

Dividend Reset and Declaration

Highlights

- Review of level and funding of the Company's dividend has been concluded; Board believes that an increased, but still sustainable, level of dividend will benefit existing shareholders and enhance the attractiveness of the Company's shares.
- Third interim dividend for 2021 reset at an increased level of 5.825p; fourth interim dividend for 2021 expected to be declared at the same level.
- Total dividend for 2021 expected to be 19.054p, an increase of 32.5% on the 2020 dividend.
- From the reset level, the Board expects to continue to extend the Company's track record of increasing ordinary dividends year-on-year for 2022 and beyond.
- Investment objective¹ and strategy and Dividend Policy remain unchanged; well supported by significant distributable reserves which stood at over £3.3 billion as at 30 June 2021².

Commenting on the announcement, Gregor Stewart, Chairman of Alliance Trust PLC, said:

“Shareholder feedback has indicated that there is support for a higher dividend, as long as it is sustainable and affordable. The expected recovery in the income from the portfolio and flexibility afforded by our extensive and recently enhanced distributable reserves means that an increased level is affordable and that our track record of annual dividend increases can be sustained. We have therefore decided to reset the dividend to a more attractive level.

Combined with strong investment performance, we believe resetting our dividend will reinforce Alliance Trust's position as an attractive core global equity investment, providing shareholders with a real return through a combination of capital growth and a rising dividend.”

In its most recent Interim Results published in July of this year, the Board of Alliance Trust PLC (the “Company”) announced that it was reviewing the level and funding of the Company's dividend payments. In particular, the Board examined whether and on what basis a more attractive and sustainable level of dividend could be provided to shareholders in the future, without a change to the Company's investment objective¹ or strategy. The Board sought the feedback of shareholders, and would like to thank those who shared their views. After having completed its review, the Board has concluded that the Company's dividend should be reset at a higher level and that it shall continue to declare year-on-year dividend increases in accordance with the Company's Dividend Policy. The Board believes that delivering an increased, but still sustainable, level of dividend will benefit existing shareholders and enhance the attractiveness of the Company's shares.

Accordingly, the Company is today announcing a third interim dividend for 2021 of 5.825p, a 62% increase on the corresponding interim dividend of 3.595p last year. Subject to there being no material change in current circumstances before it declares its fourth interim dividend for 2021, the Board expects to declare a fourth interim dividend for 2021 of the same amount. This one-off reset is therefore expected to result in a total dividend for 2021 of 19.054p, an increase of 32.5% on the Company's 2020 dividend³.

The new level of dividend is well supported by the Company's investment strategy and significant distributable reserves which stood at over £3.3 billion as at 30 June 2021². The increase will not result in any change to the Company's Dividend Policy, nor to its investment objective¹ or its global equity, multi-stock picker investment strategy. The Board will continue to take advantage of the Company's structure as an investment trust and will use both its investment income and its distributable reserves to fund dividend payments.

Dividend Declaration

Alliance Trust PLC announces the declaration of a third interim dividend for the year ending 31 December 2021 of 5.825 pence per share payable on 31 December 2021 to shareholders on the register on 3 December 2021. The ex-dividend date is 2 December 2021.

Notes:

¹ The Company aims to be a core investment for investors, delivering a real return over the long term through a combination of capital growth and a rising dividend.

² The Company's unaudited distributable reserves at 30 June 2021, adjusting for the subsequent reclassification of the Company's merger reserve into a distributable reserve, were £3,326m. Of these, the Company's revenue reserve was £98m, realised capital reserves were £2,659m and unrealised capital reserves were £569m. Both elements of the capital reserves are readily convertible to cash. In the event that the Company were to distribute any reserve funds in the future, it may require realisation of some of the Company's assets to the value of the funds being distributed less any cash resources available to the Company at the time.

³ If all the Company's interim dividends in 2021 were paid at the same level as the first and second interim dividends for 2021, the Company's expected total dividend for 2021 would have been 14.808p. If all were paid at the same level as the third and fourth interim dividends, the Company's expected total dividend for 2021 would have been 23.300p.

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About Alliance Trust PLC

Alliance Trust aims to deliver long-term capital growth and rising income from investing in global equities at a competitive cost. We blend the top stock selections of some of the world's best active managers, as rated by Willis Towers Watson, into a single diversified portfolio designed to outperform the market while carefully managing risk and volatility. Alliance Trust PLC is an AIC Dividend Hero with 54 consecutive years of rising dividends.

<https://www.alliancetrust.co.uk>

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