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PRICE: 638.0p
NAV (inc Income): 667.9p
DISCOUNT: 4.5%

Alliance Trust PLC Monthly Factsheet

31 December 2016

Objective

Alliance Trust is an investment company with investment trust status. Our objective is to generate a real return for our shareholders over the medium to long term by a combination of capital growth and a rising dividend. We have no fixed asset allocation benchmark although we mainly invest in global equities but can use a range of asset classes throughout the world to achieve our objective.

We aim to be a core holding for investors seeking to increase the value of their investments over the long term.

Market & Portfolio Commentary

Performance and Portfolio Update

Global equity markets continued back on their upward path in December, shrugging off the market uncertainty centred on the US election in November. The MSCI All Country World Index (MSCI ACWI) closed the month up 3.3% with solid gains across most regions and sectors. The TSR and NAV performed well over the month placing it in the top quartile of the peer group as well as outperforming the index. We continue to focus on how best to position the portfolio for the long term and over three years the TSR remains ahead of the market and above median in the peer group. At the end of the month the discount had narrowed significantly to 4.5% from 10.3% at the end of November. Gearing stood at 6.7% slightly up from 6.6% last month.

At the equity portfolio level we have made only one change this month, selling out of our holding in Johnson Matthey. The sector and regional weightings remain broadly unchanged.

Market Commentary

All global sectors had a positive month with the best performance in Sterling terms coming from Telecommunications (+6.2%), Utilities (+5.2%), Energy (+5.0%) and Financials (+4.7%). The weakest sectors were Industrials (+1.9%), Information Technology (+2.1%), and Consumer Discretionary (+2.4%).

Despite the very strong moves in global equity markets over the month and the year, the political and economic backdrop remains far from certain and results in the sort of volatility seen this month. We continue to be positive at a stock specific level.

Outlook

Uncertainty looks set to continue for some time, both political and economic and with it low economic growth. Although this will set the backdrop for markets it will not be the key driver of investment performance. This will be driven by the companies that are best equipped to deal with this volatility and continue to deliver real returns for shareholders. We continue to seek out these companies.

Outcome of Strategic Review

On the 15th December the Board of Alliance Trust announced the outcome of a strategic review. The Board considers the proposed change in the investment management arrangements to be in the best interests of all Alliance Trust's Shareholders.

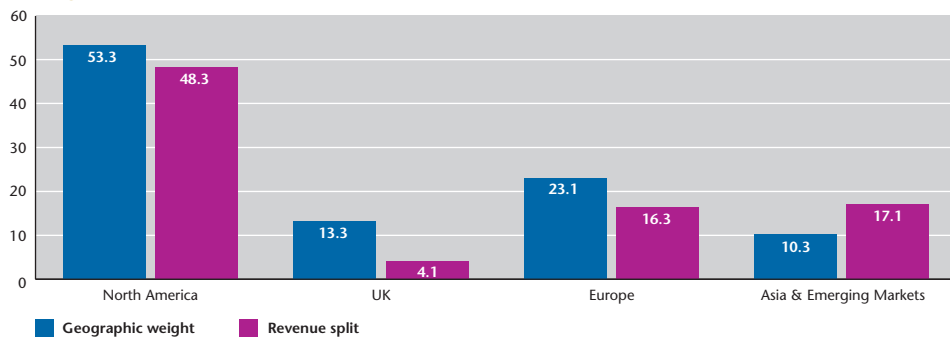
This announcement has been followed up by further detail update on the "New Approach to Investment Management" as well as an invitation and details of informal Shareholder Forums to provide shareholders with the opportunity to ask questions of a number of Alliance Trust's Directors and of the new investment management team at Willis Towers Watson.

The objective of Alliance Trust will not change but the way we achieve it will, subject to a shareholder vote on the 28th of February. All these details are available on the Company website at www.alliancetrust.co.uk

Buybacks

Following the outcome of the Strategic Review the intention is to introduce a programme of share buybacks, and to undertake them in a more proactive manner than in the past, reflecting the Board's determination to narrow materially the discount. In December the Company bought back 22.3m shares at a cost of £139m this represents 4.5% of the issued share capital.

Regional Allocation & Revenue (%)[†]



Source: Alliance Trust and FactSet

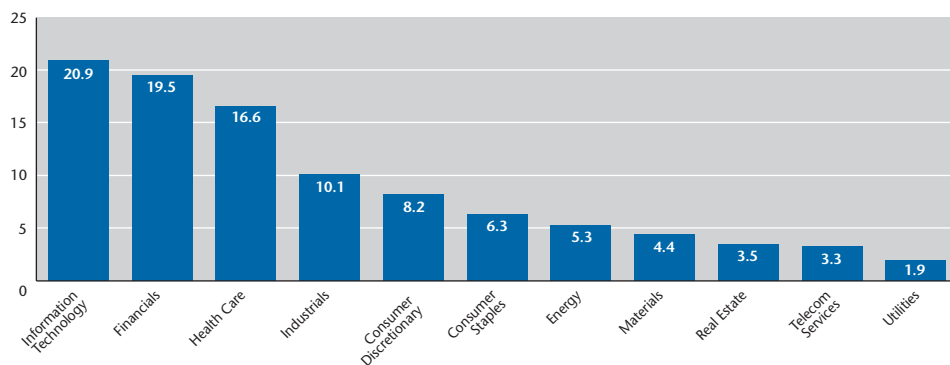
- Geographic weight is based on the region in which the company is listed.
- Revenue split analyses the segmental reporting of revenue by the companies in which Alliance Trust invests.
- Analysis excludes segmental non-specific income such as "Rest of the World" (14.2%) as the definition varies from company to company.

Regional Allocation Breakdown (%)[†]



Source: Alliance Trust and FactSet

Sector Allocation (%)[†]



Source: Alliance Trust

[†] Weightings are calculated on a look-through basis whereby the Trust's exposure is combined with that of its holdings in Alliance Trust Investments' funds in order to calculate total exposure.

Key Information

Market Capital:	£3,143.5m
Total Assets:	£3,523.0m
Net Assets:	£3,303.0m
Total Borrowings:	£220.0m
OCR (for the year to December 2015):	0.59%
Net Yield:	2.0%
Year End:	31 December
Date of Incorporation:	21 April 1888
Dividend Paid:	March, June, September, December
Issued Share Capital:	492,703,932

Asset Allocation

Assets	% of Net Assets
Net Equity Exposure	98.4
Fixed Income	-
Private Equity	3.5
Operating Subsidiaries	2.7
Property	-
Cash & Other Net Assets	2.1
Gross Assets	106.7
Gearing	(6.7)
Net Assets Inc Income	100.0

Source: Alliance Trust

Key Trades

Largest new holdings
-

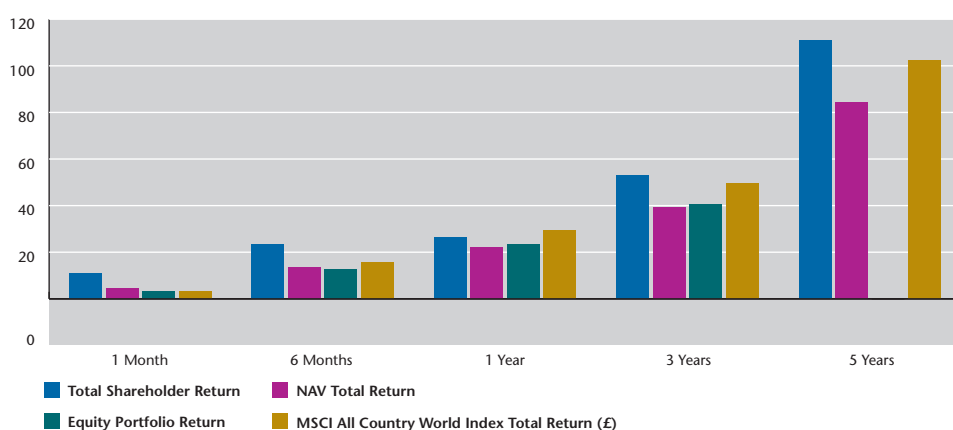
No Longer Held
Johnson Matthey

Source: Alliance Trust

Performance

Cumulative Performance (%)

To 31 December 2016	One Month	Six Months	One Year	Three Years	Five Years
Total Shareholder Return	10.8	23.2	26.4	53.1	111.1
NAV Total Return	4.7	13.7	21.9	39.2	84.5
Equity portfolio gross return*	3.4	12.7	23.4	40.4	N/A
MSCI ACWI Total Return (£)	3.3	15.5	29.4	49.5	102.2



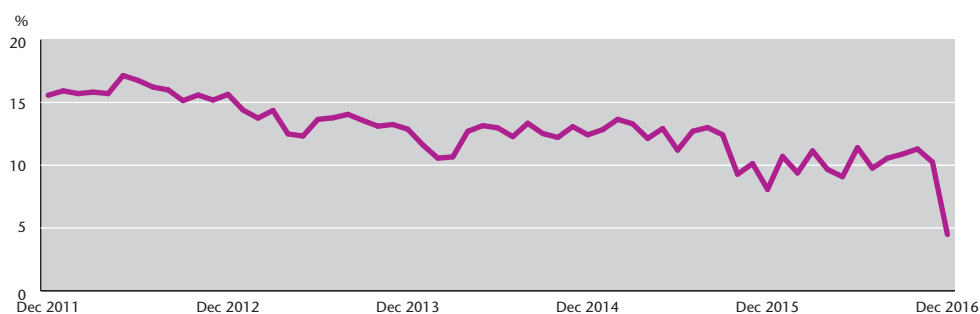
Discrete Performance – Total Return (%)

12 Months to December	2016	2015	2014	2013	2012
Total Shareholder Return	26.4	11.0	9.2	22.7	12.4
NAV Total Return	21.9	5.8	7.9	18.2	12.1
Equity portfolio gross return*	23.4	6.1	7.2	21.4	N/A
MSCI ACWI Total Return (£)	29.4	3.8	11.2	21.1	11.7

Source: FactSet and Morningstar

* The equity portfolio was restructured in December 2011 and equity portfolio returns prior to December 2012 are not comparable.

Alliance Trust Discount



Source: Factset and Morningstar

Important Information

Alliance Trust PLC is an investment company with investment trust status.

The views, information and data in this publication should not be deemed as a financial promotion or recommendation. Neither Alliance Trust Investments nor Alliance Trust PLC are authorised to give financial advice.

Please remember past performance is not a guide to future performance. You may not get back the amount you invest. The value of your investment, and any income from it, may fall as well as increase.

For security and compliance monitoring purposes, telephone calls may be recorded.

Exchange rate changes may cause the value of overseas investments to go down as well as up.

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 may mean that you could get back nothing at all.

Share Investment

Alliance Trust invests primarily in equities and aims to generate capital growth and a progressively rising dividend from its portfolio of investments. Alliance Trust PLC currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA'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 the Trust may also be suitable for institutional investors who seek a combination of capital and income return. Private investors should consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares.

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.

12 month equity portfolio performance attribution

Sector	Equity portfolio (%)		MSCI ACWI (£) (%)		Sector Allocation Effect	Stock Selection Effect	Total Effect
	Average Weight	Total Return	Average Weight	Index Total Return			
Consumer Discretionary	8.18	11.80	12.28	22.98	0.19	-0.75	-0.56
Consumer Staples	8.12	12.74	10.38	21.89	0.13	-0.56	-0.44
Energy	5.01	44.78	6.70	53.36	-0.30	-0.27	-0.57
Financials	17.70	20.82	17.33	32.85	-0.03	-1.59	-1.62
Health Care	16.92	9.85	11.96	11.64	-0.71	-0.25	-0.96
Industrials	8.41	41.54	10.57	34.08	-0.12	0.39	0.27
Information Technology	19.42	32.17	14.89	34.13	0.20	-0.33	-0.13
Materials	4.65	34.03	4.89	48.47	-0.04	-0.46	-0.50
Real Estate	4.70	25.55	3.23	22.90	0.08	0.08	0.16
Telecom Services	3.15	6.52	3.84	26.23	0.04	-0.54	-0.50
Utilities	2.90	0.77	3.32	27.27	0.16	-0.64	-0.48
Unassigned	0.84	60.93	0.60	37.58	0.02	0.57	0.59
Total	100.00	23.35	100.00	29.40	-0.39	-4.30	-4.68

Source: Factset and Morningstar

Performance attribution is calculated over 12 months to 31 December 2016.

Top 20 Equity Investments†

Rank	Name	Sector	£m	(%) of Quoted Equities
1	Pfizer	Health Care	88.3	2.7
2	Walt Disney	Consumer Discretionary	83.4	2.6
3	Visa	Information Technology	80.4	2.5
4	Accenture	Information Technology	79.1	2.4
5	Ecolab	Materials	76.7	2.4
6	Macquarie Infrastructure	Industrials	75.3	2.3
7	Amgen	Health Care	74.3	2.3
8	Toronto-Dominion Bank	Financials	74.0	2.3
9	Acuity Brands	Industrials	73.4	2.3
10	Microsoft	Information Technology	71.5	2.2
11	Roche	Health Care	70.2	2.2
12	Blackstone	Financials	69.8	2.1
13	DNB	Financials	69.1	2.1
14	Prudential	Industrials	67.8	2.1
15	Daikin Industries	Industrials	66.5	2.0
16	Deutsche Telekom	Telecommunication Services	65.0	2.0
17	American Tower	Real Estate	64.8	2.0
18	First Republic Bank San Francisco	Financials	63.1	2.0
19	Danaher	Health Care	62.4	1.9
20	Thermo Fisher Scientific	Health Care	62.3	1.9

Top 10 holdings currently make up **24.0%** of quoted equities. **Top 20** holdings currently make up **44.3%** of quoted equities.

Source: Alliance Trust

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