

## **Portfolio Update: Alliance Trust Stock Picker Changes**

Alliance Trust PLC today announces that its investment manager, Willis Towers Watson (WTW), has appointed Lomas Capital Management LLC (Lomas) to be one of the best-in-class<sup>1</sup> stock pickers in its multi-manager investment strategy.

Lomas' investment process identifies economic and fundamental trends on the basis of which the firm purchases stocks that it believes are most likely to benefit from these trends. Lomas does not identify with a particular pre-defined style of investing; instead, it adapts its portfolios to market opportunities, differentiating it from the other stock pickers in the Alliance Trust portfolio. Further information on Lomas is available on the Company's website at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

Lomas is an independent, majority employee-owned, boutique investment firm with a strong investment-led culture specialising in thematic investing. It was founded in 2012, in New York, by Dan Lascano, Charlie LoCastro and Ron McIntosh and, as at 30 September 2020, had \$820m assets under management. The founders average over 30 years investment experience. Dan Lascano will be the lead manager for the Company's mandate. Like the Company's other eight managers, Dan and his team will employ a high-conviction, concentrated approach when picking stocks for its portfolio. Lomas has a strong affinity for this approach as their standard long-only portfolios typically have up to 22 stocks selected from an unconstrained global universe with a focus on consumer, industrial and financial sectors.

At the same time, the appointment of First Pacific Advisers (FPA), which has managed part of the Company's portfolio since the Company implemented its current investment strategy on 1 April 2017, has been terminated. The team managing the Company's assets, led by Pierre Py and Greg Herr, left FPA on 16 October 2020 after setting up Phaeacian Partners, a joint venture with Polar Capital. Alliance Trust thanks FPA for its stewardship on behalf of shareholders over the past three and a half years.

Lomas is being allocated 9% of the Company's portfolio to manage. This will be funded from a reallocation of the portfolio, primarily the allocation previously managed by FPA. A transition manager has been appointed and Lomas' appointment will be effective once the transition has been completed. As part of the transition, adjustments are also being made by WTW to re-balance the risk in the portfolio.

### **Craig Baker, Chairman of the Alliance Trust Investment Committee and Global Chief Investment Officer of Willis Towers Watson, said:**

"The Willis Towers Watson research team has identified Lomas, as a high calibre manager that has a differentiated approach to the other eight stock pickers managing the Company's portfolio. We believe this will bring a new source of outperformance, with a low correlation to

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<sup>1</sup> As rated by Willis Towers Watson

the other stock pickers, ultimately leading to enhanced risk-adjusted returns and further diversity of the portfolio.

Lomas utilises a thematically-driven investment process, within an unconstrained, style-agnostic approach. Its approach is quite distinctive and we are excited to introduce Lomas to our manager line up for the Company. Lomas' concentrated stock picks will only be accessible to UK retail investors through the Company.

We believe that the best way to deliver long-term outperformance to investors is to combine the best ideas from the best stock pickers<sup>1</sup> globally into one high conviction but diversified portfolio, and offer it at a competitive fee.”

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#### About Alliance Trust PLC (ATST)

Alliance Trust PLC is one of the oldest and largest investment trusts in the UK, offering a diversified but highly active global equity portfolio at a competitive cost. The portfolio is managed by Willis Towers Watson which selects best-in-class stocks pickers from around the world, all with different styles and approaches to investing, and asks them to invest only in their best ideas. Alliance Trust is an AIC Dividend Hero with 53 consecutive years of rising dividends.

<https://www.alliancetrust.co.uk>

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