

Alliance Trust PLC

23 July 2020

Dividend on Track for 54th Annual Increase

Results for six months ended 30 June 2020

Financial Highlights

	As at / 6 months to 30 June 2020	As at / 12 months to 31 Dec 2019	As at / 6 months to 30 June 2019
Share price	783.0p	840.0p	796.0p
NAV per share ¹	837.2p	875.9.6p	836.8p
Total shareholder return ²	-5.8%	24.3%	16.8%
Total dividend ¹	7.190p	13.96p	6.980p

Performance Highlights

- Interim dividend of 3.595p, an increase of 3% year on year. Unless market volatility is greater than anticipated in the second half of the year, the Company expects to use its strong revenue reserves to maintain that level of increase for the remaining interim dividends for 2020 resulting in the 54th year of dividend increases
- For the six months to 30 June 2020, the Company's Net Asset Value (NAV) Total Return¹ was -3.5% and Total Shareholder Return² (TSR) was -5.8% versus 0.5% for its benchmark, the MSCI All Country World Index (MSCI ACWI) and -0.8% for the peer group median*
- Since the appointment of Willis Towers Watson (WTW) as the Company's Investment Manager on 1 April 2017, the Company's Equity Portfolio Total Return, before fees, was 25.9%, broadly in line with the MSCI ACWI, which returned 26.2%. This is an approximation of what the Company's NAV Total Return would have been between the appointment of WTW and 30 June 2020 without the negative impact of non-core investments and subsidiaries that have all been sold
- The period began with the Company's shares trading at a discount of 4.1% and ended the period at a discount of 6.5%. The Company's discount to NAV averaged 5.8% over the period (H1 2019: 5.1%)

Gregor Stewart, Chairman of Alliance Trust PLC, commented:

"After falling sharply in March as the pandemic spread rapidly across the globe, the value of the Company's assets recovered in subsequent months. However, against a particularly challenging market backdrop and during a period when our benchmark's performance was skewed by very strong returns from the largest cap stocks, we lagged the market at the end of June.

At this time, possibly more than any other, investors need a well-diversified portfolio that relies on individual company performance rather than gambling on macroeconomic bets. Our Investment Manager remains confident that our diversified, high conviction approach to stock picking across a broad range of countries, sectors and investment styles can deliver significant outperformance in the long run.

In the meantime, we are pleased to declare a 3% increase in our second interim dividend. Unless we suffer greater market uncertainty than expected in the second half of the year, we expect to maintain that same rate of dividend growth for the whole year and to extend our current record of year-on-year dividend growth to 54 years and beyond. Although income from the portfolio will be reduced this year as a result of company dividend cuts and cancellations, our own distributable reserves remain strong.

¹ GAAP Measure

² Alternative Performance Measure

* Peer group is the Morningstar universe of UK retail global equity funds (closed and open ended).

Our revenue reserve currently stands at £109.1m, more than twice last year's dividend payment of £45.7m and our distributable reserves could be bolstered further if we gain approval from shareholders at next year's AGM to convert our £645.3m merger reserve into distributable reserves."

-ENDS-

About Alliance Trust PLC

Alliance Trust aims to deliver long-term capital growth and rising income from investing in global equities at a competitive cost. We blend the top stock selections of some of the world's best active managers, as rated by Willis Towers Watson, into a single diversified portfolio designed to outperform the market while carefully managing risk and volatility. Alliance Trust PLC is an AIC Dividend Hero with 53 consecutive years of rising dividends.

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

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