

10 March 2010

**ALLIANCE TRUST ASSET MANAGEMENT: COMMENTARY ON TEN YEAR
ANNIVERSARY OF NASDAQ TECHNOLOGY BOOM**

On the tenth anniversary of the NASDAQ technology boom in 2000, Matthew Strachan, Portfolio Manager of the Alliance Trust Asset Management, North American fund, comments:

“It may be ten years since the peak of the dot-com boom, but what have we learned? I see that there have been developments in four key areas:

1. Much of the hype HAS been realised.

“It has taken 10 years, but actually much of the hype has been realised. Technological advances continue to astound, peppering our language with new terms and it is now impossible to imagine working without the internet.

2. SOME technology stocks have done incredibly well.

“Some technology stocks, the winners, have done incredibly well. They have seen sales and profits grow well ahead of GDP and most significantly have massively strengthened their balance sheets, freeing themselves from the vagaries of the credit markets when they need to make large capital investments.

3. Valuations are VITAL to success.

“Even though there have been some great technology winners almost all are still below their share prices of ten years ago. This is an important lesson, valuations matter. High valuations often take a long time to grow into and over paying for an investment can ruin returns for many years.

4. Dividends DO count.

“When capital returns are meagre, or even negative, shareholders have no protection if they receive no dividend. Very few tech companies paid dividends back in 2000 and this also had consequences for the way companies deployed capital. Without the discipline of having to pay dividends many companies splashed out cash on expensive acquisitions without proper attention to returns. A corrosive mix for shareholders. A healthy dividend policy demonstrates that shareholder returns are high on managements list of priorities.”

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Notes to editors

For more information please contact Marlene Scott/ Vanessa Chance at Polhill Communications on 020 7655 0510.

Matthew Strachan

- Matthew joined Alliance Trust in 1985 and has responsibility for North American equities.
- Matthew has 25 years' experience in investment, managing investments in Japan, Asia, Europe and UK.
- He has analytical experience of all sectors and has held additional responsibilities including treasury and corporate governance.
- Matthew graduated with a B.Sc (Hons) in Economics from St. Andrews University.

Alliance Trust North American Fund

- Target return of +3% to +4% relative to benchmark annualised over three years
- High conviction portfolio: 30 - 45 stocks, 40 - 50% in top 10
- Each stock an investment in own right
- Strong active sector allocation when warranted
- Typical tracking error of 5% - 7%
- Portfolio yield close to benchmark (FTSE North America All Cap)
- OBSR 'A' rating within 6 months of launch