

ALLIANCE TRUST PLC

Annual General Meeting
25 April 2019



LORD SMITH OF KELVIN
CHAIRMAN

TODAY'S AGENDA

- Introductory comments
Lord Smith, Chairman
- Overview of 2018
Lord Smith, Chairman
- Portfolio Performance
Craig Baker, WTW
- Formal business of the meeting
- Break for lunch
- Stock pickers' presentations
Andrew Wellington of Lyrical Asset Management
Gordon Marchand of Sustainable Growth Advisers

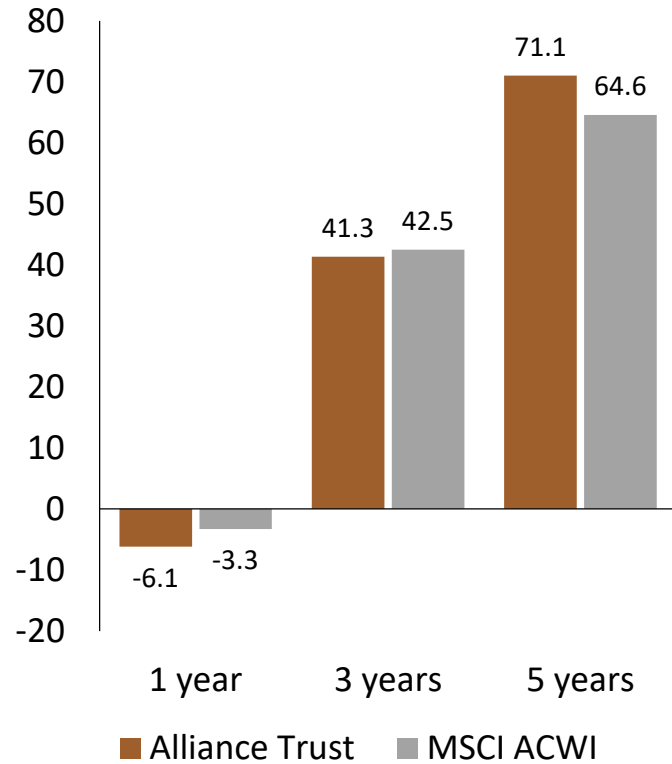
KEY DEVELOPMENTS

IN 2018

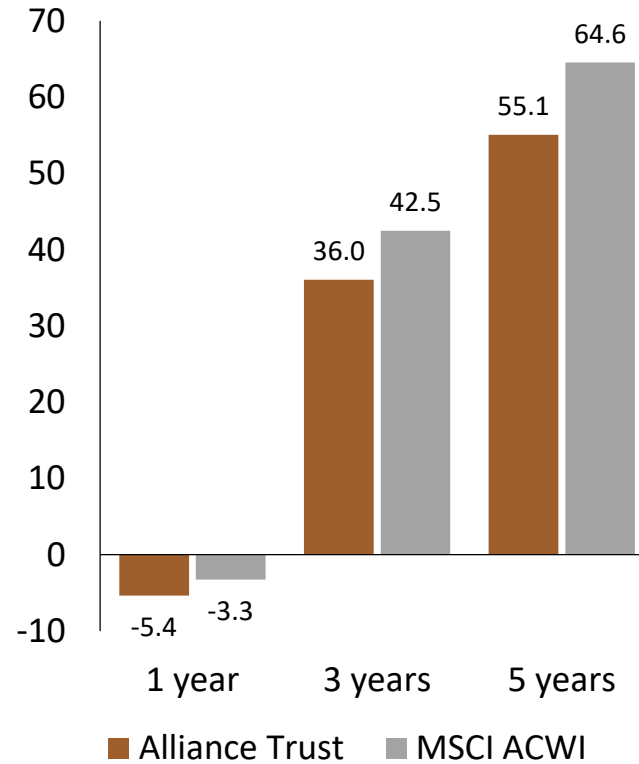
- Business simplification almost complete
- Agreement to sell Alliance Trust Savings, subject to regulatory approval, to Interactive Investor
- Sale of private equity investments and mineral rights
- Increased long-term debt by £60m at rates below 3%
- Ongoing Charges Ratio of 0.65%
- Increased dividend for 52 consecutive years

2018 PERFORMANCE SUMMARY

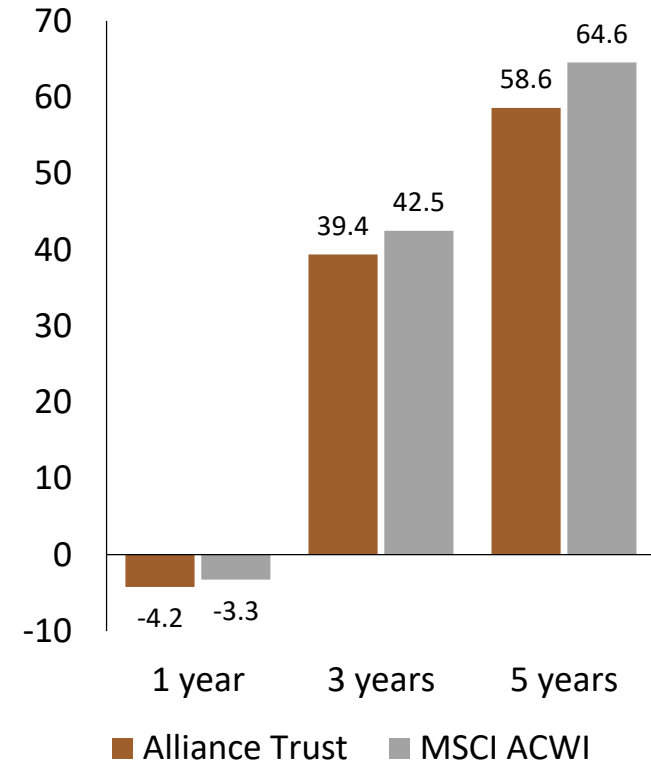
Total Shareholder Return (%)



NAV Total Return (%)



Equity Portfolio Return (%)



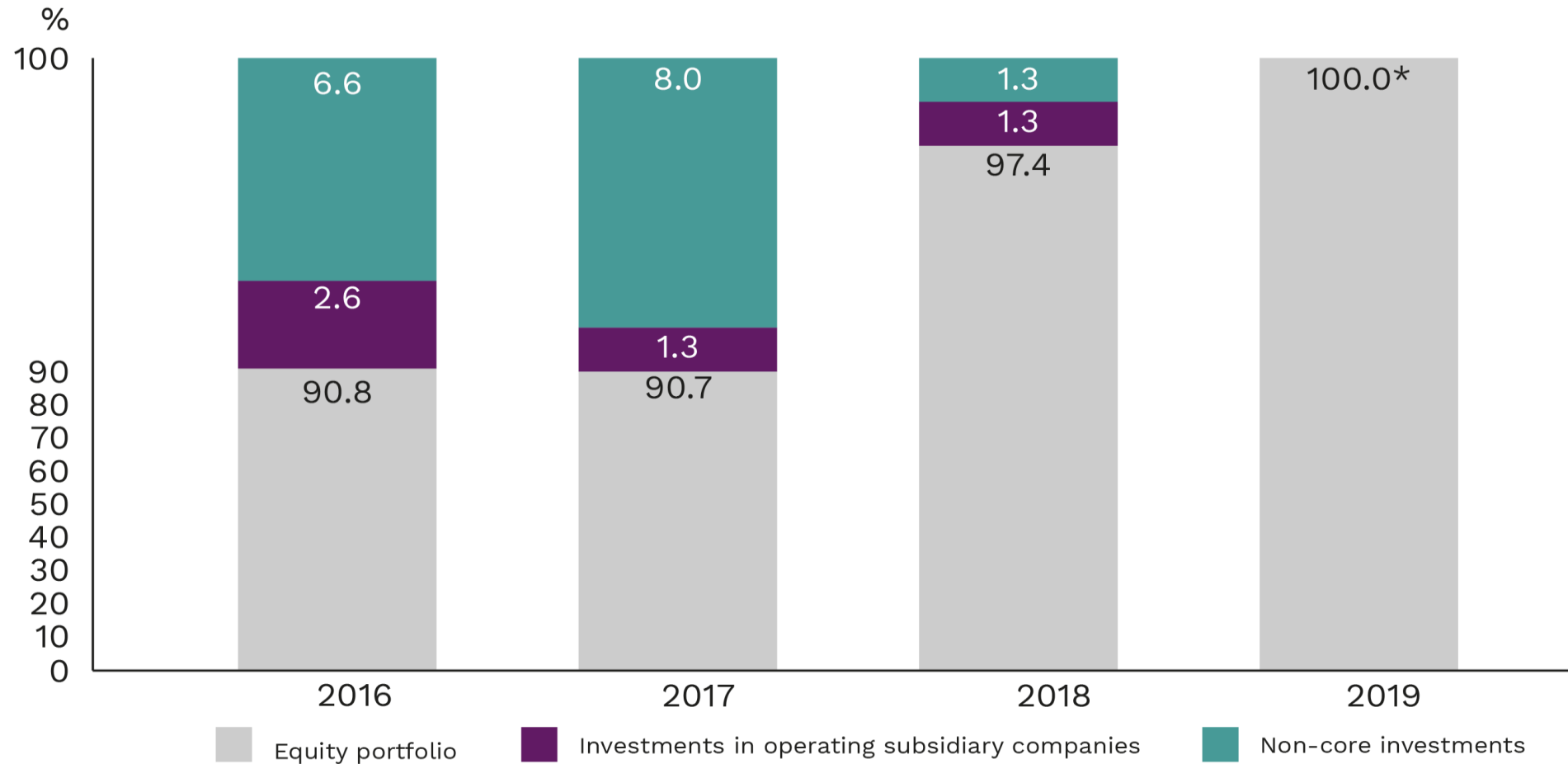
Source: Morningstar and MSCI Inc

ALLIANCE TRUST SAVINGS

ATS IN 2018

- Achieved profitability
- Agreement to sell ATS subject to regulatory approval, along with Dundee office, to Interactive Investor
- Total consideration of £40m, subject to post completion adjustments
- Fair value of £32.7m reflects agreed sale price after deduction of anticipated expenses of sale

PORTFOLIO BREAKDOWN



Source: WTW

* The expected 2019 position shown assumes completion of disposal of non-core assets and the sale of Alliance Trust Savings.

INVESTMENT OBJECTIVE AND POLICY

- No change in the way the Trust's portfolio is managed
- Wording changes to reflect our current investment approach
- Continuing to primarily invest in global equities
- Objective remains to deliver a real return over the long term through capital growth and a rising dividend

NON-EXECUTIVE DIRECTORS' FEES

Annual Fee	2018	From 1 July 2019
Chairman*	£120,000	£80,000
Deputy Chairman	£80,000	£60,000
Basic Non-Executive Director Fee payable to each Director (other than Chairman and Deputy Chairman)	£35,000	£35,000
Committee Membership**	£6,000	£6,000
Chairman of Audit and Risk Committee***	£8,000	£8,000
Chairman of Remuneration Committee***	£4,500	Nil
Senior Independent Director	£5,000	£3,000
Subsidiary Board Director's Fee ⁺	£35,000	nil

* Inclusive of membership of all Board Committees.

** All Directors, other than the Chairman, are members of all Board Committees and this is a composite fee for all Board Committees.

*** This fee is additional to the Committee membership fee.

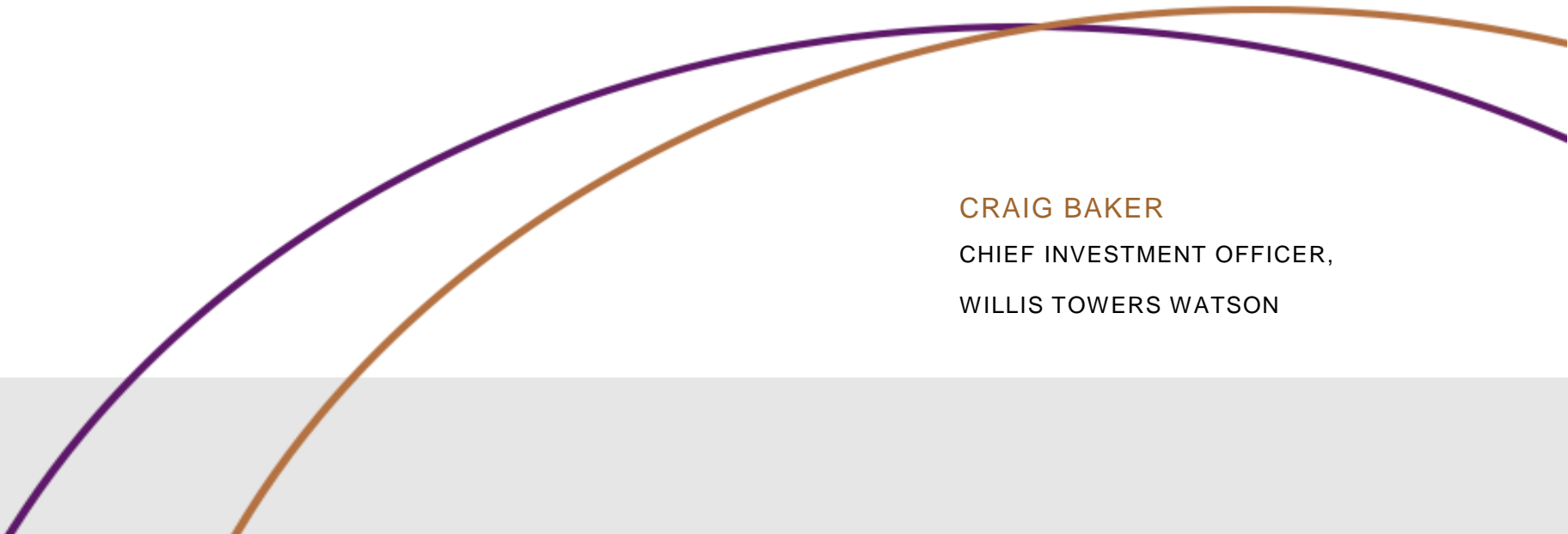
⁺ Payable to Gregor Stewart in respect of his appointment to the Board of Alliance Trust Savings but will continue should the sale of Alliance Trust Savings not be completed by 1 July 2019.

BOARD GENDER DIVERSITY

- Trust was previously at the forefront of gender diversity
- Chairman was first male chairman since 2004
- We intend to have at least one third female directors by the end of 2020
- Increase in total ordinary Directors' remuneration to enable further female directors to be appointed

ALLIANCE TRUST PLC

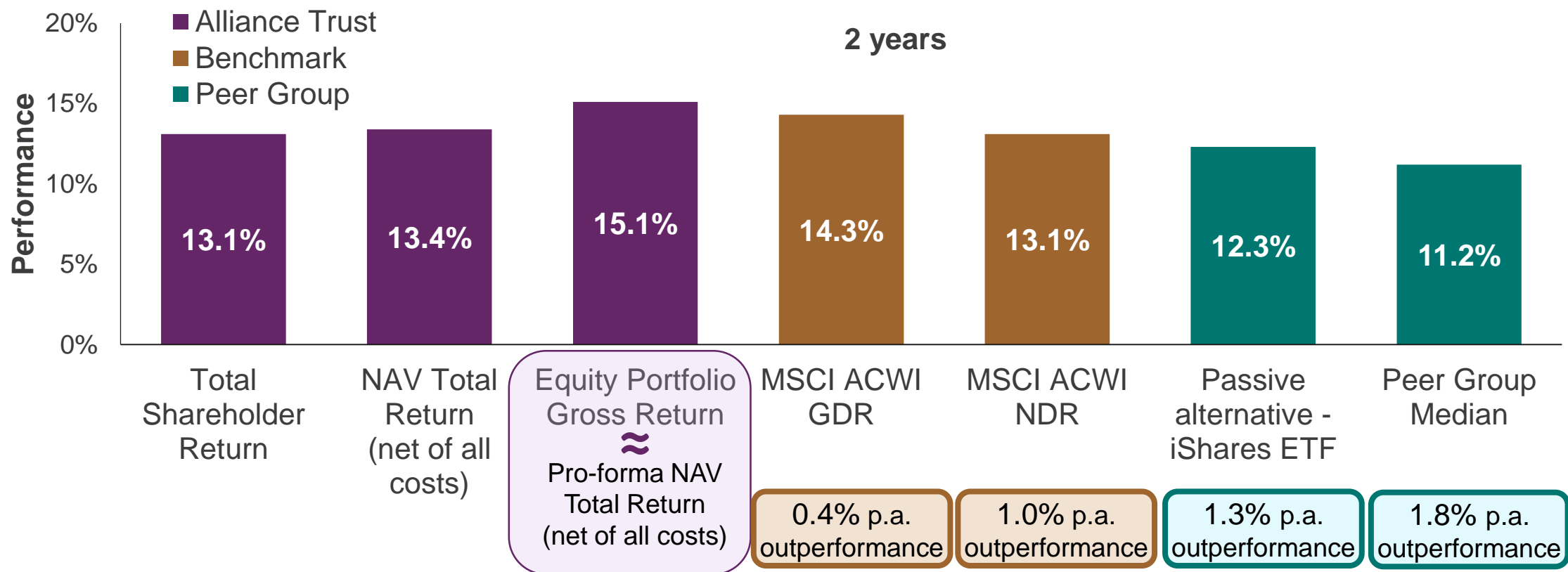
Annual General Meeting
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CRAIG BAKER
CHIEF INVESTMENT OFFICER,
WILLIS TOWERS WATSON

BACKGROUND TO PERFORMANCE

Performance to 31 March 2019

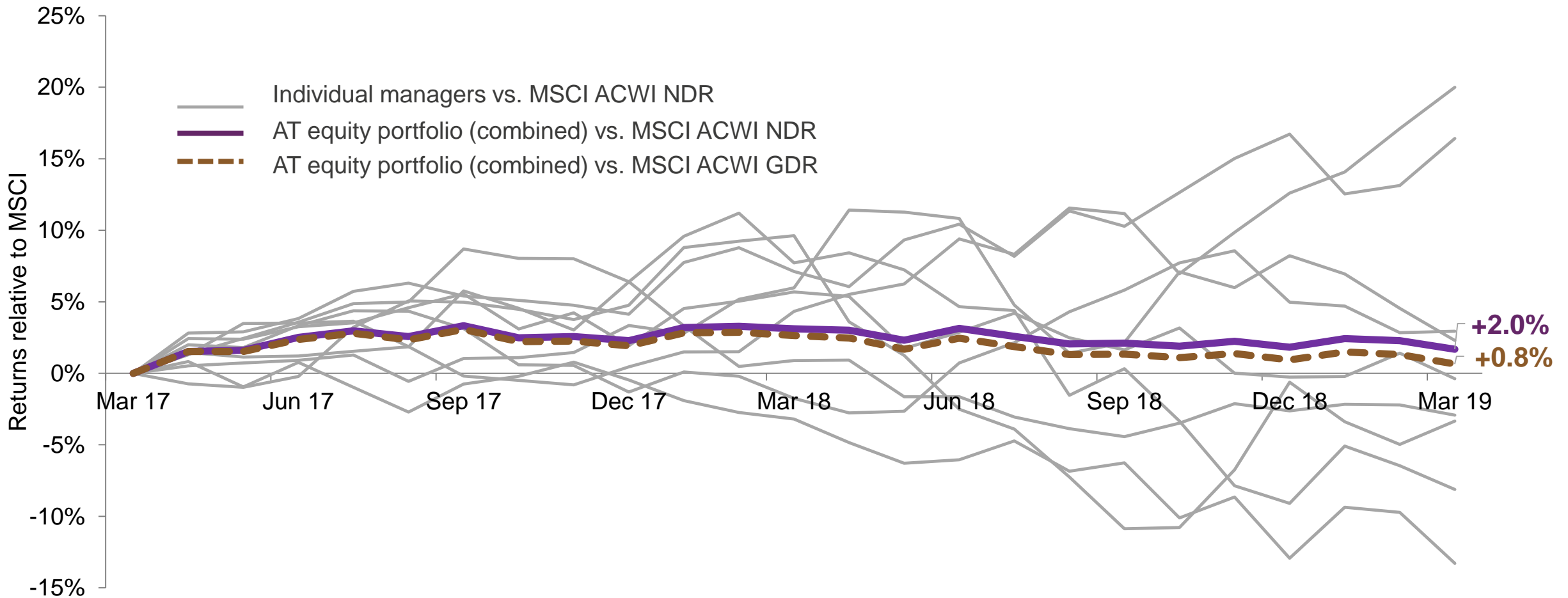


Following the sale of ATS we will focus on NAV Total Return versus MSCI ACWI NDR

Past performance is not a reliable indicator of future returns.

Notes: All data is provided as at 31 March 2019. All figures may be subject to rounding differences. The benchmark shown is the MSCI ACWI – Gross Dividends Reinvested and Net Dividends Reinvested. Sources: 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 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. Alliance Trust equity portfolio returns are gross of fees. The Ongoing Charges Ratio is approximately 0.65% based on net assets as at 31 December 2018. Peer Group Source: Morningstar and Canaccord. Notes: All figures are measured since 1 April 2017, gross of fees. The peer group is the Morningstar universe of 306 UK retail global equity funds (open ended and closed ended). P.a. outperformance calculated arithmetically.

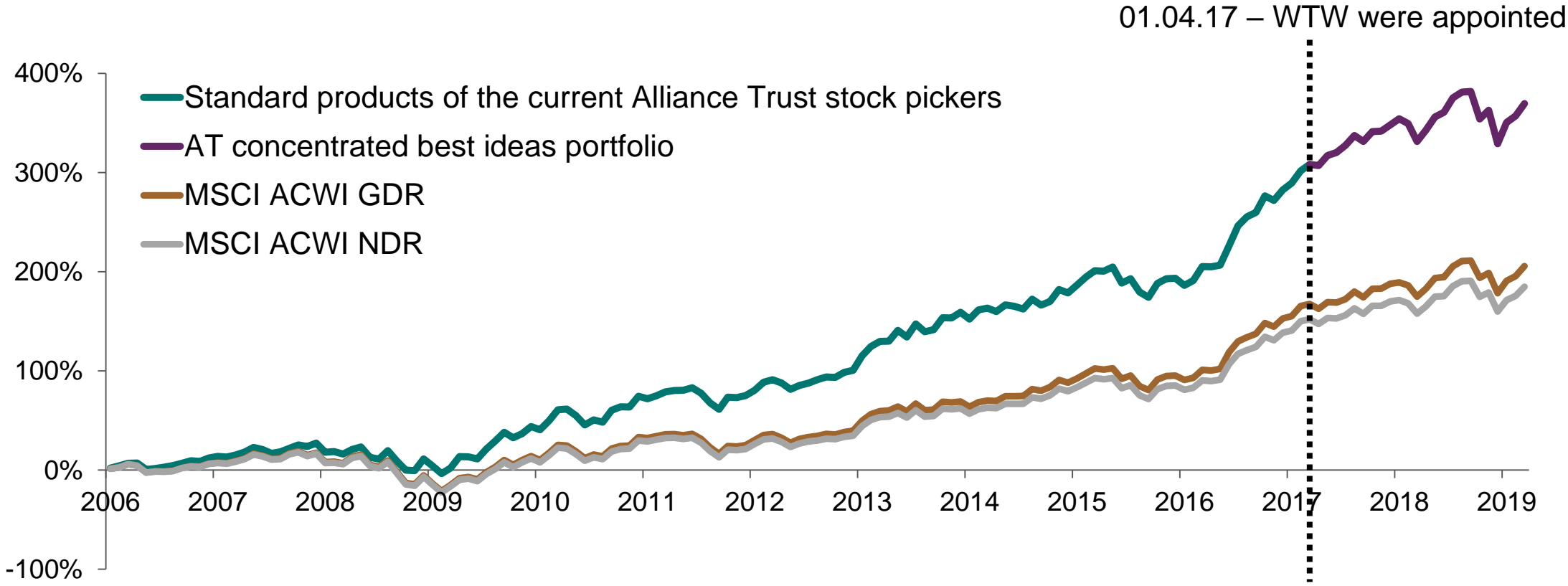
PERFORMANCE OF THE EQUITY PORTFOLIO



Past performance is not a reliable indicator of future returns.

Source: Investment Performance data is provided by BNY Mellon Performance & Risk Analytics Europe Limited, Morningstar and MSCI Inc. Individual manager returns are benchmarked against MSCI All Country World Index NDR (Net Dividends Reinvested). Alliance Trust equity portfolio returns are gross of fees. The Ongoing Charges Ratio is approximately 0.65% based on net assets as at 31 December 2018. The brown line represents Alliance Trust returns benchmarked against MSCI All Country World Index GDR (Gross Dividends Reinvested). The purple line represents Alliance Trust returns benchmarked against MSCI All Country World Index NDR (Net Dividends Reinvested). Source: Willis Towers Watson. Data sourced March 2019.

UNDERLYING MANAGER PERFORMANCE OVER A LONG TIME HORIZON



Figures refer to simulated past performance. Past performance is not a reliable indicator of future performance.

Source: eVestment and BNY Mellon. All data as at 31 March 2019. Methodology: All managers are initially equally weighted, apart from GQG EM which is set at 5%. Portfolio is rebalanced at end of each calendar year and when a new manager's product became available for inclusion. Minimum five managers for strategy inception. Active managers' fee assumption is 0.65% pa (i.e. standard product fees). Cost of trading is assumed to be charged at each rebalance point at a rate of 0.5%. All returns are in GBP.

UNDERLYING MANAGER PERFORMANCE OVER A LONG TIME HORIZON

Discrete calendar year performance (%):

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Simulated AT Equity Performance	12.2	13.4	-12.7	29.4	21.2	0.5	14.5	29.2	7.5	5.4	30.3	17.1	-4.2
MSCI ACWI GDR	6.6	10.3	-19.5	20.6	16.8	-6.2	11.7	21.1	11.2	3.8	29.4	13.8	-3.3
Outperformance vs. GDR	5.6	3.1	6.8	8.8	4.5	6.6	2.8	8.1	-3.7	1.5	0.9	3.3	-0.9
Outperformance vs. NDR	6.1	3.7	7.3	9.5	5.0	7.1	3.4	8.7	-3.2	2.1	1.7	3.9	-0.4

Annualised performance (% p.a.):

	2 Year	Since Jan 2006
Simulated AT Equity Performance	7.3	12.4
MSCI ACWI GDR	6.9	8.8
Outperformance vs. GDR	0.4	3.6
Outperformance vs. NDR	1.0	4.2

Figures refer to simulated past performance. Past performance is not a reliable indicator of future performance.

Source: eVestment and BNY Mellon. All data as at 31 March 2019. Methodology: All managers are initially equally weighted, apart from GQG EM which is set at 5%. Portfolio is rebalanced at end of each calendar year and when a new manager's product became available for inclusion. Minimum five managers for strategy inception. Active managers' fee assumption is 0.65% pa (i.e. standard product fees). Cost of trading is assumed to be charged at each rebalance point at a rate of 0.5%. All returns are in GBP.

ACTIVE MANAGEMENT HAS FACED HEADWINDS OVER THE LAST DECADE, PARTICULARLY IN 2018

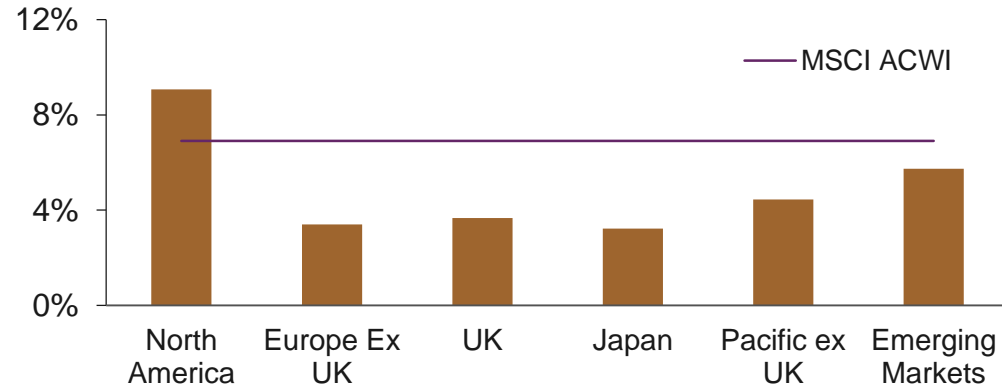
	2011	2012	2013	2014	2015	2016	2017	2018
MEDIAN STOCK RETURN	-9.8%	12.5%	22.8%	1.1%	-2.7%	4.1%	19.0%	-14.9%
INDEX RETURN	-7.6%	13.2%	24.1%	2.9%	-2.7%	5.3%	20.1%	-10.4%
ACTIVE HEADWIND	2.2%	0.7%	1.3%	1.8%	-0.1%	1.2%	1.1%	4.5%

Past performance is not a reliable indicator of future returns

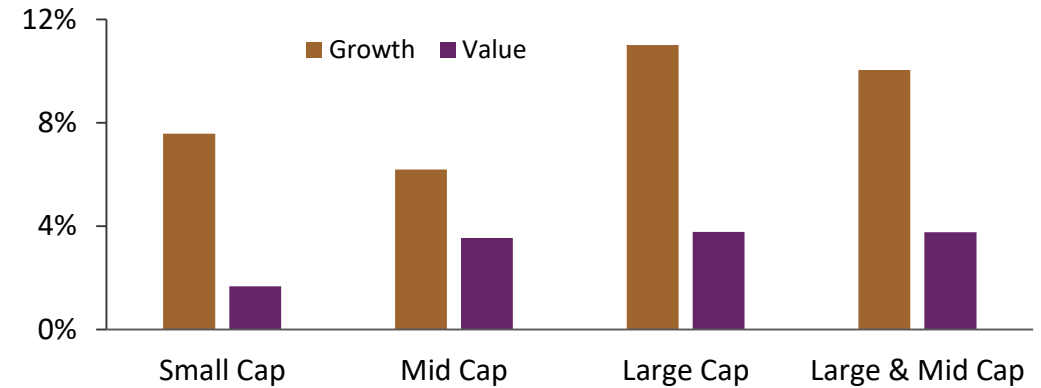
Source: Factset and MSCI, as at 31 December 2018. MSCI World Price Total Return (USD) Index.

MARKET DRIVERS OVER THE LAST TWO YEARS

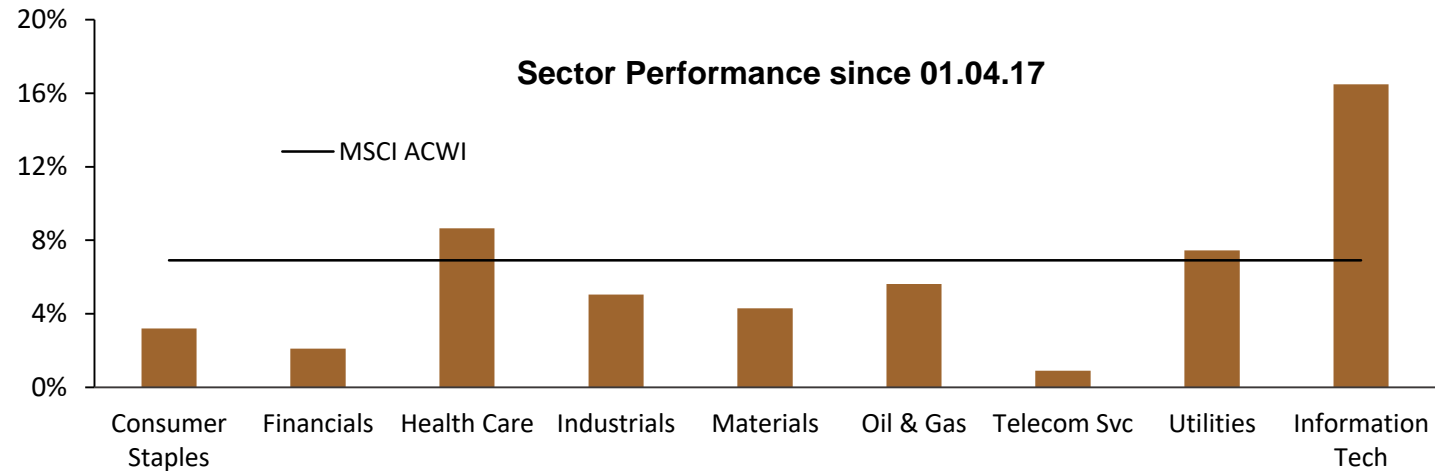
Regional Performance since 01.04.17



MSCI ACWI performance since 01.04.2017



Sector Performance since 01.04.17



Past performance is not a reliable indicator of future returns

Source: MSCI: GBP, Total Gross Return, Unhedged. As at 31 March 2019. ACWI: All Country World Index.

STOCK LEVEL ATTRIBUTION

1 Year to end March 2019:

Top 5 Equity Contributors to total return

Security Name	Average Equity Portfolio Weight (%)	Contribution to Return (%)
MICROSOFT CORP	1.69	0.58
SALESFORCE.COM INC	1.01	0.52
AMAZON.COM INC	1.06	0.46
HDFC BANK LTD	1.25	0.38
HCA HEALTHCARE INC	1.20	0.38

Top 5 Equity Detractors to total return

Security Name	Average Equity Portfolio Weight (%)	Contribution to Return (%)
BAYER AG	0.13	-0.44
COMMSCOPE HOLDING CO	0.60	-0.35
WESTERN DIGITAL CORP	0.59	-0.33
RYANAIR HOLDINGS PLC	0.99	-0.30
AMBEV SA	0.70	-0.29

Past performance is not a reliable indicator of future returns. Reference to specific securities should not be construed as a recommendation to buy or sell these securities and is included for the purposes of illustration only.

Source: The Bank of New York Mellon Performance & Risk Analytics Europe Limited, as at 31 March 2019. Return attribution shown is country attribution. Note: Contributions to total return are for the equity portfolio only, which may differ from the Net Asset Value (NAV) Total Return, and Total Shareholder Return

TOP TEN HOLDINGS AT END MARCH 2019



Microsoft



HDFC BANK

Alphabet



Abbott

Country of Listing	United States	India	United States	United Kingdom	United States
Sector	Information Technology	Financials	Communication Services	Consumer Staples	Health Care
Number of stock pickers	3	2	3	2	2

ORACLE®

HCA
Healthcare™



UnitedHealth Group®



PHILIP MORRIS
INTERNATIONAL

Charter
COMMUNICATIONS

Country of Listing	United States	United States	United States	United States	United States
Sector	Information Technology	Health Care	Health Care	Consumer Staples	Communication Services
Number of stock pickers	2	1	2	2	1

Reference to specific securities should not be construed as a recommendation to buy or sell these securities and is included for the purposes of illustration only.

WHAT WE EXPECT FROM MANAGERS ON SUSTAINABILITY

Our research process considers:






Notes: ESG = Environmental, social and governance

Best practice

- **ESG integration:** demonstrable process that identifies and assesses material ESG factors
- **Stewardship:** voting and engagement processes to protect and enhance long-term value of the assets

Review process

-  Where managers fall short we engage to drive change led by the lead researcher
-  12 months to enact changes, then review
-  If the manager fails to respond we review our rating

ENGAGING WITH COMPANIES TO IMPROVE OUTCOMES

Hermes EOS



Hermes EOS credentials¹

- ✓ \$496bn of assets under advice invested in >10,000 companies worldwide
- ✓ 14+ years of experience
- ✓ Global team of 21 professionals
- ✓ Engaged with 746 companies on 2,084 issues during 2018



Services provided

Corporate engagement

Voting

Public policy

Covering a wide range of issues including:

Climate change

Executive remuneration

Human rights

Cyber security

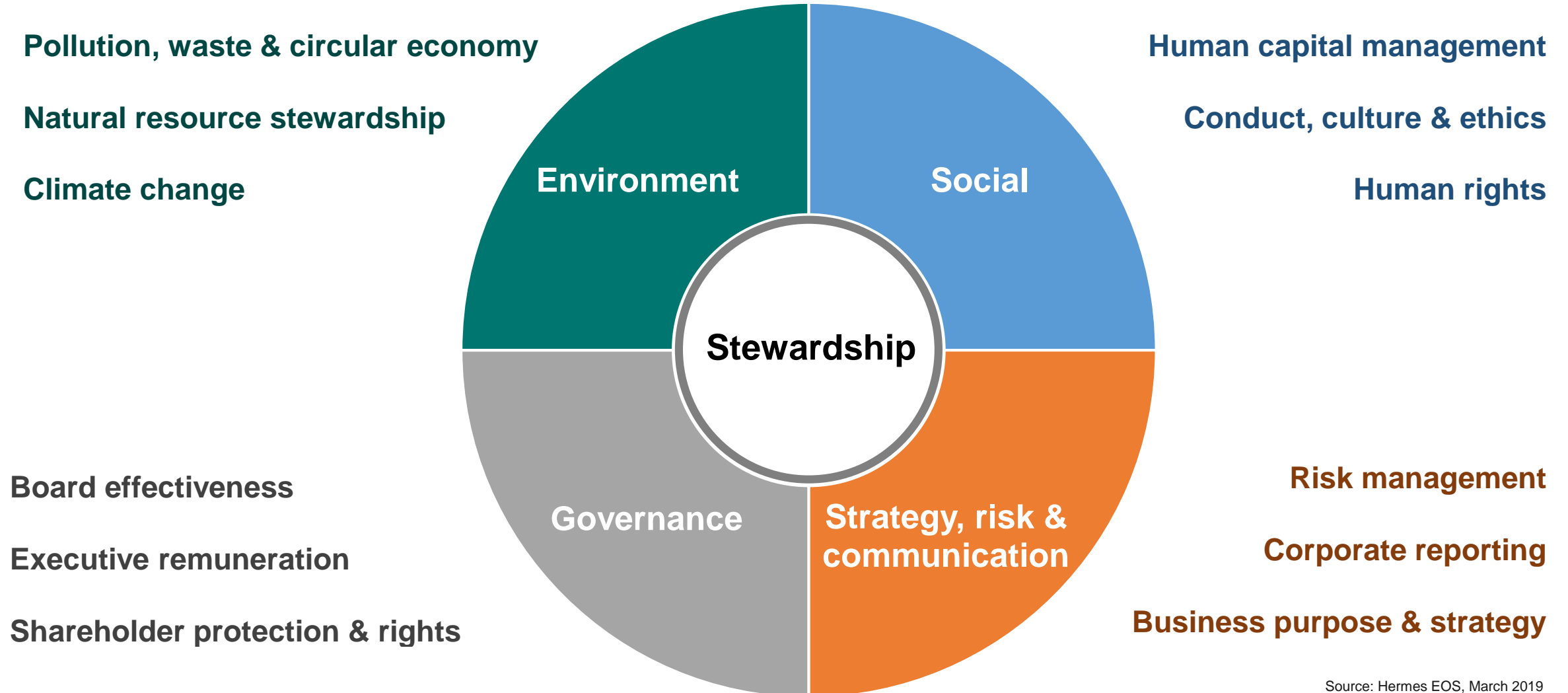


Benefits

- ✓ Protect and enhance performance
- ✓ Align management with investors
- ✓ Drive industry improvements for a better functioning investment system

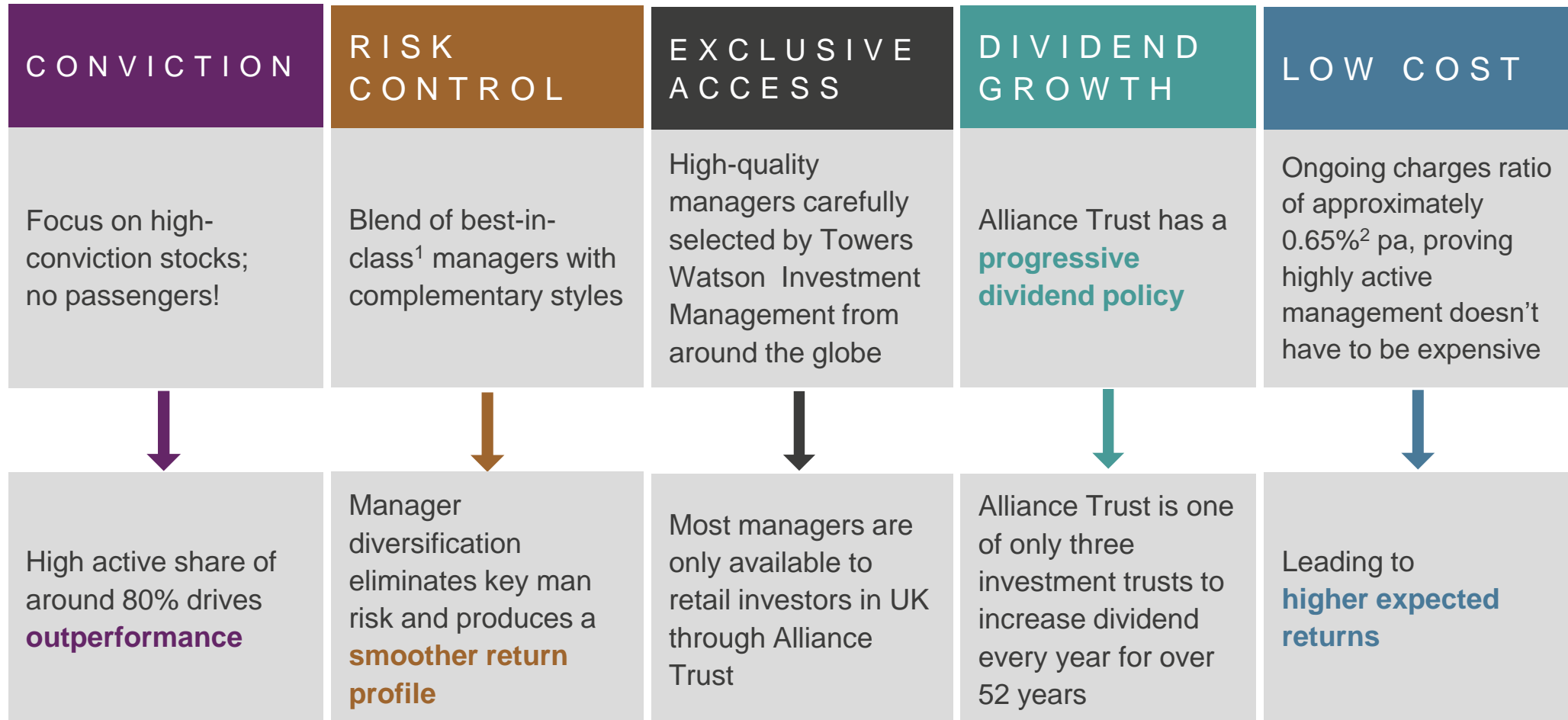
¹Source: <https://www.hermes-investment.com> as 31 December 2018. EOS = Equity Ownership Services

THE ISSUES HERMES EOS TACKLE THROUGH COMPANY ENGAGEMENT



Source: Hermes EOS, March 2019

OUR PROPOSITION: DIVERSIFIED, HIGH CONVICTION



Past performance is not a reliable indicator of future returns.

Source: Willis Towers Watson (WTW). ¹Best-in-class refers to a Willis Towers Watson rating. ²Based on net assets as at 31 December 2017.

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- 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 portfolio funds engage are speculative and involve a substantial risk of loss.
- Past performance is not a reliable indicator of future returns.
- The figures refer to simulated past performance and past performance is not a reliable indicator of future returns.
- Expected performance is not a reliable indicator of future returns.
- 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 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.
- The Trust 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	2014	2015	2016	2017	2018
Alliance Trust Total Shareholder Return (TSR)	9.0	11.0	26.4	19.2	-6.1
Alliance Trust Equity Portfolio Return (%)	7.2	6.1	23.3	17.9	-4.2
MSCI ACWI total return (%)	11.2	3.8	29.4	13.8	-3.3
Relative return (%)	-4.0	+2.3	-6.1	+4.1	-0.9

Source: Willis Towers Watson, February 2019. ¹Calculated before managers' fees and including the effect of the managers' cash holdings. The Ongoing Charges Ratio is approximately 0.65% based on net assets as at 31 December 2018. 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.

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