

This document is issued by Towers Watson Investment Management (Ireland) Limited (the “AIFM”) solely in order to make certain particular information available to investors in Alliance Trust PLC (the “Trust”) before they invest, in accordance with the requirements of the FCA Rules implementing the AIFM Directive in the United Kingdom. It is made available to investors in the Trust by being made available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

**Investors in the Trust are referred to the section of this document entitled ‘Important Information’ at pp 3 and 4.**

**Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Trust.**



## **INVESTOR DISCLOSURE DOCUMENT**

**May 2019**

# CONTENTS

	<i>Page</i>
<b>Important Information</b>	3
<b>Introduction to Alliance Trust PLC</b>	5
<b>Investment Policy &amp; Strategy</b>	6
<b>Risk Management</b>	10
<b>Details of the Shares</b>	12
<b>Valuation of the Trust's Assets</b>	13
<b>Shareholder Information</b>	15
<b>Principal Service Providers &amp; Delegates</b>	16
<b>Fees, Charges &amp; Expenses</b>	19
<b>Investment Risks</b>	20
<b>Definitions</b>	22

## IMPORTANT INFORMATION

### Regulatory status of the Trust

Alliance Trust PLC (the “Trust”) is an ‘alternative investment fund’ (“AIF”) for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU). Towers Watson Investment Management (Ireland) Limited (the “AIFM”) is authorised and regulated by the Central Bank of Ireland with permission to manage an AIF for the purposes of that Directive. The AIFM has been appointed by the Trust as its AIFM to manage the Trust’s investments under an alternative investment fund manager agreement (“AIFMA”).

### Limited purpose of this document

This document is issued by the AIFM solely in order to make certain particular information available to investors in the Trust before they invest, in accordance with the requirements of the FCA Rules implementing the AIFM Directive in the United Kingdom. It is made available to investors in the Trust by being made available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk). This document is not being issued for any purpose other than to make these particular required regulatory disclosures to investors before they invest and, to the fullest extent permitted under applicable law and regulations, neither the Trust nor the AIFM will be responsible to persons other than the Trust’s shareholders for their use of this document, nor will they be responsible to any person (including the Trust’s shareholders) for any use which they may make of this document other than in relation to an investment in shares in the Trust.

**Certain of the information which the AIFM is required to disclose to investors before they invest in the Trust is not included in this document. Such information is made available by the Trust by other means, such as in its annual and interim reports, via its website at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).** To the fullest extent permitted under applicable law and regulations, neither the Trust nor the AIFM or their Directors accept any responsibility for the omission of any information from this document.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Trust’s shares.

**This document is not a prospectus and may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Trust and its shares.** This document is issued only for information purposes in order to satisfy the requirements of the FCA Rules implementing the AIFM Directive in the United Kingdom and it is not intended to be an invitation or inducement to any person to engage in any investment activity.

### No advice

Neither the Trust nor the AIFM or their Directors are advising any person in relation to any investment or other transaction involving shares in the Trust. Recipients must not treat the contents of this document, or any other document issued by the AIFM or the Trust, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Trust and an investment in shares.

**Potential investors in the Trust’s shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Trust.**

## **Overseas investors**

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions.

The shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Trust is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

## **Risk factors**

**Potential investors should consider the risks associated with the Trust's investment strategy and use of leverage which are set out in the section of this document below entitled '*Investment Risks*'. These are not, however, intended to represent a complete list of all risk factors relating to an investment in the Trust and its shares.**

In particular, it should be remembered that the price of a share, and the income from shares (if any), can go down as well as up. An investment in shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long term in nature and complementary to existing investments in a range of other financial assets.

# INTRODUCTION TO ALLIANCE TRUST PLC

## **The Trust**

Alliance Trust PLC is an investment company with investment trust status. It has been investing since 1888 and is, by market capitalisation, one of the largest generalist UK investment trusts traded on the main market of the London Stock Exchange. The Trust has its headquarters in Dundee.

## **Investment focus**

The focus of the Trust is to generate a real return for shareholders over the long term through a combination of capital growth and a rising dividend.

The Trust invests primarily in global equities across a wide range of different sectors and industries using a multi-manager strategy. The Trust may also invest from time to time in other asset classes.

The Trust's published investment objective and policy is set out at page 6 of this document and details of the Trust's investment strategy are set out at pages 6 to 9.

## **Historical performance of the Trust**

Details of the Trust's historical financial performance are provided in the Trust's annual reports and accounts and monthly factsheets, which are available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

**Investors should note that past performance of the Trust is not necessarily indicative of future performance. Investors may not get back the amount invested.**

## **The Shares**

The Trust's share capital comprises a single class of ordinary shares, all of which are admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities. Further details of the Trust's shares are set out on page 12 of this document.

## **The Board of Directors**

The Board is responsible for the appointment of a manager to manage the investment portfolio of the Trust within the Investment Policy approved by the shareholders and for agreeing the terms of the AIFMA. The Board consists entirely of independent non-executive directors. Details of the Directors can be found at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

## **The Alliance Trust Group**

The Trust is the parent company of the Alliance Trust Group. The Alliance Trust Group includes the Trust and its principal operating subsidiary, Alliance Trust Savings Limited, which is a retail savings platform.

Further details of the Alliance Trust Group are set out in the Trust's reports and accounts, which are available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

## **INVESTMENT POLICY & STRATEGY**

### **Investment objective and policy**

#### *Investment Objective*

The Trust's objective is to be a core investment for investors that delivers a real return over the long term through a combination of capital growth and a rising dividend. The Trust invests primarily in global equities across a wide range of different sectors and industries to achieve our objective.

#### *Investment Policy*

Through its investment manager, the Trust appoints a number of stock pickers with different styles and approaches each of which will select and invest in stocks for the Trust's single investment portfolio; it will achieve an appropriate spread of risk by holding a diversified portfolio in which no single investment may exceed 10% of the Trust's total assets at the time of investment.

Where market conditions permit, the Trust will use gearing of not more than 30% of its net assets at any given time. The Trust can use derivative instruments to hedge, enhance and protect positions, including currency exposures. While the primary focus of the Trust is investment in global equities, the Trust may also invest from time to time in fixed interest securities, convertible securities and other assets.

### **Investment strategy and techniques**

#### *Global equities*

In accordance with its investment policy, the Trust invests primarily in a diversified portfolio of global equities. The Trust's portfolio is not constrained by reference to global stock market indices or by market capitalisation and the Trust employs a fundamental, long-term approach to stock selection which it implements through a multi-manager strategy. The AIFM is responsible for managing the portfolio, the Investment Manager and each of the Managers who pick and invest in their top stock selections for the portfolio.

#### *Investment in other asset classes*

The Trust manages its currency and cash positions with a view to enhancing income and improving investor returns.

The Trust has historically had exposure to private equity, mineral rights and its operating subsidiary companies. The Trust's exposure to these other asset classes is very small in comparison to its exposure to global equities.

While the primary focus of the Trust is investment in global equities, it may also invest other asset classes from time to time.

#### *Use of derivatives*

The Trust may enter into derivative transactions, including foreign exchange forwards, for the purposes of efficient portfolio management (including hedging) (“EPM”) and for general investment purposes. The specific aims of EPM are the reduction of risk, the reduction of cost or the generation of additional capital or income with a risk level which is consistent with the Trust’s risk profile and its investment policy. However, in accordance with its investment policy, the Trust may enter into derivative and forward transactions for purposes other than EPM.

### **Investment risks**

Details of the risks associated with the investment techniques which the Trust may employ are set out in the section of this document below entitled ‘*Investment Risks*’.

### **Changes in investment policy or investment strategy**

In accordance with the requirements of the Listing Rules, the Trust will not make any material change to its published investment objective and policy without prior shareholder approval. Any material change to the published investment objective and policy would also be announced through a Regulatory Information Service. The Trust’s published investment objective and policy is set out in the section entitled ‘*Investment policy*’ above.

Any change in the investment objective and policy or investment strategy which does not amount to a material change to the published investment objective and policy may be made by the AIFM in respect of the Trust without shareholder approval.

### **Details of the portfolio**

The Trust’s annual report and accounts set out a full list of the Trust’s quoted equity holdings as at the end of the relevant financial period and also include analyses of the performance of the portfolio. The Trust’s annual and interim report and accounts are available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

### **Leverage**

‘Leverage’ is a term used to describe any method by which the Trust increases its exposure, whether through borrowing (gearing) or through leverage embedded in derivative positions or by any other means.

Leverage is calculated in two ways: as a gross figure, and by the ‘commitment’ method, which takes into account netting of positions. As the leverage calculation includes exposure created by the Trust’s investments, it is only described as ‘leveraged’ if its overall exposure is greater than its net asset value. This is shown as a leverage ratio of greater than 100%.

The Trust is only permitted to use those types and sources of leverage which are consistent with its investment policy and its object of spreading investment risk. In addition to borrowing (gearing), the Trust can use derivative instruments to hedge, enhance and protect positions, including currency exposures, and for investment purposes. The circumstances in which the Trust may use derivatives are explained in the section entitled ‘*Investment strategy and techniques*’ above.

A leverage policy has been approved by the AIFM which limits the leverage ratio that can be deployed by the Trust at any one time to 145% (gross) and 140% (commitment method). This includes any gearing created by the Trust as permitted by its investment policy. This is a maximum figure as required by regulation, and not necessarily the amount of leverage that is actually used.

Details of the risks associated with the Trust's use of leverage are set out in the section of this document below entitled '*Investment Risks*'.

Details of any changes to the maximum level of leverage which the Trust may employ will be disclosed to investors on the Trust's website without undue delay.

The Trust will disclose information on the total amount of leverage employed by the Trust on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

### **Other investment restrictions**

The Trust is required to comply with the investment restrictions set out in its published investment policy and the leverage limits set by the Board. These restrictions and limits are described in the sections entitled '*Investment Policy*' and '*Leverage*' above.

In addition to those restrictions and limits, and in accordance with the requirements of the Listing Rules, the Trust:

- (a) will not invest more than 10% in aggregate of the value of the total assets of the Trust in other investment companies or investment trusts which are listed in the Official List (except to the extent that those investment companies or investment trusts have published investment policies to invest no more than 15% of their gross assets in other investment companies or investment trusts which are listed on the Official List);
- (b) will not conduct any trading activity which is significant in the context of the Trust as a whole; and
- (c) will at all times invest and manage its assets:
  - i in a way which is consistent with its object of spreading investment risk; and
  - ii in accordance with its published investment policy.

In order to maintain its tax treatment as an investment trust, the Trust aims to comply with section 1158 of the Tax Act, which imposes on the Trust an obligation to spread investment risk.

### **Collateral and asset reuse arrangements**

The Trust currently has no collateralised leverage and therefore has not granted any right of reuse of collateral, nor has it granted any guarantee under any leveraging arrangement.

Details of the introduction of (and of any changes to) any right of reuse of collateral or any guarantee granted under any leveraging arrangement will be disclosed by the Trust to investors on the Trust's website without undue delay.

### **Miscellaneous**

The Trust may effect transactions in investments the prices of which may be subject to stabilisation.



The Trust may underwrite or sub-underwrite any issue or offer for sale of securities. Subject to compliance with its investment policy, there are no restrictions on the categories of securities which the Trust may underwrite and no financial limits on the extent of the underwriting.

The Trust may also invest in funds which are unregulated collective investment schemes.

# **RISK MANAGEMENT**

## **Risk profile**

The AIFM monitors, on an ongoing basis, the sensitivity of the Trust's investment portfolio to the most relevant risks to which it is or may be exposed. As the Trust invests primarily in equities, its principal risks are market related and include counterparty and market risks (such as currency, interest rate and other price risks).

The AIFM will periodically disclose the current risk profile of the Trust to investors. The Trust will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

## **Risk management systems**

The AIFM employs various risk management systems and processes to manage the risks to which the Trust is or may be exposed. These include the production of daily risk analyses of the Trust's equity and fixed income portfolios and regular stress testing against relevant scenarios.

The AIFM will periodically disclose to investors the risk management systems which it employs to manage the risks which are most relevant to it. The Trust will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

## **Liquidity risk management**

Liquidity risk is the risk that the Trust could encounter difficulty in meeting its obligations associated with financial liabilities, due to an inability to realise assets when needed.

The AIFM has a liquidity management policy which is intended to ensure that the Trust's investment portfolio maintains a level of liquidity which is appropriate to the Trust's obligations. This involves an assessment by the AIFM of the prices at which it expects to be able to liquidate the assets, taking into account the sensitivity of those assets to particular market risks and other relevant factors. The policy requires the AIFM to identify and monitor investment in asset classes which are considered to be relatively illiquid. However, the majority of the Trust's investment portfolio comprises quoted equities, which are readily realisable. Liquidity is not therefore considered to be a significant risk for the Trust. The liquidity of the equity portfolio is reviewed daily and subjected to monthly stress tests to verify that liquidity risk remains low.

Shares in the Trust are not redeemable and shareholders do not have the right to require their shares to be purchased by the Trust. Accordingly, the focus of the AIFM's liquidity management policy is to ensure that the Trust's investment portfolio is sufficiently liquid to meet its operating and financing expenses and the possible need to repay borrowings, to the extent that these obligations might have to be met by the sale of assets.

The AIFM will notify investors, by way of a disclosure on the Trust's website, where it makes any material changes to its liquidity management systems and procedures or introduces any new arrangements for managing the Trust's liquidity.

The Trust does not currently hold any assets which are subject to special arrangements arising from their illiquid nature. The Trust would disclose the percentage of its assets subject to such arrangements, if applicable, on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

**Professional negligence liability risks**

The AIFM maintains professional indemnity insurance as required by the AIFMD Rules, to cover the potential liability risks arising from professional negligence. The AIFM does not hold additional own funds against liability arising from its own professional negligence.

## **DETAILS OF THE SHARES**

### **Details of the shares**

The Trust's share capital comprises a single class of ordinary shares.

The ISIN number for the Trust's shares is GB00B11V7W98 and the SEDOL is B11V7W9. The shares are issued in registered form and may be held either in certificated form or through CREST.

### **Purchases and sales of shares by investors**

The Trust's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Trust's shares may be purchased and sold on the main market of the London Stock Exchange.

New shares may not currently be issued by the Trust. The Trust's shares are not redeemable. While the Trust will typically have shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Trust.

## VALUATION OF THE TRUST'S ASSETS

### Valuation Policy

The AIFM's valuation policy sets out its approach to the valuation of the Trust's portfolio of assets. Oversight of the policy, and determination of the valuation of assets (other than the Trust's subsidiaries) which are unlisted or for which published prices are not available, is the responsibility of the AIFM's Valuation Committee, which operates independently of the AIFM's portfolio management function.

The majority of the portfolio consists of quoted equities, whose prices are published by independent sources. Listed investments are valued at either the bid price or the last traded price, depending on the convention of the exchange on which they are quoted.

Investments which are not listed or which are not frequently traded are valued at the Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar instruments. For investments in private equity, the Directors make use of unaudited valuations of the underlying investments as supplied by the managers of those private equity funds. The Directors regularly review the principles applied by those managers to ensure they are in compliance with the Trust's policies.

Investments in subsidiary companies are valued by the Board of the Trust, which consists entirely of independent non-executive directors. The subsidiaries are valued in the Trust's audited accounts at the Directors' estimate of their fair value, using methodologies approved by the Trust's Audit Committee. The Board may commission valuation opinions from third parties where specific expertise is required. All valuations must be consistent with the Trust's accounting policies.

Details of the bases of valuation of the Trust's assets and its accounting for investments are included in the Trust's annual Reports and Accounts which are available on its website.

Quoted equities, forming the majority of the Trust's investment portfolio, are valued daily. The valuation intervals of other assets vary according to their nature but all assets are re-valued at least annually. The Trust's net asset value, based on current asset valuations, is calculated and published daily. See the section below entitled "Publication of net asset values". For investments in private equity, the Directors make use of unaudited valuations of the underlying investments as supplied by the managers of those private equity funds. The Directors regularly review the principles applied by those managers to ensure they are in compliance with the Trust's policies.

Investments in subsidiary companies are valued by the Board of the Trust, which consists entirely of independent non-executive directors. The subsidiaries are valued in the Trust's audited accounts at the Directors' estimate of their fair value, using methodologies approved by the Trust's Audit Committee. The Board may commission valuation opinions from third parties where specific expertise is required. All valuations must be consistent with the Trust's accounting policies.

Details of the bases of valuation of the Trust's assets and its accounting for investments are included in the Trust's annual Reports and Accounts which are available on its website.

Quoted equities, forming the majority of the Trust's investment portfolio, are valued daily. The valuation intervals of other assets vary according to their nature but all assets are re-valued at least

annually. The Trust's net asset value, based on current asset valuations, is calculated and published daily. See the section below entitled "Publication of net asset values".

## SHAREHOLDER INFORMATION

### Legal status and jurisdiction of the Trust

The Trust is a public company limited by shares under the Companies Act with registered number SC001731. It is incorporated in Scotland and has its registered office at 8 West Marketgait, Dundee DD1 1QN.

### Articles of association

The Trust's articles of association set out the respective rights and restrictions attaching to the Trust's shares and are binding on the Trust and its shareholders. All shareholders are entitled to the benefit of, and are bound by, the Trust's articles of association. The Trust's articles of association are governed by Scots law.

### Reports to shareholders

The Trust is required by law to publish an annual report and audited financial accounts. Copies of the annual report and accounts are made available to shareholders. Shareholders are also entitled to attend the Trust's annual general meeting (AGM) which is held each year. Details of the AGM timetable are published on the Trust's website. The Trust also publishes an unaudited interim report covering the first six months of each financial year of the Trust.

Copies of the Trust's latest annual and interim reports may be accessed at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

### Publication of net asset values

The net asset value of a share is calculated in accordance with the Trust's accounting policies and published daily through a Regulatory Information Service. The calculation of the net asset value of a share will be suspended only in circumstances where the underlying data necessary to value the investments of the Trust cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

### Fair treatment of investors

The legal and regulatory regime to which the AIFM, the Trust and their Directors are subject ensures the fair treatment of investors.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Trust for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Trust and the AIFM does not give preferential treatment to any investors.

## PRINCIPAL SERVICE PROVIDERS & DELEGATES

### General

The AIFM and the Trust have appointed a number of service providers and delegates. Details of these material service providers and delegates, and a description of their respective duties, are set out in this section below.

The duties and obligations of the service providers will generally be owed to the AIFM or the Trust and not directly to investors in the Trust. Accordingly, investors will not generally have a right directly to enforce obligations of the service providers, nor to seek recovery for breaches of those obligations. Rights of action in respect of such obligations will generally be exercisable only by the AIFM or the Trust.

### Depositary

The Depositary is NatWest Trustee and Depositary Services Limited. The Depositary is incorporated in England and Wales as a private company. It's registered and head office is at 250 Bishopsgate, London EC2M 4AA. The principal business activity of the Depositary is trustee and depositary services. The Depositary is authorised and regulated by the Financial Conduct Authority. The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, which is incorporated in Scotland and whose principal business activity is banking.

The Depositary has the following principal duties and responsibilities as depositary of the Trust:

- ensuring the safekeeping of those of the Trust's financial instruments that can be held in custody;
- verifying the Trust's rights of ownership in its other assets and maintaining a record of those other assets for which the Depositary is satisfied that the Trust's rights of ownership are established;
- the day-to-day administration of the Trust's assets;
- ensuring that cash flows are properly monitored;
- oversight of processes and procedures.

The Depositary has delegated custody services to The Bank of New York Mellon, London Branch. No conflicts of interest are expected to arise from such delegation.

In carrying out its role as the depositary of the Trust, the Depositary is obliged to act honestly, fairly, professionally, independently and in the interest of the Trust and the Trust's investors.

The Depositary provides its services under the terms of a depositary agreement (the "**Depositary Agreement**"). Either party may terminate the Depositary Agreement on 6 months' notice, such termination to be effective on the appointment of a new depositary.



In the case of loss of the Trust's financial instruments, the Depositary is obliged to return identical financial instruments or the corresponding amount to the Trust without undue delay unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable events to the contrary.

The Depositary has not entered into any arrangement contractually to discharge itself of liability in respect of the loss of financial instruments. The AIFM will notify shareholders through a Regulatory Information Service of any changes with respect to the discharge by the Depositary of its liability in respect of such loss.

The Depositary is also liable to the Trust for all other losses suffered by it as a result of the Depositary's negligent or intentional failure properly to fulfil its regulatory obligations as a depositary.

### **Auditor**

The Trust's auditor is Deloitte LLP of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB.

The auditor's duty is to audit the financial statements for each financial year of the Trust in accordance with the requirements of United Kingdom law.

The amounts paid to the auditor in respect of each financial year of the Trust are disclosed in the Trust's annual report and accounts, which are available on the Trust's website.

### **Fund Administrator**

The AIFM has delegated various administrative functions in relation to the Trust to The Bank of New York Mellon (International) Limited ("**BNYM**"): namely, fund management accounting, valuation and pricing, distribution of income and certain record keeping duties.

Under the terms of the services agreement with BNYM, BNYM is obliged to provide its services in a manner that is consistent with agreed service levels and industry best practice and that complies with applicable law and regulation.

### **Registrar**

The Trust has appointed Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH to act as the registrar of the Trust.

### **Delegation of functions by the AIFM**

#### *The Investment Manager*

The AIFM has appointed Towers Watson Investment Management Limited ("**TWIM**") as the investment manager. TWIM is authorised and regulated by the FCA to provide investment management services.

#### *The Managers*

TWIM, as the investment manager and delegate of the AIFM, operates a multi-manager approach, in line with the Trust's requirements, and sub-delegates certain portfolio management responsibilities to

third party Managers. The Managers' mandate is to pick and invest in their best stock selections while the Investment Manager manages the overall portfolio and is responsible for balancing the risk at the stock, sector and geographical level. The AIFM will review and monitor the performance of each delegate throughout their appointment. It is not expected that any conflicts of interest will arise as a result of such delegation

Each of the Managers is entitled to a base management fee, levied on the assets under management. Further details can be found in the Trust's latest annual report that may be accessed at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

Information on each of the Managers is set out below.

<b>Name of Delegate</b>	<b>State in which established</b>	<b>Regulatory Status</b>	<b>Mandate</b>
BlackCreek Investment Management	Canada	Registered by the SEC	Global equity
First Pacific Advisors	United States of America	Registered by the SEC	Global equity
GQG Partners	United States of America	Registered by the SEC	Global equity
Jupiter Asset Management	United Kingdom	Authorised & regulated by the FCA	Global equity
Lyrical Asset Management	United States of America	Registered by the SEC	Global equity
River & Mercantile Asset Management	United Kingdom	Authorised & regulated by the FCA	Global equity
Sustainable Growth Advisors	United States of America	Registered by the SEC	Global equity
Veritas Asset Management	United Kingdom	Authorised & regulated by the FCA	Global equity
GQG Partners	United States of America	Registered by the SEC	Emerging market equity

Financial Conduct Authority ("FCA")

U.S. Securities and Exchange Commission ("SEC")

The Investment Manager has also appointed Farmers National Company and H.P. Drought and Company to provide real estate administration services in respect of the Trust's US mineral rights investments.

In addition, the AIFM has retained the services of BlackRock Advisors (UK) Limited to provide transition management services.

## **FEES, CHARGES & EXPENSES**

The Trust is liable for any and all expenses and liabilities which it incurs or suffers, without limitation. As the Trust is a limited liability company incorporated under the Companies Act, shareholders are not liable directly for the debts of the Trust and their indirect liability for the debts of the Trust is limited to the value of their respective investments in the Trust. As all shares in the Trust are issued fully paid up, shareholders would not be obliged to make any further contribution to the assets of the Trust in the event of the Trust's insolvency.

The fees, charges and expenses of the Trust include the following:

- the fees, charges and expenses payable to the AIFM, the Managers, the Depositary, and other providers of services direct to the Trust;
- audit fees and expenses of the Trust's auditor;
- the registrar's fees, costs and expenses;
- the fees of BNYM, the fund administrator;
- interest on and other charges relating to borrowings;
- investor relations costs, including the costs of holding shareholder meetings, printing and distributing the Trust's annual and interim reports and issuing other shareholder communications;
- insurance costs;
- costs associated with the listing of the Trust's shares on the Official List and their admission to trading on the main market of the London Stock Exchange; and
- taxation and other duties payable by the Trust.

## INVESTMENT RISKS

The key risks associated with the investment techniques employed in relation to the Trust and the Trust's use of leverage are set out in this section below. These are not the only risks relating to an investment in the Trust and its shares and potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Trust's shares.

<b>General</b>	There is no guarantee that the investment techniques employed by the Trust will achieve their intended objectives or that the wider investment objective of the Trust will be achieved. There can be no guarantee that any appreciation in value of the Trust's investments will occur and shareholders may not receive back the full value of their investment.
<b>No benchmark</b>	The portfolio of investments held by the Trust will not mirror the stocks and weightings that constitute any particular index. The Trust's shares may, therefore, fail to follow either the direction or the extent of general moves in the financial markets, which may or may not be to the advantage of investors.
<b>Concentration risk</b>	The Trust invests primarily in concentrated portfolios of global equities, both in terms of individual holdings and in terms of its exposure to particular industries and asset classes.
<b>General economic and other factors</b>	Changes in economic conditions, political events and other factors can substantially and adversely affect the value of investments. Overseas investment (in particular, investment in emerging markets) may involve a higher than average risk; for example, where there is volatility of currency exchange rates, political and economic instability or illiquid markets.
<b>Market price risk</b>	The fair value of equity and other financial securities held in the Trust's portfolio fluctuates with changes in market prices.
<b>Leverage (general)</b>	The use of leverage by the Trust may result in an increase in the volatility of the net asset value per share.
<b>Leverage (borrowing)</b>	The use of borrowings can enhance the total return on the shares where the return on the Trust's underlying assets is rising and exceeds the cost of borrowing, but it will have the opposite effect where the underlying return is falling, further reducing the total return on the shares. An inability to refinance any borrowings on their maturity may materially adversely affect the Trust's ability to carry out its investment strategy and achieve its investment objective.
<b>Leverage (derivatives)</b>	Investment in derivative transactions may result in losses in excess of the amount invested.
<b>Dividends</b>	The ability of the Trust to pay dividends will largely depend on the amount of income which the Trust receives on its investments and the timing of such receipt.

<b>Credit or counterparty risk</b>	Credit or counterparty risk is the risk that an issuer or counterparty fails to meet its obligations to the Trust. The Trust is exposed to credit risk in relation to its financial assets, which include investments, bank balances, cash and other receivables.
<b>Custody risk</b>	The insolvency of an entity which acts as custodian of the Trust's assets could adversely affect, or delay or limit the exercise of, the Trust's rights in respect of those assets (although the Depositary is generally liable to the Trust for the loss of financial instruments).
<b>Currency risk</b>	Some of the Trust's investments and liabilities are denominated in currencies other than Sterling. The Trust is exposed to the risk that movements in exchange rates may affect the Sterling value of those items.
<b>Cessation of investment trust status</b>	The Trust aims to conduct its business so as to continue to satisfy the conditions for approval as an investment trust under the Tax Act. In respect of each accounting period for which approval is granted, the Trust will be exempt from United Kingdom taxation on its capital gains. Breach of the tests that a company must meet to obtain approval as an investment trust could lead to the Trust being subject to tax on capital gains.
<b>Tax and accounting</b>	Changes in taxation legislation or accounting practice could affect the value of the investments held by the Trust.
<b>Regulation</b>	Changes in law and regulation could adversely affect the Trust's ability to carry out its investment strategy or to achieve its investment objective.

## DEFINITIONS

Where we use the terms below in this document, they have the following meanings:

<b>“AIFMA”</b>	the alternative investment fund manager agreement
<b>“AIF”</b>	an alternative investment fund for the purposes of the AIFM Directive
<b>“AIFM”</b>	Towers Watson Investment Management (Ireland) Limited
<b>“AIFM Directive”</b>	the Directive of the European Parliament and of the Council on Alternative Investment Fund Managers (2011/61/EU) and the rules and regulations implementing that Directive
<b>“Alliance Group”</b>	the Trust and its subsidiary undertakings from time to time
<b>“BNYM”</b>	The Bank of New York Mellon (International) Limited
<b>“Board” or “Directors”</b>	the board of directors of the Trust or the AIFM (as the context requires)
<b>“Companies Act”</b>	the Companies Act 2006 (as amended)
<b>“Depository”</b>	NatWest Trustee and Depository Services Limited, the depository of the Trust
<b>“EPM”</b>	efficient portfolio management
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority
<b>“FCA Rules”</b>	the Handbook of Rules and Guidance issued by the FCA from time to time
<b>“Investment Manager” or “TWIM”</b>	Towers Watson Investment Management Limited
<b>“Listing Rules”</b>	the listing rules made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended), as amended from time to time
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Manager”</b>	a manager appointed by the Trust through its investment manager to pick and invest in stocks for the Trust’s portfolio
<b>“net asset value per share”</b>	the prevailing net asset value per share from time to time, calculated in accordance with the Trust’s normal accounting policies
<b>“Official List”</b>	the official list of the UK Listing Authority

<b>“Regulatory Information Service”</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>“shareholders”</b>	holders of shares in the Trust
<b>“shares”</b>	in relation to shares in the Trust, ordinary shares of 2.5p each in the Trust
<b>“Tax Act”</b>	the Corporation Tax Act 2010
<b>“Trust”, “we”, “our” or “us”</b>	Alliance Trust PLC
<b>“UK Listing Authority” or “UKLA”</b>	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended)