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## ALLIANCE TRUST OPENS DOORS TO ASIA WITH OFFER ON DEBUT OEICS

- **Initial £1 per share offer period for Asia-Pacific and Japan funds, 6<sup>th</sup> to 10<sup>th</sup> November**
- **Alliance Trust Savings customers can buy in any time at institutional rates**
- **Outlook across Asia-Pacific shows long-term promise with China serious about reining in growth and Japan seeing domestic upturn**

Investors will get a first chance this week to buy open-ended funds whose portfolios are managed by AT Asset Management (Asia-Pacific) Limited, the new boutique asset management company launched by Alliance Trust PLC. The new company is based, and licensed to carry out asset management activities in Hong Kong. The funds, launched through Premier Portfolio Managers Limited, will be offered from Monday (6<sup>th</sup> November). Until Friday 10<sup>th</sup> November, both retail and institutional investors in the UK will have the chance to apply for shares in the Premier Alliance Trust Asia-Pacific Equity Fund and Premier Alliance Trust Japan Equity Fund for the initial price of £1 per share. Both funds will then launch on 13<sup>th</sup> November 2006.

Alliance Trust Savings, the financial services arm of Alliance Trust group, is offering its customers the opportunity to benefit from 'I Class' trading rates normally available only to institutional and other larger investors, and they will pay no initial charge. Through an Alliance Trust Savings plan, these customers can invest from as little as £150 in a fund. Purchase dealing charges will also be waived for these customers when they buy either of the two new funds before 31<sup>st</sup> December 2006. This dealing charge is normally £15 for a daily purchase or £7.50 for a weekly purchase.

A Class shares, intended for retail investors, have an initial charge of 5% with an annual management charge of 1.25%, plus a performance fee for out-performance over benchmark. The I Class shares, available to larger investors who invest a minimum of £1 million, have no initial charge, and an annual management charge of 0.75% plus a performance fee.

Anthony Muh, Executive Director of AT Asset Management (Asia-Pacific) Limited, who will oversee both funds, commented on the **outlook for Asia-Pacific**:

“All of the four key areas for investment in Asia-Pacific – Greater China, India and its neighbours, Southeast Asia and Japan – are showing long-term promise now for different reasons – against a backdrop of far healthier finances at government and company level.

“For some time, I shared the prevailing view that the Chinese economy may be heading for a cliff-edge, due to an all-out focus on expansion over stable profitability. However, my recent meetings with central government officials have confirmed an extremely promising sea-change in China’s economic strategy. Its latest five year plan focuses on addressing excessive investment in polluting, non-productive sectors and tackling the emerging wealth gap by investing heavily in inland cities. The emphasis is on mitigating risk, reining in excessive growth, underpinning the economy and cracking down on traditionally powerful local government factions.

“India is certainly an interesting market, however, the stock market has already priced in the key trends which will drive sustainable growth, namely the huge and maturing domestic market, the substantial investment in infrastructure, and the inevitable contribution of India’s emerging well-educated middle class.

“South East Asian countries such as Thailand, Indonesia and Malaysia have for a long time been seen as a weak third pillar in the Asia-Pacific economy but we are seeing early signs of stabilisation. Rather than trying to compete with China, companies in this region are now recognising the opportunity to complement China’s economic success, and many have diversified their operations to reflect this new outlook.”

Turning to the **Japanese economic outlook**, Muh said: “While the Japanese economy faces challenging demographic shifts in the very long-term, the significant opportunities for investors over the next few years should definitely not be overlooked. The second largest global economy is emerging from a decade of recession with an enviable suite of famously successful export companies while domestic sectors such as property and banking are beginning to kick in.

“For me as an investor, the key point is that return on equity in the region is proving much higher than the cost of funding. My team is continuing to identify excellent-quality, sustainable opportunities and I would describe Japan right now as a real recovery story.”

Anthony Muh and his experienced team took over responsibility for Alliance Trust’s own investments in the region in April 2005. Since then, the Trust’s Asia-Pacific portfolio has delivered total return of 38.2%, outperforming its benchmark by 2%, and the Japanese portfolio has delivered total return of 39.6%, outperforming its benchmark by 11.2% (as at 30 September 2006). (Past performance is not a guide to future performance).

The Asia-Pacific equity fund will be benchmarked against the FTSE All World Asia-Pacific (ex-Japan) index while the Japan equity fund will be benchmarked against the FTSE All World Japan index. Both funds are intended to provide investors with exposure to key investment opportunities in Asia-Pacific and Japan respectively. The portfolios will have a long-term perspective and will seek out the most promising sectors and, within them, the companies best placed to grow their

earnings. The investment process mixes analysis of sectors with bottom-up scrutiny of companies, seeking out those stocks whose potential is undervalued by the market.

For more details about buying these funds through an Alliance Trust Savings plan, call 08000 326 323 or visit [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk). Institutional investors can get more information about the funds from Kelly O'Donnell or Andrew Killean on (01382) 201700.

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## Notes to Editors

1. Alliance Trust PLC is the largest generalist investment trust listed on the London Stock Exchange. A FTSE-250 company, it had £2.7bn of assets at the end of September 2006.
2. The Trust's total return figures are calculated in-house and total return is defined as absolute capital return plus yield on average capital employed.
3. AT Asset Management (Asia-Pacific) Limited is a wholly-owned subsidiary of Alliance Trust PLC and is registered and licensed in Hong Kong. The Board consists of Alan Harden and Grant Lindsay (as Non-Executive Directors); and Anthony Muh as Executive Director.
4. Alliance Trust Savings Limited is the financial services subsidiary of Alliance Trust PLC. Alliance Trust Savings and its subsidiaries offer investment dealing, investment wrappers and self-invested personal pensions and they administer more than £3.3bn on behalf of over 39,000 customers (as at 31 January 2006).
5. The two new funds, Premier Alliance Trust Asia-Pacific Equity Fund and Premier Alliance Trust Japan Equity Fund, will be launched under a UCITS III OEIC umbrella structure, called the Premier Alliance Trust Investment Funds.
6. Premier Portfolio Managers Limited will be the authorised corporate director (ACD) of the OEIC and will have regulatory responsibility for the funds in the UK. AT Asset Management (Asia-Pacific) Limited will be appointed as the investment manager for the funds, and will be responsible for the investment decisions.
7. There is no target number of companies or holding size for the funds.
8. Alliance Trust PLC had 8.9% of its portfolio in Japan and 6.1% in Asia-Pacific (ex-Japan) at the end of September 2006. Its Japanese portfolio held 33 stocks across 17 sectors, while its Asia-Pacific (ex-Japan) portfolio held 43 stocks across 22 sectors and nine countries.
9. Photographs of Anthony Muh are available.

## Background Information

**Anthony Muh**, the Executive Director of the newly launched AT Asset Management (Asia-Pacific) Limited, joined Alliance Trust as Head of Asia-Pacific in April 2005. He was previously Regional Head of Investment for Asia at Citigroup Asset Management with overall responsibility for managing assets of \$10bn in Japan and Asia for institutional, retail and private banking clients. As Regional Head at Citigroup, he carried out the successful merger of three asset management organisations and built a number of asset management businesses around the region. Before then, he was Senior Investment Officer for Citibank Global Asset Management in Asia and New Zealand, responsible for both equity and fixed income investments from 1993 to 1999. Anthony also spent seven years with Bank of New Zealand Investment Management from 1986, where he held various positions in both fixed income and equities. Anthony is a past Chairman and a Fellow of the New Zealand Society of Investment Analysts. He is also a past Executive Committee Member of the Asian Securities Analyst Federation and has served on the Committee of the International Coordinating Council of Financial Analyst Associations. He has served on the executive committee of the HK Investment Funds Association (HK IFA) and is a past member of the Cash Market Consultative Panel for Hong Kong Exchanges and Clearing Limited. He is currently a member of the Examinations Committee and a Fellow of the Hong Kong Securities Institute, and is a board member of the Asian Corporate Governance Association.