

PRICE: 592.5p
NAV (inc Income): 667.9p
DISCOUNT: 11.3%

Alliance Trust PLC Monthly Factsheet

31 October 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.

Commentary for October 2016

Performance and Portfolio Update

Global equity markets continue to perform well with the MSCI All Country World Index (MSCI ACWI) up 4.6% in October. The NAV of the Trust rose 3.1% over the month with the Global sector average up 2.9%. The discount has widened slightly to 11.3% from 10.9% at the end of September. This year the Investment Trust Global sector has struggled to keep pace with a very buoyant and volatile index. Over the past 12 months Alliance Trust ranks in the second quartile of the Global sector on a NAV basis with a return of 23.6%.

Equity markets have benefitted from unusually low central bank rates and strong upward moves have left them marginally overvalued versus their own history although they remain attractive relative to government bonds. To reflect this and because of increased political and economic uncertainty, combined with less compelling valuations we have reduced the level of gearing in the portfolio from 8.9% to 6.5%. We will look for more favourable levels to selectively buy back into the market. At the equity portfolio level we have made one switch within the pharmaceutical sector. We have sold Danish based Novo Nordisk in favour of US based Eli Lilly. This is based on our view that Eli Lilly has a better positioned franchise for the longer term. Sector weightings remain broadly unchanged but this move has increased our holdings in US companies to 50.5%.

Market Commentary

We continue to be positive at a stock specific level but with certain market indices at, or near to, new highs, we are aware of possible risks, particularly if central banks and governments are unable to improve underlying economic fundamentals. Despite the very strong moves in global equity markets over the course of this year, the political and economic backdrop remains far from certain.

Some of the global sector returns have been very strong this month. Financials were the best performers (+8.8%) with Materials (+6.2%) and Information Technology (+5.6%) not far behind. The weaker sectors were Health Care (-0.8%), Real Estate (+1.3%) and Telecommunications (+2.3%).

Outlook

The US election outcome and Brexit will continue to unsettle markets resulting in further volatility. Their overall effect on global economic activity is uncertain but we believe that the current period of low economic activity is set to continue for some time. In this environment investing in high quality companies which can grow, driven by structural changes to the global economy, can deliver long term above-market returns. We feel that the global economy is resilient enough to avoid falling into recession, but this will entail support from both central banks and governments for the foreseeable future, and there are risks attached to this. Periods of economic and political volatility are part and parcel of the world we live in but we believe this emphasises the need to focus on the companies that are well equipped to deal with this volatility as they will be the best positioned to deliver real returns for shareholders.

Buy Backs

There were no buy backs in October.

Asset Allocation

Assets	% of Net Assets
Net Equity Exposure	98.4
Fixed Income	-
Private Equity	3.4
Operating Subsidiaries	2.2
Property	-
Cash and Other Net Assets	2.5
Gross Assets	106.5
Gearing	(6.5)
Net Assets Inc Income	100.0

Source: Alliance Trust

Key Information

Market Capital:	£3,051.2m
Total Assets:	£3,671.8m
Net Assets:	£3,451.8m
Total Borrowings:	£220.0m
Ongoing Charges Ratio (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:	514,975,801

Source: Alliance Trust

Performance

Cumulative Performance (%)

To 31 October 2016	One Month	Six Months	One Year	Three Years	Five Years
Total Shareholder Return	2.9	18.1	20.5	42.6	98.2
NAV Total Return	3.1	20.7	23.6	38.9	84.7
Equity portfolio gross return*	2.8	21.5	26.4	41.8	N/A
MSCI ACWI Total Return (£)	4.6	24.0	29.8	47.0	99.9

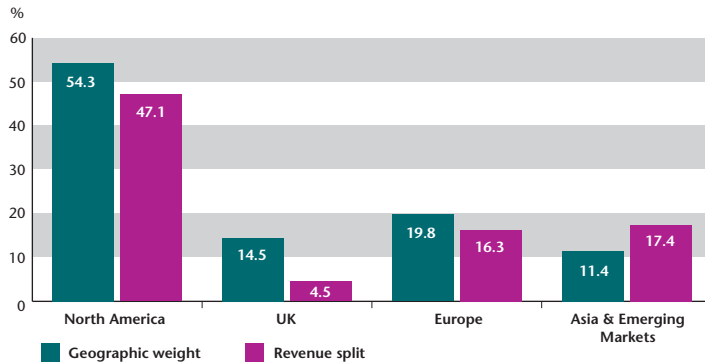
Discrete Performance – Total Return (%)

12 months to October	2016	2015	2014	2013	2012
Total Shareholder Return	20.5	11.7	5.9	24.8	11.4
NAV Total Return	23.6	7.7	4.2	20.9	10.0
Equity portfolio gross return*	26.4	7.0	4.8	22.6	N/A
MSCI ACWI Total Return (£)	29.8	4.1	8.8	24.3	9.4

Source: FactSet and Morningstar

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

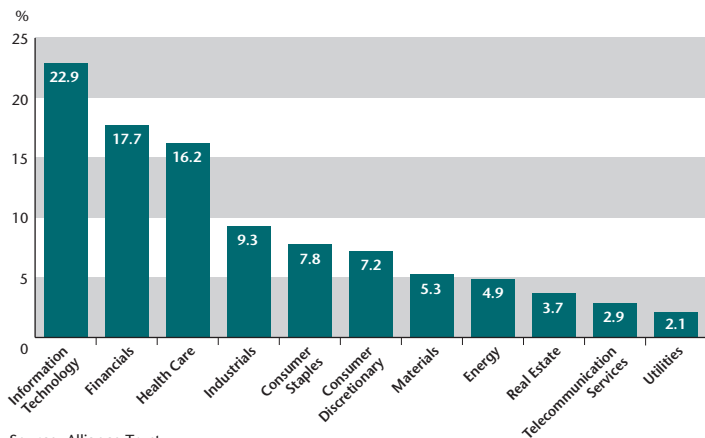
Regional Allocation & Revenue†



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" (14.8%) as the definition varies from company to company.

Sector Allocation†



Source: Alliance Trust

Full Portfolio Breakdown

A full breakdown of the Trust's portfolio can be viewed at: investor.alliancetrust.co.uk/ati/investorrelations/list-of-stock-holdings.htm

Contact

George Renouf

Head of Client Management and Investor Relations

Alliance Trust PLC, 8 West Marketgait, Dundee, DD1 1QN

Tel +44 (0)1382 321022

Fax +44 (0)1382 321185

Email investor@alliancetrust.co.uk

Web www.alliancetrust.co.uk

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Top 20 Equity Investments†

Rank	Name	£m	% Quoted equities
1	Visa	113.3	3.4
2	Accenture	98.5	2.9
3	Pfizer	90.4	2.7
4	Macquarie Infrastructure	79.1	2.3
5	American Tower	75.4	2.2
6	Amgen	75.2	2.2
7	Roche	73.6	2.2
8	Daikin Industries	72.7	2.2
9	Cadence Design Systems	72.3	2.1
10	Microsoft	72.3	2.1
11	Toronto-Dominion Bank	71.4	2.1
12	CVS Caremark	71.3	2.1
13	DNB	70.7	2.1
14	National Grid	68.7	2.0
15	Thermo Fisher Scientific	68.1	2.0
16	Blackstone	67.8	2.0
17	Tencent	66.7	2.0
18	Danaher	66.0	2.0
19	Activision Blizzard	65.7	1.9
20	Ecolab	62.2	1.8

Source: Alliance Trust

The **top 10** holdings currently make up **24.3%** of quoted equities.

The **top 20** holdings currently make up **44.3%** of quoted equities.

Key Trades

Largest New Holdings

Eli Lilly

No longer Held

Novo-Nordisk

Source: Alliance Trust

Important Information

Alliance Trust 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.

† 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.