

Connection



2024 – THE
BIGGEST YEAR
EVER FOR
DEMOCRACY

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 ten best-in-class² 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.

INVESTING IN ELECTION YEARS

2024 is going to be a record-breaking year for democracy: more than half the world’s population – that’s over four billion people – in 76 countries, including eight of the ten most populous, are eligible to vote in a mixture of local and national elections.¹

Some of these elections may lead to shifts in policy, such as in the US, the UK and Europe; others are covers for broken authoritarian political systems that are unlikely to lead to much change.

“Over 4 billion people will take to the polls in a mixture of local and national elections – these include India, with some 1.4 billion of Earth’s 8 billion inhabitants, the US with 342m, and Pakistan with 245m.”

Markets love to gyrate on geopolitical drama, and election years offer plenty of excuses for jitteriness amid uncertainties over the policy direction of new governments. Given the electoral super-slate for 2024, it’s likely to be an action-packed, blockbuster year.

Here, we take a look at stock market investing in election years and reveal why it’s best to ignore the noise and focus on your long-term financial goals.

TOSSING OUT HYPERBOLE

It’s a well-worn political tactic: push emotive and divisive narratives to capture the imagination of electorates and get them voting. But it can make the world seem a gloomy place. As markets absorb manifestos and election promises as well a fair dose of hyperbole, they tend to fret over the implications for the economy and businesses, leading to swings in prices.

Under particular scrutiny will be the US given its extraordinary global influence and stock markets that represent around 70% of shares traded around the world.²

Alliance Trust has been named Investment Company of the Year in the global equities category at Investment Week’s 2023 awards in association with The Association of Investment Companies (AIC). The judges said ‘...the trust’s management has done a great job turning things around in the past couple of years. They have been able to present the vehicle as a solid, one-stop-shop and are good at communicating the strategy.’

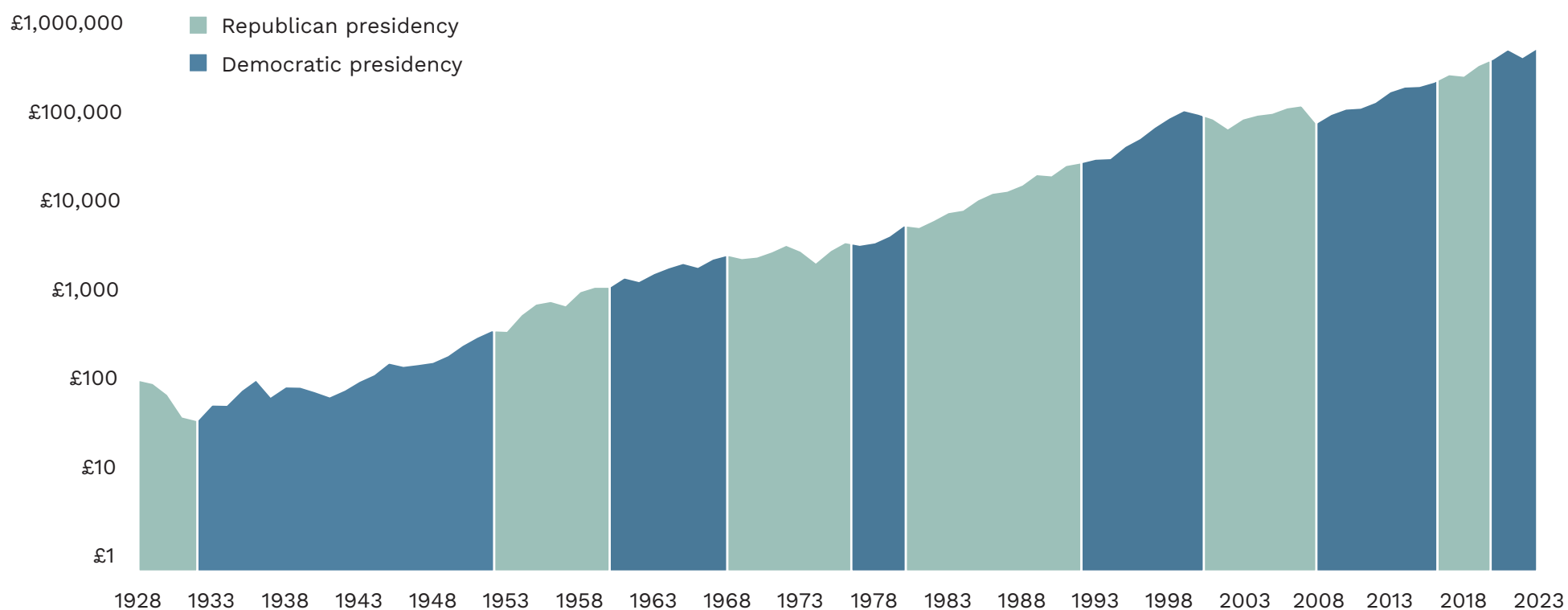


With another Donald Trump presidency, at the very least, a likelihood, it begs the question: do markets do better with right or left leaning political parties?

“It’s the economy, stupid”

In developed democracies, right-leaning parties can sometimes be seen as better economic managers (perhaps forgetting Liz Truss’ brief stint at the helm). Yet, although more fiscally conservative policy lends to smaller governments and freer markets, history tells us that whichever party wins, it makes very little difference to long-term stock market returns as can be seen in figure 1, below.

Figure 1
Growth of a hypothetical £100 investment in the S&P 500 Index



Sources: Stern NYU; Library of Congress; S&P Global; Capital Group. Chart shows the growth of a hypothetical £100 investment (assuming perfect hedging) made on August 3, 1928 through Jan 3rd 2024. Dates of party control are based on inauguration dates. Values are based on total returns in GBP. Shown on a logarithmic scale.

The UK follows stock. According to broker AJ Bell’s study of the impact of the past 16 general elections on the FTSE-All Share since its inception in 1962, it was found that not only are UK stock markets unafraid of general elections, they actually welcome change. As can be seen in figure 2 below, a change of government – regardless of political party – led on average to double digit percentage gains in the first year, easily beating markets following elections where incumbents were retained. It also shows a higher overall gain over the course of a fresh government’s term when compared to an incumbent’s.

Figure 2
Capital return from FTSE All-Share (%)

	1 year before poll	1 year after poll	Term of government*
Change in government	6.0%	12.8%	47.9%
Incumbent wins	11.8%	0.9%	30.0%

Source: LSEG Datastream data.
*1964/66 to 1970 Wilson governments and 1974/74 to 1979 Wilson/Callaghan governments counted as one term. 2019 Conservative government to 5 January 2024.

This is not to say individual policies don’t matter, but more broadly, neither party is likely to attempt radically re-engineering their economies. Markets tend to worry about what’s going on in monetary policy meetings more than fiscal ones. Indeed, the machinations of interest rate cycles likely account for a large slice of the popularity of presidents and prime ministers – and whether central banks are either tightening the monetary levers and raising raises, or loosening them and reducing rates.



THE DEVIL IS IN THE DETAIL

Individual policies matter, and some sectors can get caught in the crosshairs of campaigns during election years. Given stock markets are prone to bouts of anxiety, investors can momentarily worry that sector constituents will be obliterated as a result of over-bearing government and regulation.

More than often, these worries are exaggerated: once elections are done and dusted, the fundamentals of underlying businesses tend to take over as the primary driver of stock market returns. And even if more extreme parties get into power, it is likely their policies will be moderated as bills work their way through the legislative process.

A good example is the US healthcare sector, which was initially rattled by President Barack Obama's signature 2010 Patient Protection and Affordable Care Act, and then again as talk of reigning-in drug pricing emerged across successive elections in 2016 and 2020 – and yet, the longer term impact has been fairly minimal.³

That said, there may be some nuanced implications for industry, especially if governments are favouring a more interventionist approach, as they have been here in the UK in recent years. As AJ Bell's investment director Russ Mould points out, current conservative government policy has thrown policy curveballs at industry through sugar taxes, Help to Buy, energy price caps, windfall taxes on North Sea oil producers, 2021's National Security and Investment Act, and proposals for changes to the 2005 Gambling Act. In recent years, a range of regulators have also been baring their teeth more in response to public opinion too.

As such, while the impact of new policy is unlikely to be radical and derail the stock market more broadly, the devil is in the detail in terms of individual investments.

RINGSIDE SEATS ARE THE WORST

Pessimism is an effective tool when deployed during political campaigning – but this can lead to private investors holding back from the stock market and leaving chunks of their wealth in cash until the bell has been rung on the political boxing match.

But while sitting ringside offers a safer view of market behaviour in the face of political pugilism, it also serves to dent our long-term returns. Out of the 24 elections that have been held since the S&P 500 index began, 20 produced years with positive returns⁴, averaging 11.5% per election year – returns you wouldn't want to miss out on.

What's more, while we would all love to miss those dreadful days in the market, the best days often follow or come very soon after. Even professional investors do not attempt to time these swings.

INVESTING IN ELECTION YEAR

1. Keep diversified: with such an extraordinary slate of elections, its best to spread your investments across global markets.
2. Stock pickers welcome: the changing policy mix may have complex implications, now is the time for active portfolios.
3. Remain invested: history tells us that even in volatile years, its best to keep your toe in the water. Remember, its time in the market, not timing the market.

Marcus De Silva, Freelance Investment Writer

READ MORE INVESTMENT INSIGHTS →

1. <https://www.economist.com/interactive/the-world-ahead/2023/11/13/2024-is-the-biggest-election-year-in-history>

2. <https://www.msci.com/documents/10199/178e6643-6ae6-47b9-82be-e1fc565ededb>

3. <https://www.jpmorgan.com/insights/outlook/market-outlook/2024-elections-3-thoughts-on-the-year-ahead>

4. <https://advisor.morganstanley.com/the-ernie-garcia-group/documents/field/e/er/ernie-garcia-group/S%26P%20500%20in%20Presidential%20Election%20years.pdf>

This information is for informational purposes only and should not be considered investment advice. Past performance is not a reliable indicator of future returns. The views expressed are the opinion of the Manager and are not intended as a forecast, a guarantee of future results, investment recommendations or an offer to buy or sell any securities. The views expressed were current as at December 2023 and are subject to change. Past performance is not indicative of future results. A company's fundamentals or earnings growth is no guarantee that its share price will increase. You should not assume that any investment is or will be profitable. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. TWIM is the appointed Alternative Investment Fund Manager of Alliance Trust plc. Alliance Trust plc is a listed UK investment trust and is not authorised and regulated by the Financial Conduct Authority.

Connection



Imagine the scenario: you've taken a hammer to your piggy bank and handed over some savings to a mysterious money manager. Every year, you get the opportunity to meet with them and ask what they've been doing with your hard earned cash – would you go?

PUTTING 'EM THROUGH THE RINGER

For investment trust investors, once a year at the company's Annual General Meeting (AGM), they have the chance to do just this. It is likely one of the more nerve-wracking days for Boards charged with representing the long-term interests of their shareholders, and for the stock pickers hired to select the best investments for portfolios and deliver outperformance.

It represents one of a number of extraordinary benefits of investment trusts that aren't available to investors in regular funds. And yet, AGMs are often poorly attended by private investors: their shareholder rights left abandoned and unexercised. It begs the question: how have we got to the point where such an important meeting in the calendar is being snubbed by those it's meant to serve?

SIX OF ONE...

In an unprecedented, record-breaking year for global democracy as over 4 billion people go to the polls across 76 countries, including the UK and the US:¹ the investment industry is striving for leaps in shareholder democracy too. A key part of this effort is to increase private investor attendance at AGMs.

Within these yearly forums, investors hear from senior management and receive updates on performance and the direction of strategy, and are given the opportunity to ask questions and vote on key issues affecting the company.

They represent a fundamental part of a democratic process aiming to improve transparency and accountability over those in charge.

For investors, if there's a time to voice opinions and concerns, it is the AGM. For the companies themselves, it's the occasion for connecting with shareholders and better understanding their needs – building trust and loyalty in a relationship that for many private investors will last decades and often generations.

Yet, AGMs are poorly attended by private investors – a state of play the UK government wishes to change as it seeks to get more Brits owning more of the companies and investments they love.

There are a few reasons for the inertia. First, private investors tend to hold shares via nominee investment platforms or brokers, meaning they become the 'beneficial owners' of shares rather than the 'legal owners'. As such,

“For investors, if there's a time to voice opinions and concerns, it's the AGM. For the companies themselves, they can connect with shareholders and better understand their needs – building trust and loyalty in a relationship that for many private investors will last decades and often generations.”

while they of course receive the economic rewards of their investments, such as growth in the share price or an entitlement to dividends, they also tend to end-up stuck in an informational no-man's land as the law doesn't require nominees to pass on corporate information. As a result, they are often unaware of events such as AGMs.

What's more, even for those who hold shares directly and are classed as legal owners, their rights are often hobbled by outdated print-based communiqué.

Second, the companies themselves have also been pretty poor at engaging shareholders too, leaning on outdated excuses that private investors have little interest in AGMs. In reality, cold water tends to be poured on shareholder enthusiasm through poor communication and a lack of investment in digital technologies that could ease attendance and make voting simple.

For 2024, however, it seems the status quo might be about to change.

RINGING IN THE YEAR OF ENGAGEMENT

Last year, the UK's Digitisation Taskforce, led by Abrdn's Chair Sir Douglas Flint, was launched by the government, and is attempting to tackle historical problems with engagement by looking at ways of reducing friction in the system via digital systems that enable shareholders to exercise their rights much more easily.

Proposals include abolishing paper share certificates and requiring intermediaries to adopt digital technologies that make it easy to receive corporate information and vote.

Some platforms in the industry are already ahead of the curve, such as Interactive Investor, which offers digital engagement, including online AGM attendance and voting, as the default option to its investors. Since introducing the policy, voting at AGMs has jumped 30%.²

At the individual company level, many within the investment trust industry are looking to make engagement easier too, including Alliance Trust.

JOIN US FOR OUR AGM!

As with last year, Alliance Trust will be conducting a hybrid AGM by offering in-person attendance as well as online, giving investors the opportunity to watch it with a cup of tea and put management through the ringer from the comfort of their homes.

Full details on how to join this year's AGM will be provided soon.



1. <https://www.economist.com/interactive/the-world-ahead/2023/11/13/2024-is-the-biggest-election-year-in-history>

2. <https://moneyweek.com/investments/605795/investor-voting-agms>

VERITAS ASSET MANAGEMENT



ANDY HEADLEY
Head of Global Strategies

INVESTMENT PHILOSOPHY

At Veritas, in order to generate real returns that translate into returns that exceed the MSCI in a predictable manner, we seek to invest in sustainable companies over the long term (5-10+ years). There is much use of the word sustainable, but we use it in a broad context: we seek to populate a Universe List of companies which demonstrate a high sustainable return on capital, generate high sustainable free cash flows, possess high sustainable barriers to protect those future cash flows, benefit from enduring growth drivers and run by management that are forward thinking and aligned with shareholders.

Our focus is on long-term, more robust investment opportunities. This is partly why we don't own any banks in our portfolio.

Banks are particularly recession-sensitive, with all of them paying the price when there's an economic mishap. And gauging the health of banks' primary products, their loans, can be a challenge due to lack of visibility.

Rather than trying to predict largely unknowable macroeconomic factors, our aim is to build a portfolio that's resilient to the vicissitudes of the external environment.

STOCK SPOTLIGHT AIRBUS



In our new series of stock spotlight videos, Andy Headly focuses on Airbus and talks about what qualities make it so attractive compared to its closest competitor.



Airbus

European giant Airbus is one of two key manufacturers of airframes, operating in a duopoly with US firm Boeing. Air travel remains robust and continues to rise, with an estimated 80% of the global population yet to set foot on a plane.

Its most important product is its short-haul, single aisle plane – the A320 – which competes with Boeing's version, the 737. These new generations of planes are flying off the shelves on account of 20-40% greater fuel efficiency when compared to older planes, and as airlines seek to reduce their carbon emissions.

In particular, the stock pickers believe Airbus' products are superior to Boeing, at least for the moment, and given plans to increase production capacity by 50%, set Airbus up for strong growth and share price performance over the medium to long term.

Source: Airbus, Veritas Asset Management, November 2023

FAST FACTS ON AIRBUS



Founded **1970**

€58.8bn

Revenue (2022)



circa **134,300**
employees



CEO
Guillame Faury



Headquarters
Toulouse, France

SANDS CAPITAL



SUNIL THAKOR

Research Analyst and
Co-Portfolio Manager

INVESTMENT PHILOSOPHY

Sands Capital is an active, long-term investor in leading innovative growth businesses, globally.

Our approach combines analytical rigor and creative thinking to seek to identify high-quality growth businesses that are creating the future. Through an integrated investment platform spanning venture capital, growth equity and public equity, we provide growth capital solutions to institutions and fund sponsors in more than 40 countries.

Concentrated investing—allocating more money to what we believe are the right types of wealth-creating businesses—has been a powerful way to magnify the impact of our stock selection over time. Though some investors assert that a concentrated portfolio poses greater risk in terms of higher short-term volatility, we believe that a portfolio diluted with a large number of holdings may introduce the risk of not knowing the businesses well enough.

As investors in business enterprises—as opposed to stock traders—we focus on trying to understand the strength and duration of the long-term growth drivers for each business. As a result, we are willing to accept short-term stock price volatility in exchange for the potential to create significant wealth over the long term.

STOCK SPOTLIGHT DEXCOM



Sunil Thakor looks at medical device company Dexcom – leader in the field of continuous glucose monitoring – and examines what makes it a high-quality growth business.



Dexcom

Diabetes affects an estimated 1 in 11 people around the world¹, and is a potentially deadly disease. Dexcom is one of the leading manufacturers of continuous glucose monitoring (CGM) devices, which are attached to the skin and track glucose to an app on your phone on an ongoing basis. Devices such as these are revolutionising the management of diabetes, leading to fewer complications, greater longevity, and a higher quality of life.

Within this oligopolistic market, Dexcom offer a particular strong product and associated software, and distributes them effectively through good marketing and sales. As a result, it is steadily growing market share, and the stock picker believes the company has strong and improving financials.

Source: Dexcom, Sands Capital, November 2023

1. https://www.diabetes.co.uk/diabetes-prevalence.html#google_vignette

FAST FACTS ON DEXCOM TECHNOLOGIES



Founded
1999



Headquarters
San Diego, California, USA



CEO
Kevin Sayer



circa 8,000
employees

\$2.91bn

Revenue (2022)

Companies mentioned are for informational purposes only and should not be considered investment advice.

The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients. There is no assurance that any securities discussed will remain in the portfolio or that securities sold have not been repurchased. There is no guarantee that Sands Capital will meet its stated goals. For more information see <https://sandscapital.com/disclosures>.

EQUITY MANAGER SPOTLIGHT

METROPOLIS CAPITAL LIMITED



JONATHAN MILLS

Co-Founder

INVESTMENT PHILOSOPHY

In public market investing, it's impossible to make good investment returns unless you minimise risk and avoid mistakes. There are two distinct types of risk that Metropolis seeks to avoid: business performance risk, which arises when a company's operational performance falls short of expectations, reducing earnings and cash flow; and valuation risk, which occurs when an investor pays too high a price for an investment, resulting in poor returns or permanent capital loss, even if a company performs well operationally.

Minimising these risks involves avoiding mistakes through a rigorous investment process. Key components of this include investing only in businesses with wide moats, moderate debt levels and strong management; identifying potential disruptors and avoiding businesses with high disruption risks; gradual buy-in through small-size investments; evaluating the bear and bull cases for each investment, to avoid confirmation and other biases; and using a portfolio management model to manage position sizes to monitor risk, and take advantage of share price volatility during the holding period.

By embedding these practices in our investment approach, we look to reduce risk and minimise mistakes, thereby achieving above-average returns.

STOCK SPOTLIGHT

ASHSTEAD



Jonathan Mills talks about his conviction in the equipment rental firm, Ashtead, which supplies a wide range of plant and commercial equipment to companies in the UK, US and Canada.



Ashstead

Ashtead is a large equipment rental company, operating in the US, Canada, and the UK. It buys a wide variety of equipment such as cranes, diggers, floor cleaners, and even film studio equipment - renting it to businesses for industrial and commercial purposes.

For individual firms, rentals usually reduce their costs as equipment tends to be fairly specialised and therefore infrequently used, and storage and maintenance is expensive. What's more, if equipment can be shared and more efficiently used, it's friendlier for the environment.

An important part of the business model is that Ashtead is able use its scale to bulk purchase equipment at attractive prices and therefore rent it out on good margins. The stock picker believes Ashtead is one of two leading companies within this market, and with around 13% share, that there is plenty of room for growth.

Source: Ashtead, Metropolis Capital Limited, November 2023

FAST FACTS ON ASHTEAD



Founded **1947**

\$9.67bn

Revenue (2023)



circa **26,750**
employees



CEO
Brendan Horgan



Headquarters
London, UK

PORTFOLIO UPDATE

FOURTH-QUARTER PORTFOLIO UPDATE

Global equity markets surged upwards in the final quarter of the year after the US Federal Reserve surprised investors by signalling that, after aggressive increases in 2022/3 to combat rising inflation, interest rates have peaked. The central bank indicated that July's increase was the last and that the next move in the cost of borrowing is likely to be down, which investors welcomed as a potential boost to corporate profitability. Similar messages about interest rates peaking were sent to the market by the European Central Bank and the Bank of England.

“The Alliance Trust portfolio outperformed the index, with NAV returns of 7.6%, and total share price returns of 8.0%, the latter buoyed by a narrowing of the discount towards year end.”

As a result, our benchmark index, MSCI ACWI, leapt ahead, returning 6.3%. The Alliance Trust portfolio outperformed the index, with NAV returns of 7.6%, and total share price returns of 8.0%, the latter buoyed by a narrowing of the discount towards year end.

The fourth quarter gains added to those in the previous quarters to deliver a total NAV return of 21.6% in 2023, 6.3% ahead of the index, although the discount movements during the course of the year trimmed total shareholder returns to 20.2%. Still, the annual NAV and total shareholder returns were among the highest of global trusts.

OUTPERFORMANCE DRIVEN BY STOCK SELECTION

Importantly, this outperformance was driven primarily by stock selection rather than country sector or investment style exposures, demonstrating that our portfolio construction process is succeeding in isolating company-specific factors as the key source of added value. We believe this stock picking skill could become increasingly important in what is likely to be a period of continuing macroeconomic instability.

In the fourth quarter, stock selection was strong across sectors and regions. In aggregate, SGA, Vulcan and Veritas were the stock pickers that made the biggest contribution to total returns. SGA's stand out performers included Workday, the American cloud-based management software provider, and MercadoLibre, Latin America's e-commerce platform. Vulcan's top performers included the global private equity groups KKR and Carlyle, which each rose around 30%, while Veritas's holdings in Aena, the Spanish industrial group, and Cooper Companies, the US healthcare company, also posted healthy gains.

ANIMAL HEALTH COMPANY BOOSTS PERFORMANCE

However, the biggest single contributors to our outperformance were selected by Black Creek and Jupiter. Black Creek's holding in Elanco Animal Health, the US-based business which produces medicines and vaccines that help prevent and treat disease in livestock and pets, rose by almost 30% in the fourth quarter after its performance exceeded market expectations. Elanco has successfully completed the integration of Bayer Animal Health and it has some significant approvals and launches ahead of it in 2024, including the pioneering drug, Exuperior, for reducing cattle gas emissions.



Jupiter's holding in Kyndryl Holdings, the US-listed technology infrastructure business spun out of IBM in 2021, also did very well, rising by more than 30%. Kyndryl's subsidiaries provide applications, data, AI, cloud, and other services. It has partnerships with Microsoft, Google Cloud and Amazon Web Services and accounted for more than a quarter of IBM's revenues before it was spun off. After an initial slide in its share price, it has recovered strongly in 2023.

BLACK CREEK, JUPITER AND SGA DETRACT

The biggest detractors from performance were Bayer AG, the German health care group, US commercial insurance broker Aon, and Baidu, China's dominant internet search company. Bayer's shares plunged to the lowest level since 2008 after it announced that a late-stage trial for a blood-thinning drug for heart disease had failed. Jupiter, which owns the stock, continue to be attracted by the company's very low valuation for its global leading businesses and long-term prospects. Aon underperformed after announcing the planned acquisition of NFP, a middle market broker, which created short-term concerns among investors about earnings and cash flow. But SGA says the acquisition makes sound strategic sense. Together with increased investment in technology and headcount reductions, SGA expects the acquisition to contribute to steady long-term earnings growth for the company. Baidu continues to suffer from generally gloomy sentiment towards the Chinese economy and stock market, but Black Creek, which owns the stock, has not changed its view that it offers attractive long-term value.

Although the year ended on a high note for stock markets, it is not easy to predict how they will evolve in 2024, so we are cautious about the outlook. Inflation is declining and the consensus seems to be that the global economy will enjoy a soft landing. But most economists and analysts were wrong-footed by macroeconomic developments in 2023, with many expecting a recession that didn't materialise. This highlights the difficulty of basing an investment strategy on predictions of top down-down factors such as GDP growth, interest rates or foreign exchange rates.

A COMFORTABLE BALANCE BETWEEN RISK AND RETURN

That is why we focus on analysing the fortunes of individual companies. Although it could be another bumpy year, especially with the Middle East conflict and so many elections globally in the pipeline, our stock pickers focus on the long-term fundamental strengths of businesses and give us a range of different ideas that pay off at different times, which makes our portfolio resilient to different market environments. We're confident that they can continue to add value in 2024, while we dynamically manage them and their allocations of capital in the light of evolving market conditions to ensure the portfolio remains diversified and strikes a comfortable balance between risk and reward for shareholders.



VIEW THE LATEST PORTFOLIO PRICE
AND PERFORMANCE HERE →

BIGGEST POSITIONS SOLD AND ACQUIRED OVER THE QUARTER

10 largest net purchases – Q4 2023	% of Equity portfolio bought	Net value of stock purchased (£m)	10 largest net sales – Q4 2023	% of Equity portfolio sold	Net value of stock sold (£m)
Intel	0.4	14.6	Thermo Fisher Scientific	0.8	26.1
Intuitive Surgical	0.3	11.5	Diageo	0.5	18.2
Alphabet	0.3	11.0	Exxon Mobil	0.4	14.4
Murata Manufacturing	0.3	8.7	AIA Group	0.4	13.3
DBS Group	0.2	8.0	Elanco Animal Health	0.4	12.7
Adient	0.2	7.8	Danaher	0.3	11.0
Western Digital	0.2	7.7	Fidelity	0.3	10.3
UnitedHealth Group	0.2	7.6	F5	0.3	9.8
Microsoft	0.2	7.3	Lear	0.3	9.7
Atlassian	0.2	7.1	Ryanair	0.3	9.1

UPDATE ON BUYBACKS

At the AGM in April 2023, shareholders approved for the Company to purchase and cancel up to 14.99% of the issued share capital. In the period since the AGM to 31 December 2023, the Company purchased 5.8 million shares at a cost of £57.9 million. In this period the discount ranged from 4.8% to 7.4% and on days shares were purchased the discount range was 5.5% to 7.4%, with an average discount of 6.3%.

In the period from 1 January to 31 December the discount has ranged between 2.8% and 7.4%. In this period the Company purchased 8.6 million shares at a cost of £86.1 million and on days shares were purchased, the discount ranged between 2.8% and 7.4%, with an average discount of 6.1%.

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 Limited (TWIM) as its Alternative Investment Fund Manager (AIFM). TWIM is 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.

Past performance is not a reliable indicator of future returns.

Notes: All data is provided as at 31 December 2023 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 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.

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,
Edinburgh House, 4 North St Andrew Street,
Edinburgh EH2 1HJ
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.

CONTACT

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START YOUR INVESTMENT JOURNEY HERE →



Alliance Trust has been awarded the AIC's Dividend Hero award and is proud to have 56 years of consecutive dividend growth.
<https://www.theaic.co.uk/income-finder/dividend-heroes>

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