



# Alliance Trust PLC

Annual General Meeting

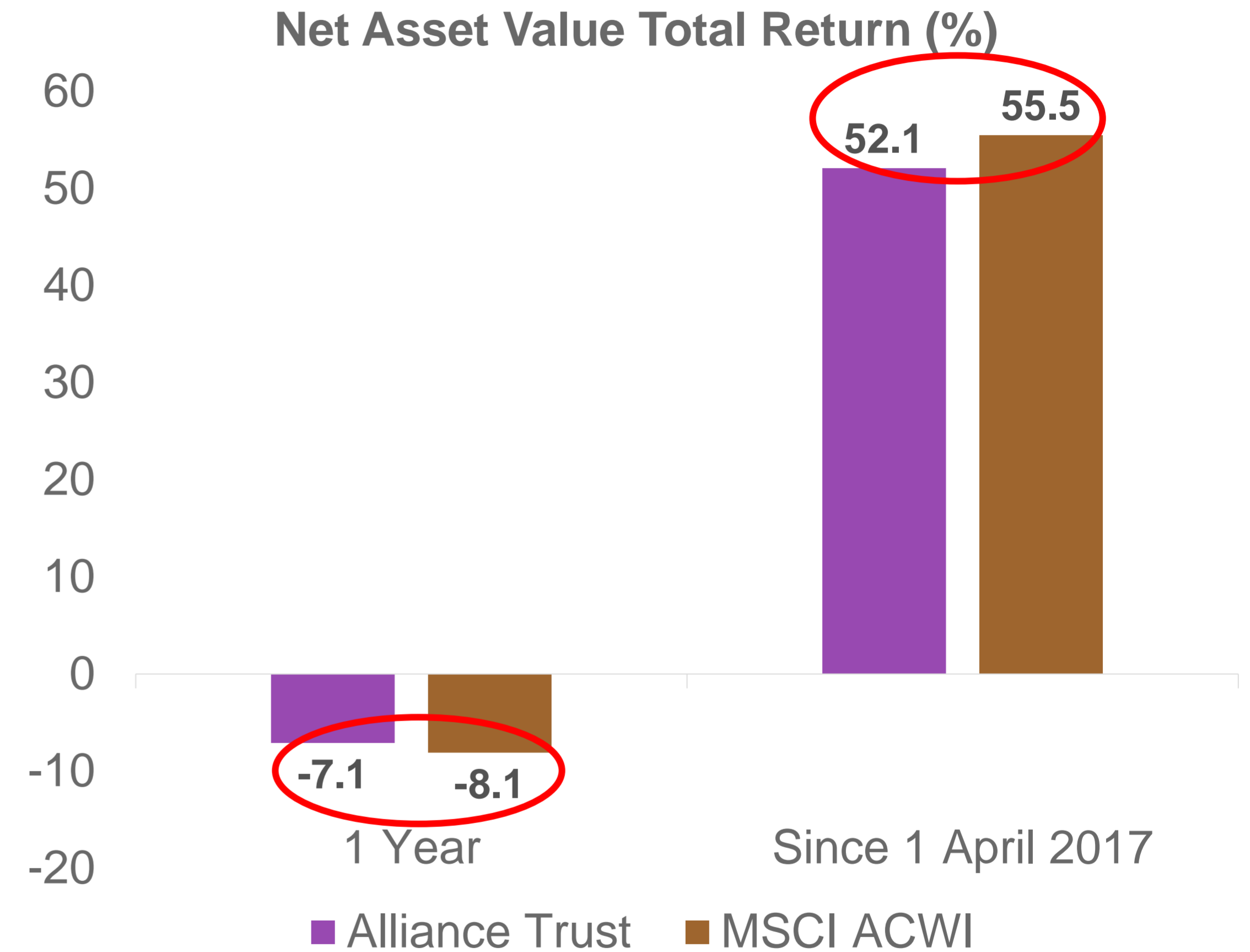
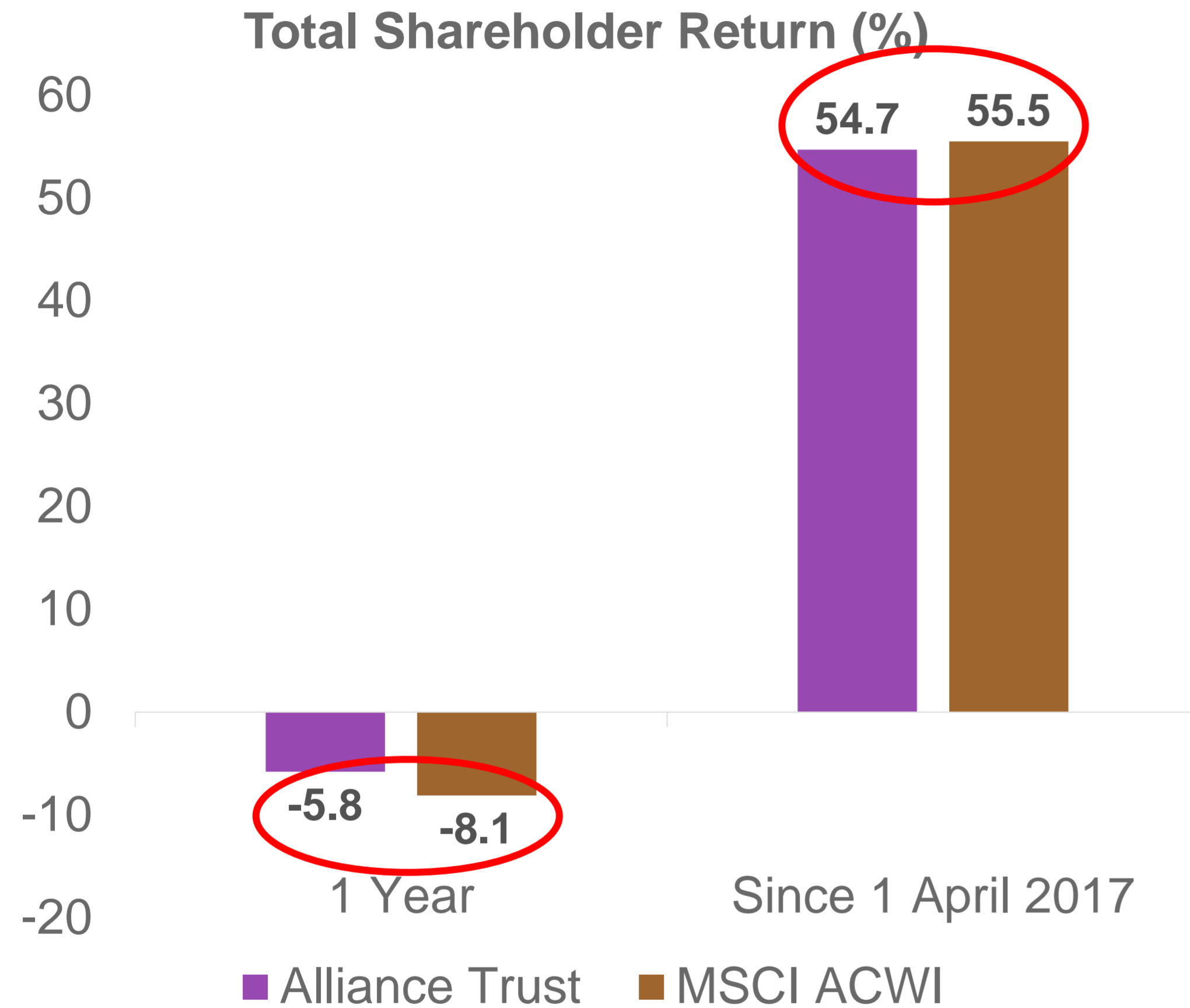
27 April 2023

Gregor Stewart  
Chairman

# Today's Agenda

- 11:00** **Introductory comments**  
Gregor Stewart, Chairman
- 11:05** **Overview of 2022**  
Gregor Stewart, Chairman
- 11:15** **Portfolio Performance**  
Craig Baker, WTW
- 11:35** **Formal Business of the meeting**
- 12:15** **Meeting closes**

# 2022 Performance Summary

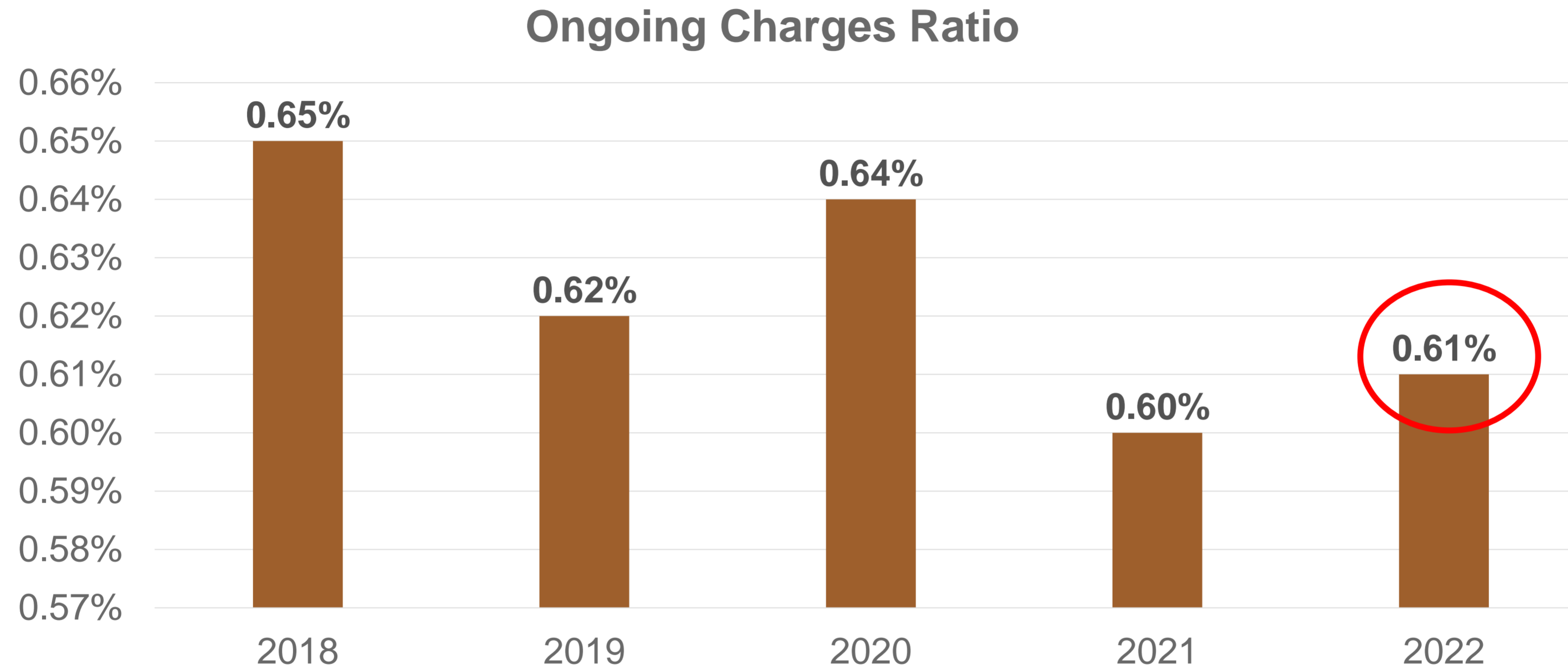


Source: Morningstar and MSCI Inc. Net Asset Value (NAV) Total Return based on NAV including income with debt at fair value.

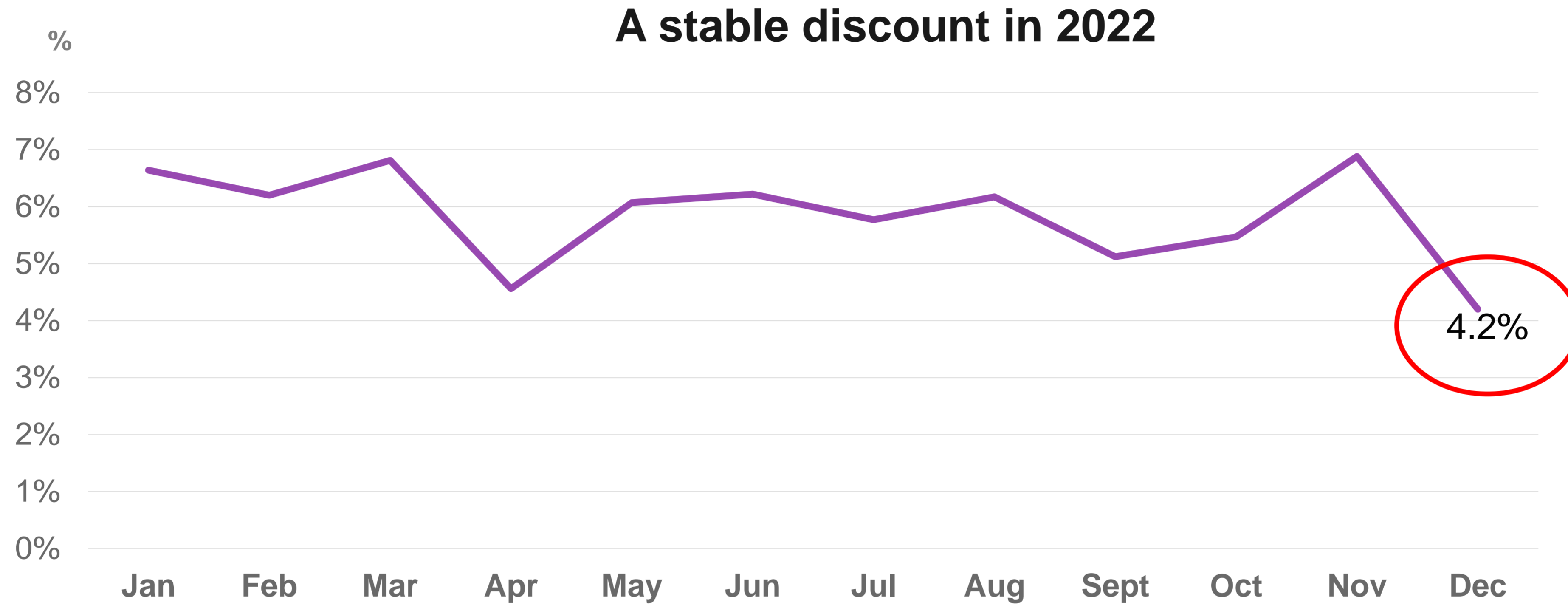
# Dividend

- Track record of increasing dividends extended to 56 years
- 5-year dividend growth rate the highest of the AIC's "dividend heroes"
- 26% year-on-year dividend increase
- Yield of 2.5% based on 31 December 2022 share price

# Costs



# Discount



Average discount for the month

# Strengthened Operating Model

- Juniper Partners appointed as Company Secretary and Administrator
- WTW appointed to provide further marketing, public relations and investor relations services



# Alliance Trust

April 2023

**Craig Baker**

Willis Towers Watson



# What is the objective?

“

The Trust's objective is to be a core investment that delivers a real return over the long term through a combination of capital growth and a rising dividend.

”

# How do we deliver the objective?

Diverse views, strongly held

Diversification

Conviction

Competitive costs

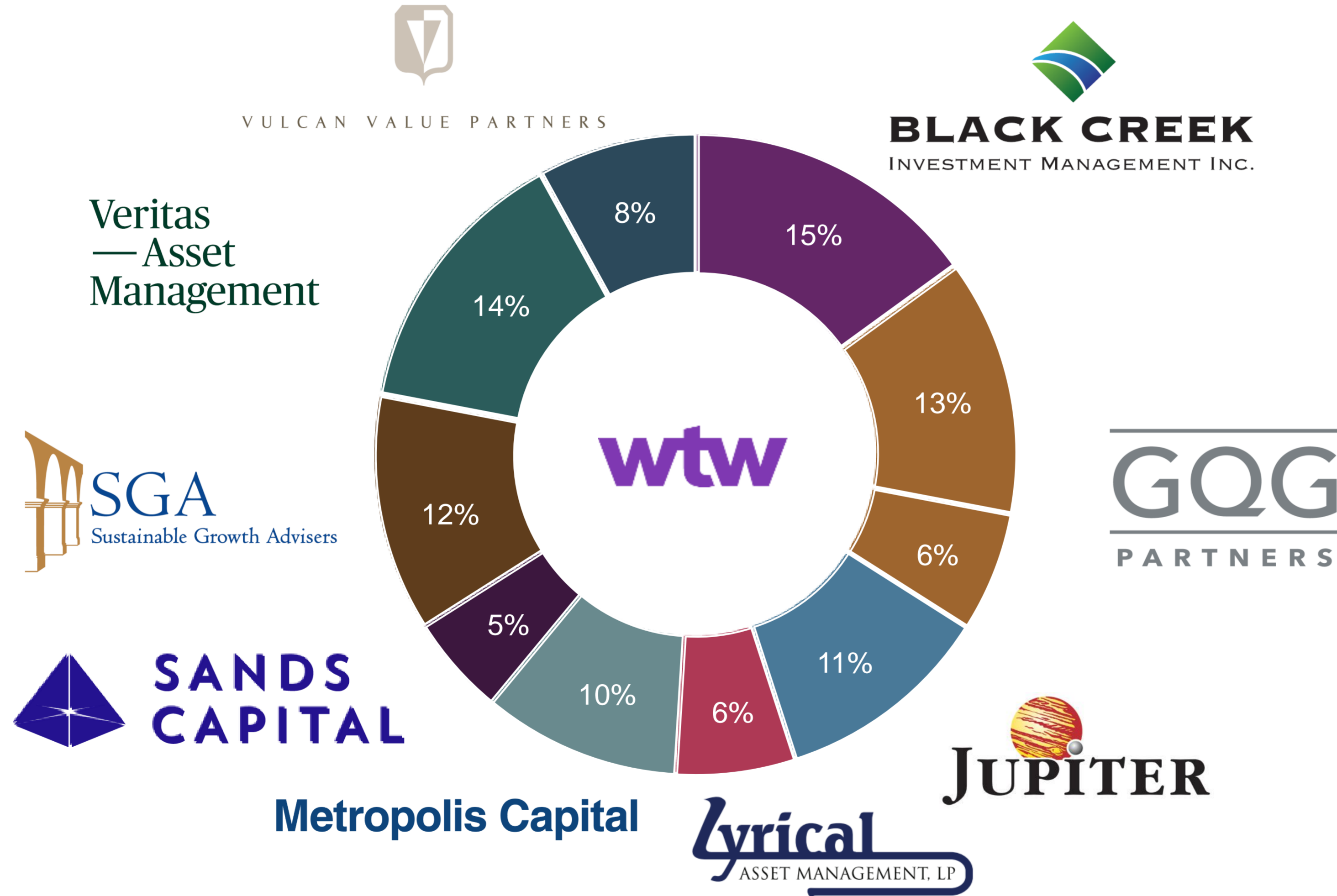
Exclusive access

Sustainable

Dividend growth

# A one-stop core solution for every investor

## Giving investors access to the world's best stock pickers<sup>1</sup>



<sup>1</sup>As rated by WTW. Subject to rounding and change. Actual composition of the Company's portfolio at any time may be different than that above and will change over time. Source: WTW, Bank of New York Mellon, data as at 31 March 2023.

Note: "JUPITER" and **JUPITER** are the trademarks of Jupiter Investment Management Group Ltd and registered in the UK and as Community trademarks and elsewhere. GQG comprises a global portfolio and an Emerging Markets portfolio.

# Ensuring stock selection drives outcomes

## Reducing unrewarded risks



Source: WTW, BNY Mellon Performance & Risk Analytics Europe Limited, MSCI Inc, FactSet. Data as of 31 March 2023.

<sup>1</sup>Portfolio total % figures do not sum to 100% due to small cash holding.

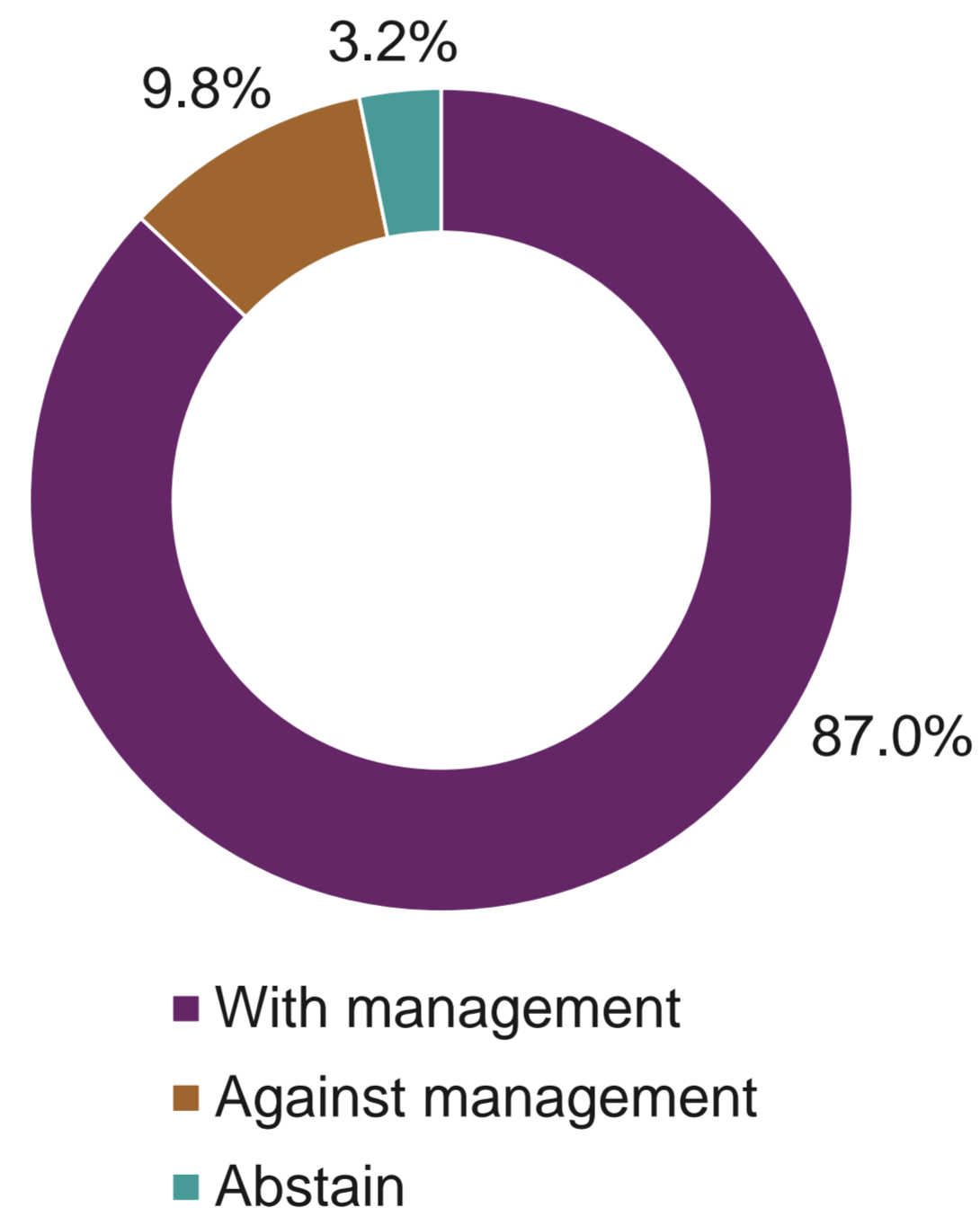
<sup>2</sup>Relative weights obtained by taking an average of portfolio fundamentals attributable to each style.

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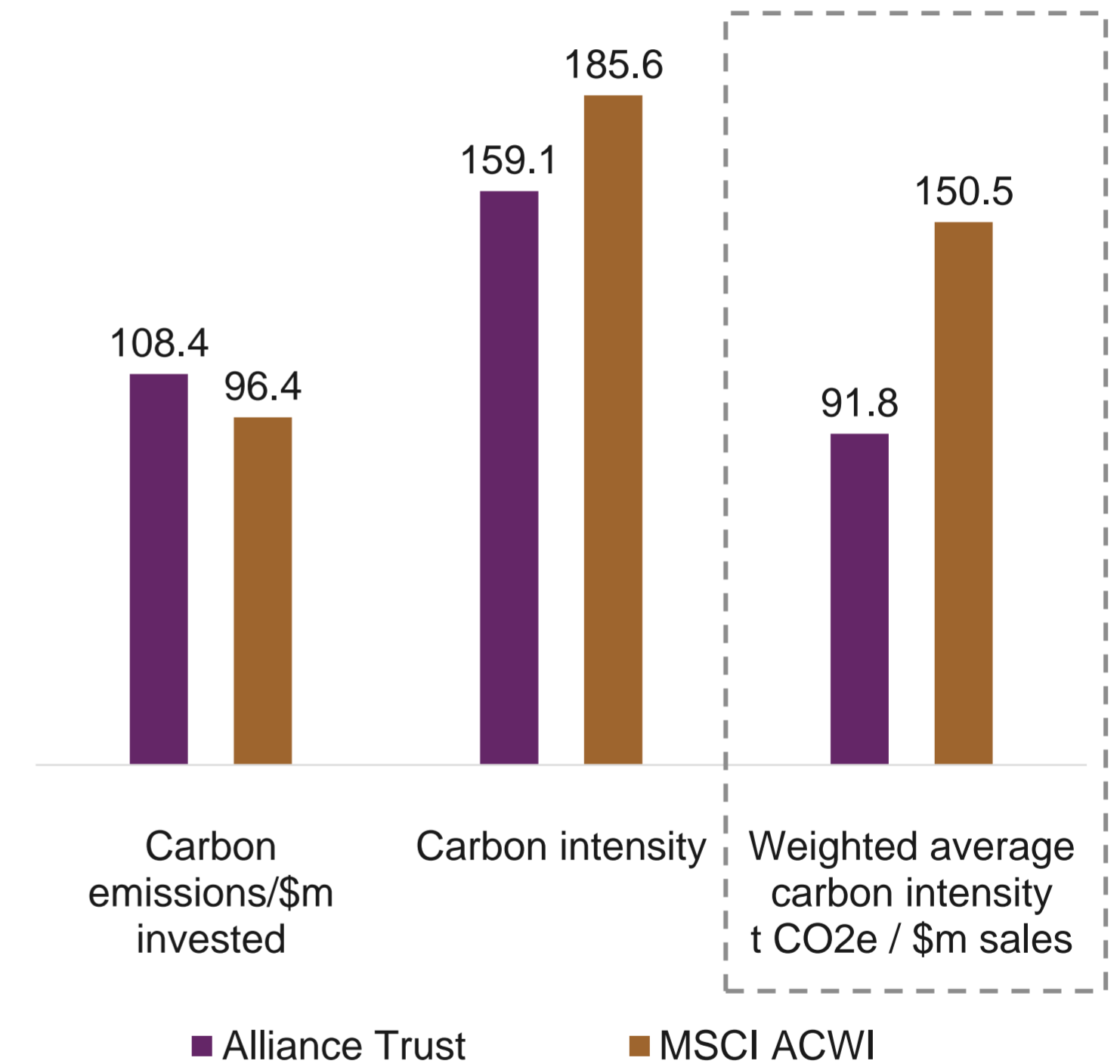
# Sustainability considerations are important

## Voting summary for 12 months to 31st March 2023

Number of meetings with eligible votes	220
Number of votable resolutions	3,444
Voting record	100%
Meetings with at least one vote against management	53%



## Climate statistics to 31st March 2023



**39% lower than the benchmark**

# How have we done?

## Resilient performance through testing times

Absolute returns	YTD	2022	3 Years	Since Inception*
Total Shareholder Return	3.4%	-5.8%	17.3% pa	8.1% pa
NAV Total Return**	6.8%	-7.1%	17.3% pa	8.7% pa

Our outperformance versus:	YTD	2022	3 Years	Since Inception*
Index benchmark	<b>+2.4%</b>	<b>+1.0%</b>	<b>+1.8% pa</b>	<b>+0.3% pa</b>
Investment trust peer group	<b>+0.5%</b>	<b>+13.2%</b>	<b>+4.9% pa</b>	<b>+0.3% pa</b>
Wider peer group	<b>+3.2%</b>	<b>+3.0%</b>	<b>+3.9% pa</b>	<b>+1.0% pa</b>

**Past performance does not predict future returns.**

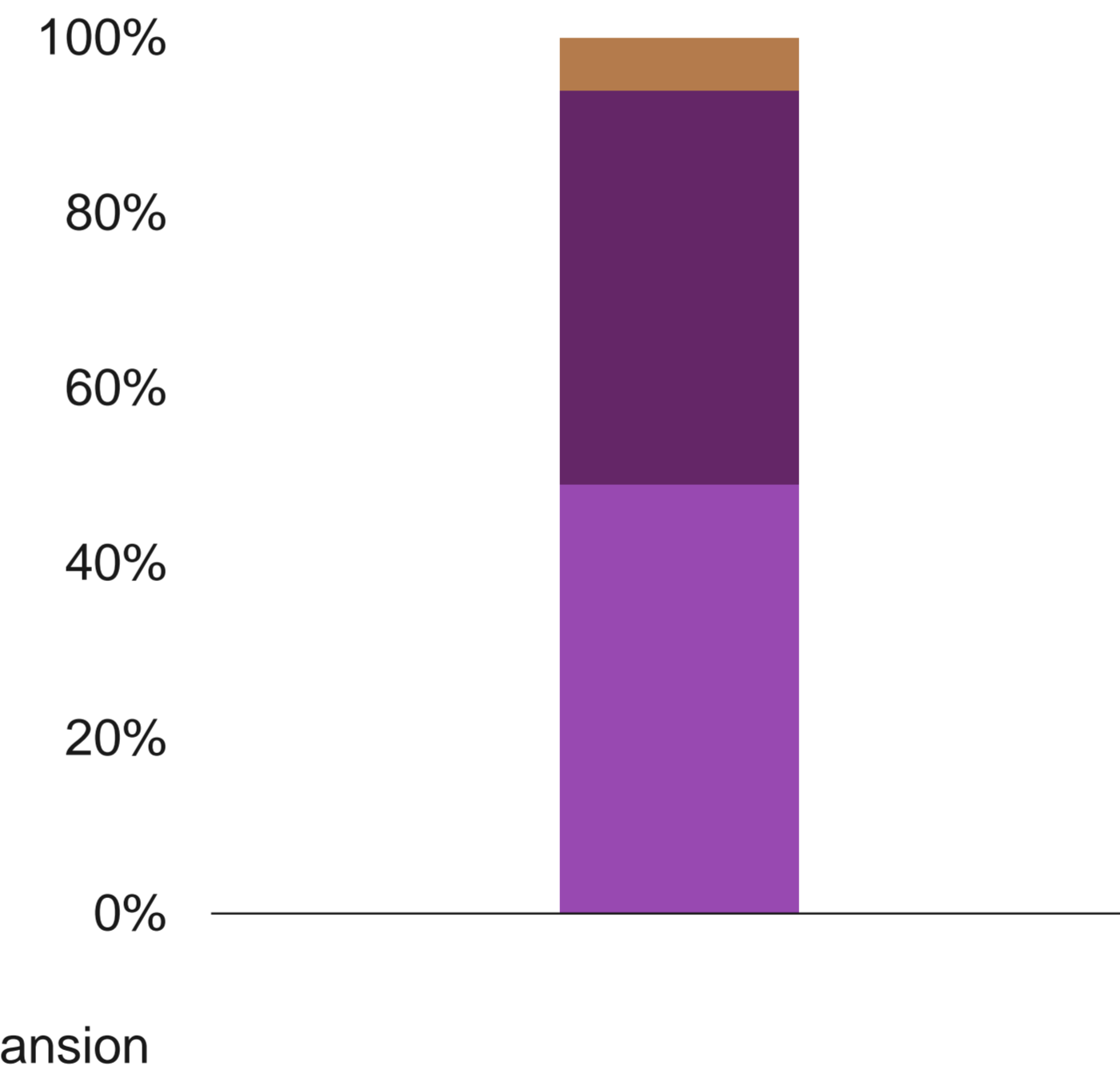
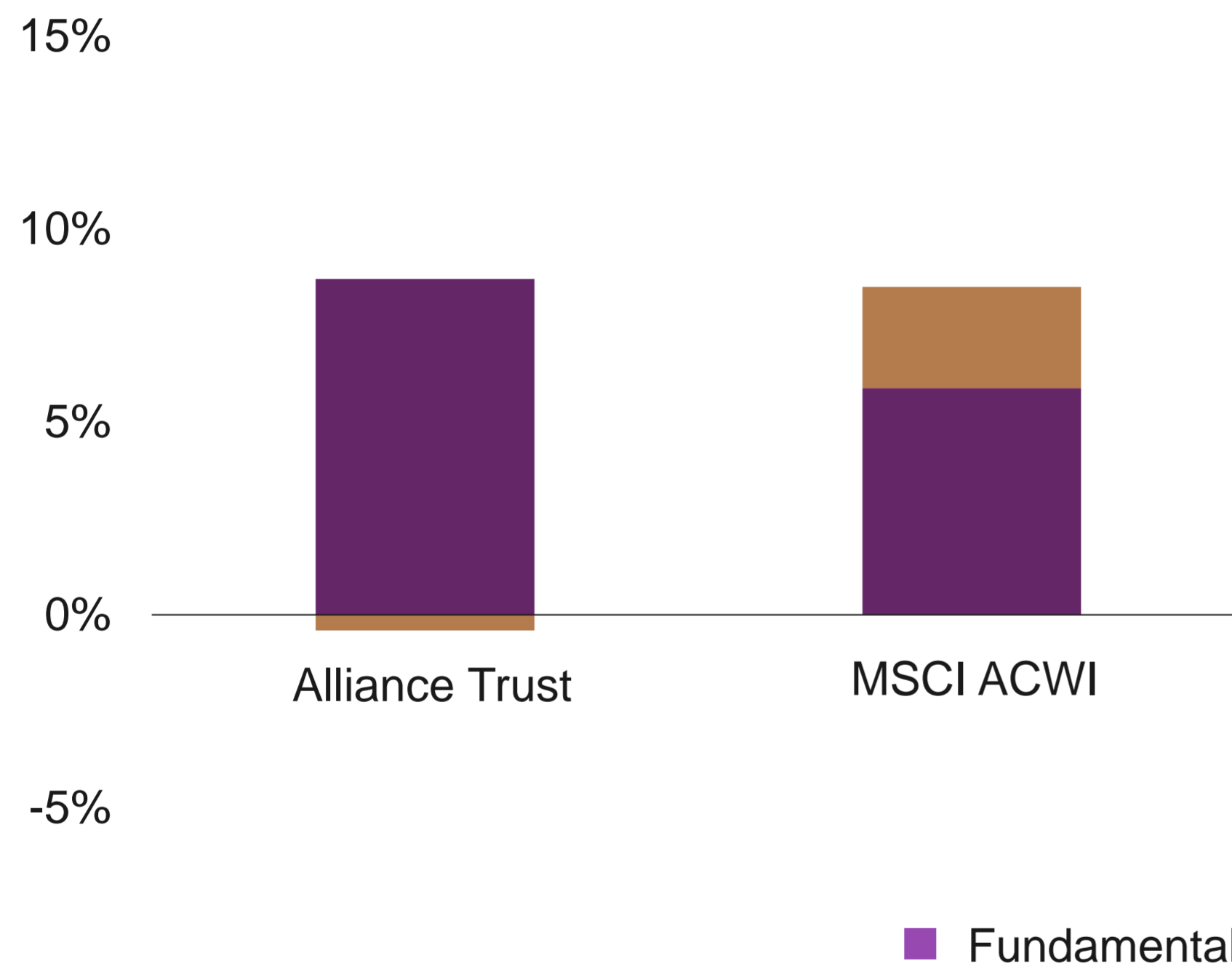
Notes: All data is provided as at 31 March 2023, unless otherwise stated. \*WTW appointment date. \*\*NAV Total Return figures are based on NAV (Excluding Non-Core Assets) including income with debt at fair value. All performance figures for periods over a year are annualised. The index benchmark shown is the MSCI ACWI Net Dividends Reinvested. Source: Investment Performance data is provided by BNY Mellon Performance & Risk Analytics Europe Limited, Morningstar and MSCI Inc; NAV Total Returns are after all manager fees (including WTW's fees) and allow for any tax reclaims when they are achieved. The investment trust peer group is the AIC Global Sector Average NAV Total Return (Global Sector as defined by the Association of Investment Companies (AIC) at the end of the period referred to) and the wider peer group total return is for the Morningstar universe of UK retail global equity funds (open ended and closed ended) with returns after fees. All figures may be subject to rounding differences.

# Fundamentals drive long-term returns

## Fundamentals have driven our returns more than the benchmark

Components of Gross Equity Portfolio Return for the Alliance Trust portfolio, 2017-2023 (%pa)<sup>1</sup>

S&P 500 Components of Stock Returns over 150 years 1871 – 2021 (%)



We believe that fundamentals have not yet been fully priced in, which could lead to significant outperformance from here

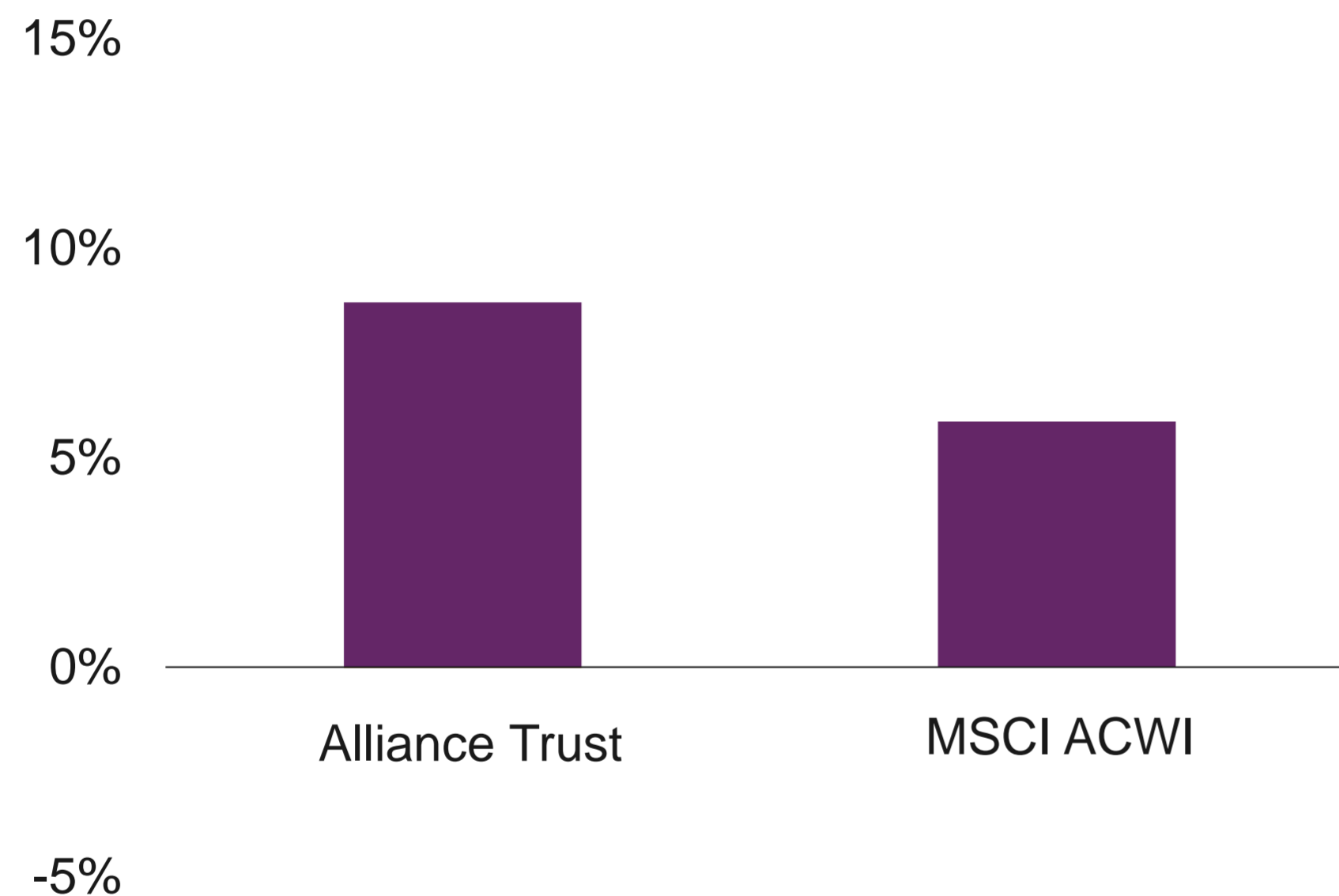
**Past performance does not predict future returns.** Source: WTW, FactSet, MSCI Inc, Robert Shiller (<http://www.econ.yale.edu/~shiller/>)

<sup>1</sup>Data from 30 April 2017 to 31 March 2023. Left hand chart based on Price to Book Value, right hand chart based on trailing Price to Earnings. Equity portfolio log return gross of fees (before managers' fees), which does not include the impact of gearing. Components of return include Fundamental Growth (dividends and earnings growth) and Multiple Expansion. OCR for 2022 was 0.61%. Average OCR since WTW appointment was 0.62%.

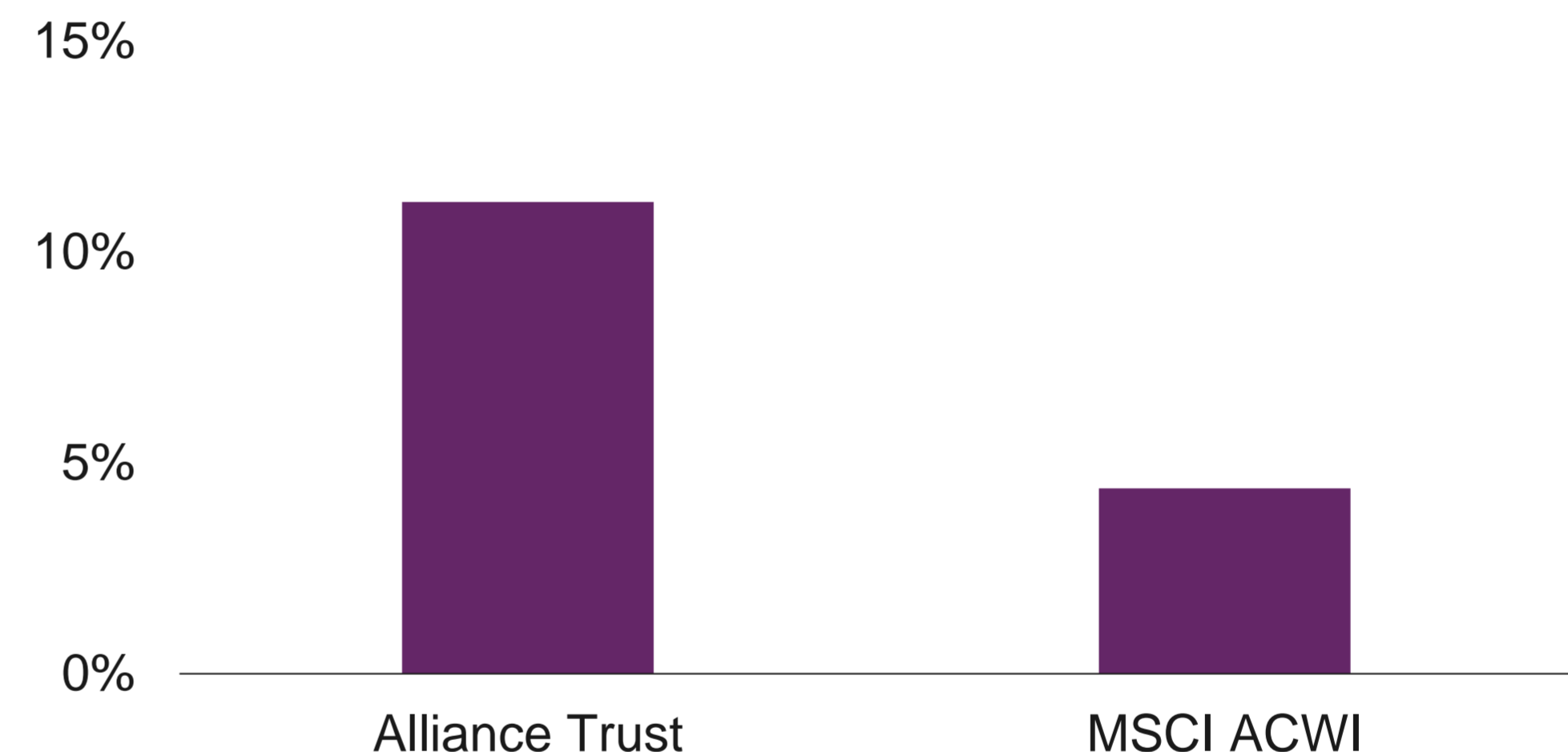
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Components of Gross Equity Portfolio Return for the Alliance Trust portfolio, 2017-2023 (%pa)<sup>1</sup>



Components of Gross Equity Portfolio Return for the Alliance Trust portfolio, last 3 years (%pa)



■ Fundamental Growth

The outperformance in terms of fundamental growth has been even more significant over the last 3 years

**Past performance does not predict future returns.** Source: WTW, FactSet, MSCI Inc.

<sup>1</sup>Data from 30 April 2017 to 31 March 2023. Charts based on Price to Book Value. Equity portfolio log return gross of fees (before managers' fees), which does not include the impact of gearing. Components of return include Fundamental Growth (dividends and earnings growth) and Multiple Expansion. OCR for 2022 was 0.61%. Average OCR since WTW appointment was 0.62%.



# The portfolio is well positioned, but what about the market?



Bond markets signal recession, whilst equity markets don't appear to

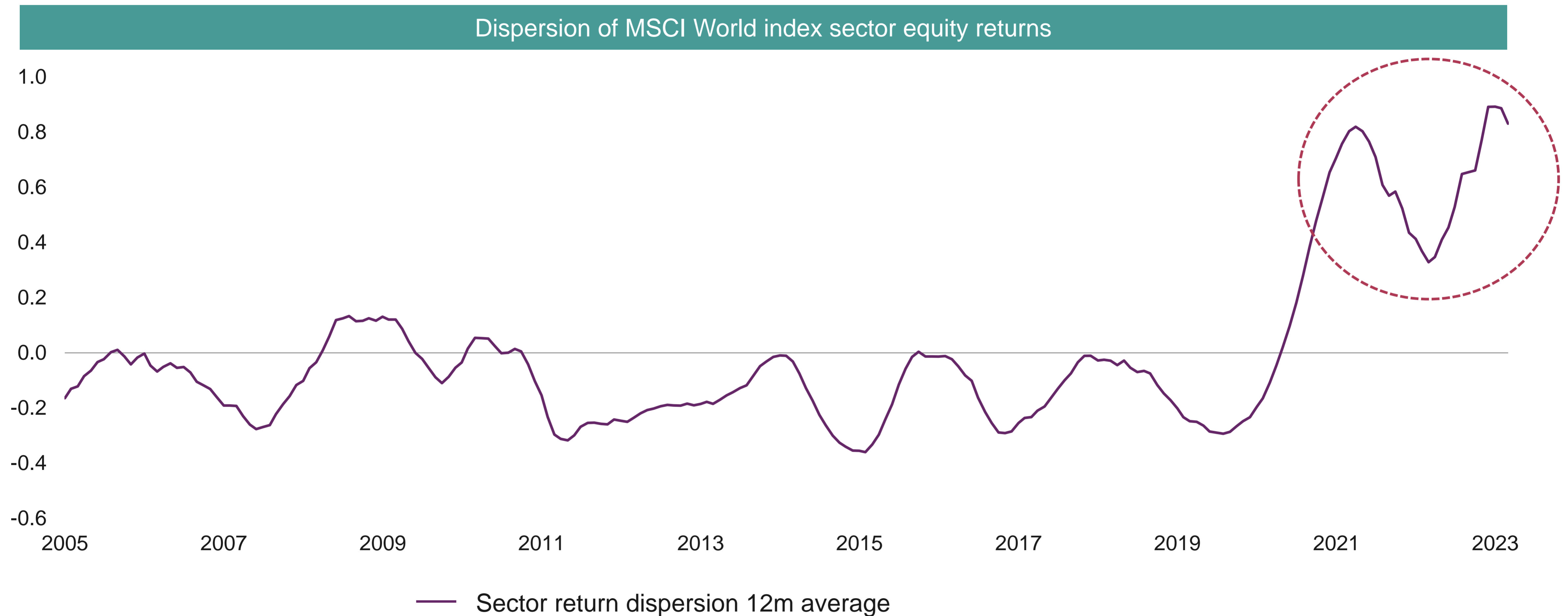


Current gearing below the strategic position of 10%



Volatility creates opportunity, *if you know where to look*

# Great opportunities for stock pickers



Past performance is not a reliable indicator of future returns. Sources: FactSet, MSCI Inc, WTW. Data as of 31 March 2023.  
Note: Dispersion of annual price returns for MSCI World sectors, on a rolling monthly basis

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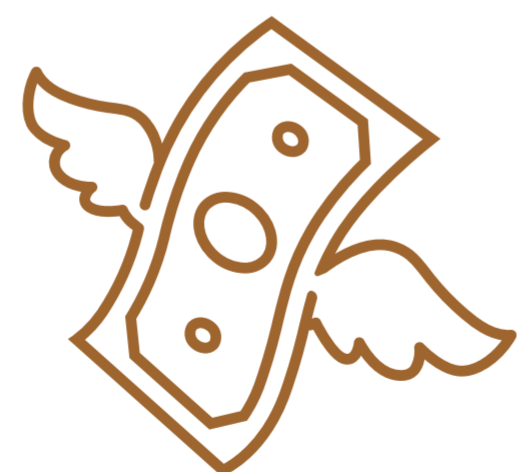
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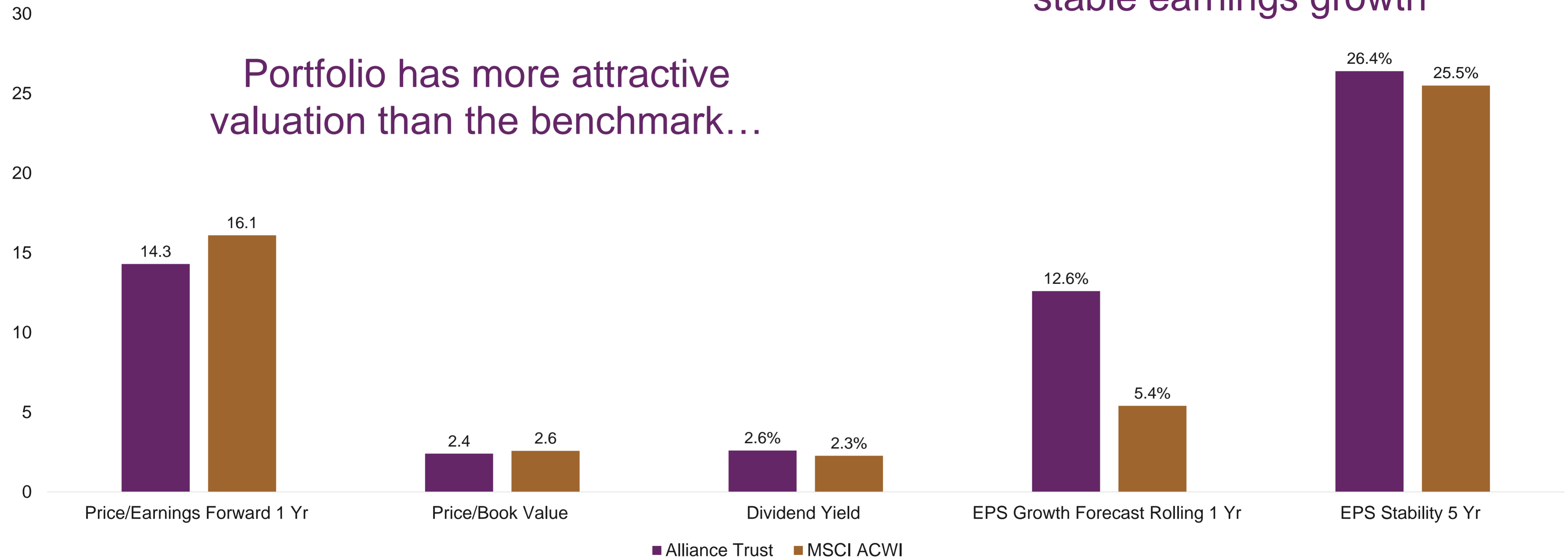


When free money ends, the strength of companies matters

“Only when the tide goes out do you discover who’s been swimming naked” Warren Buffett

# Why we are excited about the future

...and higher and more stable earnings growth



Source: BNY Mellon Performance & Risk Analytics Europe Limited. Data as at 31 March 2023.

Notes: All figures may be subject to rounding differences. The Price to Earnings ratio, also called the P/E ratio, is an indication of the worth of a company. It is the amount per share that an investor will pay for each £1 of that company's earnings. The P/E ratio shown is calculated using an estimate of future earnings (the forward P/E). The lower the P/E ratio the better value that company should be. Earnings per Share is an indicator of how much money a company makes for each share of its stock, it is a measure of a company's profitability. Earnings per Share Growth gives a good picture of the rate at which a company has grown its profitability over a given period, with higher levels suggesting a company has products or services in strong demand and is able to grow its earnings faster. Earnings per Share Stability is a measure of the level of fluctuation in a company's Earnings per Share over a given time period, the higher the value the more predictable future earnings should be.

# Summary

## Alliance Trust – investing for generations

60%

Cumulative total shareholder return since inception of current approach

7%

NAV outperformance of benchmark 3 years to 31 March 2023

18%

NAV outperformance of investment trust peer group 3 years to 31 March 2023

103

Companies that EOS engaged with on behalf of Alliance Trust in 2022



AIC<sup>2</sup> Dividend Hero with dividend increase each year for **56 years**



Highest 5-year growth in dividends of all dividend heroes



Strong business performance of underlying companies will hopefully lead to outperformance



Stock selection focus means well placed for future volatility

**Past performance does not predict future returns.** The investment trust peer group is the AIC Global Sector Average NAV Total Return (Global Sector as defined by the Association of Investment Companies (AIC) at the end of the period referred to). Source: WTW, AIC, EOS at Federated Hermes. Investment Performance data is provided by BNY Mellon Performance & Risk Analytics Europe Limited and MSCI Inc; NAV Total Returns are after all manager fees (including Willis Towers Watson's fees) and allow for any tax reclaims when they are achieved. NAV Total Return figures are based on NAV including income with debt at fair value. All data is provided as at 31 March 2023. All figures may be subject to rounding differences. Figures shown are on a cumulative basis.



Thank you

# Important information and risk warnings

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- This investment is intended for investors with long-term time horizons
- The value of all investments and the income from them can go down as well as up. This means you could get back less than you invested.
- Securities and derivatives trading in which the Company engage are speculative and may involve a substantial risk of loss.
- Past performance is not a reliable indicator of future returns.
- Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.
- Alliance Trust 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 the Company'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.
- The Company has underlying holdings which are denominated in currencies other than Sterling and therefore may be affected by movements in exchange rates. Consequently, the value of these investments may rise or fall in line with exchange rates.

Calendar year performance	2017	2018	2019	2020	2021	2022
Alliance Trust Gross Equity Portfolio Return (%) <sup>1</sup>	17.9	-4.2	22.9	9.4	16.8	-7.4
MSCI ACWI NDR (%)	13.2	-3.8	21.7	12.7	19.6	-8.1
Relative return (%)	+4.7	-0.4	+1.2	-3.3	-2.8	+0.7

**Past performance does not predict future returns. Changes in exchange rates may cause the value of investments within the Fund to go down as well as up.**

Source: WTW, data as at 31 December 2022. <sup>1</sup>Calculated before managers' fees and including the effect of the managers' cash holdings. In order to report the long-term record of the equity portfolio, the returns of the portfolio prior to its restructure early in April 2017 have been combined with the returns to date of the current portfolio. Average OCR since WTW appointment was 0.62%.

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