every year either. There will always be periods when active managers face headwinds, as they did over the last 18 months, when the market was in large part driven by a narrow group of large US tech stocks. Equally, there will be periods when active managers enjoy tailwinds, such as when widely dispersed valuations present lots of opportunity. However, over time, we think a 2% outperformance on average over rolling three-year periods, is an ambitious but achievable goal.

When it comes to investing customers' hard-earned cash, consistency is key. This is particularly true for the risk-averse who are planning ahead for retirement, or perhaps saving for a child's 'future fund'. In each of these scenarios, achieving 2% per annum outperformance would reap significant rewards.

Let's take the example of investing £100 a month when a child is born until their 18th birthday. The difference between an assumed long-term equity return of 7% per annum and a return of 9% per annum achieved by a 2% per annum outperformance would be £9,613, enough to help with a deposit for a first home, or support them through university.

For those looking ahead to retirement, when capital preservation is as important as continuity of returns, 2% per annum outperformance makes all the difference. For a 35-year-old with a pension valued at around £50,000, and contributing an additional £200 a month, similar assumptions would lead to the outperformance increasing the pot by £389,150 by age 65.

Even leaving the savings well alone and making no contributions pays off. A pot of £100,000 outperforming the market by 2% per annum under the same assumptions would result in an additional £39,993 over a decade.

Over the years, steady performance which gradually increases the size of an investment portfolio is far more likely to compound an investor's wealth than a portfolio which outperforms only in certain markets, or when markets favour their particular style of investing.

Explore the world of investment expertise here

Expected performance is not a reliable indicator of future returns.

3. The eVestment global database of funds as at November 2018.

A CONSISTENT PERFORMER

Consistency is key to judging the performance of investments. It's human nature to be attracted to spectacular short-term outperformance, but if it's followed by a bout of terrible returns, investors are likely to be disappointed in the long run.

Aware of this, the Association of Investment Companies (AIC), the trade body for the investment trust industry, took a deep dive into the numbers, to find out which trusts managed to consistently outperform the average over the past decade.

We are delighted to report that Alliance Trust ranked as the fifth most consistent out of them all.

The results of the AIC analysis found Alliance Trust beat the average investment company return in eight of the last ten years[4], a period which includes tumultuous world events such as the election of Donald Trump and the Brexit vote.

Better still, it ranked as the most consistent investment trust in the AIC global sector. With an average volatility return of 14.03, Alliance Trust managed to achieve the lowest volatility over the longest period of time out of any of its peers. Only one other global trust, Lindsell Train, made it onto the top 20 list, ranking in 11th place.

While past outperformance is not an indication of future returns, the figures do provide evidence that the Alliance Trust portfolio is resilient, and well placed to deliver consistently for its investors.

4. AIC using Morningstar, up to 31 May 2019

Past performance is not a reliable indicator of future returns.

THE INVESTMENT OPPORTUNITY IN US HEALTHCARE

By Andy Headley, Veritas Asset Management

Healthcare, and more importantly how it should be paid for, is one of the most contentious issues in the US. The sector is a political battleground, and has proved a key divisive issue between the Democratic and Republican parties, with voices on all sides demanding change.

Top-level rhetoric from President Donald Trump and the Democrats with their eyes on the 2020 election, and the policies that could emerge as a result, look set to bring real, sweeping changes to the sector.

Trump has his sights set on dismantling Barack Obama's Affordable Care Act, but also on cutting the cost of drugs – a move that is already hitting companies in the pharmaceutical space and is also the driving force behind widespread changes further down the supply chain.

"Over the long term, the healthcare sector looks set for solid growth, and 2019 itself looks set to be an interesting year in the space. At Veritas, we have primarily focused on the value opportunities available in companies further down the supply chain than the pharmaceutical companies themselves."

Government rhetoric and policy is the issue likely to affect the prospects of companies across the health sector in the US over the next few years. Some companies have already shown themselves to be adept at preparing for these changes, and we expect to be able to continue to find strong investment opportunities in the sector, given the growth expected over the next decade.

A forecast from the Centers for Medicare & Medicaid Services, has projected that national health spending in the US is set to grow at an average rate of 5.5% a year until 2027, and is expected to reach an annual total of $6trn by 2027.

The health sector's share of US GDP is expected to rise from 17.9% (2017) to 19.4% by 2027.

Over the long term, the healthcare sector looks set for solid growth, and 2019 itself looks set to be an interesting year in the space. At Veritas, we have primarily focused on the value opportunities available in companies further down the supply chain, than the pharmaceutical companies themselves.

While government intervention will undoubtedly have some effect on these supply chain companies, we believe the problems they currently face will be resolved over the course of the next 12–24 months. They should be better protected from potential policy reforms because of the vital role they play in the provision of medicines, and we expect them to play a fundamental role in helping provide solutions to the problems in the wider US healthcare system.

As investors, these companies currently appear extremely cheap, offering a prime opportunity to enter the space. With the number of mergers and acquisitions in the space also high, we are confident that these companies will soon become pillars of the sector and that on a two or three-year time horizon, these companies will perform well from here.

Of the companies in the sector, we have spotted two we believe to be particularly promising, CVS and Cigna.

CVS Health Corporation is a large US retail pharmacy and healthcare company, with revenues of almost $185bn. The business has recently acquired a large insurance company, and has now become a vertically integrated firm that has control over whole sections of the supply chain, from insuring clients to managing the cost of medicines and supplying drugs to patients.

As one of the largest pharmacy chains in the US, it has developed a system where the pharmacy can become the first port of call for patients. Rather than going to A&E departments or making a GP appointment, patients have the option of getting good quality information and care at the pharmacy, offering huge cost savings for the healthcare system as a whole. Its share price has struggled recently on the back of what many saw as disappointing earnings at the end of 2018, but over time we think its strategy should prove to be very successful.

Another big player in the US healthcare sector is Cigna, an insurer. It offers medical and dental insurance alongside disability, life and accident insurance. It again has become vertically integrated and has acquired a purchasing benefits manager – a firm that manages the costs of paying for prescription medicines. It now has input into various strands of the supply chain, maintaining a position at the forefront of both insuring patients and acquiring medicines. It targets long-term growth of 10%–13%, and remains very attractively valued.

We believe US healthcare will eventually be dominated by just four or five very large vertically integrated companies, which will dominate almost every stage of the sector from the supply chain to delivery of the healthcare services. CVS and Cigna look well placed to become two of these healthcare giants.

The volatility thrown up by ongoing political battles and policy upheaval, should continue to highlight solid opportunities for investors. We believe the US healthcare sector is a dynamic one, that is supported by similar demographic trends seen across much of the rest of the world, in which an ageing population increasingly seeks care over the coming decades. For an investor, seeking out and buying companies in the right space, at the right time, could reap rewards.

Explore the world of investment expertise here

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EQUITY MANAGER SPOTLIGHT

JUPITER ASSET MANAGEMENT

AN INTRODUCTION FROM OUR INVESTMENT MANAGER, WILLIS TOWERS WATSON

Ben Whitmore and his colleague Dermot Murphy manage a concentrated global equities mandate for Alliance Trust, containing no more than 20 of their best investment ideas. Ben has 24 years' experience in asset management and joined Jupiter in 2006 from Schroders. He is supported by Dermot Murphy, who has worked at Jupiter since 2014.

Ben is well known as a long-standing practitioner of contrarian value investing, investing in companies he considers to be out of favour and undervalued.

This approach has proven successful over the long term, with Jupiter UK Special Situations Fund being top quartile in its sector over the last ten years. Since 2011, Ben has been investing in global companies and considers that by investing globally, there is a far greater opportunity set for him to select lowly valued businesses with high returns and strong balance sheets. He also feels that value as a style has had an unusually poor ten-year return, and believes the next decade should be much better than the last.

BEN'S MARKET VIEW

Ben Whitmore,
Head of Strategy, Value Equities,
Jupiter Asset Management

When we invest, we are looking for lowly valued stocks, where we believe that the problems they face are temporary rather than permanent. This is often described as value investing. We are value investors, because the long-term evidence from stock markets shows that there is usually a premium return above the index to earn from adopting this approach. Over the last 100 years there have been three periods where the ten-year rolling average return from value investing has been below that of growth investing. These three periods are the Great Depression 1929/30, the technology boom at the end of the 1990s, and now. This means recent relative returns for value investors are suffering in this environment, and have done for much of the last decade since the financial crisis. However, as we can see from historical trends, this is not the norm, and we expect the outlook for value stocks and our style of investing to improve significantly, as the market cycle turns in the coming years.

Watch Ben's interview on his investment style and meet other managers here

"We are value investors, because the long-term evidence from stock markets shows that there is usually a premium return above the index to earn from adopting this approach."

STOCK SPOTLIGHT: TS TECH

Ben Whitmore takes a look at a high-quality stock defying the odds in the current rocky automobile market.

TS Tech, a Japan-based company, is known for its development of automobile seats. As a manufacturer of interior parts for cars, it is facing a difficult backdrop currently, with rates of car demand slowing around the world and trade tensions hitting sentiment. Despite all this Ben Whitmore, picking stocks on behalf of the Alliance Trust portfolio, believes the firm is well placed to make the most of future investments and is offering solid value in an uncertain industry. With prospects for expansion looking strong, and the firm able to leverage its technologies to reach out into other fields such as chairs for medical care, there are opportunities out there for the business to diversify.

BEN'S VIEW

Supplying parts to the automobile industry is a difficult industry to occupy at the moment, as car demand falls around the world. As we have seen in the UK, this has ramifications for the builders and suppliers alike.

Furthermore, there are worries over the impact of a further escalation in the trade war between US and China, which has put increasingly negative pressure on markets and companies across the world, due to the high levels of uncertainty. In this gloom, we have a holding in TS Tech, a car component supplier located in Japan and founded in 1960.

It has operations around the world, due to its bosses pursuing a global expansion strategy since the late 1970s. It has a strong supply network across China and Asia, where growth of the sector has been dramatic in recent years.

Its global network now encompasses 14 countries. To combat some of the pressures in the automobile industry currently facing the firm, it has begun collaborating with local subsidiaries and regions, and signing agreements with manufacturers in parts of the countries in which they do not operate, in order to extend their reach even further.

So, why do we hold TS Tech? The business is of better-than-average quality (high return on operating assets); 66% of the market capitalisation is made up by net cash and there are other further significant investments. This gives a valuation of just 2x the ten-year average profitability. This seems to more than discount the tough period the industry is in.

TS TECH FAST FACTS

1960 Founded in December 1960	Company President: Masanari Yasuda	**17,014** employees	Speciality product: Automobile seats
Products used in approximately **60%** of Honda vehicles globally	Largest share of domestic motorcycle seat market	Automobiles account for **97.4%** of business	Number of outstanding shares: 68million

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EQUITY MANAGER SPOTLIGHT

RIVER AND MERCANTILE

RIVER AND MERCANTILE GROUP

AN INTRODUCTION FROM OUR INVESTMENT MANAGER, WILLIS TOWERS WATSON

River and Mercantile's portfolio for Alliance Trust is managed by Hugh Sergeant, a 30-year veteran of the industry. Hugh can most simplistically be described as a long-term value investor but, having known him for a long time, what stands out to us is the way Hugh has evolved his approach over his long career. He has developed a framework that is more than a simple 'value process'. He wants to understand where a company is in its life-cycle, and has a clear idea of the business characteristics he is looking for in different types of situation, be those growing companies, quality compounding businesses or recovering businesses. For Alliance Trust, Hugh focuses on recovery situations, where his unconstrained approach and contrarian style lead him to find lots of interesting companies that are typically very different from those found in mainstream managers' portfolios.

By the nature of the way Hugh invests, his portfolios tend to be more volatile than most. However, historically, this has been rewarded with strong returns. The differentiated nature of his approach makes Hugh an ideal member of Alliance Trust's alliance of best ideas.

HUGH'S MARKET VIEW

Hugh Sergeant,
CIO of Equities,
River and Mercantile

Equity markets rebounded strongly during the first half of 2019, with strong absolute returns welcome after last year's disappointments. Our key factor, value, performed well until the redirection of the Federal Reserve (Fed) monetary policy in March. Sentiment has moved into a 'lower for longer' interest rate environment, with bond yields falling as the Fed changed direction and leading economic indicators trended negatively, fuelling fears regarding global economic growth.

It remains a very frustrating time for value investing. With the uncertain outlook for global economic growth, value is now back at its very long-term cyclical low. The last big worry over global economic growth was in 2015/16; as growth weakened, so did equity markets, and there was a similar flight to safety (bond proxies) within equity markets. However, as soon as global growth expectations bottomed out, equity returns picked up and so did value shares, after a bit of a lag. We had a period of strong performance, which lasted until the 2018 growth scare, with another period of outperformance of the bond proxies.

> "We had a period of strong performance, which lasted until the 2018 growth scare, with another period of outperformance of the bond proxies."

Following on from these observations, stocks perceived as high-risk in the anti-risk cycle (many of which are recovery businesses at the moment), trade at record low multiples relative to high-quality stocks. Recovery stocks are very good value, have surprisingly lagged this equity market recovery so far and are due a period of significant performance, with the catalyst likely being more confidence in the economic outlook.

Watch Hugh's interview on his investment style and meet other managers here

STOCK SPOTLIGHT: PRADA

One recovery stock that stands out from the rest is Prada. Here we discuss what leads us to a high-conviction backing of this iconic fashion brand.

Prada is synonymous with luxury, high-end fashion, but has suffered on the stock market in recent years, due to a slowdown in sales as it grapples with a rapidly-evolving consumer marketplace. Social media and the internet have led a transformation within the fashion industry which, coupled with changing consumer tastes, has led to a polarisation in fortunes for some of the world's biggest brands. While Prada has fallen somewhat behind large conglomerates such as (Louis Vuitton Moët Hennessy) in terms of share price and size over the last few years, it remains a globally recognised name, which has managed to break out of the fashion industry and into mainstream consciousness. A slowdown in China, whose consumers are a key market for luxury brands, has also dented Prada's fortunes and led to drastic falls in its share price over the last five years. Nonetheless, it is a household name that is actively working to improve its position.

HUGH'S VIEW

Our MoneyPenny system, which scans markets for stocks offering good potential, valuation and timing, currently ranks Prada as a high-conviction recovery stock, and we hold it in the belief that we will benefit from the company's improving outlook moving forward. Its current profitability reflects the poor management of Prada immediately following its initial public offering. It was behind the curve in terms of both fashion and online marketing – a key pillar of consumer brands in this increasingly interactive world. It was also somewhat sub-scale in terms of its offering once it began trading on the public market, and it has been punished following disappointing sales numbers.

However, management has already begun to take action to address the underlying issues holding the brand back, and we believe that a strong recovery is in the pipeline. Its 'self-help' turnaround is currently being powered with a cost-cutting drive and a big investment into marketing across digital channels, as well as rationalising the weaker parts of the company's wholesale distribution network. It is also looking to build its brand, to fit in with a changing market that is increasingly geared towards the millennial age group. Sustainable growth in like-for-like sales should result in a better conversion of its 72% gross margin into a competitive operating margin, which is currently only 10%, compared with peers such as LVMH at 22% and Kering at 30%.

Its valuation is also at a discount in terms of both historic and peer group measures. At 2.2 times sales and a 40% discount to history, Prada's figures compare well with LVMH at 3.8 times sales and Kering at over 4 times. An obvious way to boost its fortunes would be via M&A, but this is unlikely to appeal to the controlling family unless they can strike a deal to keep ultimate control over the business. Either way, the recovery upside remains material and worth being patient for, at this very depressed share price level.

PRADA FAST FACTS

1913

Founded in December 1913

Headquartered in Milan, Italy

CEOs are currently **Miuccia Prada** and **Patrizio Bertelli**

Over 618 boutiques worldwide

More than **12,000 employees**

Trades on the Hong Kong stock exchange

Hosted its first womenswear fashion show in 1988

Initial public offering took place in 2011

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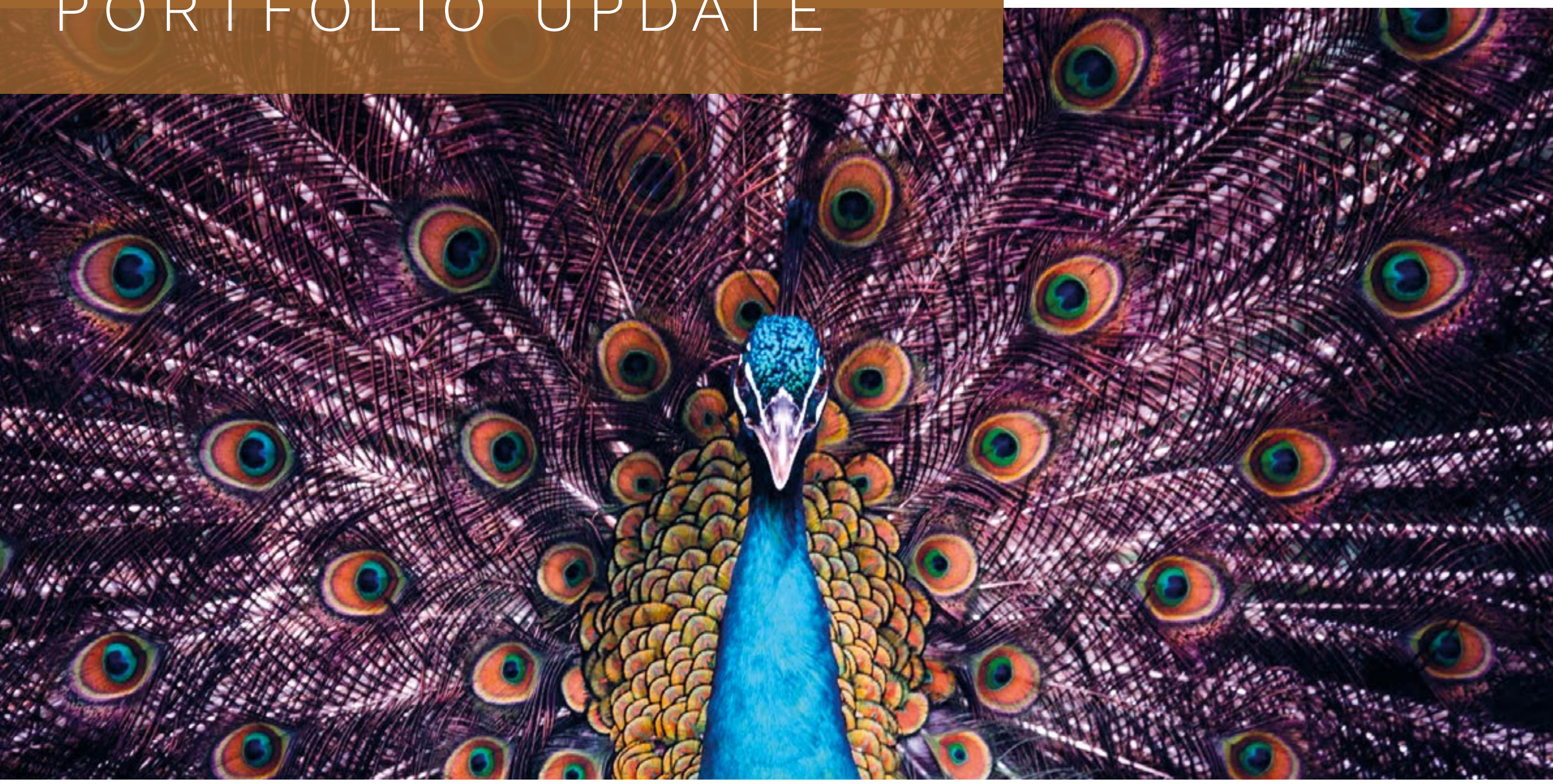
PORTFOLIO UPDATE



Willis Towers Watson

A look at what has occurred in the Trust's portfolio over the last quarter

Turbulence was the defining characteristic of both developed and emerging equity markets throughout the second quarter of 2019. The MSCI All Country World Index (ACWI) returned 3.4% in sterling terms in April, only to see a sharp fall of 2.6% in May before returning to growth of 5.6% in June. Such volatility suggests political uncertainty is continuing to influence global financial markets, with the ongoing US-China trade dispute and increasing tensions in the Middle East both likely contributing factors.

UK markets underperformed both European and US equity markets, returning 2%, driven by ongoing uncertainty about Brexit and the resignation of Prime Minister Theresa May. European markets experienced a positive quarter, outperforming both the US and UK with returns of 9% for a sterling investor, with the European Central Bank indicating that a period of expansionary monetary policy could be on the horizon.

During this rather volatile quarter, the Trust's total shareholder return, Net Asset Value (NAV) total return and equity portfolio return were 7.0%, 6.3% and 6.2% respectively against the MSCI All Country World Index return of 6.3%.

The Trust's stock pickers continued to find interesting investment opportunities throughout the quarter. A number of new positions were established, including a position in Melrose Industries, a UK-based specialist manufacturing investor, UK tool manufacturer Makita, and the UK's largest business process outsourcing company, Capita, all of which are believed to have significant potential for driving future outperformance. With regards to the Trust's performance, the largest single contributor to the Trust's return was Microsoft, contributing 0.4%, following better-than-expected earnings driven by the success of its cloud computing business, Azure.

Since the adoption of its new multi-manager approach in April 2017, the Trust's equity portfolio has yielded a return of over 22.2%. Although the period of just over two years is not enough to fully evaluate the performance of the Trust, over this period the Trust's stock pickers have successfully managed to take advantage of market opportunities and generate returns in excess of the wider market.

Learn more about the latest portfolio price and performance here

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Past performance is not a reliable indicator of future returns. Please refer to the next page for important past performance information.

BIGGEST POSITIONS SOLD AND ACQUIRED OVER THE QUARTER

10 largest purchases - second quarter 2019	% of Equity Portfolio	Value of position (£m)
Alphabet	1.6	43.5
Alliance Data Systems	0.9	25.0
Melrose Industries	0.8	22.5
Hanesbrands Inc	0.8	21.9
salesforce.com	0.8	21.6
Facebook	0.5	14.2
Kato Sangyo	0.4	12.3
Intercontinental Exchange	0.4	12.3
DKSH	0.4	12.0
Smith Plc	0.4	12.0

10 largest sales - second quarter 2019	% of Equity Portfolio	Value of position (£m)
Aflac	1.0	29.5
Regeneron Pharmaceuticals	0.7	20.7
Johnson Controls	0.7	20.1
Nextera Energy Inc	0.5	14.9
IMCD Group	0.5	14.3
Edenred	0.5	13.6
Comcast	0.4	12.8
DSM	0.4	12.4
ServiceNow	0.4	11.8
HDFC Bank	0.4	11.8

UPDATE ON BUYBACKS

In the three months to 30 June, the Trust purchased 2.5 million shares at a cost of £19.4 million, and in the six months to 30 June the Trust purchased 3.6 million shares at a cost of £27.5 million. In the period since the 2019 AGM, the Trust has bought back almost 0.6 million shares at a cost of £4.6 million. These shares have been purchased across a discount range of 4.6% to 5.3% since the AGM, with an average discount of 5.0% through the period, suggesting that supply and demand are finding a current equilibrium level. The discount as at 30 June is 4.9%. The continued stability of the discount, despite a notable reduction in demand for share buybacks, is encouraging. The Trust continues to watch the discount closely, and will carry out further buybacks if the discount shows signs of widening significantly.

DISCRETE PERFORMANCE (%)

From To	30-Jun-18 30-Jun-19	30-Jun-17 30-Jun-18	30-Jun-16 30-Jun-17	30-Jun-15 30-Jun-16	30-Jun-14 30-Jun-15
Total shareholder return	8.4	8.8	36.4	10.9	11.6
NAV total return	7.3	8.7	27.9	10.8	9.0
Equity portfolio return	8.3	9.7	24.6	14.6	9.1
MSCI ACWI total return	10.3	9.5	22.9	13.9	10.1

IMPORTANT INFORMATION AND RISK WARNINGS

This section contains important regulatory disclosures and risk warnings that are relevant to the material in this document. You should read this section carefully, as it is intended to inform and protect you.

Towers Watson Investment Management Limited ('TWIM') has approved this communication for issue to Retail Clients. Past performance is not a reliable indicator of future returns.

The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV), meaning that a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV. This means that potential investors could get back less than the amount originally invested.

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.

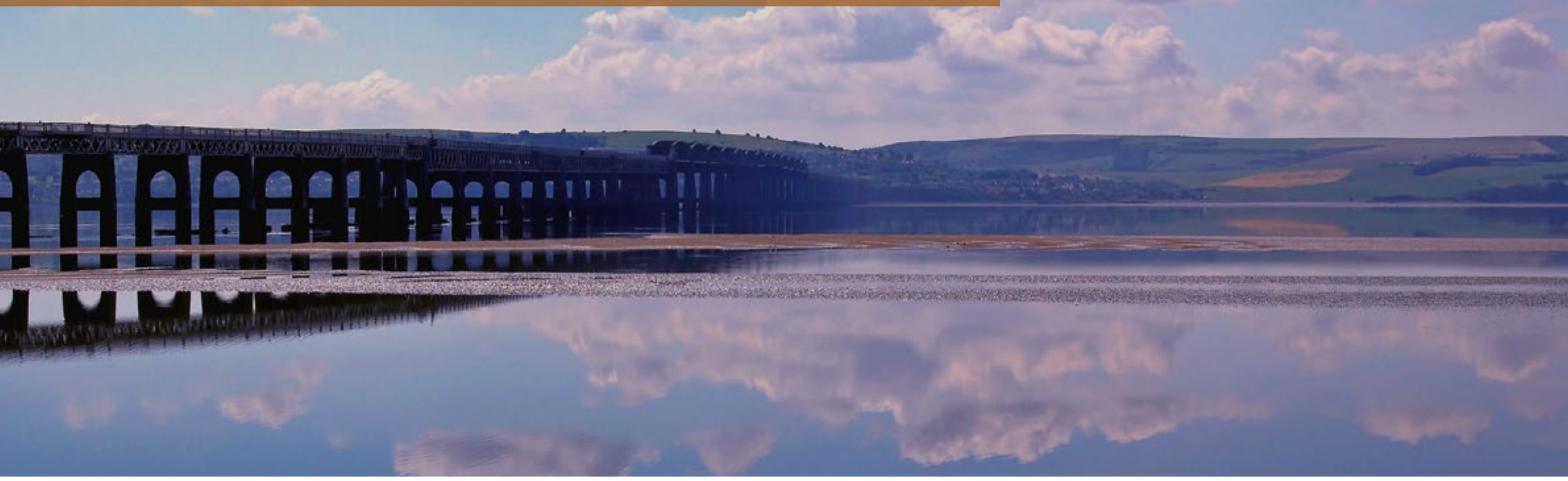
No investment decisions should be based in any manner on the information and opinions set forth above. You should verify all claims, do your own due diligence, and/or seek advice from your own professional adviser(s) before investing in any securities mentioned.

The Alliance Trust Board has appointed Towers Watson Investment Management (Ireland) Limited (TWIMI) as its Alternative Investment Fund Manager (AIFM). TWIMI has delegated the investment management of the Alliance Trust portfolio to its specialist division, Towers Watson Investment Management Limited (TWIM). TWIMI and TWIM are both part of Willis Towers Watson. 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 30 June 2019 unless otherwise stated. All figures may be subject to rounding errors. Sources: Investment performance data is provided by BNY Mellon Performance & Risk Analytics Europe Limited, Morningstar and MSCI Inc; key trades data is provided by BNYM Fund Services (Ireland) Limited. Equity portfolio return is the return achieved by the eight equity managers and so includes the effect of any of their cash holdings (gross of their fees). Returns are quoted net of withholding taxes (some of which are potentially recovered at a later date) and therefore potentially underestimate the managers' relative performance.

Past performance is not a reliable indicator of future returns.

USEFUL INFORMATION



SHARE INVESTMENT

Alliance Trust PLC 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's 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 Alliance Trust may also be suitable for institutional investors who seek a combination of capital and income return. Private investors should consider consulting an IFA who specialises in advising on the acquisition of shares and other securities before acquiring shares.

REGISTRARS

Our registrars are:
Computershare Investor Services PLC, Leven House, 10 Lochside Place, Edinburgh Park, Edinburgh EH12 9RG.

Telephone: 0370 889 3187

Change of address notifications and registration enquiries for shareholdings registered in your own name should be sent to the Company's registrars at the above address. You should also contact the registrars if you would like the dividends on shares registered in your own name to be sent to your bank or building society account. You may check your holdings and view other information about Alliance Trust shares registered in your own name at computershare.com

HOW TO INVEST

There are a growing number of savings and investment platforms where you can purchase shares in Alliance Trust direct. They are primarily for investors who understand their personal attitude to risk and those related to equity-based products.

Start your investment journey here

CONTACT

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