

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, please seek advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000.



Elliott's Resolutions to Appoint Three Additional Directors to the Board of Alliance Trust

Your Board unanimously recommends that you **VOTE AGAINST the Elliott Resolutions because**

- This is not just about nominating directors, we believe Elliott has plans for disruptive actions – **this is the thin end of the wedge**
- **Elliott's interests are at odds** with other shareholders – we believe they are looking to exit their shareholding quickly
- Your Board considers that the **proposed directors are not independent**
- Our Company already has a clear and differentiated strategy which consistently delivers strong shareholder returns – **this should not be jeopardised**

YOUR VOTE IS IMPORTANT – PLEASE VOTE

www.supportalliancetrust.com

 **HELPLINE 0800 923 1527**



Notice of requisitioned resolutions at the Annual General Meeting

YOUR VOTE IS IMPORTANT – PLEASE VOTE

Dear Shareholder,

Who are Elliott and what do they really want?

Our Company has been requisitioned by Elliott Advisors (UK) Ltd. to appoint three additional directors to the Board of Alliance Trust. Your Board believes this is just the thin end of the wedge and they would then pursue disruptive actions, to the detriment of other shareholders, focused on helping them to sell their shareholding quickly. Elliott is an affiliate of a U.S. based hedge fund manager with a controversial track record and a number of recent regulatory sanctions. In the UK, Elliott has had limited success in recent disruptive campaigns against public companies, such as Morrisons Supermarkets and National Express (which also included a requisition to appoint three additional non-executive directors).

Elliott's interests are at odds with those of other shareholders

Elliott has previously made clear to us that they see little or no value in the Company's dividend distributions, putting them at odds with the objectives of the majority of our shareholders. Furthermore, we believe that if these directors were appointed to your Board, Elliott would be likely to pursue disruptive actions to allow them to sell their shares quickly. In previous meetings with us, and as recently as last year, Elliott proposed that the Company launch a tender offer for 40% of its shares at a narrow discount. Such a tender may well engineer an exit for Elliott, but would require a significant liquidation of our Company's assets, jeopardising the Company's future and long-term value for shareholders.

Our Company already has a clear and differentiated strategy which consistently delivers strong shareholder returns

Our aim is to deliver strong and sustainable investment performance for our shareholders over the longer term. Alliance Trust has delivered above median Total Shareholder Return (TSR) since the appointment of its new equities leadership 6 months ago. Our TSR ranks in the top half of the Global sector a) for the last year (17%), b) since we became aware of Elliott's shareholding four years ago (60%) and c) since Katherine Garrett-Cox became CEO (92%). Alliance Trust has also delivered an unbroken track record of dividend growth over the last 48 years, including 14% growth in 2014, and our share price reached an all time high earlier this year. This should not be jeopardised.

Alliance Trust adheres to high standards of corporate governance

Alliance Trust has an experienced, diverse and dynamic Board with the requisite skills, selected through a robust process. The Board has been extensively renewed since my appointment and takes corporate governance matters extremely seriously. The Board regularly reviews all aspects of the Company's strategy, challenging the status quo and the management team in the interests of **all** shareholders, which is why we believe the independence of your non-executive directors is of paramount importance.

We do not believe that the proposed directors can be judged to be independent

Elliott instructed the search firm and did not consult with the Company on the brief for the search, or on the identities of the proposed directors. Given that process, the Board is of the view that the nominees cannot be judged to be independent and is concerned that Elliott may seek to exert undue influence. Strong, independent non-executive representation on the Board is key to good governance.

For these reasons, your Board unanimously recommends that you **VOTE AGAINST the Elliott Resolutions as they intend to do in respect of their own shareholdings – and urges all shareholders to vote as every vote counts.**

Please read and consider the rest of this Circular before voting. I look forward to seeing many of you at the forthcoming Annual General Meeting in Dundee on 29 April 2015.

Yours sincerely

Karin Forseke
Chair

Please support your Board and VOTE AGAINST the Elliott resolutions.

TIMETABLE FOR ANNUAL GENERAL MEETING

Latest time and date for receipt of Form of Direction from Alliance Trust Savings investors	11.00 a.m. on 23 April 2015
Latest time and date for receipt of Form of Proxy from Shareholders	11.00 a.m. on 27 April 2015
Latest time and date for receipt of Supplemental Form of Direction from Alliance Trust Savings investors	10.00 a.m. on 27 April 2015
Latest time and date for receipt of Supplemental Form of Proxy from Shareholders	11.00 a.m. on 27 April 2015
Time and date of the General Meeting	11.00 a.m. on 29 April 2015

You will find enclosed a Supplemental Form of Proxy or a Supplemental Form of Direction for use in connection with the Elliott Resolutions. To be valid, the Supplemental Form of Proxy or Supplemental Form of Direction must be completed and returned in accordance with the instructions thereon. The Supplemental Form of Proxy or Supplemental Form of Direction must be received at the offices of the Company's registrars, Computershare, The Pavilions, Bridgewater Road, Bristol BS99 6ZY, by 11.00 a.m. on 27 April 2015 (in the case of a Supplemental Form of Proxy) or 10.00 a.m. on 27 April 2015 (in the case of a Supplemental Form of Direction) at the very latest.

Please note that a Supplemental Form of Proxy or Supplemental Form of Direction must still be completed even if you have already returned a Form of Direction or Form of Proxy for the ordinary AGM business.

Please support your Board and **VOTE AGAINST** the Elliott Resolutions by completing the enclosed form in the following way:

Mark with an X inside the box

ORDINARY RESOLUTIONS (THE REQUISITIONED RESOLUTIONS)

- 14** THAT Anthony Brooke be elected as a Director of the Company.
- 15** THAT Peter Chambers be elected as a Director of the Company.
- 16** THAT Rory Macnamara be elected as a Director of the Company.

The Directors recommend voting AGAINST Resolutions 14, 15 & 16		
For	Against	Vote Withheld
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Voting Online

Shareholders: You can also vote online at www.investorcentre.co.uk/eproxy up until 11.00 a.m. on 27 April 2015. You will need the Control Number, PIN and Shareholder Reference Number all of which are on the enclosed Supplemental Form of Proxy.

Alliance Trust Savings investors: You can also vote online at www.epoxyappointment.com until 10.00 a.m. on 27 April 2015. You will need the Control Number, PIN and ATS Voting Number all of which are on the enclosed Supplemental Form of Direction.

If you have sold or otherwise transferred all of your shares, please send this Circular, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

PART I – LETTER FROM THE CHAIR

ALLIANCE TRUST PLC

(Incorporated and registered in Scotland under the Companies Acts, No.1731)

Directors

Karin Forseke (Chair)
Katherine Garrett-Cox
John Hylands
Alastair Kerr
Susan Noble
Gregor Stewart
Alan Trotter

Registered Office

8 West Marketgait
Dundee
DD1 1QN

26 March 2015

Dear Shareholder,

Introduction

On 16 March 2015, your Board announced that it had received a notice from Elliott Advisors (UK) Ltd. (“**Elliott**”), an affiliate of a U.S. based hedge fund manager, requiring our Company to consider the following ordinary resolutions at the Annual General Meeting in accordance with the Companies Act 2006:

- THAT Anthony Brooke be elected as a Director of the Company.
- THAT Peter Chambers be elected as a Director of the Company.
- THAT Rory Macnamara be elected as a Director of the Company.

The purpose of this Circular is to explain why your Board recommends that you vote against the resolutions proposed by Elliott (the “**Elliott Resolutions**”).

The AGM will be held at the Gardyne Theatre, Dundee and Angus College, Gardyne Road Dundee, DD5 1NY, on 29 April 2015, commencing at 11.00 a.m.

Your Board unanimously recommends that you **VOTE AGAINST** the Elliott Resolutions.

As one of Alliance Trust’s shareholders, at our next AGM you will be faced with a stark choice. On the one hand, you could follow the recommendation of Alliance Trust, the Company to which you have entrusted your investment, which has successfully and responsibly protected and grown shareholder value and intends to continue to do so for generations to come. On the other hand, you could follow the recommendation of Elliott, an affiliate of a U.S. based activist hedge fund manager that focuses on achieving short term gains and offers very limited public disclosure around its activities and performance. Your Board has carefully considered the Elliott Resolutions and has concluded that they are not in the best interests of Alliance Trust and its shareholders as a whole.

We would also like to take this opportunity to remind shareholders what Alliance Trust stands for, why we are so excited about the Company’s prospects, and to correct the various erroneous and misleading statements that Elliott included in its requisition and accompanying letter to shareholders regarding Alliance Trust’s corporate governance, performance and costs.

What Alliance Trust stands for

Alliance Trust is one of the largest and oldest self-managed investment trusts listed on the London Stock Exchange. Founded in 1888, we have been investing for many generations of investors. Our private investors have an average holding period of 23 years and a number are fourth or fifth generation shareholders. We offer investors a dependable and low-risk means of accessing global equity markets. As a company, we have demonstrated:

- resilience within the Sector, through our long-term approach to investing
- relevance, by constantly adapting to the ever-changing world around us
- responsible behaviour, both in terms of how we invest and all other aspects of the way we do business

In conjunction with our 2020 strategy we highlighted our core values which drive our decisions and the way in which we engage with our shareholders and customers.

We believe that by being straightforward and transparent, we will enhance the working relationships that we have with all of our stakeholders, and that this will, in turn, deliver better returns for our shareholders. Alliance Trust is differentiated amongst global investment trusts by having embedded an analysis of the environmental, social and governance factors of the companies in which we might invest into the stock selection process. We believe that this helps us to identify those companies that will have the capacity to generate sustainable investment returns for many years to come. This allows us to match the investment horizon of many of our private shareholders and helps us live up to our motto of “investing for generations”.

We believe that Alliance Trust offers investors a differentiated proposition through its self-managed structure and the value and growth opportunities inherent in the subsidiaries. No other trust mirrors our structure, with the Trust owning a well-respected distribution platform, Alliance Trust Savings, and an investment management subsidiary, Alliance Trust Investments. The former provides a distribution channel for other Alliance Trust products and the latter allows Alliance Trust to spread the cost of the investment team across a wider pool of assets. In time, these two subsidiaries are expected to provide revenue streams less correlated with the performance of equity markets and the shareholders of Alliance Trust are expected to benefit through higher dividend distributions and enhanced valuations of the subsidiaries.

We believe every company has to evolve continuously to remain relevant and Alliance Trust has continued to do so in recent years with a renewed focus on our core capabilities. Since 2008 when Katherine Garrett-Cox became Chief Executive, we have scaled back our property and private equity investments, closed our office in Hong Kong, continued to build out and improve the systems and platforms in Alliance Trust, as well as its subsidiaries Alliance Trust Savings and Alliance Trust Investments, and invested in risk management systems and people. These actions have been consistent with our deliberate and differentiated strategy and have resulted in a steady improvement in the Company’s investment performance, increased dividend pay-outs and a lower cost base. The Company’s cost base has been streamlined and is very scalable – this has been demonstrated in our most recent financial results and supports our improved investment performance and growth.

We expect this improved performance to continue, as the fully resourced investment team, led by Peter Michaelis, and its proven process is employed to enhance the returns of the equity portfolio, and we are in a position to capitalise on the growing interest and demand for sustainable investment products. At the same time, Alliance Trust Savings stands to be a beneficiary of a market that is expected to grow by over 20% per annum for the next few years as the most significant changes to the pension landscape in decades take place. All the while, Alliance Trust remains true to our long-term values and approach – transparency, trust, clarity and a clear focus on long-term, stable value creation for our shareholders and customers. In 2014, we also launched Investment Focus (www.investment-focus.co.uk), a source of information and expert opinions which exemplifies our values and endeavours to assist private investors seeking to build a more prosperous future for themselves and their families.

Our vision is to be the “UK’s most trusted investment and savings business” and the last few years have seen steady progress towards this aim. With a clear strategy in place and a focus upon strong investment returns the Company expects to deliver the following for shareholders:

- Outperformance of the equity portfolio against its benchmark, delivered using a clear and differentiated investment strategy focused on sustainable investment from a team with a proven long term track record of outperformance
- Additional value drivers in other asset classes, including the subsidiaries
- A secure and consistently growing dividend
- Ongoing strict cost management

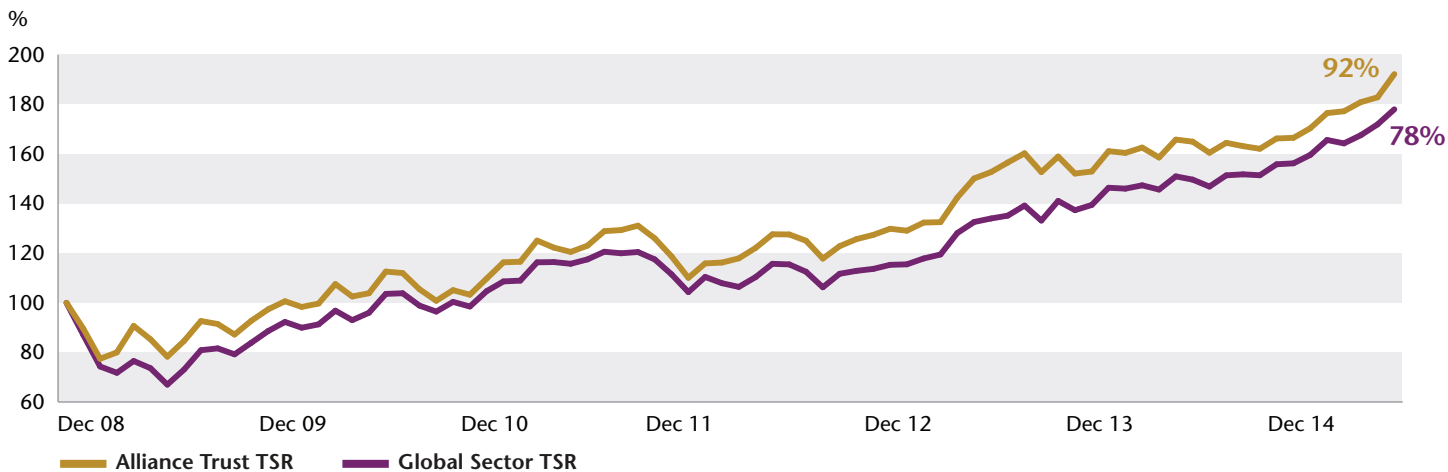
Your Board believes that the current strategy is best placed to deliver continued strong and sustainable returns for all our shareholders. This should not be jeopardised, which is why we would encourage all shareholders to vote against Elliott’s Resolutions.

The Company has consistently delivered strong shareholder returns

Alliance Trust is proud of its track record of delivering strong shareholder returns over both long and short term horizons. Alliance Trust has delivered these returns without exposing our shareholders to excessive risk. The Company has created and protected investor wealth for generations and has delivered an unbroken and almost unequalled track record of increasing dividends for the past 48 years. More recently, Alliance Trust’s shares have been trading at all-time highs reaching £5 for the first time on 5 March 2015.

Alliance Trust has also delivered attractive total shareholder returns over the medium term, through a combination of a strong increase in Net Asset Value (NAV) per share and continued growth in dividends. The chart below compares the Company’s TSR to an index of other investment trusts in the Sector since Katherine Garrett-Cox took over as Chief Executive in 2008. In that time, Alliance Trust’s TSR of 92% has materially outperformed the Sector return of 78%. Furthermore, since we first became aware of Elliott’s shareholding in the Company four years ago, Alliance Trust has delivered a 60% total shareholder return, ahead of the Sector’s 53%. In addition, Alliance Trust’s annual average discount to NAV has been on a downward trend for the last four years, down from 15.8% in 2011 to 12.5% in 2014.

Alliance Trust Total Shareholder Return



Source: Morningstar

Data from 30 August 2008 to 24 March 2015; rebased to 100 at 30 August 2008

It is still early days, but the Company's investment performance under its new team structure, led by Peter Michaelis and Simon Clements, has been strong relative to our peers (see table below). The appointments represented an evolution of the firm's investment strategy and we have full confidence that the team is capable of delivering continued strong performance over the long term. Peter and Simon joined Alliance Trust in 2012 and brought with them the Sustainable Future funds, which are now managed by them at Alliance Trust Investments. We conducted detailed and thorough due diligence on both managers and their demonstrable, long and successful track records were fundamental to our rationale for the appointments. For instance, the largest fund in the range, the Sustainable Future Managed Fund, is top quartile over 3 and 5 years; across the range, 6 out of 7 funds are first or second quartile over three years. Some of the team have been managing Sustainable & Responsible Investments funds for over 13 years. They have been working in the fund management industry for over 30 years between them, have strong experience with Sustainable and Responsible Investment funds and are well placed to continue to deliver on our differentiated, responsible investment strategy.

Alliance Trust Shareholder Performance Statistics

Period	Peter Michaelis & Simon Clements Appointed (30/09/14)	1 year	3 years	Elliott Disclosed Stake in Alliance Trust	5 years	Katherine Garrett-Cox Appointed (30/08/08)	7 years
NAV TR (%)							
Alliance Trust	16.4%	20.0%	43.5%	47.3%	55.4%	75.4%	81.9%
Sector	13.9%	18.4%	47.2%	46.6%	59.0%	73.2%	79.7%
Peer group ranking	9/35	9/35	17/34	14/32	17/32	14/32	13/30
Peer group quartile ranking	Q1	Q1	Q2	Q2	Q3	Q2	Q2
TSR (%)							
Alliance Trust	15.4%	17.0%	49.8%	59.9%	70.0%	92.2%	96.8%
Sector	13.9%	19.8%	53.5%	53.4%	72.5%	78.0%	85.3%
Peer group ranking	11/35	15/35	18/34	10/32	15/32	14/32	15/30
Peer group quartile rankings	Q2	Q2	Q3	Q2	Q2	Q2	Q2

Source: Morningstar

Data as at 24 March 2015

The table above shows the performance of the Net Asset Value Total Return and Total Shareholder Return of Alliance Trust and the Sector index and the ranking of Alliance Trust relative to the other Trusts in the Sector index. Over most timeframes Alliance Trust is ranked in the second quartile and is also outperforming the Sector index. Importantly, over three time periods – since Katherine Garrett-Cox was appointed CEO, since Elliott first disclosed an interest in the Company's shares and since Peter Michaelis and Simon Clements took over responsibility for the management of Alliance Trust's equity portfolio - Alliance Trust ranks above median and has outperformed the Sector index.

As we have stated, our focus is on delivering long-term sustainable investment performance for our shareholders. We believe that our discount to net asset value will continue to narrow as we maintain our improved investment performance and continue to grow the subsidiaries.

Although our discount is currently higher than our peers, the narrowing of the discount has historically lagged improved investment performance. Your Board is focused on narrowing our discount over time principally by enhancing shareholder value through improved investment performance and other means such as our ongoing flexible buy back policy. Since the introduction of the flexible buy back policy in 2011 Alliance Trust has bought back 16.4% of its shares at a cost of £397m.

Alliance Trust's clear and differentiated strategy has consistently delivered attractive shareholder returns, as demonstrated above, and hence we do not accept Elliott's assertion that we have underperformed.

What you should know about Elliott

Elliott is an affiliate of Elliott Management Corporation, an activist hedge fund manager headquartered in the U.S. that regularly seeks to influence companies and management teams and to alter their strategic direction through very public and disruptive campaigns, creating a large amount of uncertainty for both management and shareholders. Elliott offers very limited public disclosure around its activities and performance. Elliott has a holding of 28m shares, representing c.5% of our Company. In addition, they have an economic interest in a further c.7% held by way of contracts for difference, a derivative product where they do not physically own the shares, receive dividends or have voting rights, to give a total of c.12%.

Elliott has had limited success in recent disruptive campaigns against UK public companies such as Morrisons Supermarkets and National Express (which also included a requisition to appoint three additional non-executive directors). In the case of National Express, Elliott was accused in the Financial Times of flouting corporate governance procedures throughout its campaign, acting like a "school bully" and appearing to be "an investor who wants to take the money and run." Similarly, Elliott's attack on Morrisons Supermarkets was described by The Times as "lousy" and "highly questionable", questioning whether such activity was in the interests of the company in the long run.

Aside from short term investments in public companies, Elliott's affiliates also purchases the defaulted or near defaulted national debt of emerging economies such as Peru and the Republic of Congo, often obstructing restructuring processes and using litigation to secure payouts. Shareholders should also be aware that Elliott and its affiliates have been the subject of regulatory sanctions on numerous occasions by, for example, the Chicago Board of Trade and the Swiss Federal Department of Finance.

We believe that Elliott is focused on engineering an exit from its shareholding in Alliance Trust as quickly as it can

Importantly, whilst Elliott's stated intention is to re-energise the Trust's corporate governance, we believe this is not achieved by bringing non-independent directors onto the Board and that this is not Elliott's ultimate objective. We believe that Elliott's objective is to facilitate an exit from their shareholding at the earliest possible opportunity. We believe the proposed resolutions are highly likely to be a precursor to attempting broader disruptive change engineered to accommodate Elliott's exit.

In several previous meetings with Alliance Trust since 2011 and as recently as last year, Elliott has repeatedly proposed that our Company undertake a tender offer for 40% of its shares at a narrow discount. Such a tender might well engineer an exit for Elliott, but would require a significant liquidation of our Company's assets, jeopardising its long-term value creation potential and putting at risk the jobs of over 250 employees, based in Dundee, Edinburgh and London. This is at odds with the objectives and best interests of the majority of our shareholder base.

Elliott's interests are at odds with other shareholders

The Board believes that there is a further fundamental divergence between Elliott's short term objectives and those of the majority of our shareholders. Elliott has previously made clear to us that they see little or no value in the Company's dividend distributions. In stark contrast, we believe that an increasing share price and our strong track record of dividend income are important factors for the vast majority of our shareholders and are the key drivers of Total Shareholder Return, the key metric used to measure our investment performance by our shareholders and market experts.

Your Board increased the total dividend for the period ended 31 December 2014 by 14% - our 48th consecutive annual dividend increase. This outstanding track record of consistent dividend growth (even through the recent financial crisis) is matched by just three other FTSE companies. Over 1, 3, 5 and 7 years, Alliance Trust's dividend growth has been in the top quartile when compared with the other trusts in the Sector. Importantly, and unlike many of its peers, Alliance Trust has delivered this dividend growth without drawing on reserves. We intend to continue our emphasis on sustainable dividend growth because we know that this is an important component of the return that we deliver to our shareholders.

We do not believe that the proposed directors can be judged to be independent

Elliott instructed the search firm, and did not consult with the Company on the brief for the search, or on the identities of the three proposed directors. Given that process, and having regard to the UK Corporate Governance Code, the Board is of the view that the nominees cannot be judged to be independent and is concerned that Elliott may seek to exert undue influence. Strong, independent non-executive representation on the Board is key to good governance.

The addition of three non-independent directors nominated by Elliott would significantly dilute the independence of the Board, as well as adding to the Company's cost base. Adding three new Directors would result in an unnecessarily unwieldy and costly Board structure. We believe that your current Board has the requisite skills and diverse experience to manage the Trust effectively.

Furthermore, we are rightly proud of the Board's diversity, three of the seven Alliance Trust Board members are female – ranked second in the FTSE 250. By contrast, we would note that all of the proposed directors have very similar professional backgrounds and experience, and that their election would reduce the overall diversity of the Board.

The Company and certain of its subsidiaries are regulated by the PRA or the FCA and therefore any appointment of the nominees will be subject to regulatory approval having regard to the regulators' expectations both of individual directors of regulated firms and the collective skills and experience of the Board.

The Board of Alliance Trust adheres to high standards of corporate governance

Your Board is committed to maintaining high standards of corporate governance and complies in full with the AIC Code of Corporate Governance as well as the UK Corporate Governance Code, providing rigorous independent challenge to the management team. The assessment of board independence is based on the provisions of the UK Corporate Governance Code and the Company's assessments were confirmed by the main proxy advisory firms (ISS, IVIS and PIRC) at the 2014 AGM.

Your Board regularly assesses and evaluates the Company's structure and investment management arrangements in the long term interests of all shareholders. Many different strategies have been discussed and debated and, as we told Elliott, the Board consistently challenges the status quo. However good governance does not imply that all matters and strategies discussed at Board level should be shared with an individual shareholder or are appropriate to be shared in the public domain.

The Board has been regularly renewed in recent years and, consistent with the AIC Code of Corporate Governance, has a "balance of skills, experience, length of service and knowledge of the company." In line with this, four of the Company's five non-executive directors have been appointed since 2012, and the Chief Executive Officer and Chief Financial Officer have been directors for 7 and 5 years respectively, which contributes to the long-term focus of the business. The current Board members are also experienced professionals with relevant financial services experience and a broad range of other experience necessary to run a business like Alliance Trust. This includes experience across financial services, regulation, actuarial, accounting, and the asset management, investment, retail and consumer sectors.

As part of its ordinary course Board forward planning, the Board had already planned to initiate a search for a new, truly independent Non-Executive Director in the summer. In line with our usual approach, this will be based on a careful and thorough assessment of the needs and challenges of the business and include a broad, transparent and rigorous search drawing upon the support of external search firms. The Board will, of course, consider any candidates put forward by our shareholders, but any candidates proposed by either the Board or by a shareholder will always be subject to the same rigorous and robust processes for selection.

Elliott's governance criticisms, in light of their own lack of transparency, display a disregard for established UK corporate governance practices. Given Alliance Trust's position as a leading sustainable investor, with the emphasis that brings on stewardship, the contrast between the two companies could not be starker. Our Stewardship Code is published on our website and is central to the way in which we invest, whilst Elliott operates opaquely and provides very limited public information about themselves.

Interaction with Elliott

We entirely refute Elliott's accusations of a lack of engagement or meaningful response by the Board. In addition to numerous calls and emails, senior representatives of Alliance Trust have met with Elliott in person on thirteen occasions since they came onto the shareholder register four years ago. However, we believe Elliott are failing to draw the distinction between engagement and agreement – while we have endeavoured to engage regularly and constructively with Elliott, and have given thorough consideration to their views, we do not agree with their conclusions and believe their proposals would be detrimental to the interests of the majority of our shareholders.

At our most recent meeting with Elliott on 12 March 2015 they gave no indication of their intention to issue their requisition which the Company received four days later, indicative of their lack of willingness to operate in a transparent manner. We would also note that Elliott have repeatedly requested non-public information, such as Board and Nomination Committee minutes. Requesting such information is entirely against established UK market practice and we believe this is another example that serves to highlight the differences between Elliott and the vast majority of our shareholders.

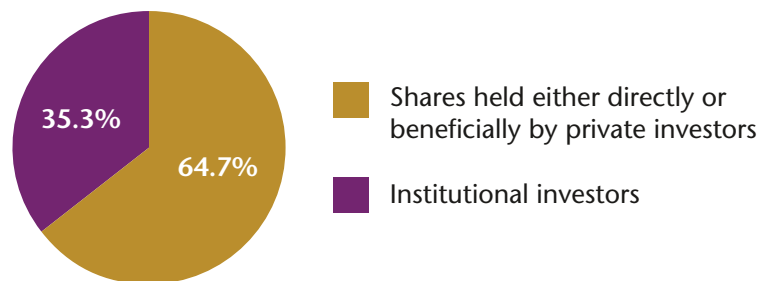
The Board is committed to ongoing shareholder engagement

The Board believes that maintaining an open dialogue with all our shareholders and an independent Board structure best enables it to consider the interests of all our shareholders without undue influence from individual groups.

We have engaged, and continue to engage, with our shareholders, arranging regular meetings with our significant base of individual shareholders and our large institutional investors. We use this process to discuss the Company's performance, strategy, governance, processes and any other issues which may arise, consistent with our focus on enhancing long-term shareholder value.

In addition to meetings with institutional shareholders throughout the year, the Company holds regular investor forums where individual shareholders have the opportunity to meet Directors and senior managers – we are delighted that over 300 shareholders, many of whom are customers of Alliance Trust Savings attended these meetings in 2014. We also solicit independent feedback following meetings with investors and this is shared with the Board. We held numerous such meetings immediately following the recent appointments of Peter Michaelis and Simon Clements and received strongly supportive feedback, both for their appointments and for the Company's strategy.

We calculate that around 65% of Alliance Trust shares are either directly or beneficially held by private individuals, with the balance being held by institutional investors, including Elliott.



Source: Computershare, J.P.Morgan Cazenove and Alliance Trust

The weight of ownership towards the private shareholder is a consideration of the Company's strategy. Your Board is aware that many shareholders have inherited their shares and view their investment holding period in Alliance Trust in terms of generations. For them, as with others, the dividend is an important feature of the return that they receive.

Alliance Trust's self-managed structure

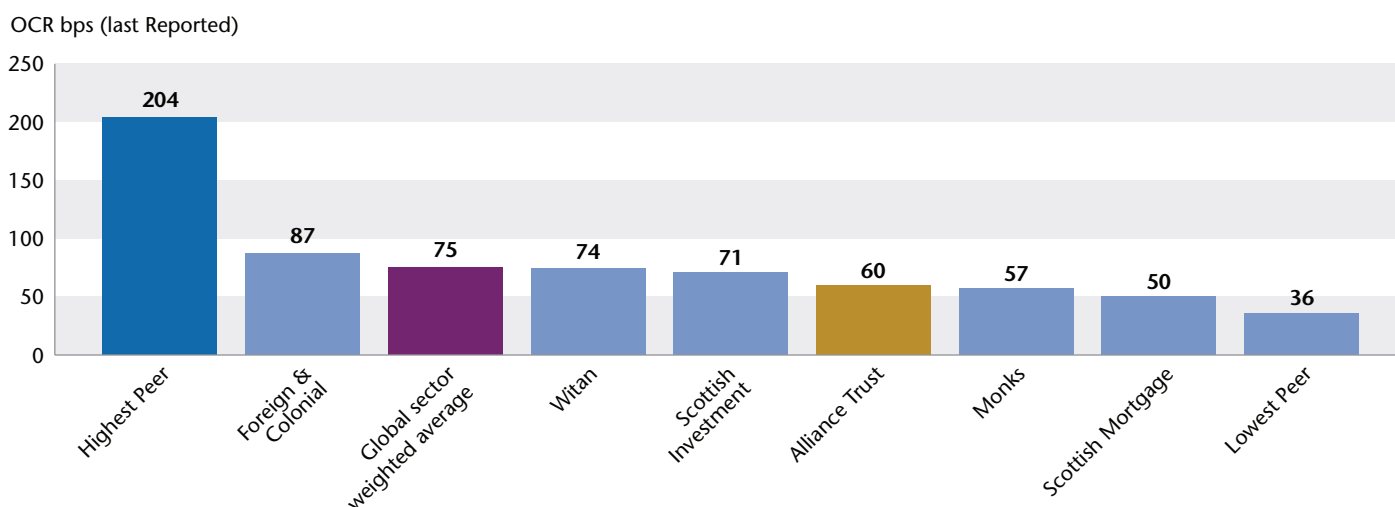
Your Board continuously assesses and evaluates investment performance and the Company's structure to ensure that it delivers maximum long term shareholder value. Shareholders can be assured that continually improving investment performance remains the highest priority of the Board and that we will regularly consider the appropriateness of the current internalised investment management of Alliance Trust's assets.

As a self-managed trust, all of the Company's fund managers are dedicated to delivering attractive, risk-adjusted returns for our shareholders. The Board believes that the focus and transparency of a dedicated in-house team will deliver superior value for our shareholders over the longer term. Whilst your Board considers regularly the merits of other structures, the Board believes that the Company benefits significantly from the focus and alignment of interests which internal management brings to our Company. In particular, Alliance Trust has successfully instilled a sustainable ethos to its stock picking strategies which complements our long-term investment focus by identifying and assessing the potential impact of non-financial risks on companies within our portfolio. This strategy is already delivering positive results and the team's impressive track record in this area gives us confidence that it will deliver superior value for shareholders over the long term.

Alliance Trust's cost base

Elliott has also expressed unfounded concerns about the cost implications of the Company's internal investment management function. In fact, these concerns are not supported by the evidence, which demonstrates that our Company is one of the lower cost companies in the Sector when compared to both internally and externally managed peers. The audited Ongoing Charges Ratio (OCR) of the Company in 2014 was 0.60%, down from 0.75% in the previous year. The asset weighted average OCR for trusts in the Sector, based on the most recently published results of its constituents, was 0.75%. Management remain focused on driving costs down further.

The chart below shows the highest and lowest OCRs of the companies in our peer group along with those of our largest peers.



Elliott wrongly suggests that administrative costs have doubled under the present executive management. For the year ended January 2009, the year Katherine Garrett-Cox took over as Chief Executive, administrative costs were £16.8 million. By 2014, during a period of modernisation of the investment capability and increasing regulatory costs, this figure had risen by 24% to £20.8 million (an average annual increase of 3.7%). The Board remains focused on costs as seen by the actions taken during 2014 and the resulting reduction in the OCR from 75bps to 60bps. Elliott has also taken issue with the manner in which the Company's OCR is calculated, despite the fact that it is both audited and adheres to the Association of Investment Companies guidelines.

We also note that based on the current Non-Executive Director fee of £35,000, the addition of three further Non-Executive Directors as proposed by Elliott would exceed the limit on directors' fees set by shareholders in the Articles of Association.

Subsidiaries

Alliance Trust has developed its investment management and savings platform businesses to support shareholder returns further by generating capital growth and dividend income. Both businesses have very positive momentum and the investment that we have made in these subsidiaries is beginning to bear fruit. Alliance Trust Savings reported a modest operating profit (before non-recurring items) in 2014 and Alliance Trust Investments reported losses reduced by 23% for the same period.

Alliance Trust Savings has grown to be the fifth largest direct-to-consumer savings platform in the UK market, is well regarded in the sector and applies an innovative flat fee charging structure that appeals to a key target market. All our ISA, SIPP and share dealing products have a flat-fee pricing policy, irrespective of the value of the assets that our customers have on the platform.

Alliance Trust Savings has achieved growth in assets under administration of over 50% since December 2011. Looking ahead, the UK savings market is expected to benefit from two major changes in the savings industry – the Retail Distribution Review and the recent annuities reforms. Market commentators believe that there will be market growth of approximately 20% per annum until 2018. The business saw an increase in assets under administration of 19% to £6.4 billion in 2014 and assets under administration have climbed a further 9% since the year end, reaching £7 billion. We believe that over time this business will deliver improving financial performance and hence create long-term value for shareholders.

Alliance Trust Investments leverages the Company's in-house investment capabilities by offering funds to third party investors to generate incremental income. We evidence our conviction to innovate by being the first manager to offer a range of risk-profiled, sustainable and responsible investment funds.

Alliance Trust Investments is now in the top three Sustainable and Responsible Investment fund managers in the UK, a leading position in a growing market. Alliance Trust Investments' funds have performed strongly and are gaining traction and credibility in the market. Assets under management have increased by 23% to £2.4 billion in the past 2 years and the Board is confident that this strong level of growth will continue.

Your Board is excited about the prospects for both subsidiaries and remains confident that they will deliver significant long-term value for Alliance Trust's shareholders and that selling or winding down these businesses would destroy long-term shareholder value.

Conclusion

Elliott wants to nominate three additional directors to Alliance Trust's Board; but your Board believes this is just the thin end of the wedge and they have plans for disruptive actions, focused on helping them to sell their shareholding quickly.

We believe that your current Board has the requisite skills and diverse experience to manage the Trust effectively. Your Board is confident that Alliance Trust's continued strong investment performance combined with growth of the subsidiaries will lead to a narrowing of the discount and ongoing portfolio growth, benefitting **all** shareholders.

We believe that Anthony Brooke, Peter Chambers and Rory Macnamara, who have been nominated to be elected as directors by Elliott, cannot be judged to be independent and that shareholders should vote against their election.

Financial Advice

The Board has sought and had regard to financial advice from Lazard and J.P. Morgan Cazenove in relation to the Elliott Resolutions. In giving their advice, Lazard and J.P. Morgan Cazenove have taken into account the commercial assessments of the Directors.

Recommendation

Your Board has carefully considered the Elliott Resolutions and has concluded that they are **NOT in the best interests of Alliance Trust and its shareholders as a whole, and unanimously recommends that you **VOTE AGAINST** the Elliott Resolutions as they intend to do in respect of their own shareholdings.**

Yours sincerely



Karin Forseke
Chair

Annual General Meeting

Set out at the end of this document is a notice proposing the Elliott Resolutions at the AGM to be held at the Gardyne Theatre, Dundee and Angus College, Gardyne Road Dundee, DD5 1NY, on 29 April 2015, commencing at 11.00 a.m.

Action to be taken

YOUR VOTE IS IMPORTANT – PLEASE VOTE

(a) Shareholders

Shareholders will find enclosed with this Circular a Supplemental Form of Proxy for use in connection with the Elliott Resolutions. You will have already received a Form of Proxy for the AGM. Both the Form of Proxy and the Supplemental Form of Proxy should be completed and returned as soon as possible and in any case must arrive by no later than 11.00 a.m. on 27 April 2015.

Whether or not you intend to be present at the AGM, you are encouraged to complete the Supplemental Form of Proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Computershare, as soon as possible. Completion and return of the Supplemental Form of Proxy will not preclude you from attending and voting in person at the AGM, should you so wish.

(b) Alliance Trust Savings customers

If you hold your Alliance Trust PLC shares through an Alliance Trust Savings plan, you will find enclosed with this Circular a Supplemental Form of Direction for use in connection with the Elliott Resolutions. You will have already received a Form of Direction for the AGM. Both the Form of Direction and the Supplemental Form of Direction should be completed and returned as soon as possible. The Form of Direction must arrive by no later than 11.00 a.m. on 23 April 2015. The Supplemental Form of Direction must arrive by no later than 10.00 a.m. on 27 April 2015.

Whether or not you intend to be present at the AGM, you are encouraged to complete the Supplemental Form of Direction in accordance with the instructions printed thereon and return it to our Company's registrars, Computershare, as soon as possible. Completion and return of the Supplemental Form of Direction will not preclude you from attending the AGM, should you so wish but will not be able to vote on these resolutions at the meeting.

Voting Online

Shareholders: You can also vote online at www.investorcentre.co.uk/eproxy up until 11.00 a.m. on 27 April 2015. You will need the Control Number, PIN and Shareholder Reference Number all of which are on the enclosed Supplemental Form of Proxy.

Alliance Trust Savings investors: You can also vote online at www.eproxyappointment.com until 10.00 a.m. on 27 April 2015. You will need the Control Number, PIN and ATS Voting Number all of which are on the enclosed Supplemental Form of Direction.

Helpline

If you require assistance or have any queries in respect of the procedures for voting, a helpline is available on 0800 923 1527. Alternatively, you may e-mail your enquiries to alliancetrust@georgeson.com

The operators of the helpline are unable to give financial advice, legal or tax advice or advice on the merits of the Elliott Resolutions.

The helpline is operated by Georgeson, the official Proxy Solicitation and Information Agent to the Company. Should you receive any calls or correspondences in relation to voting at the forthcoming AGM from anyone other than Georgeson, please contact the helpline on the number above immediately.

PART II – STATEMENT BY ELLIOTT

Our Company is required under section 314 of the Companies Act 2006 to distribute to shareholders this statement by Elliott Advisors (UK) Ltd.

THIS DOES NOT REPRESENT THE VIEWS OF YOUR BOARD.

16 March 2015

Dear fellow shareholder

Funds advised by Elliott Advisors (UK) Ltd (“**Elliott**” or “**we**”) are the largest and long standing investors in Alliance Trust plc (“**Alliance Trust**” or the “**Company**”), with a beneficial economic interest exceeding 12%. We are writing to urge you to support the proposals at the Annual General Meeting in Dundee on 29 April to strengthen our Company’s Board by adding new independent non-executive directors.

A reputable search firm was engaged to advise on the task of adding experience, independence and a fresh perspective to the Board. They have succeeded in finding three excellent candidates in Anthony Brooke, Peter Chambers, and Rory Macnamara, who have agreed to be put forward for election.

This initiative is the culmination of numerous meetings and communications with the Chairman and other directors over the past four years, as well as frequent interactions with fellow large and small shareholders. We remain hopeful that the Board will recognise the contributions which these candidates could make to our Company and welcome them to the Board.

This letter explains the rationale for these proposals and why they are in the best interests of all shareholders.

Corporate governance concerns

Since we became shareholders in Alliance Trust in 2010, there has been a change of Chairman and all but one of the other non-executive directors. By contrast, the Chief Executive has been in her post longer than any of the non-executive directors. All appointments have been made by the Board itself, without shareholder consultation and without prior notice of a vacancy.

Late last year the Company made a significant management change by replacing its Head of Equities, who was responsible for managing over 95 per cent of the Company’s assets, after many years of poor investment performance. The post was filled without prior notice, through internal promotion without advertisement, without inviting external proposals, and without canvassing shareholder views.

In line with corporate governance guidance by the Association of Investment Companies, boards of investment trusts should regularly consider their form and investment strategy. The Board will be aware that large domestic and international external asset managers would be able to offer our Company several alternative investment strategies, with attractive return potential across the economic cycle and at competitive cost. Whereas other investment trusts have successfully negotiated reductions in asset management fees in recent years, the administrative costs of Alliance Trust have doubled under the present executive management.

We believe that the Board has failed to act in the spirit of this important governance principle by not inviting world-class asset managers to present alternative solutions to the Board, or directly to shareholders, to be considered as an alternative to continued internal investment management. This failure is symptomatic of broader corporate governance deficiencies and an unwillingness of the Board to challenge the status quo.

The result of the persistent underperformance of the investment portfolio and increasing costs is that our Company has among the highest discounts to intrinsic value among comparable investment trusts.

Board response

Over the past months, we have sought to engage constructively with the Board on these governance and substantive matters. We have sent several letters to the Chairman containing detailed questions about the Board’s motivations and the rationale for its decisions, and held meetings with the Chairman, the Senior Independent Director, and the Chief Executive. We are disappointed that we have not received any meaningful response from the Board on matters of substance, which demonstrates a lack of openness and consideration for areas of shareholder concern.

Candidates

As a result of this lack of engagement, we informed the Chairman several months ago that additional independent director candidates should be considered and evaluated. Accordingly, a search firm was instructed to identify individuals with strong professional credentials and relevant experience, in combination with a reputation for independence and concern for shareholder interests.

After a thorough search process, we are pleased to nominate three candidates, all of whom are completely independent of Elliott and who we are confident can make an outstanding contribution to the Board:

Anthony Brooke is a prominent former executive in financial services. During his time at BZW and Warburg he gained extensive experience in international capital markets where he advised companies and governments in the UK, US and Australasia. Subsequently, he was a partner of a fund-of-funds firm during a phase of significant growth in its assets. Mr Brooke is an experienced non-executive director of public and private companies and is a trustee of organisations in the educational and arts sectors and an advisor to a number of major endowments.

Peter Chambers is acknowledged as a leader in the UK investment management sector, with a background as Chief Executive Officer of Legal & General Investment Management and Framlington. After leaving executive service, he has been a consultant to several asset management firms and their investors, advising on business strategy, and serving as a non-executive director. Mr Chambers continues to serve on the boards and advisory councils of a number of the most important industry associations.

Rory Macnamara is a distinguished former senior corporate finance professional, with a reputation as a trusted advisor to dozens of boards and executives of renowned companies and governments in the UK and overseas. Subsequent to his executive career at Morgan Grenfell and other firms, he has served as Chairman or director of a number of public and private companies in a broad range of sectors. Mr Macnamara has served on the boards of several investment trusts, and is currently Chairman of a successful investment trust in the UK equity income sector. He has contributed to several charities in the educational sector and in support of disabled children.

Conclusion

We urge all shareholders to support these proposals by voting **FOR** the resolutions electing Messrs Brooke, Chambers, and Macnamara to the Board of our Alliance Trust.

For full biographies on the candidates and further information, please refer to www.improvealliancetrust.com, email improvealliancetrust@boudiccaproxy.com, or call +44 20 7183 8215 (local / international) or 0808 1893176 (freephone).

Sincerely

Elliott Advisors (UK) Ltd

PART III – NOTICE OF ADDITIONAL RESOLUTIONS AT ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that at the Annual General Meeting of Alliance Trust PLC which has been convened for 29 April 2015 at 11.00 a.m. at the Gardyne Theatre, Dundee and Angus College, Gardyne Road Dundee, DD5 1NY, the following additional resolutions will be proposed as Ordinary Resolutions, as set out below:

ORDINARY RESOLUTIONS

- 14** THAT Anthony Brooke be elected as a Director of the Company.
- 15** THAT Peter Chambers be elected as a Director of the Company.
- 16** THAT Rory Macnamara be elected as a Director of the Company.

Further information about the Annual General Meeting and shareholders' rights in relation to the Annual General Meeting are contained in the Notice of Annual General Meeting.

By order of the Board

Donald McPherson, Company Secretary
Dundee, 26 March 2015

PART IV – DEFINITIONS

The following definitions apply throughout this circular unless the context requires otherwise:

Board or Directors	The Directors of our Company
Company or Alliance Trust	Alliance Trust PLC
Computershare	Computershare Investor Services PLC
Elliott Resolutions	The ordinary resolutions proposed by Elliott at the Annual General Meeting as set out in Part 1 – Letter from the Chair of this circular.
FCA	Financial Conduct Authority
J.P. Morgan Cazenove	J.P. Morgan Limited, a company which operates its investment banking business in the UK under the name J.P. Morgan Cazenove.
Lazard	Lazard & Co., Limited
NAV	Net asset value: the value of the capital assets of our Company (excluding current period interest and dividend income) after deduction of all liabilities.
NAV Total Return	The total return generated by the fund, calculated as the percentage change in the NAV per share plus the effect of the value of the declared dividend per share paid out. The dividend is accounted for on the day that the stock is declared ex-dividend.
Ongoing Charges Ratio or OCR	The annual management and administrative expenses of the Company excluding non-recurring items, divided by the average of the opening and closing net assets of the Company
PRA	Prudential Regulation Authority
Sector	Global Sector classification as published by Morningstar.
Supplemental Form of Direction	The form of direction for use in connection with the Elliott Resolution.
Supplemental Form of Proxy	The form of proxy for use in connection with the Elliott Resolution.
Total Shareholder Return or TSR	The total return due to a shareholder, calculated as the percentage change in the share price plus the effect of the value of the declared dividend per share being reinvested in the share price. The dividend is accounted for on the day that the stock is declared ex-dividend.

This circular contains “forward-looking statements” regarding the belief or current expectations of Alliance Trust PLC, its Directors and other members of its senior management about Alliance Trust PLC’s businesses, financial performance and results of operations. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Alliance Trust PLC and are difficult to predict, that may cause actual results, performance or developments to differ materially from any future results, performance or developments expressed or implied by the forward-looking statements. These forward-looking statements speak only as at the date of this circular. Except as required by applicable law, Alliance Trust PLC makes no representation or warranty in relation to them and expressly disclaims any obligation to update or revise any forward-looking statements contained herein to reflect any change in Alliance Trust PLC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Any information contained in this circular on the price at which shares or other securities in Alliance Trust PLC have been bought or sold in the past, or on the yield on such shares, should not be relied upon as a guide to future performance.

In relation to the proposals described in this Circular, Lazard and J.P. Morgan Cazenove, each which is authorised and regulated by the Financial Conduct Authority, are acting exclusively as financial advisers to the Company in relation to the matters referred to in this document and no one else and will not be responsible to any other person for providing the protections afforded to clients of Lazard or J.P. Morgan Cazenove, nor for providing advice in relation to any matter referred to herein.

Each of Lazard and J.P. Morgan Cazenove has given and not withdrawn its consent to the inclusion in this Circular of the references to its name in the form and context in which it is included.

