ANNUAL REPORT 2023

Annual Report for the year ended 31 December 2023

Alliance Trust INVESTING FOR GENERATIONS

INVESTING FOR GENERATIONS

Catering for every generation, Alliance Trust aims to grow your capital over time and provide rising income by investing in global equities.

"Our approach brings together the 'best ideas' from expert stock pickers. Each is responsible for investing in a selection of high conviction equities."

Dean Buckley
Chair

Investment objective

The Company's objective is to be a core investment for investors that delivers a real return over the long term through a combination of capital growth and a rising dividend. The Company invests primarily in global equities across a wide range of different sectors and industries to achieve its objective.

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A CORE HOLDING FOR ALL GENERATIONS

Our portfolio's blend of stock pickers and their customised stock selections makes Alliance Trust a strong, core holding for long-term investors seeking capital growth and rising income. Whatever your financial goal, be it saving for university or a first home, building a pension or leaving a legacy, we're built to help you achieve this.

Proven resilience

Established in 1888, we've successfully navigated two world wars, multiple economic crises, the Covid-19 pandemic and numerous political upheavals.

Low maintenance

Our ready-made portfolio does all the hard work for you. With thousands of funds to choose from, it can be daunting finding the time and having the confidence to be your own wealth manager. By using experts to select and monitor a team of top-rated stock pickers, who in turn choose their most attractive stocks, we provide a simple, high-quality way to invest in global equities at a competitive cost.

Diversified by country, industry and style

Our approach doesn't depend on the skill of a single high-profile individual. It's a team effort which means the portfolio can add value through varying stock market cycles and deliver more consistent returns.

All of our stock pickers have different but complementary approaches to investing. This means our holdings are well diversified across countries, industries and investment styles to seek a wide range of opportunities while minimising risk.

Focused stock picking

Although well diversified, we avoid hugging the Company's benchmark index[1] by asking the stock pickers to choose no more than 20 stocks[2] in which they have the highest level of conviction.

When combined, our portfolio's country and sector exposures resemble the index[1] but its individual holdings are very different. This high level of divergence is designed to maximise potential for outperformance.

Expert manager selection

All the stock pickers are chosen by our investment manager, Willis Towers Watson ('WTW'), a leading global investment business.

WTW researches thousands of managers globally, before selecting a diverse team of expert stock pickers for Alliance Trust.

To control risk, WTW then balances the amount of capital allocated to each of them. Due to the modular construction of the portfolio, if a stock picker needs to be replaced, this can be done smoothly.

Responsible ownership

Our approach to investment is forward-thinking. To help protect the returns of the next generations, we include consideration of environmental, social and governance factors in the selection of our stock pickers who in turn include these factors in their investment processes. We place particular emphasis on engaging with companies to drive change in harmful business practices that may threaten long-term corporate profitability.

Rising dividend

We're proud of our 57-year track record of dividend growth, which is one of the longest in the investment trust industry.

1. MSCI All Country World Index. 2. Apart from GQG Partners, who also manage a dedicated emerging markets mandate with up to 60 stocks.

Alliance Trust

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OUR PERFORMANCE

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2023

SHARE PRICE
1,112.0p
(2022: 948.0p)

NET ASSET VALUE ('NAV') PER SHARE
1,175.1p
(2022: 989.5p)

TOTAL SHAREHOLDER RETURN[1]
+20.2%
(2022: -5.8%)

NAV TOTAL RETURN[1]
+21.6%
(2022: -7.1%)

DISCOUNT TO NAV[1]
-5.4%
(2022: -4.2%)

TOTAL DIVIDEND[2]
25.2p
(2022: 24.0p)

The above data is as at 31 December 2023.

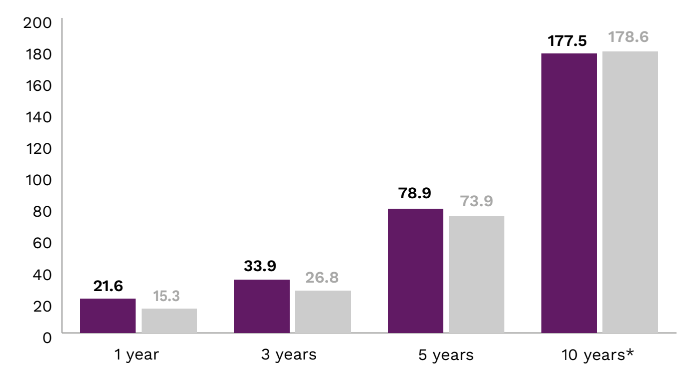
	31 December 2023	31 December 2022	% Change
Net assets/shareholders' funds (£'000)	**3,336,688**	2,895,019	15.3
Shares in issue (excluding ordinary shares held in Treasury)	**283,964,600**	292,579,600	-2.9
NAV per share (p)	**1,175.1**	989.5	18.7
NAV Total Return (%)[1]	**21.6**	-7.1	
Share price (p)	**1,112.0**	948.0	17.3
Total dividend per share (p)[2]	**25.2**	24.0	5.0
Total Shareholder Return (%)[1]	**20.2**	-5.8	
Discount to NAV (%)[1]	**-5.4**	-4.2	
Ongoing Charges Ratio (%)[1]	**0.62**	0.61	

[1] Alternative Performance Measure – see page 102 for further information.
[2] Total dividend rounded to one decimal place.
Notes:
NAV per share including income with debt at fair value.
NAV Total Return based on NAV including income with debt at fair value and after all costs.
Source: Morningstar and Juniper.

LONGER-TERM PERFORMANCE

NAV TOTAL RETURN (%)[1]

This measures the performance of our assets. It combines any change in the NAV with dividends paid by the Company.

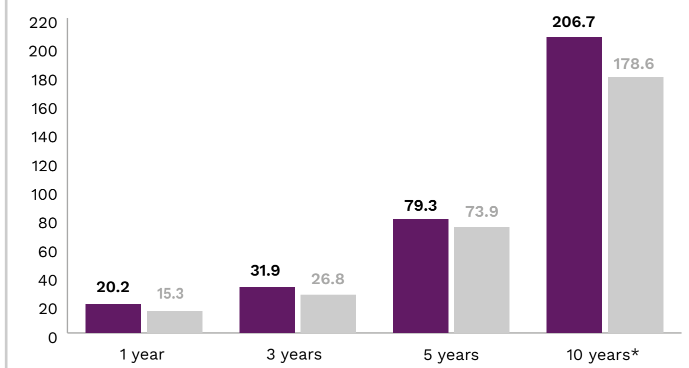


Alliance Trust
MSCI ACWI

Source: Morningstar and MSCI Inc.
NAV Total Return based on NAV including income with debt at fair value and after costs.

TOTAL SHAREHOLDER RETURN (%)[1]

This demonstrates the return our shareholders receive through share price capital returns and dividends paid by the Company.

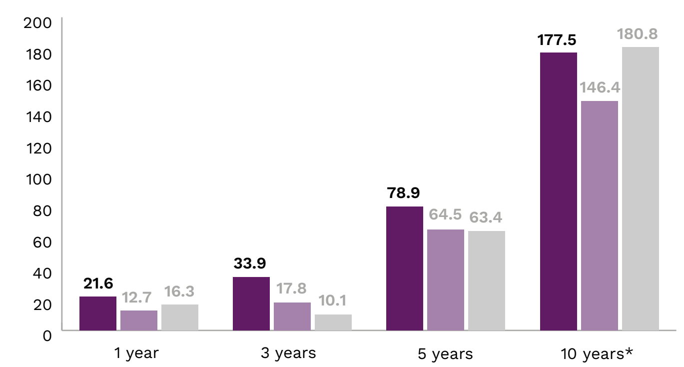


Alliance Trust
MSCI ACWI

Source: Morningstar and MSCI Inc.

COMPARISON AGAINST PEERS (%)

This shows our NAV Total Return against the Total Return of the Morningstar universe of UK retail global equity funds (open-ended and closed-ended) and the AIC Global Sector.

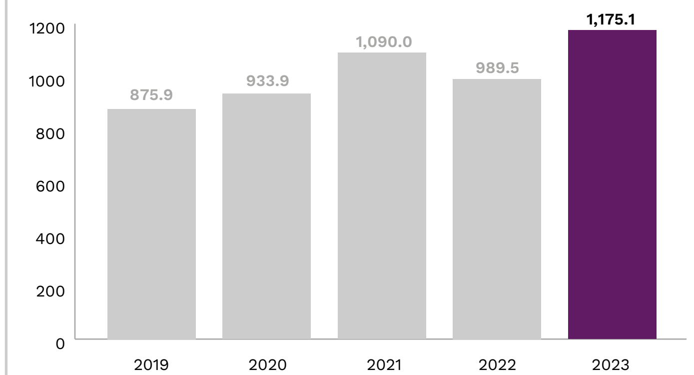


Alliance Trust
Morningstar Peer Group Median
AIC Global Sector Average NAV Total Return (unweighted)

Source: Morningstar and the Association of Investment Companies.

NET ASSET VALUE PER SHARE (PENCE)

This shows the value per share of the investments held by the Company less its liabilities (including borrowings).



Source: Juniper.
Net Asset Value includes income and with debt at fair value.

[1] Alternative Performance Measure (see page 102 for further information).
* Includes performance prior to WTW's appointment as investment manager on 1 April 2017.

CHAIR'S STATEMENT

"It is with pleasure that I present the Annual Report for the year ended 31 December 2023, my first report as Chair."

Dean Buckley
Chair

2023: A GOOD YEAR FOR SHAREHOLDERS

2023 was a surprisingly positive year for financial markets, with global equities delivering strong gains despite a challenging economic and geopolitical backdrop. I am pleased to report that our Net Asset Value ('NAV') Total Return of 21.6% was significantly higher than the 15.3% return from our benchmark, the MSCI All Country World Index ('MSCI ACWI'). It also compared favourably with the average returns of our two peer groups, 16.3% for the Association of Investment Companies ('AIC') Global Sector investment trust peer group and 12.7% for the Morningstar universe of UK retail global equity funds (open-ended and closed-ended). By design, this outperformance was largely due to good stock picking, rather than the result of any significant style, country, or sector biases. The slight widening of the Company's discount, from 4.2% at the start of the year to 5.4% at the end, led to a marginally lower Total Shareholder Return ('TSR') of 20.2%.

DIVIDEND INCREASED FOR 57TH CONSECUTIVE YEAR

The Board declared a fourth interim dividend of 6.34p on 20 February 2024. As a result, the dividend for the full year increased by 5.0% from the prior year to 25.2p per share (2023: 24.0p). This year's dividend increase marks the 57th consecutive annual increase, a track record which is one of the longest in the investment trust industry, and one which the Board is confident can be extended well into the future.

RESILIENT PERFORMANCE TRACK RECORD

It was, therefore, a good year for our shareholders, one that built on the solid foundations laid in prior years and, through the continued strong compounding of returns, boosted longer term performance metrics. Given our style-balanced approach, the Board is pleased to see the Company's investment strategy working as intended, avoiding dramatic swings of performance relative to benchmark and growth or value biased strategies, and delivering resilient returns through a range of market environments. These environments included Brexit, Covid, the war in Ukraine, surging interest rates to contain inflation and escalating tensions in the Middle East. At year-end, our performance was in the top quarter of the Morningstar peer group of global trusts and funds over one, three, and five years.

THREE AWARDS

It is also encouraging to see that the turnaround since the introduction of the multi-manager strategy in 2017 has been recognised externally. We won three awards in 2023: the **Global category of the 25th Investment Company of the Year Awards** run by Investment Week, in association with the AIC; **Best Marketing Campaign** in the AIC's Shareholder Communications Awards; and **Most Effective Brand Strategy Small Company** in the Awards for Marketing Effectiveness organised by the Financial Services Forum. These awards raised our profile and may help us attract the attention of new investors, which benefits existing shareholders if it leads to increased demand for our shares and a higher share price. Our marketing efforts will continue in 2024 with the launch of a refreshed brand.

DEBT COSTS LOWERED

Like homeowners with variable rate mortgages, we were disappointed by the increase in the cost of servicing our floating-rate debt. After a thorough review of our debt arrangements, we replaced a meaningful proportion of those facilities with fixed rate loans at attractive rates. Full details on the refinancing of the Company's debt can be found on page 52. Willis Towers Watson ('WTW'), our investment manager, is confident that using borrowed money to buy attractive stocks will, in the long run, produce returns that exceed borrowing costs. Hence, our continued faith in the strategic use of gearing, although on a tactical basis WTW used gearing sparingly in 2023 given its caution about the near-term economic and market outlook. You can read more about WTW's market outlook in its report.

DISCOUNT REMAINED STABLE

The widening of investment trust discounts was much discussed in 2023. At its worst point, the average trust's shares traded at a discount of 16.9%. This was a wider discount to the value of the industry's underlying assets than at any time since the 2008 Global Financial Crisis. In part, this reflected weak investor sentiment and increased competition from attractive savings rates on deposit accounts. However, the Company fared better than most, with its average discount remaining relatively stable throughout the year at 6.0% (2022: 5.9%). This compared favourably with the average discount for the AIC Global Sector of 9.8%.

It is always difficult to pinpoint the precise reasons for movements in the Company's discount because there are so many factors involved, not all of them within our control. We attribute our discount stability to good investment performance and marketing, which stimulated demand for our shares, as well as the continued use of share buybacks. During the year, the Company bought back 8.6 million shares (2.9% of shares in issue as at 31 December 2022), versus 15.5 million in 2022. These share buybacks enhanced the NAV Total Return by 0.2%.

OPERATIONAL CHANGES SUCCESSFULLY IMPLEMENTED

As discussed in last year's Annual Report, we made some operational changes at the end of 2022, appointing Juniper Partners Limited ('Juniper') as company secretary and WTW to provide further marketing and distribution, public relations, and investor relations services. As previously detailed in the Interim Report, with effect from 1 April 2023, Juniper was also appointed to provide administration, finance and accounting services. The Board is pleased to report that these changes have been operating successfully.

SUCCESSION PLANNING

As part of the Board's succession planning, Gregor Stewart stepped down at the end of December, having served a total of nine years, of which just over four were as Chair. I am honoured to replace him. On behalf of the Board, I would like to thank Gregor wholeheartedly for his enthusiasm and commitment as a Director and leadership as Chair. Gregor's tenure was through a demanding period which saw the simplification of the Company's business and implementation of the current investment strategy. Gregor left the Board on a high note, with the Company delivering strong performance and receiving a handful of awards. As previously reported in the Interim Report, Anthony Brooke stepped down as a Director of the Company at the conclusion of the Annual General Meeting ('AGM') on 27 April 2023.

ANNUAL GENERAL MEETING

The Board looks forward to being able to meet shareholders again at this year's AGM, which will be held at the Apex Hotel in Dundee on 25 April 2024. For those shareholders who are not able to attend in person, we will be live streaming the event. As well as the formal business of the meeting, there will be an investor forum afterwards featuring two of our stock pickers, as well as members of WTW's investment team. There will be another in-person investor forum in London in the Autumn. In addition, shareholders can engage with the Company and its stock pickers via online presentations during the year.

KEEP UP TO DATE WITH COMPANY INFORMATION

The Company's website contains a vast amount of information such as details of shareholder meetings and investor forums, monthly factsheets, quarterly newsletters, and stock picker updates, as well as the Annual and Interim Reports. I would encourage you to visit the website to keep up to date on the performance of the Company. The QR code at the foot of this page will take you directly to the appropriate section on the website, where you can also subscribe to receive these updates direct to your e-mail.

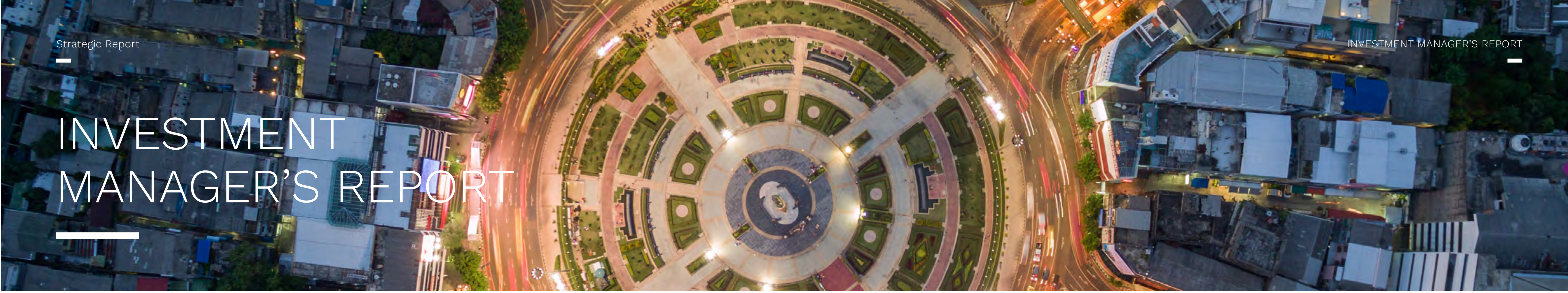
As always, the Board welcomes communication from shareholders and I can be contacted through the company secretary at investor@alliancetrust.co.uk.

OUTLOOK

Although inflation appears to have peaked and the next move in interest rates is likely to be down, the timing and pace of the expected easing of monetary policy by central banks is not clear. Cuts in interest rates may not arrive as soon or as quickly as the market expected towards the end of last year. As a result, the outlook for corporate earnings might not be as rosy as implied by some elevated stock prices. A soft landing, where economic growth shifts down to a lower gear but avoids global recession, is possible, but is not guaranteed. Nevertheless, every market environment produces winners and losers, and we are confident that our diversified but highly selective approach to stock picking will continue to add value for shareholders. Alliance Trust's innovative multi-manager investment strategy has already demonstrated strong performance through a variety of market conditions and the Board believes it can continue to build on that track record in the coming years.

Dean Buckley
Chair
6 March 2024

Scan the QR code using your smart phone's camera to access shareholder information on the Company's website.



INVESTMENT MANAGER'S REPORT

STRONG INVESTMENT PERFORMANCE AGAINST A CHALLENGING MARKET BACKDROP

2023 could hardly have started with a less favourable backdrop. After 2022's market rout, equities were surrounded by uncertainty fuelled by rising interest rates, sticky inflation, and geopolitical conflict. It was therefore a surprise that stock markets generally performed so well. Indeed, on Wall Street many stocks ended the year at or near record highs. But it was a roller-coaster ride through the year, with markets suffering extreme mood swings from optimism and pessimism and back. A large proportion of the market's gains were made in the final quarter of 2023 after the US Federal Reserve signalled that interest rates could come down if inflation continued to decline.

The "Santa rally" from late October meant that the Company's benchmark index, the MSCI ACWI, which includes developed and emerging markets, delivered a total return (with dividends reinvested) of 15.3% for the year. The overall pattern of market returns was broadly speaking the reverse of 2022, with US mega-cap, tech-related stocks leading the way after the previous year's sell off. The so called "Magnificent Seven" – Nvidia, Microsoft, Tesla, Apple, Amazon, Meta and Alphabet – were responsible for over 50% of the MSCI ACWI's gains. Some of these advances were fuelled by excitement over the potential impact of Artificial Intelligence ('AI') on their future profits. However, in some cases at least, share price advances were underpinned by strong current earnings. During Covid, the share prices of many of the "Magnificent Seven" were fuelled largely by bullish sentiment; today, business fundamentals count, too.

There was more to the equity rally than US tech-related stocks, especially towards the end of 2023 when the rally broadened out. After decades of stagnation, the Japanese economy and stock market finally showed signs of life, with the Nikkei 225 index rising by more than 30%. However, depreciation of the yen trimmed the value of share price gains in sterling by half. Continental Europe and some emerging markets also posted strong gains for the year, though not China which failed to rebound after the lifting of Covid restrictions and had negative returns. The UK continued to lag the US and continental Europe, with the FTSE All-Share index returning 7.9%.

With relatively high interest rates ending the era of "free money", it is possible that the greater breadth of market returns in 2023 showed that investors were focussing on company specifics to identity potential winners and losers.

The Company's portfolio significantly outperformed the market in 2023, delivering a NAV Total Return of 21.6%, versus 15.3% for the index. Importantly, this outperformance was primarily driven, as intended, by our blend of stock pickers choosing a wide range of outperforming stocks from across the world, rather than country, sector or investment style exposures, although relative returns also benefitted from gearing and share buybacks. The table below shows the full breakdown of returns. We believe our managers' stock picking skills could become increasingly important in what is likely to be a period of continuing macroeconomic instability.

CONTRIBUTION ANALYSIS

Contribution to Return in 2023	%
Benchmark Total Return	**15.3**
Asset Allocation	-0.3
Stock Selection	6.3
Gearing and Cash	1.0
Investment Manager Impact	**7.0**
Portfolio Total Return	**22.3**
Share Buybacks	0.2
Fees/Expenses	-0.6
NAV Including Income, Debt at Par	**21.9**
Change in Fair Value of Debt	-0.4
NAV Including Income, Debt at Fair Value	**21.6**
Change in Discount	-1.4
Total Shareholder Return	**20.2**

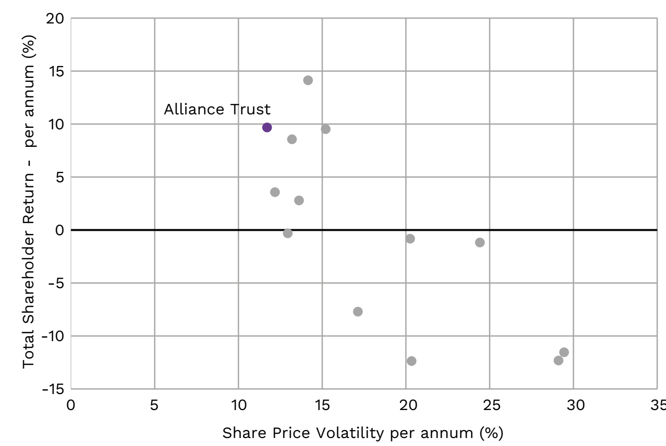
Source: Performance and attribution data sourced from WTW, Juniper, MSCI, FactSet and Morningstar as at 31 December 2023. Percentages may not add due to rounding.

REAPING THE BENEFITS OF COMPOUNDING

As long-term investors, one strong calendar year's performance is not the best way to judge the success of our investment strategy. We prefer to focus on the impact of compounding of returns over time. It is, therefore, reassuring to see that last year's gains versus benchmark have incrementally built on steady past performance to deliver outperformance of the benchmark in all key time periods.

For the three years ended 31 December 2023, the cumulative NAV Total Return was 33.9% with relatively low volatility, versus 26.8% for the MSCI ACWI (see chart below). On an annualised basis, this equates to a NAV Total Return of 10.2% per annum, compared to 8.2% for the benchmark. Over five years and the period since we were appointed (1 April 2017 to 31 December 2023), the portfolio has delivered an annualised outperformance of 0.6% and 0.5% respectively. While this level of outperformance is less than we aspire to in the long run, it compares favourably with returns from most active managers and passive fund equivalents, after costs.

ATTRACTIVE RETURNS WITH LOW VOLATILITY*



Source: Morningstar.
* Comparison versus AIC Global Sector peer group – 3 years to 31 December 2023.

STOCK PICKER ALLOCATIONS

As in previous years, we kept all our so called "factor" positions well balanced relative to the benchmark in 2023 through regular small adjustments to stock picker allocations, allowing stock selection to shine through as the key source of return. However, we did add a Japan specialist, Dalton Investments ('Dalton') in July, which was discussed in detail in the Interim Report. Excluding Dalton, the table on page 15 which details stock picker weights at the beginning and end of the year shows little change. But this disguises the fact that, to keep pace with shifting market dynamics, from one factor to another, we regularly take money away from the best performing stock pickers and give it to those who are underperforming. It may seem counterintuitive to trim exposure to "winners" and increase exposure to "losers" but this process helps to keep portfolio exposures balanced across sectors, countries, and styles, thereby avoiding the build-up of excessive concentration risks that can result from leaving allocations unchanged. The idea is to ensure that stock selection based on business fundamentals makes the key difference to returns, not over or underweight sector or country exposures, which can be subject to sentiment-based mood swings.

However, this rebalancing process is not automatic. Although we have target weights for each stock picker, changing allocations is ultimately a judgment call. For example, we did not add to Jupiter Asset Management ('Jupiter') or Lyrical Asset Management ('Lyrical') last year, despite their underperformance, as they often invest in smaller companies that are inherently riskier than the stocks typically chosen by of some of the other stock pickers, such as Veritas Asset Management ('Veritas'), who tend to focus on large, higher-quality value, companies.

SKILLED STOCK SELECTION DROVE RETURNS

The strategy clearly worked. Most of our stock pickers outperformed the MSCI ACWI, with the outperformers having a variety of investment styles and exposures. Vulcan Value Partners ('Vulcan'), which buys high quality stocks when their share price drop below estimated long term value, was the biggest contributor to the portfolio's outperformance. Vulcan's concentrated selection of stocks rose collectively by almost 50%. Its most successful holdings included two of the "Magnificent Seven", **Microsoft** and **Amazon**, but Vulcan's top five contributors also included the industrial conglomerate **General Electric** and the private equity group **KKR**, whose share prices rose by 85% and 70% respectively.

INVESTMENT MANAGER'S REPORT

Veritas and Sustainable Growth Advisors ('SGA'), both of which focus on high quality growth stocks, were close behind Vulcan, along with growth-style specialist Sands Capital ('Sands'), and Metropolis Capital ('Metropolis'), which has a value-based investment philosophy. Veritas and SGA both benefitted from owning **Amazon** and **Alphabet**, but, as with Vulcan, not all their top contributors were US tech-related businesses. Veritas' largest contributors to portfolio outperformance included **Safran**, the French aerospace and defence company, and **Aena**, the Spanish industrial group; SGA's contribution was topped by **MercadoLibre**, Latin America's answer to eBay. Sands was actually the strongest performer of all the managers in absolute terms but its low weight in the portfolio, means that it did not contribute as much to the portfolio's outperformance as the others. Sands' biggest individual contributor was the US software company **ServiceNow** and Metropolis' was **Alphabet**.

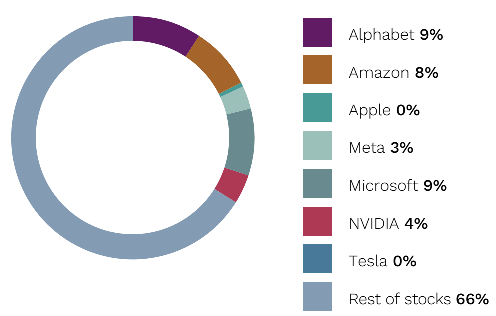
At the other end of the spectrum, the holdings in aggregate of Black Creek Investment Management ('Black Creek') and Jupiter failed to keep up with the market, but both picked some notable individual winners, as did GQG Partners ('GQG') whose overall return was market-like in 2023. For example, Black Creek's investment in **Ebara**, the Japanese industrial equipment manufacturer, returned 60% and was among the biggest individual contributors to portfolio performance. Jupiter's holdings in **Kyndryl**, the US technology infrastructure business spun out of IBM in 2021, posted a gain of 76% and GQG's investment in **Petrobras**, the Brazilian state-owned oil and natural gas major, delivered a return of almost 80%.

DIVERSE RANGE OF STOCKS OUTPERFORMED

Looking at the portfolio as a whole, it is clear that selective exposure to the "Magnificent Seven" stocks was a significant driver of portfolio returns last year. But it is important to point out that we had no exposure to Tesla, had a relatively low weight in Apple and a below benchmark weight in **Nvidia** early in the year when the stock soared, which detracted from relative performance. This demonstrates a selective approach to the "Magnificent Seven" by our stock pickers based on their assessment of business fundamentals, as opposed to treating them as a homogenous entity. Such was the rally among the "Magnificent Seven" that they accounted for approximately 30% of the S&P 500 at the year end, or the same as the market capitalisation of Japan, Canada and the UK combined[1]. This represents enormous concentration risk in the benchmark which we are keen to mitigate, via active management.

Unlike the index, our returns were not reliant on a cluster of dominant players. Indeed, in aggregate, a greater proportion of our gains came from relatively small incremental contributions from diversified exposure to a wide variety of stocks in different industries. You can see from the below pie charts that 53% of the benchmark's return came from the "Magnificent Seven". However, they accounted for only 34% of the portfolio's return.

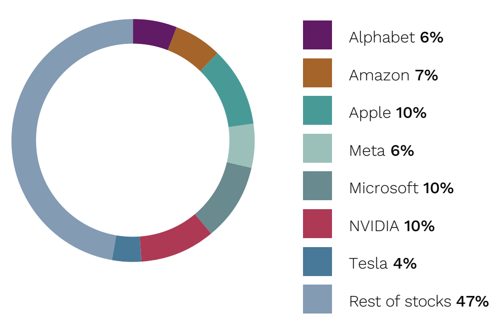
Portfolio return stock contributors – 34% from the "Magnificent Seven"



Source: FactSet, MSCI Inc, Juniper and WTW. Data as at 31 December 2023.

Note: Total percentages may not add up to 100 due to rounding differences.

Benchmark return stock contributors – 53% from the "Magnificent Seven"



Source: FactSet, MSCI Inc, Juniper and WTW. Data as at 31 December 2023.

Note: Total percentages may not add up to 100 due to rounding differences.

1. Source: https://apolloacademy.com/wp-content/uploads/2024/01/010324-Chart.pdf

Our stock pickers are not complacent about the ability of "big tech" companies to continue to dominate the market, hence continued exposure to **Amazon**, **Microsoft**, and **Alphabet**, which are all in the portfolio's top ten positions. However, our stock pickers remain wary of AI hype. As with the internet bubble 20 years ago and other innovative technologies like cloud computing, it could take several years before the clear winners of AI emerge, and they will not necessarily be the early front runners. So, while the portfolio does have exposure to AI, through Microsoft and a small position in Nvidia, for example, our stock pickers seek to profit from AI on a company-by-company basis, rather than treating AI as a broad theme. Having been through a euphoric period in which it was obligatory for every tech company to develop an AI strategy, it is now approaching the time when investors are likely to begin demanding real revenue and profits from the technology. Active management of exposures to AI, including within mega caps, will therefore be key.

STOCK PICKERS' ADJUSTED HOLDINGS

Apart from regular rebalancing between selected stock pickers and the addition of Dalton, there were no major changes to our portfolio positioning in 2023. However, the stock pickers themselves adjusted their holdings. This could have happened for a variety of reasons. For example, stocks reaching their estimate of fair value and profits being taken, companies failing to live up to expectations and positions being sold, or cheap stocks being bought because their share prices have fallen well below fair value.

Examples of position changes in 2023 included:

- Black Creek sold out of Germany's **Heidelberg Materials** following significant share price appreciation and reinvested profits in US listed **Elanco Animal Health**, which produces medicines and vaccines that help prevent and treat disease in livestock and pets. Elanco trades at an attractive valuation, particularly when compared to its larger peer, Zoetis. Black Creek believes that Elanco can accelerate sales growth and increase its profitability in the coming years based on new product launches and improved operating efficiencies.
- Lyrical sold **Lincoln Financial** after it surprised investors by writing down the value of some of its assets and bought shares in **Gen Digital**, a global consumer, cyber safety provider based in the US. Cyber safety was synonymous with computer anti-virus software, but as people spend more of their lives online across many devices, threats have expanded beyond computer viruses. The ever-increasing volume and sophistication of online threats drives long term organic growth potential for the company.
- Veritas sold **CVS Health** due to growing doubts about its business model and established a position in **Diageo**, the UK based drinks company that has built an industry leading portfolio of brands through focused investment, and, in many countries, a dedicated route to market. Diageo can influence the evolution of luxury spirits across different categories and occasions, including super premium scotch and tequila. It is also growing brands of the future, including zero and lower alcohol choices through a combination of acquisition, developing their own brands, and investing in entrepreneurs through the Diageo backed accelerator programme. This high-quality exposure to a multi decade theme of premiumisation of developed market consumption makes the investment in Diageo very attractive.
- SGA bought shares in **Aon**, a commercial insurance broker that helps clients better manage risk, employee retirement, and health benefits. Aon monetises its insights, mainly through highly recurring commissions and fees, which provide predictable cash flows. The company has also been taking on higher margin businesses which are enabled by analytics and has been successful delivering consistent revenue growth and margin expansion over the years. SGA expects overall steady growth based on rising premiums in risk, health, and increases in retirement assets over a three-to-five-year investment horizon.

AllianceTrust

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INVESTMENT MANAGER'S REPORT

- Sands sold **Edward Lifesciences** following a weakening of its conviction in the company and bought shares in **Roper Technologies**, a diversified industrial technology company that operates over 40 businesses in more than 40 niche markets. The company sells software and engineered products and solutions across four segments: application software, network software and systems, measurement and analytical solutions, and process technologies. The corporate strategy prioritises cash flow growth, which Roper then seeks to deploy into acquiring new businesses. Roper maintains strict investment criteria when evaluating acquisition targets, and its rigorous standards are based on its proprietary "cash return on investment" metric. The company is indiscriminate in the types of businesses it seeks to own; rather, it focuses exclusively on free cash generation and management quality. Each business is decentralised and operates autonomously, with a mandate to grow and generate cash. Sands' research suggests that Roper is an acquirer of choice for engaged management teams that desire to continue independent operations. It expects steady cash flow growth as Roper executes on its disciplined acquisition and growth strategy.

Overall, total stock turnover was 43.0% of the portfolio in 2023, down from 56.7% in 2022.

UNCERTAIN OUTLOOK

Although the year ended on a high note for stock markets, it is not easy to predict how they will evolve in 2024. Most economists and analysts were wrong footed by the global economy in 2023, which highlights the difficulty of basing an investment strategy on macroeconomic developments. That is why WTW places limited emphasis on second guessing the speed of global Gross Domestic Product ('GDP') growth, or which country will be up or down, and instead we leave it to our managers to decide if and how macroeconomic conditions impact their choice of holdings.

Even so, the macroeconomic outlook does influence the level of gearing that we set and manager allocations. In a world where geopolitics is back on the investment agenda and there are multiple elections on the horizon, including in the US, India, the European Parliament, and the UK, the short-term outlook for equities is more than usually uncertain. We are conscious that the full impact of past interest rate increases has yet to fully filter through to the real economy, for example, on debt refinancing by households and corporations. It is possible, therefore, that recession may just have been postponed rather than avoided if people pull in their horns. Although hoped for interest rate reductions may limit the damage of a downturn on companies' earnings, a soft landing is not assured. Even if recession is avoided, growth could remain sluggish. Finally, notwithstanding any future reductions, with interest rates back to a more normal level historically, there could be continued competition for equities from the perceived safety of bonds and cash. We therefore remain cautious and are keeping the portfolio's net gearing low.

We are, however, excited about the prospects for active management and the companies in the portfolio. Macroeconomic and market volatility typically leads to higher differentiation of valuations between stocks, which skilled stock pickers can exploit for long term advantage. In 2023, our fund managers demonstrated that, collectively, they can add significant value despite a challenging macroeconomic backdrop. We remain confident that they can continue to do well by selectively investing in companies with strong fundamentals rather than following short-term trends that often drive indices. We, in turn, will continue to dynamically manage the stock pickers and their allocations in the light of evolving market conditions to ensure the portfolio strikes a comfortable balance between reward and risk. They will seek the rewards; we will manage risk.

RESPONSIBLE INVESTMENT

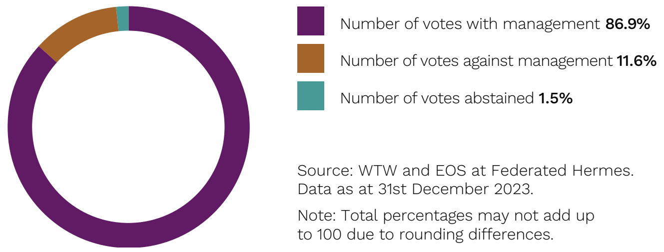
As stewards of the Company's assets, we apply high standards of responsible investment to managing the portfolio. Environmental, Social and Governance ('ESG') factors can all influence returns, so these risk factors are integrated into WTW's investment processes, including assessing how managers evaluate ESG risk in their decisions over what stocks to purchase. Climate change poses significant risks to investment returns from many companies, which is why both we and the Company have pledged to have its assets transitioned to achieve Net Zero by 2050 at the latest, with an interim target of reducing portfolio emissions by 50% by 2030, relative to 2019.

There was a reduction last year in the portfolio's weighted average carbon intensity (which measures carbon emissions as a proportion of revenue) to 74.5 tCO_2e/\$M Sales from 117 tCO_2e/\$M Sales in 2022. However, progress towards Net Zero will not be linear. Emissions from the portfolio are dependent on holdings, which can change from year to year as our stock pickers seek value for investors. Even so, the direction of travel is clearly set out and if companies are perceived as being slow to adapt to a Net Zero world, we will generally vote against or engage with them to encourage positive changes to business practices. We believe this is preferable to excluding them from the portfolio, since exclusion merely passes the responsibility of ownership to other investors who may be less scrupulous about adherence to ESG standards or regulation. As well as engaging with companies on climate change, our stock pickers, together with stewardship provider EOS at Federated Hermes ('EOS'), focused on a wide range of other issues last year. These engagements included:

- Dalton seeking to rationalise the structure of Japan based **Seven & I**, which operates a wide variety of businesses, including convenience stores, superstores, food services and financial services. In an ongoing engagement, Dalton is urging the company to spin off its 7 Eleven global convenience store business to enhance corporate value.
- SGA engaging with **Yum! Brands** (owner of KFC, Pizza Hut, and Taco Bell) to improve labour, health and safety, environmental performance and ethics within its protein supply chains.
- Veritas challenging **Meta** by voting against management for the business to report on online child exploitation to provide shareholders more information about how well the company is managing these risks.

Overall, EOS and our stock pickers engaged with 95 companies in the portfolio on 539 issues and objectives throughout the year. Of these, the environmental category accounted for 28% of the total. Meanwhile, our stock pickers voted on all available proposals, casting votes at 3,522 resolutions. Of these resolutions, they voted against company management on 410 and abstained from voting on 53 occasions. The topics and the breakdown of the ways in which our stock pickers voted are detailed below.

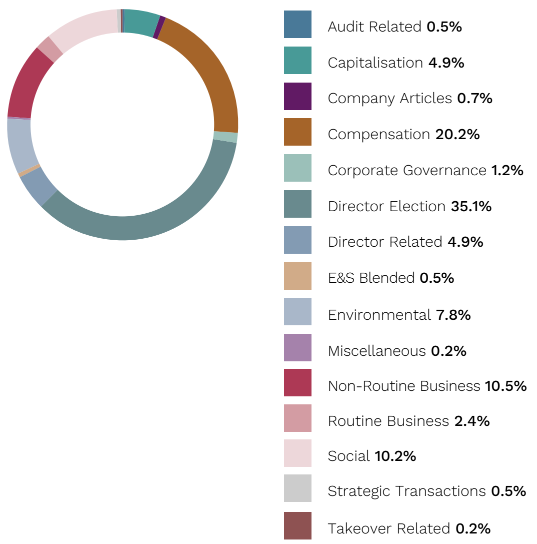
HOW WE VOTED



Source: WTW and EOS at Federated Hermes.
Data as at 31st December 2023.

Note: Total percentages may not add up to 100 due to rounding differences.

REASONS FOR VOTING AGAINST MANAGEMENT



Source: WTW and EOS at Federated Hermes.
Data as at 31st December 2023.

Note: Total percentages may not add up to 100 due to rounding differences.

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OUR STOCK PICKERS

HOW WE MANAGE THE COMPANY'S PORTFOLIO

WTW has overall responsibility for managing the Company's portfolio. It's our job to select a diverse team of expert stock pickers, each of whom invest in a customised selection of 10-20 of their 'best ideas'. We then allocate capital to them, relative to the risks they represent. For example, small-cap stocks are typically more risky than large-cap stocks, so on average a small-cap specialist would tend to receive less capital than a stock picker who focuses on large-cap stocks. However, the allocations do not remain static; we keep them under constant review and vary them over time according to market conditions, with the goal of keeping our exposures to different parts of global stocks markets well balanced.

We encourage our stock pickers to ignore the benchmark and only buy a small number of stocks in which they have strong conviction, while we manage risk through the stock picker allocations. On their own, each of the stock picker's high conviction mandates has the potential to perform well. This is supported by our experience of managing high conviction portfolios and academic evidence[1]. But concentrated selections of stocks can be volatile and risky, so we mitigate these dangers by blending stock pickers with complementary investment approaches or styles, which can be expected to perform differently in different market conditions. This smooths out the peaks and troughs of performance associated with concentrated single-manager strategies.

Several of the stock pickers in the current portfolio have been with us since inception of the multi-manager strategy, though we do actively monitor and rearrange the line-up where necessary. There was one addition to the team in 2023. As previously detailed on page 9, in July we added a specialist Japan manager, Dalton. This was funded with capital from the other stock pickers, principally Black Creek, Metropolis, Sands, GQG and Veritas. Additional information on Dalton can be found on page 12 of the Interim Report for the six months ended 30 June 2023.

We invest a lot of time and effort on identifying skilled stock pickers for the Company's portfolio, undertaking extensive qualitative and quantitative analysis. This due diligence process focuses on:

- The investment processes, resources and decision-making that make up the stock picker's competitive advantage;
- The culture and alignment of the organisation that leads to sustainability of that competitive advantage;
- Their approach to responsible investment. We aim to appoint stock pickers who actively engage with the companies in which they invest and have an effective voting policy. When necessary, we challenge the stock pickers and guide them towards better practices; and
- The operational infrastructure that minimises risk from a compliance, regulatory and operational perspective.

Our views are formed over extended periods from multiple interactions with the managers, including regular meetings. We look beyond past performance numbers to try to understand their 'competitive edge'. This involves examining and interrogating processes for selecting stocks, adherence to this process through different market conditions, team dynamics, training, and experience. Performance track records are just a single data point, and, without the context of the additional information, they are unlikely to persuade us that a stock picker is skilled.

Once selected, we tend to form long-term partnerships with our stock pickers, generally only taking them out of the portfolio if something fundamental changes, such as the departure of a key individual from the business or a change in business strategy or fortunes. With highly active, concentrated portfolios, short-term underperformance is to be expected and is not a reason to doubt a stock picker if they are adhering to their philosophy and process. We do, however, keep a constant eye out for talent and may bring new managers into the portfolio at the expense of an incumbent if they are a better fit.

1. Sebastian & Attaluri, Conviction in Equity Investing, The Journal of Portfolio Management, Summer 2014.

OUR STOCK PICKERS AS AT 31 DECEMBER 2023

Stock Picker	Background	Investment Style	% of portfolio by value at 31 December 2023
Black Creek Investment Management	Black Creek is based in Toronto and was founded in 2004. Assets under management as at 31 December 2023 were $10.0bn.	Long-term contrarian value-orientated buyers of leading businesses across the market cap spectrum.	11% (14% at 31 Dec 2022)
Dalton Investments	Dalton is a disciplined and opportunistic investment management firm with a focus on Asia and a particular expertise in Japan (its largest strategy). As at 31 December 2023 Dalton managed $4.0 billion in actively managed long only and long/short strategies.	Dalton implements a value approach with a focus on the alignment of interests between management and shareholders. Client portfolios are built from the bottom up, one security at a time, with each security being selected on its own merits, through rigorous fundamental analysis to calculate an "intrinsic" value.	5% (0% as at 31 Dec 2022)
GQG Partners	GQG is an investment management firm focused on global and emerging markets equities. Headquartered in Fort Lauderdale, Florida, USA, it managed assets of $120.6bn as at 31 December 2023.	Seeks large capitalisation, high-quality companies, with durable earnings growth over the long-term; quality at a reasonable price.	21% (20% at 31 Dec 2022) (Includes both global and emerging markets mandates)
Jupiter Asset Management[1]	Jupiter was established in London in 1985 as a specialist investment boutique. Since then it has expanded beyond the UK and managed £50.8bn as at 30 September 2023.	Looks for out-of-favour and undervalued businesses with prominent franchises and sound balance sheets.	9% (11% at 31 Dec 2022)
Lyrical Asset Management	Lyrical is a boutique advisory firm based in New York with 338 clients, it oversees $7.1bn in assets as of 31 December 2023.	Lyrical describes their approach as finding the gems amid the junk. They seek to own quality companies with attractive growth and simpler business models amid the cheapest 20% of their US universe.	6% (7% at 31 Dec 2022)
Metropolis Capital	Metropolis is a UK-based firm with a value-based investment style. It had £3.0bn of assets under management as at 31 December 2023.	Focuses on long-term market recognition of the fundamental value of their investments and income generated from those investments.	10% (10% at 31 Dec 2022)
Sands Capital[2]	Sands Capital is an independent, employee-owned firm headquartered in the Washington, D.C. area. As of 31 December 2023, the firm managed $52.1 billion in client assets.	Focuses on finding high-quality, wealth creating growth businesses that can sustain above-average earnings growth over the long term.	4% (5% at 31 Dec 2022)
Sustainable Growth Advisers ('SGA')	SGA is based in Stamford, Connecticut USA, and manages US, global, emerging markets and international large-cap growth portfolios. As at 31 December 2023 it had assets under advisement of $26.5bn.	Seeks differentiated companies that have strong pricing power with recurring revenue, strong cash flow generation and long runways of growth.	13% (11% at 31 Dec 2022)
Veritas Asset Management	Veritas was established in 2003 and is run with a partnership structure and culture. It has offices in London and Hong Kong. As at 31 December 2023 it managed £19.2bn.	Aims to grow real wealth over five-year periods by looking for highly cash generative protected businesses benefitting from enduring growth trends.	15% (15% at 31 Dec 2022)
Vulcan Value Partners	Vulcan is based in Birmingham, Alabama, USA, and was founded in 2007. As at 31 December 2023 it managed $7.7bn for a range of clients including endowments, foundations, pension plans and family offices.	Focuses on protecting capital and generating returns by investing in companies with high-quality business franchises trading at attractive prices.	6% (7% at 31 Dec 2022)

1. Mandate under review due to resignation of lead fund manager, Ben Whitmore.
2. Please note that AUM includes the discretionary and non-discretionary assets of Sands Capital Management, LLC as of 31/12/2023, and the gross assets of all funds (not including uncalled capital) for Sands Capital Ventures, LLC. Figures for Sands Capital Ventures, LLC are updated 45-60 days after quarter-end.

INVESTMENT PORTFOLIO

OUR 30 LARGEST INVESTMENTS AT 31 DECEMBER 2023

1

Alphabet

Alphabet is a holding company that engages in the acquisition and operations of different firms. It is best known as the parent company for Google but holds other subsidiaries as well. The company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware product. Alphabet dominates the online search market, with Google's global share above 80%, via which it generates strong revenue growth and cash flow. It is one of the "Magnificent Seven" technology stocks in the United States.

Country of Listing	**United States**
Sector	**Communication Services**
Value of Holding (£m)	**140.9**
Net purchases/(sales) in 2023 (£m)	**(20.0)**
% of Total Assets	**4.2**
% of MSCI ACWI	**2.3**
% Total Return	**49.6**

2

Microsoft

Microsoft develops, manufactures, licenses, sells and supports software products including operating systems, server applications, business & consumer applications and software/development tools for the Internet and intranets. In addition, it develops video game consoles and digital music entertainment devices. Microsoft is an established player in the tech sector and continues to evolve and innovate to maintain this position. We see the potential for solid growth driven by a still significant opportunity for its Azure cloud-computing business and within its suite of office and productivity solutions. It is one of the "Magnificent Seven" technology stocks in the United States.

Country of Listing	**United States**
Sector	**Information Technology**
Value of Holding (£m)	**137.6**
Net purchases/(sales) in 2023 (£m)	**(9.5)**
% of Total Assets	**4.1**
% of MSCI ACWI	**3.9**
% Total Return	**48.5**

3

Amazon.com

Amazon.com is a multinational technology company that focuses on e-commerce, online advertising, cloud computing, digital streaming, and artificial intelligence. The opportunity for Amazon's growth stems from the strength of and execution in its AWS cloud computing business, as well as its offerings that are in or support digital commerce. It is one of the "Magnificent Seven" technology stocks in the United States.

Country of Listing	**United States**
Sector	**Consumer Discretionary**
Value of Holding (£m)	**111.4**
Net purchases/(sales) in 2023 (£m)	**(1.3)**
% of Total Assets	**3.3**
% of MSCI ACWI	**2.1**
% Total Return	**70.7**

4

Visa

Visa is an American multinational financial services corporation. It describes itself as a global payments technology company that works to enable consumers, businesses, banks, and governments to use digital currency. It facilitates electronic funds transfers throughout the world, most commonly through Visa branded credit cards, debit cards and prepaid cards across a broad clientele from retail to corporate. The company is a dominant player within payment solutions and with cross-border travel volumes increasing, this could help sustain double-digit revenue growth for years to come.

Country of Listing	**United States**
Sector	**Financials**
Value of Holding (£m)	**92.1**
Net purchases/(sales) in 2023 (£m)	**(19.4)**
% of Total Assets	**2.8**
% of MSCI ACWI	**0.6**
% Total Return	**18.9**

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5

Nvidia

Nvidia, based in California, is a world-leading supplier of artificial intelligence hardware and software. The company designs products that include graphics processing units ('GPUs') and systems on a chip ('SoCs') for the mobile computing and automotive markets. It is one of the "Magnificent Seven" technology stocks in the United States.

Country of Listing	United States
Sector	Information Technology
Value of Holding (£m)	71.8
Net purchases/(sales) in 2023 (£m)	49.4
% of Total Assets	2.2
% of MSCI ACWI	1.8
% Total Return	219.9

6

Mastercard

Mastercard provides technological solutions and the enablement of electronic payments. It works with a wide range of consumers from individuals to corporations to governments. Mastercard is a firm that has shown good stability and quality with its earnings, and holds one of the dominant positions amongst payment solutions providers.

Country of Listing	United States
Sector	Financials
Value of Holding (£m)	60.4
Net purchases/(sales) in 2023 (£m)	(15.6)
% of Total Assets	1.8
% of MSCI ACWI	0.5
% Total Return	16.2

7

Petrobras

Petroleo Brasileiro S.A. (Petrobras) explores for and produces oil and natural gas. The company refines, markets, trades, transports and supplies oil products. Petrobras operates oil tankers, distribution pipelines, marine, river and lake terminals, thermal power plants, fertiliser plants, and petrochemical units. Brazil houses the second largest oil reserves in South America, and this is where Petrobras operates and produces the majority of its oil and gas. Though majority owned by the Brazilian Government, the firm competes on the world stage as one of the largest producers of petroleum and petrochemicals.

Country of Listing	Brazil
Sector	Energy
Value of Holding (£m)	55.2
Net purchases/(sales) in 2023 (£m)	(4.1)
% of Total Assets	1.7
% of MSCI ACWI	0.1
% Total Return	89.1

8

UnitedHealth Group

UnitedHealth Group describes itself as a health and well-being company, offering health care coverage and benefits through UnitedHealthcare, and technology and data-enabled care delivery through Optum. It also manages organised health systems across the United States and provides employers products and resources to plan and administer employee benefit programs. UnitedHealth Group is the largest health insurer in the world. Due to its size, stability, dividends, and positioning, it holds a dominant position in the largest healthcare industry in the world.

Country of Listing	United States
Sector	Health Care
Value of Holding (£m)	50.1
Net purchases/(sales) in 2023 (£m)	0.5
% of Total Assets	1.5
% of MSCI ACWI	0.7
% Total Return	(5.3)

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OUR 30 LARGEST INVESTMENTS AT 31 DECEMBER 2023

TotalEnergies

9

TotalEnergies

TotalEnergies, established in 1924, is a France-based oil and gas company. The company explores for, produces, transports, and supplies crude oil and natural gas. They also produce low carbon electricity (for example, solar energy).

Country of Listing	France
Sector	Energy
Value of Holding (£m)	44.2
Net purchases/(sales) in 2023 (£m)	8.9
% of Total Assets	1.3
% of MSCI ACWI	0.2
% Total Return	6.5

Meta

10

Meta

Meta is an American multinational technology conglomerate headquartered in California. The firm owns and operates Facebook, Instagram, Threads, and WhatsApp, among others. It is one of the "Magnificent Seven" technology stocks in the United States.

Country of Listing	United States
Sector	Communication Services
Value of Holding (£m)	43.9
Net purchases/(sales) in 2023 (£m)	15.8
% of Total Assets	1.3
% of MSCI ACWI	1.2
% Total Return	177.5

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
11	**MercadoLibre**	Uruguay	40.3	1.2
	MercadoLibre operates an online trading site for the Latin American markets and is noted as the largest online commerce and payments ecosystem in Latin America. The company's website allows businesses and individuals to list items and conduct sales & purchases online in either a fixed-price and auction format.			
12	**Airbus**	France	39.7	1.2
	Airbus is a global firm in the aerospace industry, operating in the commercial aircraft, helicopters, defence, and space sectors. Also, the company produces military fighter aircraft, military, missiles, satellites, and telecommunications and defence systems, as well as offering military and commercial aircraft conversion and maintenance services. Airbus is the largest aerospace firm in Europe and serves customers worldwide.			
13	**Diageo**	United Kingdom	39.7	1.2
	Diageo is a global leader in the premium drinks industry and a major distributor of Scotch whisky and other spirits. Distilleries owned by Diageo produce c.40% of all Scotch whisky. The company offers a wide range of branded beverages, including vodkas, whiskeys, tequilas, gins, and beer.			
14	**ASML**	Netherlands	37.1	1.1
	ASML is a Dutch technology corporation headquartered in Veldhoven, Netherlands. The firm develops and manufactures photolithography machines which are subsequently used in the production of computer chips.			
15	**Canadian Pacific**	Canada	36.8	1.1
	Canadian Pacific is a Class 1 transcontinental railway, providing freight and intermodal services over a network in Canada and the United States, hauling goods such as grain, energy products, coal, fertiliser, automotive products, sulphur, food products, and more.			
16	**HDFC Bank**	India	36.5	1.1
	HDFC Bank is India's largest private sector bank and one of the largest banks in the world (by market cap). It offers a wide range of services to the global corporate sector. It also provides corporate banking and custodial services and is active in the treasury and capital markets.			
17	**Adani Enterprises**	India	33.5	1.0
	Adani Enterprises is an international trading house that operates from offices in India as well as other countries. The company is involved in coal mining, cargo handling and power generation. Adani also trades in a large number of products including textiles, energy, metals and agricultural products.			

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	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
18	VINCI	France	32.7	1.0

VINCI, founded in 1899, is a global player in concessions, energy, and construction with expertise in building, civil, hydraulic, and electrical engineering. It offers construction-related specialties and road materials production, as well as finance, management, operations, and maintenance of public infrastructures.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
19	AIA	Hong Kong	32.1	1.0

AIA competes to be the largest life insurance group in Asia, offering life insurance, medical insurance, accident protection insurance, critical illness insurance, disability protection insurance, and savings and investment plans to individuals. The firm was founded in 1919 and is currently headquartered in Hong Kong.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
20	Fiserv	United States	31.6	0.9

Fiserv provides integrated information management and electronic commerce systems and services. The company's solutions include transaction processing, electronic bill payment and presentment, business process outsourcing, document distribution services, and software and systems solutions.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
21	Novo Nordisk	Denmark	31.5	0.9

Novo Nordisk is a multinational pharmaceutical company with production facilities in nine countries and affiliates or offices in five countries. Novo Nordisk manufactures and markets pharmaceutical products and services, specifically diabetes care medications and devices.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
22	The Cooper Companies	United States	31.4	0.9

The Cooper Companies through its subsidiaries, develops, manufactures, and markets specialty healthcare products. The company's products include contact lenses for the vision care market and diagnostic products, surgical instruments, and accessories for gynecologists and obstetricians.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
23	Intuit	United States	31.3	0.9

Intuit develops and markets business and financial management software solutions for small and medium sized businesses, financial institutions, consumers, and accounting professionals. The company provides business management and payroll processing, personal finance, and tax preparation and filing software solutions. Intuit serves customers worldwide.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
24	Autodesk	United States	31.2	0.9

Autodesk supplies PC software and multimedia tools. The company's two-dimensional and three-dimensional products are used across industries and in the home for architectural design, mechanical design, geographic information systems and mapping, and visualization applications. Autodesk's software products are sold worldwide through a network of dealers and distributors.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
25	Workday	United States	31.2	0.9

Workday provides enterprise cloud-based applications. The company offers human capital, spend, and financial management, as well as payroll, initiatives and higher education solutions. Workday serves the finance, healthcare, manufacturing, education, and technology industries worldwide.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
26	Danaher	United States	31.2	0.9

Danaher designs, manufactures, and markets professional, medical, industrial and commercial products, and services in the sectors of test and measurement, environmental, life sciences, dental, and industrial technologies.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
27	S&P Global	United States	30.9	0.9

S&P Global provides clients with financial information services. The company offers information regarding ratings, benchmarks, and analytics in the global capital and commodity markets. S&P Global operates worldwide.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
28	Yum! Brands	United States	30.7	0.9

Yum! Brands owns and franchises quick-service restaurants. The company develops, operates, franchises, and licenses a worldwide system of restaurants which prepare, package, and sell a menu of food items. YUM! Brands serves customers worldwide.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
29	ICON	Ireland	30.7	0.9

ICON PLC provides contract clinical research services to the global pharmaceutical industry. The company manages clinical studies in addition to providing data management, regulatory, and central laboratory services. ICON currently operates offices in multiple countries.

	Name	Country of Listing	Value of Holding (£m)	% of Total Assets
30	Safran	France	29.7	0.9

Safran supplies aerospace and defence systems and equipment. The company sells engines for aeroplanes and helicopters, launch vehicles. Safran serves aviation and defence industries worldwide.

Source: Bloomberg, WTW, MSCI, Juniper, FactSet
Note: All figures are subject to rounding differences.

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OUR OTHER INVESTMENTS AT 31 DECEMBER 2023

Name	Country of Listing	Value of Holding (£m)	% of Total Assets
Texas Instruments	United States	28.9	0.9
Intercontinental Exchange	United States	28.7	0.9
Aon	United States	27.5	0.8
Thermo Fisher Scientific	United States	27.5	0.8
Ebara	Japan	27.5	0.8
Bureau Veritas	France	26.6	0.8
Aena	Spain	26.0	0.8
Kuehne & Nagel	Switzerland	25.5	0.8
News Corp	United States	25.4	0.8
salesforce.com	United States	24.8	0.7
Convatec	United Kingdom	24.6	0.7
Murata Manufacturing	Japan	24.6	0.7
KKR	United States	23.4	0.7
DBS Bank	Singapore	23.2	0.7
Ashtead	United Kingdom	23.1	0.7
Glencore	United Kingdom	22.6	0.7
Taiwan Semiconductor Manufacturing	Taiwan	22.2	0.7
Unilever	United Kingdom	22.1	0.7
State Street	United States	22.0	0.7
AstraZeneca	United Kingdom	22.0	0.7
Misumi Group	Japan	22.0	0.7
Berkshire Hathaway	United States	21.9	0.7
Continental	Germany	21.0	0.6
Interpublic Group	United States	20.9	0.6
Weir Group	United Kingdom	20.9	0.6
Howden	United Kingdom	20.5	0.6
Broadcom	United States	20.5	0.6
Eli Lilly	United States	20.5	0.6
Elanco Animal Health	United States	20.4	0.6
Stericycle	United States	20.2	0.6
Comcast	United States	20.0	0.6
Danone	France	19.8	0.6
Baidu	China	19.7	0.6
Kyndryl	United States	19.6	0.6

Name	Country of Listing	Value of Holding (£m)	% of Total Assets
Molson Coors	United States	19.5	0.6
Paypal	United States	19.2	0.6
Standard Chartered	Hong Kong	18.4	0.6
Signify	Netherlands	18.4	0.6
Moody's	United States	18.3	0.5
Booking Holdings	United States	18.2	0.5
Imperial Brands	United Kingdom	18.1	0.5
Makita	Japan	17.9	0.5
Intel	United States	17.8	0.5
Zebra Technologies	United States	17.2	0.5
Covestro	Germany	17.2	0.5
Kubota	Japan	17.0	0.5
GSK	United Kingdom	17.0	0.5
Nutrien	Canada	17.0	0.5
Skyworks Solution	United States	16.9	0.5
Swire Pacific	Hong Kong	16.6	0.5
Santen Pharmaceuticals	Japan	16.3	0.5
ITC	India	16.3	0.5
Charter Communications	United States	16.0	0.5
BP	United Kingdom	15.9	0.5
Nokia	Finland	15.9	0.5
TP ICAP	United Kingdom	15.5	0.5
ExxonMobil	United States	15.5	0.5
United Rentals	United States	15.2	0.5
Flex	United States	15.1	0.5
Essity	Sweden	15.1	0.5
WPP	United Kingdom	15.0	0.4
Cisco Systems	United States	14.7	0.4
Harley Davidson	United States	14.4	0.4
Adidas	Germany	14.3	0.4
Ameriprise Financial	United States	14.3	0.4
Aercap	United States	14.3	0.4
NRG Energy	United States	13.6	0.4
CBRE Group	United States	13.1	0.4

INVESTMENT PORTFOLIO

OUR OTHER INVESTMENTS AT 31 DECEMBER 2023

Name	Country of Listing	Value of Holding (£m)	% of Total Assets
Expedia	United States	13.1	0.4
Transdigm	United States	13.1	0.4
Carlyle Group	United States	13.0	0.4
General Electric	United States	12.9	0.4
Bayer	Germany	12.1	0.4
Smiths Group	United Kingdom	12.1	0.4
Hargreaves Lansdown	United Kingdom	12.0	0.4
HCA Healthcare	United States	11.9	0.4
DKSH Holding	Switzerland	11.9	0.4
Andritz	Austria	11.7	0.4
TS Tech	Japan	11.7	0.4
Sony	Japan	11.6	0.3
Cigna	United States	11.4	0.3
Western Union	United States	11.2	0.3
Lithia Motors	United States	11.1	0.3
Admiral	United Kingdom	11.1	0.3
Sanwa	Japan	10.9	0.3
Fidelity National Information Services	United States	10.6	0.3
F5	United States	10.4	0.3
Kato Sangyo	Japan	10.4	0.3
Rinnai	Japan	10.3	0.3
Lear	United States	10.1	0.3
Gen Digital	United States	10.1	0.3
Ryanair	Ireland	9.8	0.3
Synnex	United States	9.7	0.3
Global Payments	United States	9.5	0.3
AppLovin	United States	9.4	0.3
MinebeaMitsumi	Japan	9.0	0.3
Dexcom	United States	8.8	0.3
Constellation Software	Canada	8.8	0.3
Toyota	Japan	8.7	0.3
Toyo Suisan Kaisha	Japan	8.6	0.3
Mitsubishi UFJ	Japan	8.3	0.2
Dai Nippon Printing	Japan	8.0	0.2

Name	Country of Listing	Value of Holding (£m)	% of Total Assets
Macnica	Japan	7.9	0.2
CoStar	United States	7.9	0.2
Keyence	Japan	7.9	0.2
Itau Unibanco	Brazil	7.9	0.2
Hikari Tsushin	Japan	7.7	0.2
Liberty Global	United States	7.7	0.2
Shimano	Japan	7.7	0.2
State Bank Of India	India	7.6	0.2
Roper Technologies	United States	7.5	0.2
Square Enix	Japan	7.3	0.2
Ebay	United States	7.3	0.2
Centrais	Brazil	7.2	0.2
Entegris	United States	7.0	0.2
Seven & I	Japan	6.9	0.2
BTG Pactual	Brazil	6.9	0.2
Whirlpool	United States	6.8	0.2
Vale	Brazil	6.7	0.2
Netflix	United States	6.6	0.2
SMC	Japan	6.6	0.2
Adyen	Netherlands	6.5	0.2
Liberty Media	United States	6.4	0.2
ServiceNow	United States	6.4	0.2
Banorte	Mexico	6.4	0.2
Adani Green Energy	India	6.2	0.2
Bandai	Japan	6.2	0.2
Sika	Switzerland	6.0	0.2
ICICI Bank	India	6.0	0.2
Samsung Electronics	South Korea	5.9	0.2
Shopify	Canada	5.8	0.2
Cloudflare	United States	5.7	0.2
DISCO	Japan	5.7	0.2
Axon Enterprise	United States	5.7	0.2
Tokyo Electron	Japan	5.4	0.2
Bank Central Asia	Indonesia	5.4	0.2
Fuji Media	Japan	5.3	0.2

INVESTMENT PORTFOLIO

OUR OTHER INVESTMENTS AT 31 DECEMBER 2023

Name	Country of Listing	Value of Holding (£m)	% of Total Assets
Petrochina Co Ltd	China	5.2	0.2
Adani Ports & SEZ	India	4.9	0.1
Bank Mandiri	Indonesia	4.9	0.1
Adani Energy Solutions	India	4.7	0.1
Sun Pharmaceutical Industries	India	4.0	0.1
Patanjali Foods	India	4.0	0.1
Bread Financial	United States	3.3	0.1
Ambuja Cements	India	3.2	0.1
House Foods Group	Japan	3.2	0.1
Max Healthcare Institute	India	3.1	0.1
PDD Holdings	China	3.0	0.1
Banco Do Brasil	Brazil	2.8	0.1
JSW Steel	India	2.6	0.1
Zijin Mining Group	China	2.3	0.1
Turk Hava Yollan	Turkey	2.1	0.1
Tüpraş	Turkey	2.0	0.1
JSW Energy	India	2.0	0.1
PICC Property and Casualty	China	1.8	0.1
Macrotech Developers	India	1.7	0.1
Ecopetrol	Colombia	1.0	0.0
IDFC First Bank	India	0.9	0.0
Koç Holding	Turkey	0.9	0.0
Companhia Paranaense de Energia	Brazil	0.8	0.0
GMR Group	India	0.6	0.0
Bajaj Finance	India	0.6	0.0
National Bank of Greece	Greece	0.4	0.0
Akbank	Turkey	0.0	0.0

Source: Juniper.
Note: All figures are subject to rounding differences.

DIVIDEND

DIVIDEND POLICY

Subject to market conditions and the Company's performance, financial position and outlook, the Board will seek to pay a dividend that increases year on year. The Company expects to pay four interim dividends per year, on or around the last day of June, September, December and March, and will not, generally, pay a final dividend for a particular financial year.

INCREASED DIVIDEND

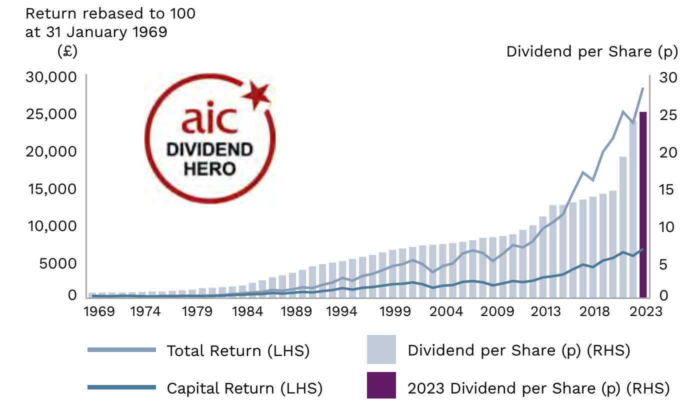
As previously noted in the Chair's Statement on page 6, the Company has increased its total dividend for the year ended 31 December 2023 to 25.2p per ordinary share (2022: 24.00p), a 5.0% increase on the previous year.

Dividend	2023 (p)	2022 (p)	% increase
1st Interim	6.18	6.00	3.0
2nd Interim	6.34	6.00	5.7
3rd Interim	6.34	6.00	5.7
4th Interim	6.34	6.00	5.7

The Board is of the opinion that the increased level of total dividend is both sustainable and affordable and it expects to extend the Company's 57-year track record of annual dividend increases for many years.

The Company's Dividend Policy (as detailed above), Investment Objective (as detailed on page 2) and Investment Strategy all remain unchanged. The Board aims to continue delivering a rising dividend year after year as well as capital growth.

The following chart shows the growth in the Company's dividend over the last 57 years. It also shows what has been achieved for investors to date. If you had invested £100 in the Company at the start of 1968 and you had reinvested your dividends in additional shares, you would have shares worth £28,755 at the end of 2023, and £6,619 if you did not.



Source: WTW and Alliance Trust.
Past performance is not a reliable indicator of future returns. Total Return is the sum of the change in the share price plus dividend income reinvested whereas Capital Return excludes the impact of dividends reinvested

In determining the level of future dividends, the Board will take into account factors such as any anticipated increase or decrease in dividend cover, projected income, inflation and the yield on similar investment trusts.

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 significant accumulated distributable reserves to fund dividend payments.

The Company policy of paying quarterly interim dividends means that shareholders have certainty of the date on which they will receive their income but means they are not asked to approve the final dividend. However, each year shareholders are given the opportunity to share their views on the Company's dividend by being asked to approve the Company's Dividend Policy.

AMPLE RESERVES

The Company's distributable reserves at 31 December 2023 were £3.3bn (2022: £2.9bn). Of these, the Company's revenue reserve was £84.3m (2022: £102.3m), realised capital reserves were £2.7bn (2022: £2.7bn) and unrealised capital reserves were £0.6bn (2022: £0.1bn). Both elements of the capital reserves are readily convertible to cash.

FOURTH INTERIM DIVIDEND

A fourth interim dividend of 6.34p per ordinary share will be paid on 28 March 2024 to shareholders who are on the register at close of business on 29 February 2024. The fourth interim dividend will be paid from both income and revenue reserves. The provisional payment dates for the 2024 financial year can be found on page 107.

ONGOING CHARGES & DISCOUNT

ONGOING CHARGES[1]

The Company's Ongoing Charges Ratio ('OCR') marginally increased to 0.62% (2022: 0.61%). The new operating model, as described in the 2022 Annual Report, was implemented during the year whereby WTW was appointed to provide further marketing and distribution, public relations and investor relations services. In addition, Juniper was appointed as company secretary and to provide administration, finance and accounting services. As a consequence, a larger proportion of costs are now variable, rather than fixed. Total administrative expenses were £2.9m (2022: £6.5m) and investment management expenses were £16.3m (2022: £12.8m). Further details of the Company's expenses are provided in Note 4 of the financial statements on page 85. The Board has a policy of adopting a one-quarter revenue and three-quarters capital allocation for management fees, financing costs and other indirect expenses. The Company's costs remain competitive for an actively managed multi-manager global equity investment company. The chart below shows how the Company's costs compared to the other constituents of the AIC Global Sector.

REDUCED SHARE BUYBACKS

The Company bought back 2.9% (2022: 5.0%) of its issued share capital during the year, purchasing 8,615,000 of which 8,335,000 were cancelled and 280,000 shares held in Treasury. It is our intention that all future share buybacks will be held in Treasury. The total cost of the share buybacks was £86.1m (2022: £149.6m). The weighted average discount of shares bought back in the year was 6.2%. Share buybacks contributed a total of 0.2% to the Company's NAV performance in the year.

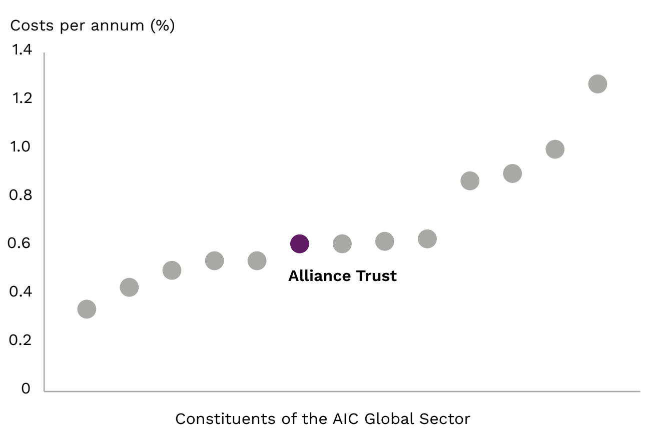
STABLE DISCOUNT[1]

One of the Company's strategic objectives is the maintenance of a stable share price discount to Net Asset Value.

During the year under review, the Company's share price traded at an average discount of 6.0% (2022: 5.9%).

As at 31 December 2023, the Company's share price discount was 5.4% (2022: 4.2%). The average discount (unweighted) for the AIC Global Sector was 9.8%.

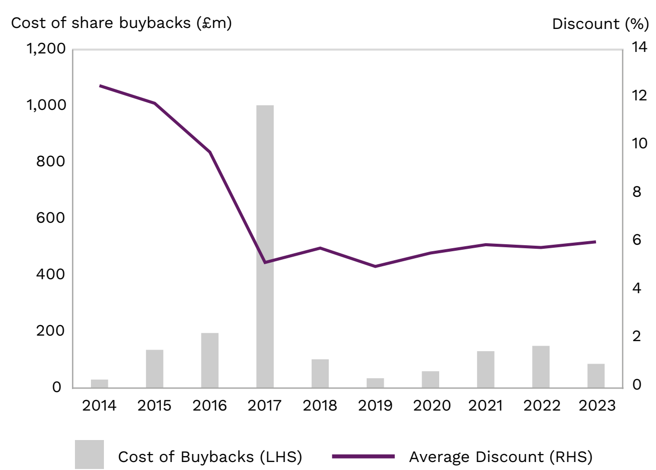
OUR COSTS REMAIN COMPETITIVE



Note: The costs shown for the other constituents of the AIC Global Sector include ongoing costs.

Data sourced from the AIC website on 17 January 2024.

DISCOUNT AND SHARE BUYBACKS



Source: Juniper.

1. Alternative Performance Measure (see page 102 for details).

HOW WE MANAGE OUR RISKS

In order to manage the risks facing the Company, the Board maintains and reviews a Risk Register and Heat Map. The Risk Register details all principal and emerging risks facing the Company at any given time. The principal risks facing the Company, as determined by the Board, are Market Risk, Investment Performance Risk, Strategy & Market Rating, Capital Structure & Financial Risk, Operational Risk, and Legal & Regulatory Risk.

As part of its review process, the Board considers input on the principal and emerging risks facing the Company from its key service providers WTW and Juniper. Any risks and their associated risk ratings are then discussed, and the Risk Register and Heat Map updated accordingly, with additional monitoring put in place as required.

PRINCIPAL RISKS

The principal risks facing the Company and how the Board aims to manage these risks are detailed on the following pages.

Risk and potential impact	Risk rating	How we manage the risk
Market Risk Market risk is the risk of loss on the Company's portfolio of investments in absolute terms, caused by adverse price movements. Examples of market risk arising from falls in equity prices include economic and political events, interest rate movements, and fluctuations in foreign exchange rates.	▲ Increased Geopolitical and macro-economic uncertainty has increased. Interest rates continue to affect market valuations.	• Short-term market movements will inevitably occur; however, the investment manager chooses a blend of stock pickers and styles to provide diversification with the aim of providing a factor neutral portfolio position. • The Board regularly receives portfolio updates from the investment manager whereby changes in equity prices, interest rate movements, fluctuations in foreign exchange rates, and market outlook is considered and discussed.
Investment Performance Risk Investment performance risk is the risk of relative underperformance of the Company against its investment objective or against a relevant benchmark and closed and open-ended peer group which makes the Company an unattractive investment proposition. Poor consideration of ESG and climate risk factors could adversely affect the Company's investment performance and reputation.	▼ Decreased The Company's investment portfolio produced positive returns in 2023, outperforming its benchmark and many of its peers.	• The Company's investment policy is monitored by the Board to ensure it continues to remain appropriate and is being adhered to by the investment manager. • The Board regularly reviews and challenges the performance of the investment manager and individual stock pickers. • The Board receives regular portfolio and market updates from the investment manager on the portfolio's performance against the Company's benchmark and peer group as well as updates on the performance of individual stock pickers. • The Board receives income forecasts and scenario analysis before determining dividends. • The Board conducts an annual evaluation of the investment manager. • The investment manager's approach to ESG and climate risk factors is embedded within its overall assessment of investment risk. A tailored ESG framework applies across all stages of the Company's investment process. This includes ongoing monitoring of the underlying stock picker's ESG reporting.

Alliance Trust
Strategic Report
Introduction
Our Performance
Longer-Term Performance
Chair's Statement
Investment Manager's Report
Our Stock Pickers
Investment Portfolio
Dividend
Ongoing Charges & Discount
How We Manage Our Risks
Directors' Report
Independent Auditor's Report
Financial Statements
Other Information

HOW WE MANAGE OUR RISKS

Risk and potential impact	Risk rating	How we manage the risk
Strategy & Market Rating This risk accrues from any of the following having an impact on the level at which the shares trade in relation to the underlying Net Asset Value: The Company's investment objective and policy are not deemed appropriate; uncompetitive investment performance or secular changes in investor demand. Any of these may lead to demand for the Company's shares decreasing as the Company becomes an unattractive investment opportunity.	Stable The Company's investment objective, policy and strategy produced positive returns in 2023. The Company's share price traded consistently relative to underlying NAV throughout 2023 unlike many closed-ended peers. No issues of concern raised by major shareholders.	• The Board regularly reviews the Company's investment objective, policy and strategy to ensure it remains appropriate. • The Board regularly reviews the Company's share register and hears from the investment manager and the Company's broker on all marketing/investor relations and shareholder meetings. • The performance of, and market demand for shares in the Company's peer group is also compared. • The Board monitors the Company's share price discount, and working with the broker and investment manager undertakes periodic share buy backs, as appropriate, to meet its strategic objective of maintaining a stable discount. • The Annual General Meeting and investor forums provide an opportunity for investors to engage directly with the Board. • Meetings are held with major shareholders by the investment manager and/or Chair upon request or on an ad hoc basis.
Capital Structure & Financial Risk Inappropriate capital structure. Liquid resources insufficient to meet liabilities. Decrease in the valuation of assets amplified by any gearing that the Company may have.	Stable A full review of the Company's borrowing facilities was undertaken in 2023 (details of which can be found on page 52 of this report).	• The Board receives regular updates on the capital structure of the Company including, share capital (issued and held in Treasury), borrowings, structure of reserves, level of gearing and buy back authorities. • The Company's investments are in quoted securities that are readily realisable. • The investment manager has delegated authority to utilise gearing within preset limits and provides regular reporting to the Board. • Active review and management of borrowing limits and associated costs by the Board. • Shareholder authority is sought annually in relation to share buybacks to support the management of the discount. • Shareholder authority is sought annually in relation to share issuances to facilitate the issuance of shares when there is market demand. • Review of reports from the company secretary in relation to share buyback activity and level of distributable reserves. • Review of reports from the company secretary confirming compliance with all legal, regulatory and commercial requirements (e.g. loan covenants).

Risk and potential impact	Risk rating	How we manage the risk
Operational Risk All of the Company's operational functions are outsourced to third party service providers. The Company's key service providers are WTW (AIFM and investment manager), Juniper (company secretary, administration, finance and accounting services), NatWest Trustee and Depositary Services (depositary), BNY Mellon (custodian), Computershare Investor Services (registrar), and Investec (corporate broker). The Company is therefore reliant on the effective controls, processes, people, and systems, in place at its service providers to ensure the smooth day-to-day operations of the Company. Operational risks include cybercrime, IT systems failure, inadequacy of oversight and controls, climate risk, and ineffective disaster recovery planning by the investment manager, administrator or other key service providers resulting in operational failure. A failure in the operation controls of the Company's service providers could result in financial, legal or regulatory and reputational damage for the Company.	Stable Outsourced service providers were consolidated during 2022/23 with no adverse impact on the standard of service received. Cyberattacks against non-primary targets are becoming more widespread.	• The performance of the Company's key service providers is subject to annual review by the Board. This includes a review of audited internal controls reports provided by the key service providers. In addition, the investment manager and company secretary also provide comment on the performance of the AIFM, depositary, custodian, registrar, and corporate broker to aid the Board in their review of these providers. • Any breaches in controls which have resulted in incidents or errors are required to be immediately notified to the Board along with proposed remediation actions. • The technology platforms of all key service providers are subject to regular testing, including penetration testing, vulnerability scans and patch management. Reporting on the testing undertaken by each service provider is reviewed by the Board annually. • Disaster recovery plans are in place at the investment manager, company secretary and administrator as well as at the Company's other key service providers. The results of disaster recovery tests are shared with the Board.

HOW WE MANAGE OUR RISKS

Risk and potential impact	Risk rating	How we manage the risk
Legal & Regulatory Risk As an investment company listed on the London Stock Exchange, the Company is required to adhere to a variety of legal and regulatory requirements. Should the Company fail to adhere to all legal and regulatory requirements, it risks facing financial and legal penalties, reputational damage, and potentially losing its status as an investment trust.	▶ Stable The Company has remained compliant with legal and regulatory requirements throughout 2023.	• Review of the Company's annual report and financial statements by an independent auditor provides the Board with assurance that the Company has met all required legal and regulatory requirements. • On at least an annual basis, the Board receives reports from all the Company's key service providers in respect of their compliance with legal and regulatory obligations. • Regulatory risks and controls are examined under operational risks, set out above. • Any errors or breaches in respect of legal and regulatory non-compliance are to be reported to the Board immediately along with remediation actions. • Directors receive quarterly compliance reports from WTW and Juniper which include details on the results of any regulatory visits. • Shareholder documentation is subject to stringent review prior to circulation.

EMERGING RISKS

Emerging risks are typified by having a high degree of uncertainty and may result from sudden events, new potential trends or changing specific risks where the impact and probable effect is hard to assess. As the assessment becomes clearer the risk may be added to the Risk Matrix of 'known' risks.

The Board is currently monitoring a number of emerging risks: Geopolitical tension is an ever-increasing emerging risk for the Company due to ongoing conflicts across the world and the affect that they may have on global markets. Numerous governmental elections will also be taking place across the world in 2024, with particular focus on the US, UK and Indian elections. It is estimated that nearly 50% of the world's population are eligible to vote in elections during the coming year. Stubborn underlying inflation, slow monetary policy response with a subsequent risk of recession, continues to adversely impact equity markets. Our investment manager has advised that the market outlook for 2024 remains highly uncertain.

Dean Buckley

Chair
6 March 2024

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Board of Directors
Corporate Governance
Viability and Going Concern Statements
Audit and Risk Committee
Directors' Responsibilities
Remuneration Report
Independent Auditor's Report
Financial Statements
Other Information

BOARD OF DIRECTORS

Guide to Current Appointments

- Listed operating companies and their subsidiaries
- Unlisted operating companies and their subsidiaries
- Investment companies and Investment Trusts
- Other

DEAN BUCKLEY
Chair (Independent)

Chair of the Nomination Committee. Prior to his appointment as Chair, Dean was a Member of Audit and Risk Committee.

Dean joined the Board in 2021 and was appointed as Chair on 1 January 2024.

Dean is a qualified actuary and has enjoyed a career in fund management. Dean was previously Chief Executive Officer of Scottish Widows Investment Partnership. Prior to that, Dean held several positions at HSBC Bank plc, most recently as Chief Executive Officer of HSBC Asset Management UK & Middle East. Dean held senior fund management positions at Prudential Portfolio Managers and was also previously a Non-Executive Director of Saunderson House Limited. He was also Chair of the Audit Committee, Remuneration Committee and Senior Independent Director of JPMorgan Asia Growth & Income plc.

Current Appointments

- **Fidelity Special Values PLC**
  Chair
- **Baillie Gifford & Co Limited**
  Non-Executive Director
- **Evelyn Partners Fund Solutions Limited**
  Chair

SARAH BATES
Senior Independent Director

Member of the Audit and Risk Committee.
Member of the Nomination Committee.

Sarah joined the Board in 2021.

Sarah is a Fellow of CFA UK and was previously Chair of the Association of Investment Companies. Sarah was also previously Chair of Polar Capital Technology Trust plc, Merian Global Investors Limited, St James' Place plc, JPMorgan American Investment Trust plc, Witan Pacific Investment Trust plc and Chair of the Audit Committees of New India Investment Trust plc and of U and I Group plc. Sarah was a founder of the Diversity Project and formerly an Ambassador for Chapter Zero.

She was also Chair of the Nomination Committee and Senior Independent Director of Worldwide Healthcare Trust PLC, and Chair of John Lewis Partnership Trust for Pensions.

Current Appointments

- **BBC Pension Scheme**
  Independent Member of the Investment Committee and Chair of BBC Pension Investment Limited
- **USS Investment Management Limited**
  Chair

JO DIXON
Independent Non-Executive Director

Chair of the Audit and Risk Committee.
Member of the Nomination Committee.

Jo joined the Board in 2020 and was appointed Chair of the Audit and Risk Committee in March 2020.

Jo is a chartered accountant and has previously held senior positions within the NatWest Group and was Finance Director of Newcastle United plc. She was Commercial Director, UK, Europe and the Middle East at Serco Group and sat on various advisory boards in the education and charity sector. Jo was also previously Chair of JPMorgan European Growth and Income PLC, and Non-Executive Director and Chair of the Audit Committee of Strategic Equity Capital PLC.

Current Appointments

- **Bellevue Healthcare Trust PLC (formerly BB Healthcare Trust PLC)**
  Senior Independent Director and Chair of Audit Committee
- **The Global Smaller Companies Trust PLC (formerly BMO Global Smaller Companies PLC)**
  Senior Independent Director and Chair of Audit Committee
- **Ventus VCT PLC (in members' voluntary liquidation)**
  Non-Executive Director

CLARE DOBIE
Independent Non-Executive Director

Member of the Audit and Risk Committee.
Member of the Nomination Committee.

Clare joined the Board in 2016.

Clare started as a journalist working at the BBC, Times and Independent, where she was City Editor. From there she joined Barclays Global Investors, where she was Head of Marketing, and later she moved to GAM as Group Head of Marketing. She then ran a marketing consultancy serving financial services firms. She is a former Non-Executive Director of Aberdeen New Thai Investment Trust, CT Capital and Income IT, Schroders UK Mid Cap Fund and Southend Hospital.

Current Appointments

- **Wild Arts Music charity (formerly Roman River Music Charity)**
  Trustee

BOARD OF DIRECTORS

VICKY HASTINGS
Independent Non-Executive Director

Member of the Audit and Risk Committee.
Member of the Nomination Committee.

Vicky joined the Board in 2022.

Vicky has over 30 years' experience in the investment management industry. She was a European Equity fund manager before holding senior leadership roles at Merrill Lynch Investment Managers and JO Hambro Capital Management. Vicky was previously an Independent Non-Executive Director of JPMorgan Asset Management UK Ltd and JP Morgan Asset Management International Ltd and a Non-Executive Director of Henderson Global Trust Plc, Charter European Trust Plc, Edinburgh Investment Trust PLC, and Impax Environmental Markets PLC.

Current Appointments

- **Henderson European Focus Trust Plc**
  Chair

MILYAE PARK
Independent Non-Executive Director

Member of the Audit and Risk Committee.
Member of the Nomination Committee.

Milyae joined the Board in 2022.

Milyae began her career as a Chartered Accountant in the US and has experience running and advising companies in over 40 countries. She has held senior global executive positions spanning investment banking and other financial services, retail, consumer, and technology, including at Tesco, Marks & Spencer, and Accenture. In addition, Milyae's recent advisory experience has focused on digital transformation and growth, as well as ESG. She was previously a Governor for the Museum of London and the Chair of the Museum of London (Trading) Ltd.

Current Appointments

- **Fidelity European Trust PLC**
  Non-Executive Director
- **Faber and Faber Limited**
  Non-Executive Director

BOARD AND COMMITTEE ATTENDANCES

In addition to the Board's quarterly meetings, three scheduled portfolio update/stock picker calls were held, and a number of ad hoc Board Committee meetings took place. Three scheduled Audit and Risk Committee meetings were held during the year. In addition, two ad hoc meetings took place. One scheduled Nomination Committee meeting took place during the year. Several ad hoc working group meetings also took place during the year to deal with specific matters.

The below table excludes Director attendance at ad hoc or working group meetings as these meetings did not require the attendance of all Directors. Some of these working group meetings included the Marketing Oversight Group ('MOG'). Details of its activities can be found on pages 43 and 52.

Scheduled Meeting Attendances	Board		Audit and Risk Committee		Nomination Committee	
Director	Actual	Possible	Actual	Possible	Actual	Possible
Sarah Bates	4	4	3	3	1	1
Anthony Brooke[1]	1	2	1	1	–	–
Dean Buckley	4	4	3	3	1	1
Jo Dixon	4	4	3	3	1	1
Clare Dobie	4	4	3	3	1	1
Vicky Hastings	4	4	3	3	1	1
Milyae Park	4	4	3	3	1	1
Gregor Stewart[2]	4	4	–	–	1	1

[1] Anthony Brooke retired as a Director on 27 April 2023.
[2] Gregor Stewart was not a Member of the Audit and Risk Committee.

BOARD OF DIRECTORS

POLICY ON BOARD DIVERSITY

The Board's Policy on Board Diversity is as follows:

The Company recognises the benefits of having a diverse Board, and sees diversity at Board level as important in maintaining good corporate governance and Board effectiveness. The Board should reflect differences in - amongst other characteristics - skills, geographical and industry experience, backgrounds, ethnicities, races, and genders. These differences will be considered in determining the composition of the Board and when possible should be balanced appropriately.

All Board appointments must be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. In reviewing Board composition the benefits of all aspects of diversity will be considered, including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities.

In identifying the best candidates for appointment to the Board, the Board will consider candidates from a range of differing perspectives and backgrounds against objective criteria with due regard to the benefits of diversity on the Board. As part of the selection process, where search agents are used, they are currently required in preparing their long list to include candidates that will improve the ethnic diversity of the Board given the Board's alignment with the Parker Review target for ethnic diversity by 2024.

The Board reports on its succession planning on pages 42, 44 and 51. When making appointments, the Board will ensure that the positive steps taken to increase the Board's gender diversity over the last two years will be applied to other areas of diversity in which the Board could improve. The Board at the year end comprised one male and five females. One of the Directors is of a minority ethnic origin and of the three senior Board positions (Chair, Audit and Risk Chair, and Senior Independent Director) one is male and the other two female. While the Board has met its targets for gender and ethnic diversity, it will continue to seek to consider all aspects of diversity for future appointments. In order to ensure that the Board attracts a diverse slate of candidates for future succession planning, the Board is proposing to remove the current requirement in the Articles of Association (the 'Articles') for Directors to hold 3,000 shares in the Company upon appointment. Further details on the proposed changes to the Company's Articles can be found on page 53. A table showing the gender and ethnicity of the Directors can be found on page 45.

In accordance with the AIC Code, as part of its succession planning program, the Board engaged Cornforth Consulting, an independent external search consultant to conduct a desktop review of potential candidates to replace Gregor Stewart as Chair of the Company. Further details on the appointment of Gregor's successor, Dean Buckley, can be found on page 51 of this report.

DIRECTORS' SKILLS

Set out in the table below are the key skills and experience that the Board recognises it must possess to manage and govern effectively. In addition to these key skills, the Board also has experience in Investment, Financial Oversight, Risk, Strategy and Change, and Corporate Finance.

Board Experience

Director	Financial Services	Business Leadership	Asset Management	Investment Trusts	Marketing and Distribution	Finance
Sarah Bates	✔	✔	✔	✔	✔	✔
Dean Buckley	✔	✔	✔	✔	✔	✔
Jo Dixon	✔	✔		✔		✔
Clare Dobie	✔		✔	✔	✔	
Vicky Hastings	✔	✔	✔	✔		
Milyae Park	✔	✔		✔	✔	✔

In February 2024, annual evaluations of the Board as a whole, individual Directors, and the investment manager were undertaken. In addition, the Board evaluated the performance of its service providers. Each evaluation covered the year ended 31 December 2023.

BOARD EVALUATION

The annual review of individual Directors' performance was undertaken by way of questionnaire and discussions between the Chair and each of the Directors. As a result of Gregor Stewart retiring as Chair of the Company on 31 December 2023, the Board agreed that it was unnecessary to carry out an evaluation of Gregor's performance. Instead, the Nomination Committee, led by Sarah Bates in her capacity as Senior Independent Director, carefully considered the role requirements prior to the appointment of a new Chair. Full details of the succession planning process can be found on page 42 of this report.

The results of the Board evaluation confirmed that all Directors continue to demonstrate commitment to their roles, provide constructive challenge to the investment manager, and provide valuable contributions to the deliberations of the Board. No material weaknesses or concerns were highlighted. Some focal points for 2024 include the Company's brand refresh, and continuing to develop the Company's relationships with WTW and Juniper.

An extensive external evaluation of the Board is undertaken every three years, the next of which will be undertaken for the year ending 31 December 2024 and the results of which will be reported in the Annual Report.

EVALUATION OF INVESTMENT MANAGER

In addition to its ongoing monitoring of the investment manager, the Board undertakes a robust annual evaluation of WTW's performance. This monitoring process and review is important as investment performance and responsible ownership are critical to delivering sustainable long-term growth and income for shareholders.

As part of the evaluation process, a number of areas were reviewed, these included investment performance, operational performance, the provision of information to both the Board and shareholders, regulatory compliance, sales and marketing, and fees. Following its review, the Board agreed that WTW had performed well during the year, with positive returns being delivered by the investment portfolio. Some minor recommendations were made in respect of enhancements that could be made by the investment manager, all of which are being considered.

The Board will continue to closely monitor the performance of the investment manager to ensure that its continuing appointment is in the best interest of shareholders.

EVALUATION OF SERVICE PROVIDERS

The Board also carried out its annual evaluation of the Company's other key service providers, namely Juniper (company secretary, administration, finance and accounting services), NatWest Trustee and Depositary Services (depositary), BNY Mellon (custodian), Computershare Investor Services (registrar), and Investec (corporate broker).

Following its review, the Board confirmed that all key service providers had broadly performed in line with service levels during the year. Some minor recommendations were made in respect of operational enhancements and reporting that could be implemented at Juniper, all of which are being considered.

CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating high standards of corporate governance.

The AIC Code of Corporate Governance issued in February 2019 ('AIC Code') provides a framework of best practice for investment companies and can be found at www.theaic.co.uk. The Financial Reporting Council ('FRC') has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the 2018 UK Corporate Governance Code.

The Company has complied with the Principles and recommended Provisions of the AIC Code during the year ended 31 December 2023 and up to the date of this report, except as set out below:

Internal audit function

The Company does not have a separate internal audit function. The Board is of the view that the Company's day-to-day operations are outsourced to third parties with established internal control frameworks, there is no need for such a function. The Board gains assurance on the effectiveness of the internal controls in place at WTW and Juniper. In addition, the Board receives oversight reports from Juniper on the Company's other key service providers.

Remuneration and Management Engagement

As a purely Non-Executive Board with no executive directors or employees, the Board does not consider it necessary to have a Remuneration Committee. During the year under review, the only remuneration questions to be determined were in relation to the Directors' own remuneration.

The Company does not have a Management Engagement Committee. The Board, as a whole, performs this function. The Directors, all of whom are independent, monitor the performance of WTW, Juniper, and the Company's other key service providers throughout the year and undertake a formal annual evaluation of each their performance at the financial year-end (details of which can be found on page 41). The Audit and Risk Committee separately reviews the internal controls and compliance arrangement of the Company's key service providers and reports to the Board on its findings.

BOARD COMMITTEES

The Board has established the following committees.

Audit and Risk Committee

The Audit and Risk Committee comprises all the Non-Executive Directors, with the exception of Dean Buckley, and is chaired by Jo Dixon.

The Report of the Audit and Risk Committee which details the role of the committee and the work it has undertaken during the year under review can be found on pages 56 to 58 of this report.

Nomination Committee

The Nomination Committee comprises all the Non-Executive Directors and is chaired by Dean Buckley.

The primary responsibilities of the Nomination Committee are:

- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board;
- To ensure plans are in place for orderly succession to Board positions, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- To identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

During the year under review, the Nomination Committee, led by Sarah Bates, in her capacity as Senior Independent Director, was tasked with leading the process to identify Gregor Stewart's successor as Chair. Full details of the nomination process undertaken can be found on page 51 of this report.

In addition, the Nomination Committee undertook the annual performance evaluation of the Board and its committees. Full details of the results of the evaluation process can be found on page 41.

The Board's Policy on diversity can be found on page 40 and a table providing a breakdown of Directors gender and ethnicity can be found on page 45.

Committee Terms of Reference

The Terms of Reference of both the Audit and Risk Committee and the Nomination Committee can be found on the Company's website www.alliancetrust.co.uk

Details of the Company's internal controls and risk management processes in relation to its financial reporting can be found on page 57.

Marketing Oversight Group

The Company continues to invest in improving communications. The Board's oversight of the Company's marketing activities is supported by the work of the MOG chaired by Clare Dobie. The MOG works closely with WTW, and met periodically during the year. In 2023, the primary focus of the MOG was the refresh of the Company's brand. The MOG also spent time reviewing marketing and communication activities more broadly to ensure they are serving the needs of shareholders and attracting more investors.

We have invited shareholders and others to sign up to receive factsheets, our quarterly newsletters and notifications of events including investor forums. They can also access videos of stock pickers and other information on our website.

THE BOARD

The Board is responsible to shareholders for the effective stewardship of the Company. Investment policy and strategy are determined by the Board. It is also responsible for the gearing, dividend and share buyback policies; public documents, such as the Annual Report and Financial Statements; and, corporate governance matters.

As previously detailed on page 39 of this report, the Board holds its main meetings on a quarterly basis with additional portfolio update and stock picker meetings held throughout the year.

At its quarterly meetings, the Board reviews investment performance and associated matters such as gearing, asset allocation, marketing/investor relations, discount, costs, risk, compliance, share buybacks and the performance of peer investment trusts. Representatives of the investment manager and the company secretary attend each meeting. In addition to its quarterly meetings, the Board meets throughout the year to receive portfolio updates from WTW and updates from individual stock pickers. A separate strategy session is held annually. Board or Board Committee meetings are also held on an ad hoc basis to consider issues as they arise. Ad hoc working groups involving the Directors are arranged to support the work of the Board or relevant Board Committee on particular topics. Outside the formal meetings there is also regular contact between the investment manager, the company secretary and the Directors.

THE CHAIR

The Chair is responsible for leading the Board and for its overall effectiveness. Their letter of appointment, which is available at the Company's registered office and at the AGM, clearly sets out their responsibilities.

THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for other Directors and shareholders. They also lead any discussions on the appointment of a new Chair and may take on the role of Chair on an interim basis to cover an unexpected vacancy or absence of the Chair.

AllianceTrust

Strategic Report

Directors' Report

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CORPORATE GOVERNANCE

THE DIRECTORS

The Board has no Executive Directors and currently comprises six Independent Non-Executive Directors. The Board is wholly independent, with the Chair having been considered to be independent on appointment. The Directors' biographies, including other board commitments, are set out on pages 36 to 38. These show the breadth of the Board's relevant knowledge and that Directors' attendance at meetings has not been impacted by their other commitments. On page 40, a summary of the key skills and expertise that the Board recognises the Directors should possess is also provided.

Directors' Terms of Appointment and Tenure

Every Director on appointment receives an individually tailored induction and the Board, as a whole, receives updates on relevant topics. The Directors are also encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts and to receive other training as necessary.

As part of its annual Board evaluation process, the effectiveness of individual Directors is considered. A report on this year's evaluation process is set out on page 41.

Each Non-Executive Director's appointment is governed by written terms which are available for inspection at the Company's registered office. They are also available at the AGM. The Remuneration Report on pages 60 to 65 details the fees payable to the Directors and the indemnities provided by the Company.

The Board is of the view that long Board tenure is not necessarily an impediment to the independence of Directors or to their ability to contribute to the Company. The Board believes that a variety of Director tenures within the boardroom can be beneficial to ensure Board quality and continuity of experience and provide flexibility in succession planning.

Accordingly, there is no absolute limit to the period for which Non-Executive Director may serve. Their appointment may be terminated at any time by notice given by three quarters of the other Directors. However, continuation of each Director's appointment is subject to satisfactory performance evaluation and annual re-election by shareholders at the Company's AGM. Subject to the foregoing, each Director will be appointed to serve until the seventh AGM after the date of their appointment. Following that term, the Board may, depending on the circumstances, determine that the continued appointment of a Director is in the best interests of the Company and a Director may be appointed for a further term. In the ordinary course, this is not expected to be for more than two years.

The Chair follows the same tenure policy as that of all other Non-Executive Directors.

Clare Dobie, having been appointed as a Director in May 2016, would have completed her initial seven year tenure at the 2023 AGM. On the recommendation of the Nomination Committee, given Clare continues to contribute significantly to the Company, the Board agreed to extend Clare's tenure for a maximum of a further two years, notwithstanding it shall not exceed nine years from her date of appointment. Her tenure will therefore end on or before the 2025 AGM.

The table on the next page provides details on the date of appointment of each Director.

Succession Planning

In accordance with the Company's succession plan, Anthony Brooke retired as a Director of the Company following the conclusion of the AGM held on 27 April 2023. Gregor Stewart also retired as Chair and a Director of the Company on 31 December 2023.

Election and Re-election of Directors

The individual performance of each Director and their ongoing suitability for re-election was considered and endorsed by the Chair and the Board. Each of the Company's Directors has confirmed that they remain committed to their role and have sufficient time available to meet what is expected of them.

All the Directors who served in 2023 other than Anthony Brooke, who stepped down during the year, served for the full financial year. All of these Directors except for Gregor Stewart, remained in office at the date of signing these Accounts.

Although the Articles of the Company provide for re-election every three years in accordance with the AIC Code, the Board agreed that all Directors will be subject to annual re-election. Accordingly, resolutions proposing the re-election of all remaining Directors will be put to shareholders for approval at this years AGM. As detailed on page 53, the Board is proposing to amend its Articles to automatically require the annual re-election of Directors.

Conflicts of Interest

The Directors have previously provided details of all interests which potentially could cause a conflict of interest to arise. The unconflicted Directors in each case noted the declarations by the Directors of their other interests and confirmed that at that time none of the interests disclosed was reasonably likely to give rise to a conflict. An annual review of all interests was undertaken as part of the year-end process and this was considered by the Board in February 2024. Procedures are in place to allow Directors to request authority should it be required outwith the normal Board meeting schedule.

Name	Designation	Appointed
Dean Buckley	Chair	4 March 2021, appointed Chair on 1 January 2024
Sarah Bates	Senior Independent Director	4 March 2021
Jo Dixon	Non-Executive Director	29 January 2020
Clare Dobie	Non-Executive Director	26 May 2016
Vicky Hastings	Non-Executive Director	29 September 2022
Milyae Park	Non-Executive Director	29 September 2022

Board gender as at 31 December 2023*

	Number of Board members	Percentage of the Board	Number of Senior positions on the Board**
Men	1	16.7	1
Women	5	83.3[1]	2[2]

Board ethnic background as at 31 December 2023*

	Number of Board members	Percentage of the Board	Number of Senior positions on the Board**
White British or other White (including minority-white groups)	5	83.3	3
Asian/Asian British	1[3]	16.7	0

[1] This meets the Listing Rules target of 40% in terms of gender diversity.
[2] This meets the Listing Rules target of at least one senior board position being held by a woman.
[3] This meets the Listing Rules target of at least one board member being from a minority ethnic background.

The Company has no employees, all of its directors are non-executive, and all of its investment management and administrative functions are outsourced. Accordingly, there are no executive management functions to disclose in the above tables.

* Data excludes Gregor Stewart who retired as a director on 31 December 2023.
** Chair, Audit & Risk Committee Chair, and Senior Independent Director.

CORPORATE GOVERNANCE

THE COMPANY'S PURPOSE

The Company is a public limited company and an investment company with investment trust status. It aims to deliver a real return over the long term through a combination of capital growth and a rising dividend at a competitive cost. HM Revenue & Customs has confirmed that Alliance Trust PLC has investment trust status for all financial periods from 1 January 2012.

On page 2 we set out the Company's Investment Objective. This, together with the Investment Policy set out below, was approved by shareholders at the Annual General Meeting held in April 2019.

INVESTMENT POLICY

The Company, through its Investment Manager, appoints a number of Stock Pickers with different styles and approaches, each of which will select and invest in stocks for the Company's single investment portfolio; it will achieve an appropriate spread of risk by holding a diversified portfolio in which no single investment may exceed 10% of the Company's total assets at the time of investment. Where market conditions permit, the Company may use gearing of not more than 30% of its net assets at any given time. The Company can use derivative instruments to hedge, enhance and protect positions, including currency exposures. While the primary focus of the Company is investment in global equities, the Company may also invest from time to time in fixed interest securities, convertible securities and other assets.

STRATEGIC OBJECTIVES

The Board's strategic objectives are to:

- Meet the key performance indicators and alternative performance measures as detailed on pages 4 and 104;
- Continue its policy of paying a progressive dividend;
- Maintain a stable share price discount close to Net Asset Value; and
- Provide good value to its shareholders.

RESPONSIBLE INVESTMENT

In its Investment Manager's Report on page 13, WTW describes the responsible investment activities it, the stock pickers, and EOS have undertaken for the Company. WTW provides details of some of the company-specific engagement activities undertaken in relation to stocks held in the Company's portfolio as well as how the stock pickers have voted at investee company meetings. The Company also reports on these activities in its quarterly Responsible Investment Report which can be found on its website: www.alliancetrust.co.uk

The Company has not placed any ethical or value-based restrictions on the types of stocks in which the stock pickers can invest. However, there are a small number of types of companies in which the stock pickers are prohibited from investing. These are:

- Companies involved in controversial weapons in accordance with the ESG Data Provider's methodology (currently MSCI Global ex Controversial Weapons Indexes). Controversial weapons can be defined by the severe harm they cause to civilians during and after conflicts, and the significant long-term health and safety effects they have on civilian populations. The production and use of certain weapons have been regarded as unacceptable under international conventions and illegal within certain jurisdictions.
- Companies with significant revenue exposure to thermal coal and tar sands.
- Other UK listed investment trusts.
- Willis Towers Watson.

Although the Board believes that effective stewardship and engagement activities are preferable to imposing exclusions, it may decide to impose further restrictions if it is of the view that positive change will not result from engagement or as its approach to responsible investment evolves. This may include, for example, considering restrictions to support the commitment of the Company and the investment manager to manage the portfolio in a way that is consistent with achieving Net Zero greenhouse gas emissions by 2050 at the latest.

The Company supports the UK Stewardship Code published by the FRC. It aims to enhance the quality of engagement between institutional investors and the companies in which they invest to help improve long-term risk-adjusted returns to shareholders and the efficient exercise of governance responsibilities. WTW is a signatory to the 2020 UK Stewardship Code ('Code') and reports annually on its adherence to the Code. These reports can be found on its website (www.willistowerswatson.com) where you can also find out about its ESG commitments.

ALTERNATIVE INVESTMENT FUND MANAGER'S DIRECTIVE ('THE DIRECTIVE')

Towers Watson Investment Management Limited, a wholly owned subsidiary of Willis Towers Watson (referred to as 'WTW'), was appointed as the Company's Alternative Investment Fund Manager ('AIFM') with effect from 1 October 2019.

The Company has appointed NatWest Trustee and Depositary Services Limited (formerly National Westminster Bank plc) as its depositary under the Directive for the purpose of strengthening the arrangements for the safe custody of assets.

Regulatory disclosures, including the Company's Investor Disclosure Document, are provided on the Company's website at www.alliancetrust.co.uk. Disclosures on Remuneration as required under the Directive can also be found on our website.

INVESTMENT MANAGEMENT AGREEMENT

On 15 December 2022, the Company entered into an amended and restated management agreement with WTW (the 'Amended Management Agreement'). The amendments included details of further marketing and distribution, public relations and investor relations services that WTW has been appointed to provide from 31 December 2022 as well as a new fee arrangement between the Company and WTW that reflected these additional responsibilities and the other changes made to the Company's operating model.

The investment management and distribution fee payable to WTW from 1 January 2023 is as follows:

- 0.57% per annum on such part of the Company's market capitalisation that is less than or equal to £2.5 billion;
- 0.54% per annum on such part of the Company's market capitalisation that exceeds £2.5 billion but is less than or equal to £4 billion; and
- 0.52% per annum on such part of the Company's market capitalisation that is in excess of £4 billion.

The investment management and distribution fee accrues daily (based on the market capitalisation of the Company as at close of business on the previous Business Day) and is payable monthly in arrears.

From the investment management and distribution fee, WTW will meet payment of such fees as are agreed from time to time in respect of the stock pickers.

Each stock picker is entitled to a base management fee rate, generally based on the value of assets under management. No performance fees are payable.

Each year WTW and the Company will also agree a fixed component attributable to the marketing and distribution, public relations and investor relations activities that are undertaken by WTW (or agreed third parties) on behalf of the Company. This component will be met through the payment of the investment management and distribution fee.

The Amended Management Agreement may be terminated by either party on not less than six months' notice or, if terminated by the Company earlier, upon the payment of compensation. The Amended Management Agreement may also be terminated earlier by either party with immediate effect and without compensation on the occurrence of certain events.

On termination, WTW is entitled to receive its fees pro rata to the date of termination.

COMPANY SECRETARIAL, ADMINISTRATION, FINANCE AND ACCOUNTING

On 15 December 2022, the Company entered into a Secretarial and Administration Agreement with Juniper Partners Limited ('Juniper'). Juniper was formally appointed as company secretary to the Company on 31 December 2022 and as mentioned on page 7 also began providing administration, finance and accounting services to the Company with effect from 1 April 2023. WTW provided the administration, finance and accounting services prior to Juniper's appointment.

The Company Secretarial and Administration Agreement may be terminated by either party on not less than six months' notice. Compensation is payable to Juniper in the event notice is given by the Company during an initial two-year period from the date of appointment. The Company Secretarial and Administration Agreement may also be terminated earlier by either party with immediate effect and without compensation on the occurrence of certain events.

Further details of the investment management fees and other administration fees paid by the Company can be found in Note 4 in the Notes to the Financial Statements on page 85.

CORPORATE GOVERNANCE

SHARE CAPITAL

The Company's issued share capital as at 31 December 2023 comprised 283,964,600 Ordinary shares ('shares') of 2.5p each, of which 280,000 are held in Treasury.

At the last AGM the shareholders renewed the authority for the repurchase of up to 14.99% of shares in issue and also authorised that shares repurchased may be held in Treasury. These authorities will be proposed for renewal at the next AGM.

The Company made use of this authority during the course of the year and repurchased 8,615,000 shares at a cost of £86.1m. As at 31 December 2023, 280,000 shares are held in Treasury.

DIVIDEND

A fourth interim dividend will be paid to shareholders on 28 March 2024 details of which can be found on page 29.

VOTING RIGHTS

There are no agreements in place with any parties in respect of voting rights in the Company's shares.

As at 6 March 2024, being the latest practical date prior to the publication of this report, no shareholders held in excess of 3% of the total voting rights in the shares of the Company.

ANNUAL GENERAL MEETING

This year's AGM will be held on 25 April 2024 at 11:00 a.m. at the Apex City Quay Hotel & Spa, 1 West Victoria Dock Road, Dundee DD1 3JP. The AGM will also be streamed live to shareholders. A web link will be provided for those shareholders wishing to join the AGM via the live stream. Please note that proxy voting should be lodged 48 hours in advance of the meeting as live on-line voting will be unavailable.

In addition to a presentation from the Chair and the investment manager, there will be a question-and-answer session where the Board will respond to questions submitted by shareholders in advance of the meeting, by those attending the meeting in person, and via the live stream portal. The Board would welcome your attendance at the AGM.

Following the conclusion of the formal business of the meeting, and after a short break for lunch, an investor forum will take place where two stock pickers will provide performance updates to shareholders.

Resolutions 1 to 11 inclusive deal with the ordinary business of the meeting, namely the receipt of the Annual Report and Financial Statements, to approve the Directors Remuneration Report, to approve the company's Dividend Policy, the re-election of the Directors of the Company, the re-appointment of the auditor, and to authorise the remuneration of the auditor.

In addition to the ordinary business, resolutions relating to the following special business will be proposed:

Resolution 12: Authority to repurchase the Company's shares

This resolution seeks shareholder approval for the Company to renew its power to purchase its own shares either for cancellation or to hold them in Treasury. The Directors believe that the ability of the Company to purchase its own shares in the market will potentially benefit all shareholders of the Company. The purchase of shares at a discount to the underlying Net Asset Value ('NAV') will enhance the NAV per share of the remaining shares. The Company will only re-issue shares from Treasury at prices greater than the prevailing NAV per share at the date of issue. The Company is seeking shareholder approval to repurchase up to 42,566,293 shares, representing approximately 14.99% of the Company's current issued share capital (excluding ordinary shares held in Treasury).

Resolution 13: Authority to disapply pre-emption rights on allotment.

If the Directors wish to re-issue shares from Treasury for cash, company law requires that these shares are offered first to shareholders in proportion to their existing holdings. The purpose of this resolution is to authorise the Directors to re-issue shares from Treasury for cash either in connection with a pre-emptive offer or otherwise up to a nominal value of £709,911 equivalent to 10% of the Company's current issued share capital (excluding ordinary shares held in Treasury), as at 6 March 2024, without the shares first being offered to existing shareholders in proportion to their existing holdings.

The Directors do not intend to re-issue shares from Treasury for cash on a non pre-emptive basis in excess of an amount equal to 7.5 per cent of the total issued share capital of the Company (excluding ordinary shares held in Treasury) within a rolling three-year period, without prior consultation with shareholders.

As stated in Resolution 12, shares will only be issued from Treasury at prices greater than the prevailing NAV per share and where it is in the best interests of shareholders generally. In no circumstances would the Directors use the authority to dilute the interests of existing shareholders by re-issuing shares at a price which would result in the dilution of the Net Asset Value per share.

The Directors do not require authority pursuant to section 551 of the Companies Act 2006 to re-issue shares from Treasury.

Resolution 14: Amended Articles of Association

This resolution seeks shareholder approval to adopt revised Articles of Association. The proposed amendments being introduced in the revised Articles primarily relate to changes in market practice since the existing Articles were adopted. A summary of the main amendments being proposed can be found on page 53 of this report.

Resolution 15: Notice of General Meetings

The Board believes that it is in the best interests of shareholders of the Company to have the ability to call meetings on 14 clear days' notice should a matter require urgency. Under the Companies (Shareholders' Rights) Regulations 2009 companies are only able to opt for a notice period of 14 days in respect of general meetings other than annual general meetings if authorised annually by shareholders. The Board will therefore, as last year, propose a resolution at the AGM to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required.

The authorities sought under resolutions 12 to 15, if approved, will expire at the conclusion of the 2025 AGM.

The full text of all resolutions is set out in the Notice of Annual General Meeting. The Board considers the resolutions proposed to be in the best interests of the Company and shareholders as a whole and recommends that shareholders vote in favour of each of these resolutions, as the Directors intend to do in respect of their own holdings.

The Board remains committed to maintaining a physical AGM, with shareholders and Directors present in person.

AUDITOR

The Company confirms its compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the year to 31 December 2023.

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each Director has taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

CONSIDERING THE COMPANY'S STAKEHOLDERS (S172 STATEMENT)

The Company's Directors have a number of obligations including those under section 172 of the Companies Act 2006. These obligations relate to how the Board takes account of a number of factors in making its decisions – including the impact of its decisions on employees, suppliers and the local community as well as shareholders. The Board is focused on the Company's performance, and its responsibilities to stakeholders, corporate culture and diversity as well as contributing to wider society and takes account of stakeholder interests when making decisions on behalf of the Company. Examples of the principal decisions taken by the Board during the year under review are detailed on pages 50 and 51.

CORPORATE GOVERNANCE

Shareholders

The Board engages with the Company's shareholders in a number of ways – at the AGM and investor events; through its investor relations and marketing activities, including meetings between individual shareholders and members of the Board; and via its website, annual and interim reports, newsletters and factsheets. During the year under review, shareholders had the opportunity to join four investor forums, virtual investor updates were presented in January and July, with in person updates presented in Edinburgh (September) and the other in London (October). Details of all future Company events will be made available on our website, www.alliancetrust.co.uk, and all shareholders who have provided us with their email contact details will be sent electronic invitations.

The Senior Director of Client Management, Wealth and Retail at WTW and the Company's corporate broker reported regularly to the Board on meetings held with shareholders, sharing their views and also reporting on any changes to the composition of the share register. Shareholders wishing to communicate directly with the Board can do so by contacting the company secretary by e-mail or post. Contact details can be found on page 105.

The Board was pleased to welcome shareholders in person to the Company's 2023 AGM. Those shareholders who were not able to attend in person were able to view the meeting and ask questions remotely. The Company's 136th AGM to be held on 25 April 2024 will have the same facility.

The Company continued to reunite shareholders with 'lost' shares and dividends. During the year under review, the Company was able to reunite shareholders with 227,706 dormant shares with a value of £2.5 million and £806.56 of unclaimed dividends.

The Investment Association maintains a public register of companies who have received significant shareholder opposition to resolutions put to shareholders at general meetings. At the Company's Annual General Meeting held on 27 April 2023, all resolutions put to shareholders were duly passed with no significant votes against cast.

Environment

The Company and WTW are targeting Net Zero greenhouse gas emissions by 2050 for the Company's portfolio and are aiming to reduce emissions over the medium term on a pathway that is consistent with the goals of the Paris Agreement and the principles of the Institutional Investors Group on Climate Change Net Zero Investing Framework. The Board believes that meeting these commitments will improve risk adjusted returns. More detail on how WTW is approaching this can be found on page 13.

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Company's Act 2006 (Strategic Report and Directors' Report) Regulations 2013. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

The Company encourages electronic communications with shareholders whenever possible and uses certifiably sustainable paper for the Annual Report and its other communications. The Company will continue to seek to minimise the impact of its operations on the environment.

The Company influences how its investee companies operate through its responsible investment activities. The Company's investment approach takes account of the external impact of investee companies' activities on the environment, their practices' social acceptability, and their good governance. Details of the activities undertaken on behalf of the Company are set out on page 13.

The Board has maintained a limited number of types of investment restrictions. Details of these exclusions can be found on page 46.

Business Ethics

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015, and it is not, therefore, obliged to make a slavery and human trafficking statement. The Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement from WTW, the Company's investment manager, on the steps it takes to investigate and mitigate the risk of modern slavery and human trafficking can be found on WTW's website (www.willistowerswatson.com).

The Company conducts its business honestly, fairly and with transparency and takes anti-bribery measures very seriously. The Company is committed to implementing and enforcing effective measures to counter bribery and corruption and has a zero-tolerance approach to acts of bribery and corruption by Directors or anyone acting on the Company's behalf. The Company also has zero tolerance for financial crime such as tax evasion or the facilitation of tax evasion.

Community

The Board, while supportive of the aims of many charities, believes that the Company should not divert shareholders' funds to finance them save in occasional circumstances where there is a close link to the Company or its heritage. The Company has been a supporter of the V&A Dundee since 2015 and made a payment of £50,000 in the year. The Company also provided £200 to fund prizes at Dundee University.

Upon request, employees of both WTW and Juniper are given time off work to participate in charitable activities or to allow them to support the charities in which they are involved.

Service Providers

The Company has outsourced various activities, not least, the management of the Company's investment portfolio to WTW and the responsibilities of safekeeping the Company's assets to its depositary and custodian.

The Board concluded the work it was undertaking to strengthen its operating model with Juniper appointed to provide finance, fund administration and accounting services to the Company with effect from 1 April 2023.

The Company favours working with suppliers on a long-term basis. For material contracts, the Board will normally conduct a tender process with associated due diligence prior to appointment. Where possible, consideration is given to suppliers local to Dundee. The performance of suppliers is subject to oversight by the Board. The Board receives and considers reporting detailing the performance of the Company's service providers. The Audit and Risk Committee also reviews the performance of the Company's auditor and makes recommendation to the Board on its continuing appointment.

The Company complies with its obligations under the Reporting on Payment Practices and Performance Regulations.

Other principal decisions taken during the year are as follows:

Succession planning

Anthony Brooke retired as a Director of the Company following the conclusion of the AGM held on 27 April 2023.

As previously detailed in the Interim Report, Gregor Stewart advised the Board of his intention to retire as Chair of the Company at the end of 2023. Sarah Bates, in her capacity as Senior Independent Director, was tasked with leading the process to identify his successor. The Nomination Committee carefully considered the role requirements and sought the advice of an independent search consultant, Cornforth Consulting, in relation to potential external candidates. Following this review the Board, on the recommendation of the Nomination Committee, agreed that Dean Buckley, who joined the Board in 2021, should succeed Gregor as Chair of the Company with effect from 31 December 2023. In accordance with best corporate governance practice, Dean's appointment, like that of all Directors, will continue to be subject to annual re-election by shareholders at the AGM. Dean has a wealth of experience in fund management and has in-depth knowledge of investment trusts, his full biography can be found on page 36 of this report.

No additional Directors have been appointed to the Board, with the Board now comprising six Non-Executive Directors.

CORPORATE GOVERNANCE

Refinancing of Debt

During Q4 2023, after initial discussion with the investment manager, the Board agreed that a review of the Company's borrowing facilities be undertaken. A specialist third-party service provider was subsequently appointed to approach potential investors in relation to a new loan note as well as to review the Company's existing bank borrowing facilities. Following an extensive review, and approval by the Board, the below table shows the Company's new borrowing facilities as at 31 December 2023:

Facility	Amount	Term
Fixed Rate Loan Note	€20m	7 years
Fixed Rate Loan Note	€50m	10 years
Revolving Credit Facility	£70m	2 years
Accordion Facility	£20m	2 years
Term Loan	£15m	3 years
Revolving Credit Facility	£15m	3 years
Accordion Facility	£10m	3 years

The result of the review was that the Company has increased its Fixed Rate Loan Notes from £160m to £220.6m (par values) and reduced the amount of its available bank borrowing facilities as at the financial year-end. All borrowings are now secured by floating charges over the assets of the Company. The £63.5m of drawn down revolving credit was repaid on 1 December 2023. As a result of these changes, the Company's weighted average borrowing costs fell from 4.7% to 3.8% per annum.

These new borrowing facilities provide the Board with further diversification of bank counterparties and terms as well as term to maturity, which when combined with Fixed Rate Loan Notes offers good diversification of borrowing facilities, whilst at the same time provide the investment manager with a level of flexibility with which it is comfortable in order to manage the overall level of gearing for the Company.

Share Buybacks and Discount management

One of the Board's strategic objectives is the maintenance of a stable share price discount close to Net Asset Value, with the long-term aim being to transition the Company's share price to a premium. The Board believes that the Company's ability to repurchase its own shares is in the interests of all shareholders as it helps to reduce the volatility in the discount of the Company's share price relative to its NAV. During the year under review, the Company repurchased 8,615,000 of its own shares (2.9% of shares in issue as at 31 December 2022), at a weighted average discount of 6.2% to NAV, providing a small uplift to NAV per share (see Contribution Analysis table on page 8).

In the latter half of the year, the Company opened a Treasury account with Computershare to enable any shares repurchased to be held in Treasury and re-issued at a premium to estimated NAV when there is market demand. Further details of the number of shares held in Treasury can be found on page 48.

Marketing – Brand Review

As previously noted in the Chair's Statement on page 7, with effect from 31 December 2022 WTW was appointed to provide further marketing and distribution, public relations and investor relations services to the Company. Once the changeover of responsibilities had been implemented, the Board began a brand review and looks forward to the refresh to be launched later this year.

The new branding will be supported by a marketing campaign designed to make clear the benefits of investing in the Company which should help attract new investors.

Articles of Association

Following Board discussion on how Director remuneration was presented, and the requirement for Directors to hold shares in the Company upon appointment, the Board requested that its legal counsel undertake a review of the Company's Articles of Association ('Articles').

As a result of the review, the Board is proposing to make a number of amendments to the Company's Articles, a summary of the main amendments being proposed is set out below:

- Amend the way that the total remuneration of Directors is calculated in order to increase transparency. Full details of this proposed change can be found in the Remuneration Report on page 62;
- Remove the requirement for Directors to hold 3,000 shares in the Company, as further described on page 40. The aim of this change is to ensure that a diverse slate of candidates is attracted for future succession planning;
- Updating the Articles to formally stipulate that Directors be required to be put forward for annual re-election. This process is already followed by the Board in accordance with best practice;
- Amending the quorum for a general meeting from five to two members in line with market practice; and
- Allowing for the receipt of proxy voting received after the specified deadline to facilitate shareholder participation at a meeting, but always at the discretion of the Board.

The Board believes that the proposed amendments to the Articles are in the best interests of all shareholders, will enable the Company to continue to comply with corporate governance best practice, and allow the Company to continue to operate efficiently.

Shareholders are requested to approve the revised Articles at the forthcoming AGM on 25 April 2024.

Dividends

Subject to market conditions and the Company's performance, financial position and outlook, the Board will seek to pay a dividend that increases year on year. During the year, the Board considered income receipts, forecast dividends, inflation, and the dividend yield of other investment trusts in the AIC Global Sector. The Board was pleased to be able to pay total dividends of 25.2p per share for the financial year ended 31 December 2023, a 5.0% increase on the previous year. The Board aims to continue delivering a rising dividend year after year as well as capital growth.

Dean Buckley

Dean Buckley
Chair
6 March 2024

VIABILITY AND GOING CONCERN STATEMENTS

VIABILITY STATEMENT

The Board has assessed the prospects and viability of the Company beyond the 12 months required by the Going Concern accounting provisions.

The Board considered the current position of the Company and its prospects, strategy and planning process as well as its principal and emerging risks in the current, medium and long term, as set out on pages 31 to 34. The Company's Investment Objective, which was approved by shareholders in April 2019, is set out on page 2. After the year-end but prior to approval of these Accounts, the Board reviewed its performance against its strategic objectives and its management of the principal and emerging risks facing the Company.

The Board received regular updates on performance and other factors that could impact on the viability of the Company.

The Board also engaged with WTW on the longer-term impact of climate change and other societal change factors on the portfolio, and how the portfolio should be transitioned to a Net Zero greenhouse gas emissions position by 2050.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for at least the next five years; the Board expects this position to continue over many more years to come. The Company's Investment Objective is to deliver a real return over the long term through a combination of capital growth and a rising dividend and the Board regards the Company's shares as a long-term investment. The Board believes that a period of five years is considered a reasonable period for investment in equities and is appropriate for the composition of the Company's portfolio.

In arriving at this conclusion, the Board considered:

- **Financial Strength:** As at 31 December 2023 the Company had Total Assets of £3.6bn, with net gearing of 4.5% and gross gearing of 7.1%. At the year-end the Company had £85.0m of cash or cash equivalents.
- **Investment:** The portfolio is invested in listed equities across the globe. The portfolio is structured for long-term performance; the Board also considers five years as being an appropriate period over which to measure performance.
- **Liquidity:** The Company is closed-ended, which means that there is no requirement to realise investments to allow shareholders to sell their shares. The Directors consider this structure supports the long-term viability and sustainability of the Company and have assumed that shareholders will continue to be attracted to the closed-ended structure due to its liquidity benefit. During the year WTW carried out a liquidity analysis and stress test which indicated that around 93% of the Company's portfolio could be sold within a single day and a further 6% within 10 days, without materially influencing market pricing. WTW performs liquidity analysis and stress testing on the Company's portfolio of investments on an ongoing basis under both current and stressed conditions. WTW remains comfortable with the liquidity of the portfolio under both of these market conditions. The Board would not expect this position to materially alter in the future.
- **Dividends:** The Company has significant accumulated distributable reserves which together with investment income can be used to support payment of the Company's dividend. The Company has sufficient funds to meet its Dividend Policy commitments.
- **Reserves:** The Company has large reserves (at 31 December 2023 it had £3.3bn of distributable reserves and £11.9m of other reserves).
- **Discount:** The Company has no fixed discount control policy. The Company will continue to buy back shares when the Board considers it appropriate and to take advantage of any significant widening of the discount and to produce NAV accretion for shareholders (see page 30).
- **Significant Risks:** The Company has a risk and control framework (see pages 31 to 34) which includes a number of triggers which, if breached, would alert the Board to any potential adverse scenarios. The Board has approved various sensitivities to market, credit, liquidity and gearing as set out in Note 18 on pages 92 to 98.
- **Borrowing:** As detailed on page 52, the Board undertook a review of the Company's borrowing facilities in 2023. Following review, the Company has increased its Fixed Rate Loan Notes ('Notes') from £160m to £220.6m and repaid its existing bank borrowing, the result of which being that the Company's weighted average borrowing costs have reduced by 0.9% per annum. The Board has also diversified the number of bank counterparties and terms to maturity of Notes. The Company comfortably meets its banking covenants.
- **Security:** The Company retains title to all assets held by the custodian which are subject to further safeguards imposed on the depositary.
- **Operations:** Throughout the year under review, the Company's key service providers continued to operate in line with service level agreements with no significant errors or breaches having been recorded. As previously detailed on pages 7 and 51, the Board concluded the work it was undertaking to strengthen its operating model.

GOING CONCERN STATEMENT

In view of the conclusions drawn in the foregoing Viability Statements, which considered the resources of the Company over the next 12 months and beyond, the Directors believe that the Company has adequate financial resources to continue in existence the period to 31 December 2025. Therefore, the Directors believe that it is appropriate to continue to adopt the Going Concern basis in preparing the financial statements.

AUDIT AND RISK COMMITTEE

“During the year under review, the Audit and Risk Committee undertook a detailed review of the risks facing the Company and that of its service providers; we are confident that the necessary ongoing controls are in place to mitigate these risks.”

Jo Dixon
Chair, Audit and Risk Committee

ROLE OF THE COMMITTEE

The primary responsibilities of the Committee are:

- To ensure the integrity of the financial reporting statements;
- To ensure that the appointed external auditor is competent and independent;
- To oversee the process of finalisation and audit of the Annual Report;
- To identify the key risks of the Company and how they are managed; and
- To ensure the internal control systems that are being relied upon are operational and that any areas of concern are followed up to resolution.

COMPOSITION OF THE COMMITTEE

Jo Dixon is Chair of the Committee. Jo is a qualified Chartered Accountant with relevant industry experience and is the designated financial expert on the Board. The Committee comprises all the independent Non-Executive Directors of the Board other than Dean Buckley who ceased to be a member of the Committee following his appointment as Chair on 31 December 2023. All members are offered training if required.

KEY AREAS OF FOCUS

Review of Interim Accounts and Annual Report

The Committee considered the content of the Company's Interim Accounts and Annual Report before recommending approval to the Board. The Committee concluded that the Company's financial statements taken as a whole, were fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy. It also considered whether the narrative was consistent with the underlying numerical disclosures and concluded that these reports did pass that test.

Auditor assessment, independence and appointment

The Committee evaluated the external auditor and was satisfied with the effectiveness of BDO's performance. BDO LLP were appointed on 23 April 2020 and are recommended for re-appointment at the AGM in April 2024. In its evaluation of the auditor, the Committee considered the FRC's Audit Quality Review Report published in July 2023 and discussed the findings with BDO. The Committee was satisfied that BDO has developed an appropriate action plan and that the specific findings raised in the report did not impact on the Company's audit.

As part of the appointment process of the auditor the Committee reviewed their independence, their audit plan for the Company, the engagement letter and fees for the work that was required.

The Committee regards the continued independence of the external auditor to be a matter of the highest priority.

In 2023 non-audit work carried out by the auditor was in relation to agreed upon procedures in respect of the Interim Report for which a fee of £5,330 was paid. In addition, as part of the transfer of administration and accounting services from WTW to Juniper, the Committee requested that the auditor undertake a review of the month-end NAV as at 31 March 2023 for which a fee of £20,500 was paid.

The Company's policy on any non-audit services performed by the external auditor ensures that no engagement will be permitted if:

- The auditor is not considered expert providers of non-audit services;
- The services are considered to inhibit the auditor's independence; and
- The provision of such service provides a conflict for the Board or investment manager.

The policy also provides that the accumulated costs of non-audit services sought from the auditor in any one year should not exceed 30% of the likely audit fees for that year and not exceed 70% cumulatively over three years.

During the year the Audit and Risk Committee Chair had a private meeting with the auditor. The Audit and Risk Committee as a whole also had private meetings with the auditor in February 2023 following completion of the 2022 Audit.

The Committee also considered the issue of internal audit and concluded that, given the reliance on outsourced providers of its investment and administrative arrangements, there was no need for an internal audit function.

Identification and Management of risk

The Company has a risk management framework, that has been refined over several years, to identify the key risks and the controls that operate to ensure the security of its assets and the operation of the organisation within set guidelines. The Committee conducts an annual review of the effectiveness of the internal control environment and systems operated by key service providers in managing those risks. This is achieved by a review by the Committee of the internal control reports from these key providers.

Following the appointment of Juniper to provide administration, finance and accounting services to the Company, the Committee requested that Juniper prepare a new Risk Register for the Company to ensure that there was no duplication with those investment risks being monitored by WTW, and to undertake a general refresh of the principal and emerging risks facing the Company.

A sub-committee of the Committee was established to review and provide feedback on the revised Risk Register as prepared by Juniper prior to it being submitted to the full Committee for consideration. The Committee then made its recommendations on the Company's Risk Register to the Board for its consideration and approval.

Full details of the principal and emerging risks facing the Company can be found on pages 31 to 34 of this report.

The level of risk being run by the investment manager in the portfolio is reviewed by the Board and consideration given to the diversification of risk by exposures to different regions, industries and style. WTW also considers and reports on the level of Active Risk being adopted across the portfolio, the source of that risk, and the impact of the individual stock pickers' risk profile on the portfolio.

INTERNAL CONTROLS

The Committee considered the effectiveness of the control environments of key service providers during the year.

During the year under review, the Committee received regular reports from WTW and Juniper, together with reports from the depositary and the custodian. These third parties have their own internal controls systems. For example, WTW performs operational due diligence on the stock pickers that are appointed to manage the Company's portfolio. While the Company has relied on the internal controls systems put in place by WTW, third party assurance is also sought.

The Committee received WTW's report on the effectiveness of their risk management and internal control systems, including an Independent Service Auditors' Assurance Report ('ISAE 3402 Type II Report') on Internal Controls prepared by KPMG LLP. In addition, where available, similar reports are obtained from other providers.

The 2023 assessment and internal controls assurance reports received by the Committee did not highlight any significant weaknesses or failings in the risk management framework and internal control systems.

Internal controls over financial recording and reporting

The financial reporting process is managed by Juniper who are responsible to the Board for the accuracy and completeness of the financial records of the Company and provides a report to each Board meeting. The Committee also receive and consider a report on the effectiveness of Juniper's internal controls and an ISAE 3402 Type I Report prepared by BDO LLP.

AUDIT AND RISK COMMITTEE

The role of the Depositary

The Company's depositary is NatWest Trustee and Depositary Services Limited. It provides reports to the Company regularly on the safe custody of the investments and the operation of controls over the movement of cash in settlement of investment transactions. Through these reports the Committee is satisfied that the assets remained protected throughout the year.

The custodian appointed by the depositary for the Company is The Bank of New York Mellon, London Branch. The Company receives regular reports of their oversight and there were no issues that caused any concern during the period.

OTHER MATTERS CONSIDERED IN 2023

In the course of their work in the review of the finalisation of the Annual Report the Committee considered a number of other matters including the following:

- Disclosures in the financial statements;
- The selection and consistency of accounting policies;
- The level of provisioning to ensure prudence;
- Judgement on the accounting estimates to ensure reasonableness;
- The reclaim processes for withholding tax on overseas dividends;
- The appropriateness of the period used in the viability statement of the Company;
- The use of the going concern accounting principal being appropriate;
- That the UK adopted International Financial Reporting Standards and Companies Act requirements are complied with;
- The level, extent and terms of Directors' and Officers' Liability Insurance cover required; and
- The outsourcing and controls associated with the provision of company secretarial, administration, finance and accounting services by Juniper and the provision of investment management, marketing and distribution, public relations and investor relations services by WTW.

COMMITTEE EVALUATION

The activities of the Audit and Risk Committee were also considered as part of the Board evaluation process. The conclusion from this process was that the Committee continues to operate effectively, with the right balance of membership, experience and skills.

Jo Dixon
Chair of the Audit and Risk Committee
6 March 2024

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

REPORT OF DIRECTORS AND RESPONSIBILITY STATEMENT

The Report of the Directors on pages 35 to 55 (other than pages 54 to 55 which form part of the Strategic Report) of the Annual Report and Accounts has been approved by the Board. The Directors have chosen to include information relating to future development of the Company and relationships with suppliers, customers and others and their impact on the Board's decisions on pages 49 to 53 of the Strategic Report.

Each of the Directors, who are listed on pages 36 to 38 of this report, confirm to the best of their knowledge that:

- The Financial Statements, prepared in accordance with the applicable set of UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Annual Report includes a fair view of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces; and
- In the opinion of the Board, the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provides the information necessary to assess the Company's position, performance, business model and strategy.

On behalf of the Board

Dean Buckley
Chair
6 March 2024

REMUNERATION REPORT

REMUNERATION

The Board as a whole takes all decisions on remuneration matters. The Company's Remuneration Committee was dissolved on 31 December 2020 as it was not considered necessary to continue with a Remuneration Committee when all of the Directors are Non-Executive.

Directors regularly engage with shareholders on all aspects of performance and governance and are open to contact from shareholders at any time. Any comments received from shareholders are always carefully considered. The Board welcomes the opportunity to discuss matters of remuneration with shareholders at our AGM or at any other investor forums held during the year. Although we did not specifically seek the views of our shareholders on remuneration issues, we have not received any representations from shareholders on remuneration matters during the year.

As previously noted on page 53, the Board is proposing amendments to the Company's Articles, one of which is to amend the way that the total remuneration of Directors is calculated and disclosed. Further details of the proposed change can be found on page 62.

REMUNERATION POLICY

The Board's Remuneration Policy is designed to ensure that the remuneration of Directors is set at a reasonable level commensurate with the duties and responsibilities of each Director and the time commitment required to carry out their roles effectively. Remuneration will be such that the Company is able to attract and retain Directors of appropriate experience and quality. The fees paid to Directors will reflect the experience of the Board as a whole, will be fair, and will take account of the responsibilities attaching to each role given the nature of the Company's interests, as well as the level of fees paid by comparable investment trusts. Secretarial assistance will be provided to the Chair to assist in the execution of his duties. Additional payments may be made to Directors for time expended over and above that envisaged on appointment and for serving on or chairing committees or for service as Directors of subsidiary boards, or other additional responsibilities. The level of such fees and payments will be subject to periodic review. Directors will be reimbursed for travel and subsistence expenses incurred in attending meetings or in carrying out any other duties incumbent upon them as Directors of the Company. In the event that any such payments are regarded as taxable, Directors may receive additional payments to ensure that they suffer no net cost in carrying out their duties. The level of Directors' fees paid will not exceed the limit set out in the Company's Articles of Association.

The Board also reserves the right to make payments outside the Policy in exceptional circumstances. The Board would only use this right where it believes that this is in the best interests of the Company, and when it would be disproportionate to seek specific approval from a General Meeting. Any such payments would be fully disclosed on a timely basis. No such payments were made in 2023.

APPROVAL OF REMUNERATION POLICY

The Company is required to obtain shareholder approval for its remuneration policy every three years unless renewed, varied, or revoked by shareholders beforehand. The remuneration policy was last approved by shareholders at the 2022 AGM and will next be submitted for approval by shareholders at the 2025 AGM.

At the AGM held on 21 April 2022 votes cast by proxy and at the meeting in respect of the resolution relating to the Directors' Remuneration Policy were as follows:

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld (abstentions)
Directors' Remuneration Policy	78,607,611	99.24	602,462	0.76	79,210,073	1,528,248

HOW WE IMPLEMENT OUR POLICY

NON-EXECUTIVE DIRECTORS' FEES

The basic Non-Executive Director's fee has remained unchanged since 2013. During 2023, other than legal advice in respect of the proposed changes to the remuneration section in Company's Articles, the Board received no independent advice in respect of remuneration. The current maximum level of ordinary remuneration (basic Non-Executive Director fees and not including any payments for additional responsibilities which may be paid) that may be paid to Directors as a whole is £300,000 per annum. Any change to this level shareholder approval and a proposal to do so is detailed on the following page.

Remuneration is fixed at the annual rates set out in the table below. Although permitted under the Company's Articles, no Director is entitled to a pension or similar benefit nor to any other monetary payment or any assets of the Company except in their capacity (where applicable) as shareholders of the Company. Annual fees are prorated where a change takes place during a financial year.

Under the Company's Articles, in addition to fees, each Director is entitled to reimbursement of reasonable expenses properly incurred by them in the performance of their duties. Directors are not entitled to damages or compensation for loss of office or otherwise upon their resignation or termination as a Director.

The Company provides insurance for legal action brought against any of its Directors as a consequence of their position. In addition, separate deeds of indemnity have been agreed with each Director indemnifying them as permitted by company law. The indemnity and insurance arrangements do not extend to cover claims brought by the Company itself, which are upheld by the Courts, nor to criminal fines or penalties.

The table below shows the annual fees payable in 2023 to the Chair, who is the highest paid Director, and all other Directors and the fees which will be payable from 1 January 2024. The table also explains the purpose of each fee.

Annual Fees	2023	2024	% Change	Purpose
Chair	£80,000	£80,000	–	For leadership of the Board and in recognition of the greater time, commitment and responsibility required.
Basic Non-Executive Director	£35,000	£35,000	–	In recognition of the time and commitment required by a Director of a public company.
Committee Membership[1]	£6,000	£6,000	–	For the additional time required on Committee business.
Chair of the Audit and Risk Committee	£8,000	£8,000	–	For the additional responsibility and the time required on the Company's financial affairs and reporting.
Senior Independent Director	£3,000	£3,000	–	For supporting the Chair in the delivery of their objectives and leading the evaluation of the Chair and their succession process.

[1] All Directors, other than the Chair who is not a member of the Audit and Risk Committee, are members of all Board Committees and this is a composite fee for all Board Committees. The Chair does not receive this fee.

Alliance Trust

Strategic Report

Directors' Report

Board of Directors
Corporate Governance
Viability and Going Concern Statements
Audit and Risk Committee
Directors' Responsibilities
Remuneration Report

Independent Auditor's Report

Financial Statements

Other Information

REMUNERATION REPORT

PROPOSED CHANGES TO ARTICLES IN RESPECT OF DIRECTOR REMUNERATION

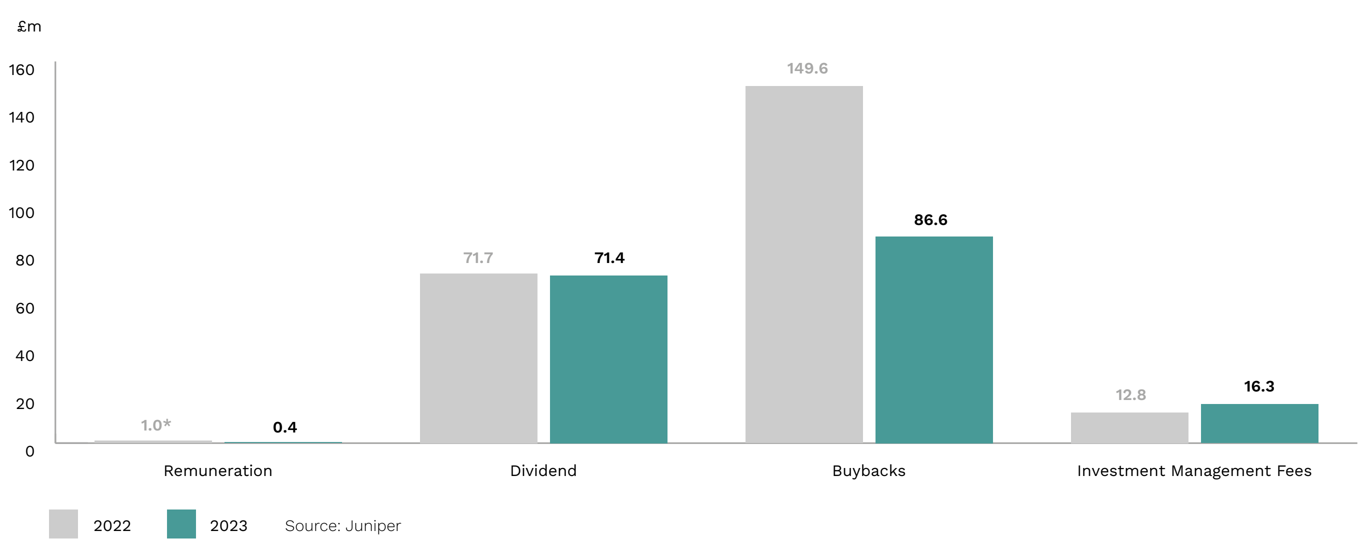
As described on page 53 of this report, the Board is proposing to make a number of amendments to the Company's Articles. One of which is to amend the way that the total remuneration of Directors is calculated and disclosed in order to increase transparency. At present the maximum level of "ordinary remuneration" that may be paid to Directors is £300,000 per annum in aggregate. However, this maximum limit only relates to the ordinary remuneration of Directors as Board members and does not include the additional fees paid to Directors for their duties performed on the Company's other committees. In order to simplify the fee structure, the Board is proposing to set a maximum single figure limit encompassing all Board and Committee fees paid to Directors of £450,000. Shareholders should note that the Board is not proposing any increase to the overall level of Director fees in 2024. The new maximum limit will primarily allow the Board to report on Director remuneration in line with corporate governance best practice, provide for any future changes to the Board structure, and make any future changes to Director fees in line with market rates. The Board remains committed to providing shareholders with value for money.

NON-EXECUTIVE DIRECTORS' CONTRACTS

Each Non-Executive Director's appointment is governed by written terms which are available for inspection at the Company's registered office. They are also available at the AGM. Details of the Company's policy on Directors' tenure may be found on page 44.

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below shows the actual expenditure of the Company in 2022 and 2023 on remuneration, distributions to shareholders by way of dividend and share buybacks, as well as investment management fees incurred. In 2023, the Non-Executive Directors received £0.4m (2022: £0.3m).



*Includes both employee and Non-Executive Director remuneration. The Company had no employees during the year ended 2023.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The figures in the table opposite represent the total remuneration paid to the Non-Executive Directors. In each case the only remuneration payable was the Director's Annual Fee (as detailed on page 61); there was no variable remuneration paid or taxable benefits provided to any of the Directors.

Non-Executive Director	2023 £000	2022 £000	2021 £000
Sarah Bates[1]	44	44	35
Anthony Brooke[2]	13	41	41
Dean Buckley[3]	41	41	34
Jo Dixon[4]	49	49	49
Clare Dobie	41	41	41
Vicky Hastings[5]	41	10	–
Milyae Park[5]	41	10	–
Gregor Stewart	80	80	80
Chris Samuel[6]	–	13	41
Karl Sternberg[7]	–	–	22
Total	**350**	**329**	**343**

ANNUAL PERCENTAGE CHANGE IN TOTAL REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS AND EMPLOYEES

The table opposite is a disclosure under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and sets out the annual percentage change in each Director's remuneration received in the financial period ended 31 December 2023 compared to the preceeding three financial years ended 31 December. The remuneration figures reflect any change in a Director's role or pro-rata fees as detailed in the footnote below.

	Change in Total Remuneration (%)			
	2023	2022	2021	2020
Sarah Bates[1]	–	24.3	–	–
Anthony Brooke[2]	-68.3	–	–	-4.7
Dean Buckley[3]	–	21.0	–	–
Jo Dixon[4]	–	–	10.1	–
Clare Dobie	–	–	–	–
Vicky Hastings[5]	310.0	–	–	–
Milyae Park[5]	310.0	–	–	–
Gregor Stewart	–	–	–	–
Chris Samuel[6]	–	-69.2	–	–
Karl Sternberg[7]	–	–	-50.0	–

Note: There was no change in the remuneration paid to Vicky Hastings and Milyae Park during the year under review. The percentage increase is solely as a result of them having completed a full financial year in office. Conversely, the percentage decrease in the remuneration paid to Anthony Brooke was solely as a result of him retiring from the Board in April 2023.

1. Sarah Bates was appointed to the Board on 4 March 2021, and Senior Independent Director from 30 June 2021.
2. Anthony Brooke retired as a Director on 27 April 2023.
3. Dean Buckley was appointed to the Board on 4 March 2021.
4. Jo Dixon was appointed to the Board on 29 January 2020, and Chair of the Audit and Risk Committee on 6 March 2020.
5. Vicky Hastings and Milyae Park were appointed to the Board on 29 September 2022.
6. Chris Samuel retired from the Board on 21 April 2022.
7. Karl Sternberg retired from the Board on 30 June 2021.

AllianceTrust

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REMUNERATION REPORT

DIRECTORS' SHAREHOLDINGS (AUDITED)

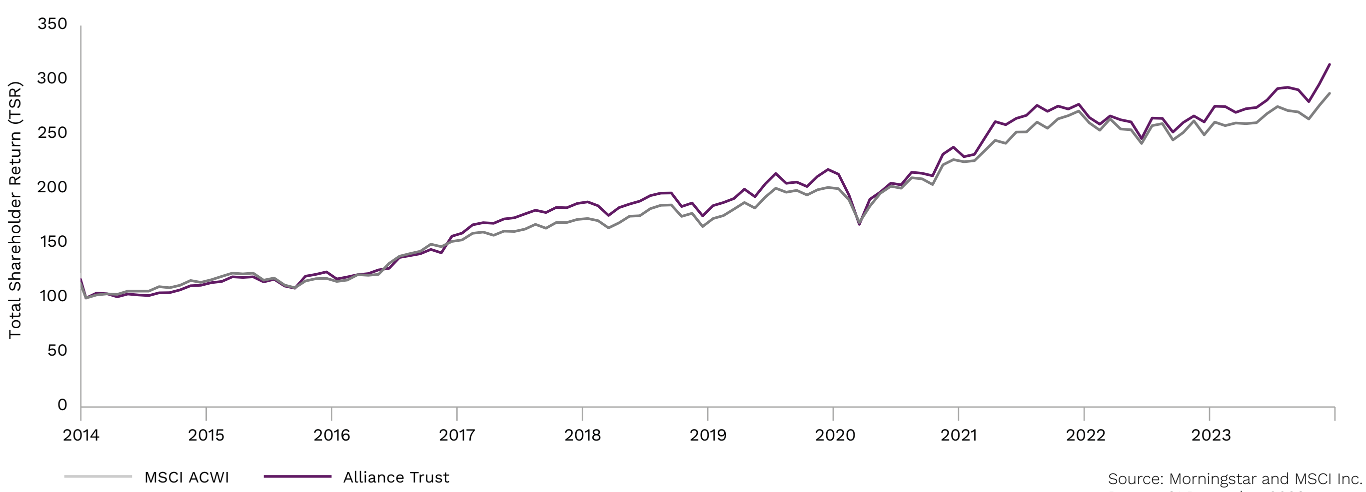
All Directors are currently required to hold 3,000 shares in the Company. However, as previously detailed on pages 40 and 53 of this report, it is proposed that this requirement be removed from the Company's Articles, given the Board's wish to ensure the continuing diversity of its membership. Directors will still be encouraged to hold some shares.

Details of the shareholdings of all Directors and their connected persons, together with details of shares acquired, are shown below. None of these shares are subject to performance conditions. In 2023 the Company issued no options to subscribe for shares and there are no options held by the Directors.

Directors' shareholdings	As at 31 December 2022	As at 31 December 2023	Acquired between 31 December 2023 and 6 March 2024
Sarah Bates	27,198	27,198	–
Dean Buckley	10,000	10,000	–
Jo Dixon	6,500	6,500	–
Clare Dobie	9,979	9,977	–
Vicky Hastings	6,076	6,076	–
Milyae Park	3,000	3,000	–

PERFORMANCE GRAPH

The graph below shows the TSR for holders of Alliance Trust PLC shares, measured against the MSCI All Country World Index (ACWI) rebased to 100 at 31 January 2014. The Company believes that this is the most appropriate index as it represents the performance of listed equities across a range of global markets and is the one against which the Company's performance is measured. At the year-end the Company was almost wholly invested in listed equities.



Source: Morningstar and MSCI Inc.
Data to 31 December 2023.

VOTING AT ANNUAL GENERAL MEETING

At the AGM held on 27 April 2023 votes cast by proxy and at the meeting in respect of the resolution relating to the Director's Remuneration Report were as follows:

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld (abstentions)
Directors' Remuneration Report (excluding Remuneration Policy)	77,350,279	99.94	44,743	0.06	78,395,022	44,473

APPROVAL

The Remuneration Report comprising pages 60 to 65 has been approved by the Board and signed on its behalf by:

Dean Buckley

Dean Buckley
Chair
6 March 2024

INDEPENDENT AUDITOR'S REPORT

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- Have been properly prepared in accordance with UK adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alliance Trust Plc (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

INDEPENDENCE

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 22 April 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years, covering the years ended 31 December 2020 to 31 December 2023. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the projected management fees for the going concern period to check that they are in line with the current assets under management levels and the projected market growth forecasts for the following year;
- Sensitising the forecasts based on an economic downturn and calculating financial ratios to ascertain the financial health of the Company, including performing calculations assessing the net asset position of the Company to understand the reliance on loans;
- Challenging Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio;
- Checking the availability of cash to meet forecast expenditure in both the base case and sensitised scenarios; and
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors' forecasts and our sensitivity analyses.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

		2023	2022
Key audit matters	Revenue recognition	✓	✓
	Valuation and ownership of listed investments	✓	✓
Materiality	Company financial statements as a whole £33.3m (2022: £28.9m) based on 1% (2022: 1%) of Net Assets		

INDEPENDENT AUDITOR'S REPORT

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition of dividends (Notes 2 and 3 to the financial statements) Income arises from dividends and can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise dividend income as revenue where it is more appropriately of a capital nature. Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason we considered revenue recognition to be a key audit matter and an area of Fraud Risk.	We responded to this matter by utilising data analytics to test 100% of the portfolio. We derived an independent expectation of income based on the investment holding and distributions per independent sources and compared to that recorded by the Company. We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event. We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances we performed a combination of inquiry with management and our own independent research, including inspection of financial statements and public announcements of investee companies, to ascertain whether the underlying event was indeed of a capital nature. **Key observations:** Based on our procedures performed we found the judgements made by management in determining the allocation of dividend income to revenue or capital to be appropriate.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of listed investments (Notes 2 and 9 to the financial statements) The investment portfolio at the year-end comprised of listed equity investments and immaterial investments in related and subsidiary companies held at fair value through profit or loss. There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore, we considered the valuation and ownership of listed investments to be the most significant audit area as the listed investments also represent the most significant balance in the financial statements and underpin the principal activity of the entity. Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the financial statements. For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of listed investments. We performed the following procedures: • Checked the year-end bid price used by agreeing to externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculated the valuation by multiplying the investment holdings with the bid price; and • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. We also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of relevant accounting standard. **Key observations:** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the listed equity investments was not appropriate.

INDEPENDENT AUDITOR'S REPORT

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2023 £m	2022 £m
Materiality	33.3	28.9
Basis for determining materiality	1% of Net Assets	
Rationale for the benchmark applied	As an investment trust, the Net Asset Value is considered to be the key measure of performance for users of the financial statements.	
Performance materiality	25	21.7
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	75% of materiality based on our risk assessment and consideration of the control environment. We also considered the history of misstatements based on our knowledge obtained in the previous year, aggregation effect of planned nature of testing and the overall size and complexity of the entity.	

Specific materiality

Whilst the majority of long-term returns are expected to arise from capital, the investment objective of the Company is to deliver real returns over the long term through a combination of capital growth and a rising dividend. The users of the financial statements will be affected by smaller movements in revenue returns as this impacts on the dividend level available to be paid out by the Company. We will therefore perform testing over these areas based on a specific materiality, set at 5% of revenue return before tax being £2,900,000 (2022: £4,100,000). This is consistent with the prior year.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £145,000 (2022: £210,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 54 and 55. • The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 55; and
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 59; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 30 to 44; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 57; and • The section describing the work of the Audit and Risk Committee set out on pages 56 to 58.

INDEPENDENT AUDITOR'S REPORT

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • The financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • Certain disclosures of Directors' remuneration specified by law are not made; or • We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the investment manager and those charged with governance and Audit Committee; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations,

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and the Company's qualification as an Investment Trust under UK tax legislation, as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the investment manager and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain its Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the investment manager and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls and Revenue recognition.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
6 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		Year to 31 December 2023			Year to 31 December 2022		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Income	3	69,591	1,678	71,269	95,521	–	95,521
Gain/(loss) on investments held at fair value through profit or loss	9	–	578,715	578,715	–	(358,675)	(358,675)
(Loss)/gain on fair value of debt		–	(11,371)	(11,371)	–	54,682	54,682
Total		69,591	569,022	638,613	95,521	(303,993)	(208,472)
Investment management fees	4	(5,074)	(11,228)	(16,302)	(3,197)	(9,586)	(12,783)
Administrative expenses	4	(2,558)	(344)	(2,902)	(5,562)	(912)	(6,474)
Finance costs	5	(2,380)	(7,141)	(9,521)	(2,156)	(6,469)	(8,625)
Foreign exchange (losses)/gains		–	(3,737)	(3,737)	–	486	486
Profit/(loss) before tax		59,579	546,572	606,151	84,606	(320,474)	(235,868)
Taxation	6	(6,231)	(251)	(6,482)	(6,435)	(342)	(6,777)
Profit/(loss) for the year		53,348	546,321	599,669	78,171	(320,816)	(242,645)

All profit/(loss) for the year is attributable to equity holders.

Earnings per share attributable to equity holders							
Basic (pence per share)	8	18.55	189.98	208.53	26.14	(107.28)	(81.14)
Diluted (pence per share)	8	18.55	189.98	208.53	26.14	(107.28)	(81.14)

The Company does not have any other comprehensive income and hence profit/(loss) for the year, as disclosed above, is the same as the Company's total comprehensive income.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

				Distributable reserves				
	Note	Share capital £000	Capital redemption reserve £000	Realised capital reserve £000	Unrealised capital reserve £000	Revenue reserve £000	Total distributable reserves £000	Total Equity £000
At 1 January 2022		7,703	11,295	2,763,783	481,177	95,222	3,340,182	3,359,180
Total comprehensive income/(loss):								
Profit/(loss) for the year		–	–	56,607	(377,423)	78,171	(242,645)	(242,645)
Transactions with owners, recorded directly to equity:								
Ordinary dividends paid	7	–	–	–	–	(71,086)	(71,086)	(71,086)
Unclaimed dividends returned		–	–	–	–	27	27	27
Own shares purchased		(389)	389	(150,457)	–	–	(150,457)	(150,457)
Balance at 31 December 2022		7,314	11,684	2,669,933	103,754	102,334	2,876,021	2,895,019
Total comprehensive income:								
Profit for the year		–	–	75,430	470,891	53,348	599,669	599,669
Transactions with owners, recorded directly to equity:								
Ordinary dividends paid	7	–	–	–	–	(71,378)	(71,378)	(71,378)
Unclaimed dividends returned		–	–	–	–	14	14	14
Own shares purchased		(208)	208	(86,636)	–	–	(86,636)	(86,636)
Balance at 31 December 2023		7,106	11,892	2,658,727	574,645	84,318	3,317,690	3,336,688

The £574.6m (2022: £103.8m) of unrealised capital reserve arising on the revaluation of investments is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The unrealised capital reserve includes unrealised gains on the fixed rate loans of £5.5m (2022: £16.9m) which are not distributable.

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investments held at fair value through profit or loss	9	3,482,329	3,012,492
Right of use asset		–	54
		3,482,329	3,012,546
Current assets			
Outstanding settlements and other receivables	10	9,321	9,648
Cash and cash equivalents	17	84,974	88,864
		94,295	98,512
Total assets		3,576,624	3,111,058
Current liabilities			
Outstanding settlements and other payables	11	(9,792)	(9,344)
Bank loans	12	–	(63,500)
Lease liability		–	(38)
		(9,792)	(72,882)
Total assets less current liabilities		3,566,832	3,038,176
Non-current liabilities			
Fixed rate loan notes held at fair value	12	(215,144)	(143,141)
Bank loans	12	(15,000)	–
Lease liability		–	(16)
		(230,144)	(143,157)
Net assets		3,336,688	2,895,019
Equity			
Share capital	13	7,106	7,314
Capital redemption reserve		11,892	11,684
Capital reserve		3,233,372	2,773,687
Revenue reserve		84,318	102,334
Total equity		3,336,688	2,895,019
All net assets are attributable to equity holders.			
Net asset value per ordinary share attributable to equity holders			
Basic and diluted (£)	14	£11.75	£9.89

The financial statements were approved by the Board of Directors and authorised for issue on 6 March 2024.

They were signed on its behalf by:

Jo Dixon
Chair of the Audit and Risk Committee

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Financial Statements

- Statement of Comprehensive Income for the year ended 31 December 2023
- Statement of Changes in Equity for the year ended 31 December 2023
- Balance Sheet as at 31 December 2023
- Cash Flow Statement for the year ended 31 December 2023
- Notes to the Financial Statements

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Other Information

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Profit/(loss) before tax		**606,151**	(235,868)
Adjustments for:			
(Gains)/losses on investments		**(578,715)**	358,675
Losses/(gains) on fair value of debt		**11,371**	(54,682)
Foreign exchange losses/(gains)		**3,737**	(486)
Depreciation		**–**	174
Finance costs	5	**9,521**	8,625
Scrip dividends		**–**	(503)
Operating cash flows before movements in working capital		**52,065**	75,935
Decrease/(increase) in receivables		**1,599**	(3,189)
Decrease in payables		**(36)**	(1,153)
Net cash inflow from operating activities before tax		**53,628**	71,593
Taxes paid		**(6,654)**	(7,302)
Net cash inflow from operating activities		**46,974**	64,291
Cash flows from investing activities			
Proceeds on disposal of investments		**1,600,165**	2,202,258
Purchases of investments		**(1,489,643)**	(1,920,913)
Net cash inflow from investing activities		**110,522**	281,345
Net cash inflow before financing		**157,496**	345,636
Cash flows from financing activities			
Dividends paid – equity	7	**(71,378)**	(71,086)
Unclaimed dividends returned		**14**	27
Purchase of own shares		**(88,060)**	(149,033)
Repayment of bank debt	17	**(63,500)**	(117,000)
Drawdown of bank debt	17	**15,000**	–
Issue of loan notes	17	**60,632**	–
Principal paid on lease liabilities		**–**	(293)
Interest paid on lease laibilities		**–**	(17)
Finance costs paid		**(10,357)**	(8,435)
Net cash outflow from financing activities		**(157,649)**	(345,837)
Net decrease in cash and cash equivalents		**(153)**	(201)
Cash and cash equivalents at the start of the year		**88,864**	88,579
Effect of foreign exchange rate changes		**(3,737)**	486
Cash and cash equivalents at the end of the year		**84,974**	88,864

NOTES

1 GENERAL INFORMATION

Alliance Trust PLC was incorporated in the United Kingdom under the Companies Acts 1862-1886. The address of its registered office is given on page 105. The nature of the Company's operations and its principal activity is a global investment trust.
The following notes refer to the year ended 31 December 2023 and the comparatives refer to the year ended 31 December 2022.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with UK-adopted international accounting standards ('IASs').

The financial statements have been prepared on the historical cost basis, except that investments and fixed rate notes are stated at fair value through the profit and loss. The Association of Investment Companies ('AIC') issued a Statement of Recommended Practice: Financial Statements of Investment Companies ('AIC SORP') in July 2022. The Directors have sought to prepare the financial statements in accordance with the AIC SORP where the recommendations are consistent with IFRS. The Company qualifies as an investment entity.

Presentation of statement of comprehensive income

Additional analysis is provided on the Statement of Comprehensive Income between items of a revenue and capital nature to improve accuracy, this follows guidance provided by the AIC. The net revenue profit for the year is the measure the Directors use in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

Going concern

The Directors having assessed the principal risks of the Company have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the period assessed to 31 December 2025. The Company's assets, the majority of which are investments in quoted equity securities and are readily realisable, significantly exceed its liabilities. The Directors have also considered, among other things, revenue forecasts, a review of covenant compliance and an assessment of the liquidity of the portfolio. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements. The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report.

Use of judgements, estimates and assumptions

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies, which are set out below, and in the selection of assumptions used in the calculation of estimates. The Board reviews these judgements and estimates on an ongoing basis taking into account historical experience and other relevant factors.
The same accounting policies, presentations and methods of computation are followed in these financial statements, as were applied in the Company's last annual audited financial statements. However, actual results may differ from these estimates.
The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period include the Company's debt which is measured at fair value for financial reporting purposes. In estimating the fair value the Company engages third party qualified valuers to perform the valuation. Details of the fair value of debt are provided in Notes 12 and 18.9.

New and amended IASs Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to UK-adopted international standards that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. In accordance with an amendment to IAS1, Presentation of Financial Statements, the Company now discloses its material accounting policy information instead of significant accounting policies.

Not yet applied

The Company does not expect any other standards endorsed by the UK Endorsement Board ('UKEB'), but not yet effective, to have a material impact.

(b) Principal accounting policies

(i) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company enters into a contract for a financial instrument. The Company will only offset financial assets and financial liabilities if it has a legally enforceable right of offset and intends to settle on a net basis.

(ii) Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the time frame established by the market concerned. These investments are initially valued at cost, excluding transaction costs. Investments are principally designated as fair value through the profit and loss upon initial recognition (excluding transaction costs).

Listed investments are valued after their initial recognition at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Investments which are not listed, or which are not frequently traded, are valued at the Directors' best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm's-length transactions in the same or similar instruments. There were no such investments in the current year, other than the investments in subsidiaries noted below.

The following wholly owned subsidiaries are not consolidated and are valued at fair value through the statement of comprehensive income as they do not provide services that relate directly to the investment activities of the Company nor are they themselves regarded as investment entities:

Name	Shares held	Country of incorporation	Principal Activity
AT2006 Limited	Ordinary	Scotland*	Intermediate holding company
The Second Alliance Trust Limited	Ordinary	Scotland*	Inactive

*Registered at River Court, 5 West Victoria Dock Road, Dundee, Scotland, DD1 3JT.
Liquidators were appointed to Allsec Nominees Limited on 18 May 2022 with the company formally being dissolved on 29 December 2022.

(iii) Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are not subject to significant changes in fair value.

(iv) Outstanding settlements and other receivables and payables

Other receivables do not carry any interest and are initially recognised at fair value plus those transaction costs that are directly attributable to their acquisition or issue. They are subsequently valued at their amortised cost using the effective interest rate method, less provision for impairment.

Other payables are non-interest bearing and are initially recognised at fair value and subsequently valued at their amortised cost using the effective interest method.

(v) Bank loans and fixed rate loan notes

Interest-bearing bank loans are initially recognised at the proceeds received, net of direct issue costs. They are subsequently valued at their amortised cost. Interest payable on the bank loans is accounted for on an accrual basis in the statement of Comprehensive Income.

Fixed rate loan notes are initially recognised at the value of the proceeds received. After initial recognition they are valued at fair value through the profit and loss in line with the Company's risk management and investment strategy and information about the fixed rate loan notes is provided internally on a fair value basis to the Company's key management personnel. The borrowings are invested with the aim of enhancing long term returns. Information about the fixed rate loan notes is provided internally on a fair value basis to the Company's key management personnel. In line with fair value movements in investments related movements on the debt are recognised in capital. Finance charges are accounted for through the statement of comprehensive income on an accruals basis using the effective interest rate.

(vi) Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and which are denominated in foreign currencies are restated at the rates prevailing on that date. Foreign exchange differences are recognised as capital and shown in the capital column of the statement of comprehensive income if they are of a capital nature, and recognised as revenue and shown in the related income line if they are of a revenue nature.

(vii) Revenue recognition

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, normally the ex-dividend date.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the statement of comprehensive income.

Interest receivable from cash and short-term deposits is accrued to the end of the period.

Special dividends are either treated as repayment of capital or as income, depending on the facts of each case.

(viii) Expenses

All expenses and interest payable are accounted for on an accruals basis. Where there is a connection with the maintenance or enhancement of the value of the Company's investments and it is consistent with the AIC SORP, the Company attributes indirect expenditure including management fees, directors' fees and finance costs – 25% to revenue and 75% to capital profits. Specific exceptions to this general principle are:

- Expenses which under the AIC SORP are chargeable to revenue profits – these are recorded directly to revenue.

(ix) Taxation

The Company carries on its business as an investment trust and conducts its affairs so as to qualify as such under the provisions of Section 1158 and 1159 of the Corporation Tax Act 2010.

Taxable profit differs from the net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. The Company's liability for current tax is calculated using the rates applicable as at balance sheet date.

The Company does not recognise deferred tax assets or liabilities on capital profits or losses on the basis that its investment trust status means no tax is due on the capital profits, or losses, of the Company.

(x) Dividends payable

Interim dividends are recognised in the period in which they are paid.

(xi) Realised and unrealised reserves

Each of the realised and unrealised reserves can be described as follows:

Capital redemption reserve

The capital redemption reserve represents the nominal value of ordinary shares repurchased and cancelled. This is not distributable.

Capital reserve

The following are accounted through this reserve:

- Gains and losses on realisation of investments and derivative financial instruments;
- Increases or decreases of the value of investments and fair value debt held at the year-end;
- Foreign exchange differences of a capital nature;
- Costs of purchase of own shares;
- Where consistent with the AIC SORP, 75% of indirect expenditure including management fees, finance costs and relevant administrative expenses are charged to capital profits.

Revenue reserve

Revenue profits and losses of the Company that are revenue in nature are recorded within this reserve, together with the dividend payments made by the Company.

3 INCOME

An analysis of the Company's revenue is as follows:

	2023 £000	2022 £000
Revenue:		
Income from investments		
Listed dividends – UK	**12,836**	14,795
Listed dividends – Overseas	**55,761**	80,135
	68,597	94,930
Other income		
Property rental income	**–**	257
Other interest	**987**	323
Other income	**7**	11
	994	591
Total allocated to revenue	**69,591**	95,521
Capital:		
Income from investments		
Listed dividends – Overseas	**1,678**	–
Total allocated to capital	**1,678**	–
Total income	**71,269**	95,521

During the year ended 31 December 2023 the Company received a special dividend of £1,678,000 from Swire Pacific which was treated as a capital dividend.

4 PROFIT/(LOSS) BEFORE TAX IS STATED AFTER CHARGING THE FOLLOWING EXPENSES:

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Investment management fees						
Investment management fees	**5,074**	**11,228**	**16,302**	3,197	9,586	12,783

An amended and restated management fee agreement came into effect on 1 January 2023 under which the management and distribution fee payable is calculated as 0.57% of the Company's market capitalisation that is less than or equal to £2.5 billion; 0.54% on such part of the Company's market capitalisation that exceeds £2.5 billion but is less than or equal to £4 billion; and 0.52% per annum on such part of the Company's market capitalisation that is in excess of £4 billion (2022: management fee of £1.5m per annum (increasing in line with UK Consumer Prices Index on 1 April each year) plus 0.055% per annum of the market capitalisation of the Company); and such fees as agreed in respect of the stock pickers. Further details of these arrangements were disclosed in the 2022 annual report).

The fee includes £14,970,000 for investment management services, which is allocated 25% to revenue and 75% to capital, and £1,332,000 for distribution services, which is recorded directly to revenue. Distribution services include marketing and promotional activities, plus investor relations. Prior to 2023, such costs formed part of the administrative costs of the Company.

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Administrative costs						
Employee costs (see below)	**12**	**37**	**49**	207	620	827
Auditor's remuneration (see below)	**84**	**–**	**84**	53	–	53
Directors' fees	**88**	**262**	**350**	82	247	329
Finance, administration and company secretarial services	**1,412**	**–**	**1,412**	1,443	16	1,459
Depositary and custody services	**502**	**–**	**502**	480	–	480
Regulatory and listing fees	**253**	**–**	**253**	234	–	234
Depreciation	**–**	**–**	**–**	174	–	174
Other administrative costs	**207**	**45**	**252**	2,889	29	2,918
	2,558	**344**	**2,902**	5,562	912	6,474

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Employee costs[1]						
Salaries	**11**	**32**	**43**	163	489	652
Social security costs	**1**	**5**	**6**	28	82	110
Pension costs – defined contribution scheme	**–**	**–**	**–**	16	49	65
	12	**37**	**49**	207	620	827

[1] Following a change in its operating model the Company had no employees at 31 December 2023 (2022: 4 employees).

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Auditor's remuneration						
Fee payable to the auditor for the audit of the Group's annual accounts	**58**	**–**	**58**	48	–	48
Non-audit services	**26**	**–**	**26**	5	–	5
	84	**–**	**84**	53	–	53

The above audit fee of £58,000 includes £3,000 for the audit of the non-consolidated subsidiaries (2022: £3,000). There were no non-audit related services for these entities during either 2023 or 2022. Non-audit services included £20,500 for a review of the NAV at 31 March 2023, as part of the transfer of administration and accounting services from BNY Mellon to Juniper Partners Limited; and £5,330 for a review of the Interim Report.

5 FINANCE COSTS

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Bank loans and associated costs	**804**	**2,410**	**3,214**	583	1,750	2,333
4.28% fixed rate notes	**1,070**	**3,210**	**4,280**	1,070	3,210	4,280
2.657%% fixed rate notes	**133**	**399**	**532**	133	399	532
2.936% fixed rate notes	**147**	**440**	**587**	147	440	587
2.897% fixed rate notes	**145**	**435**	**580**	145	435	580
4.18% fixed rate notes	**39**	**117**	**156**	–	–	–
4.02% fixed rate notes	**15**	**45**	**60**	–	–	–
Interest on lease liabilities	**–**	**–**	**–**	4	13	17
Other finance costs	**27**	**85**	**112**	74	222	296
Total	**2,380**	**7,141**	**9,521**	2,156	6,469	8,625

Bank loan interest has increased in line with higher average interest rates. The value of bank loans utilised at the year-end was £15.0m (2022: £63.5m).

The basis of the apportionment of finance costs between revenue and capital profits is disclosed in Note 2.

6 TAXATION

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Overseas taxation	**6,231**	**251**	**6,482**	6,435	342	6,777
Tax expense for the year	**6,231**	**251**	**6,482**	6,435	342	6,777

The profit of the Company for the year ended 31 December 2023 is taxed at the standard UK corporation tax rate of 23.52% (2022: 19.00%). Taxation for overseas jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The tax charge assessed for the years ended 2022 and 2023 can be reconciled to the profit per the statement of comprehensive income as follows:

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Profit/(loss) before tax	**59,579**	**546,572**	**606,151**	84,606	(320,474)	(235,868)
Tax at the standard UK corporation tax rate of 23.52% (19.00%)	**14,013**	**128,554**	**142,567**	16,075	(60,890)	(44,815)
Losses/(gains) on investments not subject to UK corporation tax	**–**	**(136,114)**	**(136,114)**	–	68,148	68,148
Income exempt from UK corporation tax	**(15,910)**	**(395)**	**(16,305)**	(17,317)	–	(17,317)
Effect of overseas tax	**6,231**	**251**	**6,482**	6,435	342	6,777
Deferred tax assets not recognised	**1,945**	**7,076**	**9,021**	1,337	(7,166)	(5,829)
Other adjustments	**(48)**	**879**	**831**	(95)	(92)	(187)
Tax expense for the year	**6,231**	**251**	**6,482**	6,435	342	6,777

At the balance sheet date, the Company had unused tax losses of £209.2m (2022: £185.7m) available for offset against future profits. The unrecognised deferred tax asset in relation to the unused tax losses is £52.3m (2022: £46.4m). The Company has other deferred tax assets totalling £4.9m which have not been recognised. The other deferred tax assets relate to carried forward disallowed interest, an accounting adjustment which is being spread for tax purposes over 10 years and fixed asset temporary differences. The Directors have not recognised the deferred tax assets as it is considered unlikely that the Company will generate taxable income in excess of deductible expenses in future periods. The unrecognised deferred tax assets have been calculated using the standard corporation tax rate of 25% (2022: 25%). The rate of 25% is based on the tax rate announced on 24 May 2021 which is effective from 1 April 2023.

7 DIVIDENDS

Dividends Paid

	2023 £000	2022 £000
2021 fourth interim dividend 5.825p per share	**–**	17,752
2022 first interim dividend 6.000p per share	**–**	17,921
2022 second interim dividend 6.000p per share	**–**	17,791
2022 third interim dividend 6.000p per share	**–**	17,622
2022 fourth interim dividend 6.000p per share	**17,498**	–
2023 first interim dividend 6.180p per share	**17,849**	–
2023 second interim dividend 6.340p per share	**18,028**	–
2023 third interim dividend 6.340p per share	**18,003**	–
	71,378	71,086

We also set out below the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1158/1159 of the Corporation Tax Act 2010 are considered.

Dividends Earned

	2023 £000	2022 £000
2022 first interim dividend 6.000p per share	**–**	17,921
2022 second interim dividend 6.000p per share	**–**	17,791
2022 third interim dividend 6.000p per share	**–**	17,622
2022 fourth interim dividend 6.000p per share	**–**	17,498
2023 first interim dividend 6.180p per share	**17,849**	–
2023 second interim dividend 6.340p per share	**18,028**	–
2023 third interim dividend 6.340p per share	**18,003**	–
2023 fourth interim dividend 6.340p per share	**18,003**	–
	71,883	70,832

8 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2023 Revenue £000	2023 Capital £000	2023 Total £000	2022 Revenue £000	2022 Capital £000	2022 Total £000
Ordinary shares						
Earnings for the purposes of basic earnings per share being net profit/(loss) attributable to equity holders	**53,348**	**546,321**	**599,669**	78,171	(320,816)	(242,645)
Number of shares						
Weighted average number of ordinary shares for the purposes of:						
Basic earnings per share			**287,573,436**			299,027,659
Diluted earnings per share			**287,573,436**			299,027,937

The basic figure is arrived at by reducing the number of ordinary shares by nil (2022: nil) ordinary shares held in a trust that was set up to satisfy awards made under historic share award schemes (no new awards will be made). The 1,611 ordinary shares held in trust were sold on 3 March 2022. The trust was terminated on 1 April 2022.

9 INVESTMENTS HELD AT FAIR VALUE

	2023 £000	2022 £000
Investments designated at fair value through profit or loss:		
Investments listed on a recognised investment exchange	**3,482,295**	3,012,458
Investments in related and subsidiary companies	**34**	34
	3,482,329	3,012,492

Investments in related and subsidiary companies contains the remaining subsidiary companies as disclosed in note 2.

	Listed equity investments £000	Other equity £000	Related and subsidiary companies £000	Total £000
Opening book cost at 1 January 2022	3,131,040	–	–	3,131,040
Opening investment holding gains	519,208	–	34	519,242
Opening valuation at 1 January 2022	3,650,248	–	34	3,650,282
Movements in the year				
Purchases at cost	1,914,453	–	–	1,914,453
Sales – proceeds	(2,193,640)	364	(292)	(2,193,568)
(Losses)/gains on investments	(358,603)	(364)	292	(358,675)
Closing valuation at 31 December 2022	3,012,458	–	34	3,012,492
Closing book cost	2,925,726	–	–	2,925,726
Closing investment holding gains	86,732	–	34	86,766
Closing valuation as at 31 December 2022	3,012,458	–	34	3,012,492
Opening book cost at 1 January 2023	**2,925,726**	**–**	**–**	**2,925,726**
Opening investment holding gains	**86,732**	**–**	**34**	**86,766**
Opening valuation at 1 January 2023	**3,012,458**	**–**	**34**	**3,012,492**
Movements in the year				
Purchases at cost	**1,492,387**	**–**	**–**	**1,492,387**
Sales – proceeds	**(1,601,265)**	**–**	**–**	**(1,601,265)**
Gains on investments	**578,715**	**–**	**–**	**578,715**
Closing valuation at 31 December 2023	**3,482,295**	**–**	**34**	**3,482,329**
Closing book cost	**2,912,672**	**–**	**–**	**2,912,672**
Closing investment holding gains	**569,623**	**–**	**34**	**569,657**
Closing valuation as at 31 December 2023	**3,482,295**	**–**	**34**	**3,482,329**

Details of the hierarchical valuation of investments are provided in Note 18.9 on pages 98 and 99.

	2023 £000	2022 £000
Gains/(losses) on investments excluding derivatives	**578,715**	(358,311)
Losses on derivatives	**–**	(364)
Total gains/(losses) on investments	**578,715**	(358,675)
Transaction costs	**(2,172)**	(2,374)
Net gains/(losses) on investments	**576,543**	(361,049)

The Company received £1,601.3m (2022: £2,193.6m) from investments sold in the year. The book cost of these investments when they were purchased was £1,505.0m (2022: £2,119.8m). These investments have been revalued over time and, until they were sold, any unrealised gains/losses were included in the fair value of the investments.

10 OUTSTANDING SETTLEMENTS AND OTHER RECEIVABLES

	2023 £000	2022 £000
Sales of investments awaiting settlement	**1,176**	76
Dividends receivable	**3,935**	5,521
Other debtors	**279**	292
Recoverable overseas tax	**3,931**	3,759
	9,321	9,648

11 OUTSTANDING SETTLEMENTS AND OTHER PAYABLES

	2023 £000	2022 £000
Purchase of investments awaiting settlement	**4,899**	2,155
Amounts due to subsidiary companies	**35**	35
Amounts payable for share buybacks	**–**	1,424
Other creditors	**3,527**	3,563
Interest payable	**1,236**	2,072
Tax payable	**95**	95
	9,792	9,344

12 BANK LOANS AND FIXED RATE LOAN NOTES

Bank loans

	2023 £000	2022 £000
Bank loans repayable within one year	–	63,500
Bank loans repayable after one year	15,000	–
Analysis of borrowings by currency:		
Bank loans – sterling	15,000	63,500
The weighted average % interest rates payable:		
Bank loans	6.50%	1.70%
The estimated fair value of the borrowings:		
Bank loans	15,000	63,500

	2023 £000	2022 £000
Opening bank loans balance	63,500	180,500
Repayment of bank loans	(63,500)	(117,000)
Draw down of bank loans	15,000	–
Closing bank loans balance	15,000	63,500

Fixed rate loan notes (at fair value)

	2023 £000	2022 £000
4.28 per cent. fixed rate loan notes due 2029	102,928	98,434
2.657 per cent. fixed rate loan notes due 2033	17,910	16,378
2.936 per cent. fixed rate loan notes due 2043	16,052	14,644
2.897 per cent. fixed rate loan notes due 2053	14,903	13,685
4.180 per cent. fixed rate loan notes due 2033	45,392	–
4.020 per cent. fixed rate loan notes due 2030	17,959	–
	215,144	143,141

The expiry dates for the total bank loan committed facilities of £130m (including accordion options) are disclosed in note 18.7. At 31 December 2023 the Company has a £40m facility which will expire on 16 December 2026 and a £90m facility which will expire on 16 December 2025.

As at 31 December 2023 £15.0m of the available £130m facilities has been drawn down, being a 3 year term loan. The remaining loans are revolving credit facilities and are drawn down through a utilisation request and are repayable on the maturity date of that utilisation.

£100m of fixed rate loan notes were drawn down in July 2014, with 15 years' duration at 4.28%.

On 28 November 2018 the Company issued £60m fixed-rate, privately placed notes each of £20m and with maturities of 15, 25 and 35 years and coupons for each respective tranche of 2.657%, 2.936% and 2.897%.

On 30 November 2023 the Company issued €70m fixed rate, private placed notes. €50m was issued with a maturity of 10 years at a rate of 4.180% and €20m was issued with a maturity of 7 years at a rate of 4.02%.

£0.5m of issue costs were incurred in relation to the new borrowings and will be amortised over their life.

The fair value of debt is estimated by discounting future cash flows using quoted benchmark interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings of similar maturity to estimate credit risk margin. Any change to these inputs, or the comparative borrowings used, would result in a change in the fair value. By way of comparison, the par value of the loan notes is £220.6m at 31 December 2023 (2022: £160.0m).

Further explanation of the changes in borrowings during the year can be found on page 52.

The fair value of the items classified as loans and borrowings are classified as Level 3 under the fair value hierarchy. The fair value of fixed rate loan notes reported here of £215.1m compares to the par value of £220.6m as at year-end. All borrowings are secured by floating charges over the assets of the Company.

Total borrowing and fixed rate notes

	2023	2022
The total weighted average % interest rate	4.07%	2.91%

13 SHARE CAPITAL

	2023 Number	2023 £000	2022 Number	2022 £000
Allotted, called up and fully paid ordinary shares of 2.5p each:				
Balance brought forward	292,579,600	7,314	308,117,181	7,703
Ordinary shares bough back for cancellation in the year	(8,335,000)	(208)	(15,537,581)	(389)
Ordinary shares bough back to Treasury in the year	(280,000)	(7)	–	–
Balance carried forward	283,964,600	7,099	292,579,600	7,314
Treasury shares:				
Balance brought forward	–	–	–	–
Ordinary shares bough back to Treasury in the year	280,000	7	–	–
Balance carried forward	280,000	7	–	–

The Company has one class of ordinary share which carries no right to fixed income.

During the year the Company bought back 8,335,000 ordinary shares for cancellation (2022: 15,537,581) at a total cost of £83,830,000 (2022: £149,636,000). During the year the Company bought back 280,000 ordinary shares into Treasury (2022: nil) at a total cost of £2,806,000 (2022: nil). The full cost of all shares bought back is included in the capital reserves.

	2023 £000	2022 £000
Ordinary shares of 2.5p each		
Opening share capital	7,314	7,703
Share buybacks for cancellation	(208)	(389)
Closing share capital	7,106	7,314

14 NET ASSET VALUE PER ORDINARY SHARE

The calculation of the Net Asset Value per ordinary share is based on the following:

	2023	2022
Equity shareholder funds (£000)	3,336,688	2,895,019
Number of shares at year-end – basic	283,964,000	292,579,600
Number of shares at year-end – diluted	283,964,000	292,579,600

The diluted figure is the entire number of shares in issue.

The basic figure is arrived at by reducing the number of ordinary shares by nil (2022: nil) ordinary shares held in a trust that was set up to satisfy awards made under historic share award schemes (no new awards will be made). The 1,611 ordinary shares held in trust were sold on 3 March 2022. The trust was terminated on 1 April 2022.

15 SEGMENTAL REPORTING

The Company has identified a single operating segment, the investment trust, whose objective is to be a core investment delivering a real return over the long term through capital growth and a rising dividend. The accounting policies of the operating segment, which operates in the UK, are the same as those described in the summary of significant accounting policies. The Company measures its performance based on Net Asset Value Total Return and Total Shareholder Return.

16 RELATED PARTY TRANSACTIONS

There are amounts of £1,222 (2022: £1,222) and £34,225 (2022: £34,225) owed to AT2006 and The Second Alliance Trust Limited, respectively, at year-end.

There are no other related parties other than those noted below.

Transactions with key management personnel

Details of the Non-Executive Directors are disclosed on pages 36 to 38.

For the purpose of IAS 24 'Related Party Disclosures', key management personnel comprised the Non-Executive Directors of the Company.

Details of remuneration are disclosed in the Remuneration Report on pages 60 to 65.

	2023 £000	2022 £000
Total emoluments	**350**	329

17 ANALYSIS OF CHANGE IN NET CASH/(DEBT)

	2021 £000	Cash flow £000	Other gains £000	2022 £000	Cash flow £000	Other losses £000	2023 £000
Cash and cash equivalents	88,579	(201)	486	88,864	**(153)**	**(3,737)**	**84,974**
Bank loans and fixed rate loan notes	(378,323)	117,000	54,682	(206,641)	**(12,132)**	**(11,371)**	**(230,144)**
Net (debt)/cash	(289,744)	116,799	55,168	(117,777)	**(12,285)**	**(15,108)**	**(145,170)**

Other gains/(losses) includes £3.737m loss (2022: (£0.486m gain) foreign exchange losses on cash balances and fair value movements of £11.371m loss (2022: £54.682m gain) on the fixed rate loan notes.

18 FINANCIAL INSTRUMENTS AND RISK

The Strategic Report details the Company's approach to investment risk management on pages 31 to 34 and the accounting policies on pages 81 to 83 explain the basis on which investments are valued for accounting purposes.

The Directors are of the opinion that the fair values of financial assets and liabilities carried at amortised cost are not materially different from their carrying values.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimising its use of debt and equity. The Company's overall strategy remains unchanged from the year ended 31 December 2023 (see investment objective on page 2).

The capital structure of the Company consists of debt (including the borrowings disclosed in Note 12), cash and cash equivalents, and equity attributable to equity holders of the Company comprising issued ordinary share capital, reserves and retained earnings.

The Board reviews the capital structure of the Company periodically. The Company has decided that gearing should at no time exceed 30% of its net assets. The table below shows net gearing.

	2023 £000	2022 £000
Debt*	**(230,144)**	(206,641)
Cash and cash equivalents	**84,974**	88,864
Net debt	**(145,170)**	(117,777)
Net debt as % of net assets	**4.4%**	4.1%

*If debt had been valued at par, net debt as a percentage of net assets would be 4.5% (2022: 4.7%).

18.1 RISK MANAGEMENT POLICIES AND PROCEDURES

As an investment trust the Company invests primarily in equities consistent with the investment objective set out on page 2. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the value of its net assets or a reduction in the profits available for payment as dividends.

The principal financial instruments at risk comprise those in the Company's investment portfolio.

The risks and the Directors' approach to managing them are set out below under the following headings: market risk (comprising currency risk, interest rate risk and other price risk), credit risk, liquidity risk and gearing risk. The assumptions and sensitivities within each risk are considered appropriate and are based on the Directors' wider knowledge of the investment market. WTW and Juniper co-ordinate the Company's risk management.

The Company has a risk management framework in place which is described in detail on pages 31 to 34. The policies and processes for managing the risks, and the methods used to measure the risks, have not changed from the previous accounting period.

18.2 MARKET RISK

Market risk embodies the potential for both losses and gains and includes currency risk (see note 18.3), interest rate risk (see note 18.4) and other price risk (see note 18.5). Market risk is monitored on a regular basis by the AIFM. The AIFM manages the capital of the Company within parameters set by the Directors on investment and asset allocation strategies and risk.

The Company's strategy on investment risk is outlined in our statement of investment objectives and policy on pages 2 and 3.

Details of the equity investment portfolio at the balance sheet date are disclosed on pages 16 to 28.

18.3 CURRENCY RISK

A significant amount of the Company's assets, liabilities and transactions is denominated in currencies other than its functional currency of pounds sterling. Consequently, the Company is exposed to the risk that movements in exchange rates may affect the pounds sterling value of those items.

Currency risk is assessed and managed on an ongoing basis by the AIFM within overall investment and asset allocation strategies and risk guidelines as set out in the AIFM agreement. The Company may enter into forward exchange contracts to cover specific foreign currency exposure.

The currency exposure for overseas investments is based on the currency determined by its listing, while the currency exposure for net monetary assets is based on the currency in which each asset or liability is denominated. At the reporting date the Company had the following exposures:

Currency exposure

	Overseas investments 2023 £000	Net monetary assets 2023 £000	Total currency exposure 2023 £000	Overseas investments 2022 £000	Net monetary assets 2022 £000	Total currency exposure 2022 £000
US dollar	**2,076,998**	**26,469**	**2,103,467**	1,899,107	27,196	1,926,303
Euro	**386,301**	**(63,150)**	**323,151**	396,421	2,371	398,792
Yen	**300,539**	**3,289**	**303,828**	131,642	421	132,063
Other non-sterling	**428,268**	**2,304**	**430,572**	305,403	1,760	307,163
	3,192,106	**(31,088)**	**3,161,018**	2,732,573	31,748	2,764,321

Sensitivity analysis

If pounds sterling had strengthened by 10% (2022: 10%) relative to all currencies, with all other variables constant, the statement of comprehensive income and the net assets attributable to equity holders would have decreased by the amounts shown below. The analysis is performed on the same basis as for the year ended 31 December 2022. The revenue return impact is an estimated figure for 12 months based on the cash balances at the reporting date.

	2023 £000	2022 £000
Income statement		
Revenue return	**(5,747)**	(8,014)
Capital return	**(316,102)**	(276,432)
Net assets	**(321,849)**	(284,446)

A 10% (2022: 10%) weakening of pounds sterling against the above currencies would have resulted in an equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

18.4 INTEREST RATE RISK

The Company is exposed to interest rate risk in several ways. A movement in interest rates may impact income receivable on cash deposits and interest payable on variable rate borrowings.

The Company finances part of its activities through borrowings at levels which are approved and monitored by the Directors. The possible effects on fair value and cash flows as a result of an interest rate change are considered when making investment or borrowing decisions. Fixed rate loans are excluded from the sensitivity analysis.

The following table details the Company's exposure to interest rate risks for bank and loan balances:

	2023 £000	2022 £000
Exposure to floating interest rates		
Cash at bank	**84,974**	88,864
Bank loans	**(15,000)**	(63,500)
	69,974	25,364

Sensitivity analysis

If interest rates had decreased by 0.5% (2022: 0.5%), with all other variables held constant, the statement of comprehensive income result and the net assets attributable to equity holders would have changed by the amounts shown below. The revenue return impact is an estimated figure for the year based on the cash balances at the reporting date.

	2023 £000	2022 £000
Income statement		
Revenue return	**(406)**	(364)
Capital return	**56**	239
Net assets	**(350)**	(125)

A 0.5% increase (2022: 0.5%) in interest rates would have resulted in a proportionate equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

18.5 OTHER PRICE RISK

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether caused by factors specific to an individual investment or its issuer, or by factors affecting all instruments traded in that market.

As almost all of the Company's financial assets are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect gains and losses on investments and net assets.

The Directors manage price risk by having a suitable investment objective for the Company. The Directors review this objective and investment performance regularly. The risk is managed on a regular basis by WTW, within parameters set by the Directors on investments and asset allocation strategies and risk. WTW monitors the stock pickers' compliance with their mandates and whether asset allocation within the portfolio is compatible with the Company's objective.

Concentration of exposure to other price risks

A listing of the Company's equity investments can be found on pages 16 to 28 and on the Company's website. The largest geographical area by value for equity investments value is North America, with significant amounts also in Europe, Asia and the UK.

The following table details the Company's exposure to market price risk on its quoted and unquoted equity investments:

	2023 £000	2022 £000
Investments at fair value through profit & loss		
Investments listed on a recognised investment exchange	**3,482,295**	3,012,458
Investments in related and subsidiary companies	**34**	34
	3,482,329	3,012,492

Sensitivity analysis

99.9% (2022: 99.9%) of the Company's investment portfolio is listed on stock exchanges. If share prices had decreased by 10% with all other variables remaining constant, the statement of comprehensive income result and the net assets attributable to equity holders of the parent would have decreased by the amounts shown below.

	2023 £000	2022 £000
Statement of comprehensive income		
Capital return	**(348,230)**	(301,246)
Net assets	**(348,230)**	(301,246)

A 10% increase (2022: 10% increase) in share prices would have resulted in a proportionate equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

18.6 CREDIT RISK

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

This risk is managed as follows:

- The Company contracts only with creditworthy counterparties and obtains sufficient collateral where appropriate (cash and gilts) as a means of mitigating the risk of financial loss from defaults.
- Investment transactions are carried out with a number of well established, approved brokers on a cash against receipt, or cash against delivery, basis.
- Outsourced providers are subject to regular oversight by the Board, Juniper, WTW and the depositary.
- The Company's depositary is responsible for the safekeeping of the Company's assets and liable to the Company for any permanent loss of assets. Reports from the depositary and custodian are regularly reviewed and daily reconciliation of the Company's assets is undertaken.

At the reporting date, the Company's cash and cash equivalents exposed to credit risk were as follows:

	2023 £000	2022 £000
Credit rating		
A1	**84,974**	88,864
	84,974	88,864
Average maturity	**1 day**	1 day

The Company's UK and overseas listed equities are held by The Bank of New York Mellon, London Branch, as custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited.

18.7 LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities.

This is not a significant risk for the Company as most of its assets are investments in quoted equities that are readily realisable. It also can borrow, which gives it access to additional funding when required. At the balance sheet date, it had the following facilities:

	2023 £000	Expires	2022 £000	Expires
Committed multi-currency facility (including £20m accordion) – The Bank of Nova Scotia, London Branch	**90,000**	**16/12/2025**	150,000	16/12/2023
Amount drawn	**–**		–	
Committed multi-currency facility – The Bank of Nova Scotia, London Branch	**–**	**n/a**	100,000	16/12/2023
Amount drawn	**–**		63,500	
Committed multi-currency facility (including £10m accordion) – The Royal Bank of Scotland International, London Branch	**25,000**	**16/12/2026**	–	n/a
Amount drawn	**–**		–	
Term Loan – The Royal Bank of Scotland International, London Branch	**15,000**	**16/12/2026**	–	n/a
Amount drawn	**15,000**		–	
7-year 4.18% fixed rate loan notes*	**43,309**	**30/11/2030**	–	n/a
Amount drawn	**43,309**		–	
10-year 4.02% fixed rate loan notes*	**17,324**	**30/11/2033**	–	n/a
Amount drawn	**17,324**		–	
15-year 4.28% fixed rate loan notes*	**100,000**	**31/07/2029**	100,000	31/07/2029
Amount drawn	**100,000**		100,000	
15-year 2.657% unsecured fixed rate loan notes*	**20,000**	**27/11/2033**	20,000	27/11/2033
Amount drawn	**20,000**		20,000	
25-year 2.936% fixed rate loan notes*	**20,000**	**27/11/2043**	20,000	27/11/2043
Amount drawn	**20,000**		20,000	
35-year 2.897% fixed rate loan notes*	**20,000**	**27/11/2053**	20,000	27/11/2053
Amount drawn	**20,000**		20,000	
Total facilities	**340,633**		410,000	
Total drawn	**235,633**		223,500	

All the facilities are secured by floating charges and have covenants on the maximum level of gearing and minimum Net Asset Value of the Company.

* The fair value of fixed rate loan notes is shown in Note 12.

	2023			2022		
	Due within three months	Due between three months and one year	Due after one year	Due within three months	Due between three months and one year	Due after one year
Bank loans	**244**	**731**	**16,950**	270	810	65,659
Fixed rate loan notes	**2,140**	**6,345**	**291,905**	2,140	3,838	220,120
Other payables	**8,426**	**–**	**130**	7,142	–	130
	10,810	**7,076**	**308,985**	9,552	4,648	285,909

18.8 GEARING RISK

This is the risk that the movement in the fair value of the assets of the Company is amplified by any gearing that the Company may have.

The main mitigant to this risk is how WTW utilises its mix of cash and available borrowing facilities. The gross exposure to this risk and the sensitivity analysis is detailed below.

	2023 £000	2022 £000
Investments after gearing	**3,482,329**	3,012,492
Gearing (with debt at fair value)	**(230,144)**	(206,641)
Investments before gearing	**3,252,185**	2,805,851

Sensitivity analysis

If the value of investments had increased by 10%, with all other variables held constant, the statement of comprehensive income result and the net assets attributable to equity shareholders would increase by the amounts shown below:

	2023 £000	2022 £000
With gearing:		
Change in capital return and net assets	**348,233**	301,249
Without gearing:		
Gearing (with debt at fair value)	**325,219**	280,585
Impact of gearing	**23,014**	20,664

A 10% decrease in the fair value of the investments would have resulted in the equal and opposite effect on the above amounts, on the basis that all other variables remain constant.

18.9 HIERARCHICAL VALUATION OF FINANCIAL INSTRUMENTS

Accounting Standards recognise a hierarchy of fair value measurements, for financial instruments measured at fair value in the Balance Sheet, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input.

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on any recognised stock exchange.

Level 2 Quoted prices for similar assets or liabilities or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be forward exchange contracts and certain other derivative instruments.

Level 3 Valued by reference to valuation techniques using inputs that are not based on observable market data. The value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument.

The following table analyses the fair value measurements for the Company's assets and liabilities measured by the level in the fair value hierarchy in which the fair value measurement is categorised at 31 December 2023. All fair value measurements disclosed are recurring fair value measurements.

The Company valuation hierarchy fair value through profit and loss through the statement of comprehensive income:

	2023				2022			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Listed investments	**3,482,295**	**–**	**–**	**3,482,295**	3,012,458	–	–	3,012,458
Unlisted investments								
Other	**–**	**–**	**34**	**34**	–	–	34	34
Total assets	**3,482,295**	**–**	**34**	**3,482,329**	3,012,458	–	34	3,012,492
Liabilities								
Fixed rate Loan notes	**–**	**–**	**(215,144)**	**(215,144)**	–	–	(143,141)	(143,141)
Total liabilities	**–**	**–**	**(215,144)**	**(215,144)**	–	–	(143,141)	(143,141)

There have been no transfers during the year between Levels 1, 2 and 3.

The following table shows the reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy.

	2023 £000	2022 £000
Assets		
Balance at 1 January	**34**	34
Sales proceeds	**–**	(292)
Gains on investments	**–**	292
Balance at 31 December	**34**	34
Liabilities		
Balance at 1 January	**(143,141)**	(197,823)
Loan notes issued in the year	**(60,632)**	–
(Losses)/gains on borrowings	**(11,371)**	54,682
Balance at 31 December	**(215,144)**	(143,141)

Details of the fair value of the fixed rate loan notes is provided in Note 12. Fair value gains/(losses) on the fixed rate loan notes are disclosed on the face of the Statement of Changes in Equity.

A change to the interest yield curve used to calculate the fair value of +/- 0.25% would result in a decrease of £15,031,000 or increase of £17,107,000 in the fair value respectively.

Subsidiaries

Investments in subsidiary companies (Level 3) are valued in the Company accounts at £34k (2022: £34k).

AllianceTrust

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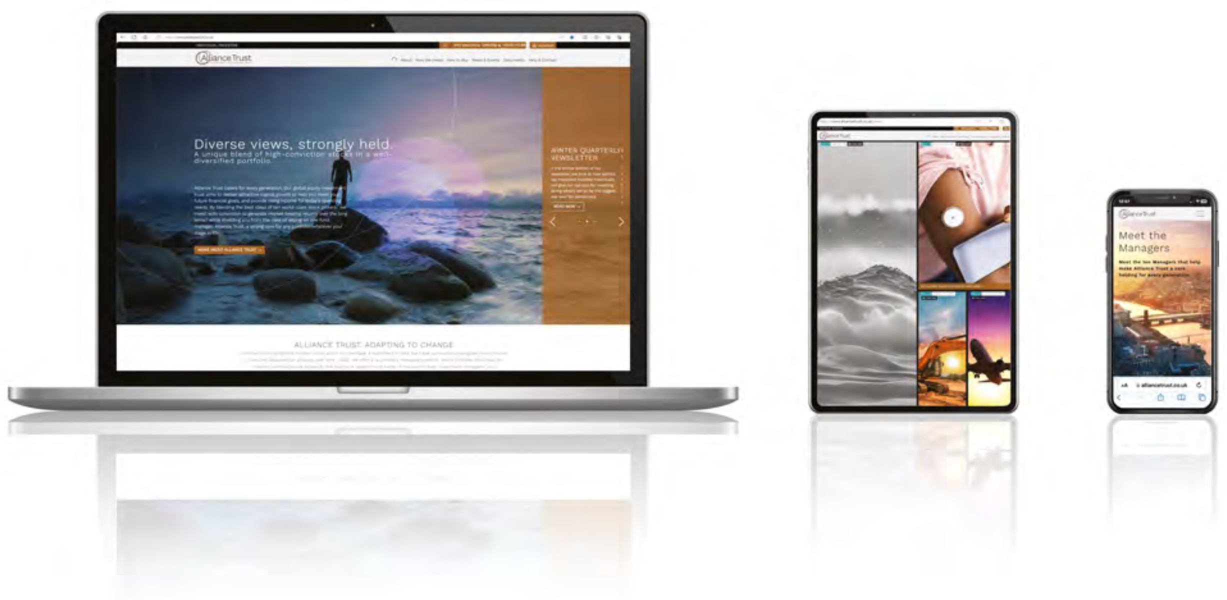
CONNECTING WITH SHAREHOLDERS



STAYING CLOSE TO SHAREHOLDERS

The routes and access to stock markets have changed dramatically in recent years. Many more shares are now in the hands of retail investors, buying through platforms and obtaining their information about investments from a wide variety of online sources.

The Company has been seeking to increase the size of its shareholder contact database. The information on this database is used to keep shareholders informed of Company developments and the performance of its investment strategy. By providing their email addresses shareholders can receive monthly factsheet emails which detail the latest performance information. They can also receive invites to Company events as well as 'Connection', the Company's quarterly newsletter which often contains interviews with the Company's stock pickers.

The Company's website, which is its key interface with retail investors, is frequently updated with new information and shareholders are encouraged to familiarise themselves with the different pages. At the bottom of each of the main pages, there is a form to sign up for regular communications. Questions or enquiries can be sent to the Company through the 'Help & Contact' page.

Scan the QR code using your smart phone's camera to access shareholder information on the Company's website.

ATTRACTING NEW INVESTORS

Recognising changes in how shareholders can obtain information about their investments, the Company has been seeking to raise its profile in a range of different media through regular contact with journalists and by investing in promotions, including advertising. As well as serving as another, indirect avenue for existing shareholders to stay in touch with their investments, this also has the benefit of marketing the Company to new investors. Together with good investment performance, increased awareness and recognition of the Company's offering by new investors can help boost demand for its shares. This has a direct benefit for existing shareholders if it increases the share price rating.

REUNITING LOST SHAREHOLDERS

There can be so many things to remember in life that it's not surprising that assets get lost through the generations. It can be incredibly easy to lose track of investments, for example, by forgetting to update your address after moving home or not keeping a proper record of shares you have bought or sold.

The Company has taken a very proactive approach to reuniting dormant shareholders with their lost Alliance Trust shares and been delighted to surprise some of them with unexpected windfalls or alert family members to unanticipated inheritances. On page 50 you can read in more detail about the Company's efforts to trace 'missing' shareholders, reunite them with their shares and pay them the dividends they might otherwise have forgone.

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures ('APM') are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.'

The APMs detailed below are used by the Board to assess the Company's performance against a range of criteria and are viewed as particularly relevant for an investment trust.

All data is as at 31 December in the respective financial year.

NAV TOTAL RETURN

Net Asset Value ('NAV') Total Return measures the increase/(decrease) in NAV per share including any dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

		2023	2022
Opening NAV per share (p)	(A)	989.5	1,090.0
Closing NAV per share (p)	(B)	1,175.1	989.5
Change in NAV (%)	C=(B-A)/A	18.8	(9.2)
Impact of dividend reinvested (%)	(D)	2.8	2.1
NAV Total Return (%)	**C+D**	**21.6**	**(7.1)**

TOTAL SHAREHOLDER RETURN

Total Shareholder Return measures the increase or (decrease) in share price including any dividends paid in the period, which are assumed to be reinvested at the time that the share price is quoted ex-dividend.

		2023	2022
Opening share price (p)	(A)	948.0	1032.0
Closing share price (p)	(B)	1,112.0	948.0
Change in share price (%)	C=(B-A)/A	17.3	(8.1)
Impact of dividend reinvested (%)	(D)	2.9	2.3
Total Shareholder Return (%)	**C+D**	**20.2**	**(5.8)**

DISCOUNT OR PREMIUM TO NAV

The amount, expressed as a percentage, by which the Company's share price is less than (discount) or greater than (premium) the NAV per share of the Company.

		2023	2022
Closing NAV per share (p)	(A)	1,175.1	989.5
Closing share price (p)	(B)	1,112.0	948.0
(Discount)/Premium (%)	**(B-A)/A**	**(5.4)**	**(4.2)**

ONGOING CHARGES RATIO

The sum of the management fee and all other administrative expenses expressed as a percentage of the average daily net assets during the year.

		2023	2022
Investment Management fee (£000)		16,302	12,783
Other expenses (£000)		2,902	6,474
Non-recurring costs (£000)		406	(672)
Ongoing charges (£000)	(A)	19,610	18,585
Average net assets (£000)	(B)	3,150,206	3,050,503
Ongoing Charges Ratio (%)	**(A/B)**	**0.62**	**0.61**

GLOSSARY OF TERMS

Throughout this document we use several defined terms including specific terms to describe performance. Where not described in detail elsewhere we set out here what these terms mean.

Active Risk is a measure of the risk in a portfolio that is due to active management decisions. It is calculated as the standard deviation of the excess returns of a portfolio over its benchmark. For the Company's portfolio as at 31 December 2023 this was calculated as 2.5% in relation to the MSCI ACWI benchmark.

AIC is the Association of Investment Companies. The AIC sector classification provides meaningful and relevant categories for numerous forms of analysis, including performance rankings, data tables and peer group comparisons. The AIC Global Sector is a peer group of investment trusts managing predominantly global equity strategies. The number of members of the peer group varies from time to time depending on trusts entering or leaving that sector.

Discount is where the share price of an investment trust is below its NAV. As of the 31 December 2023 the Company's shares traded at a discount of 5.4%.

Gearing, at its simplest, is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But, if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing (Gross) = Total Gearing and is a measure of the Company's financial leverage. It is calculated by dividing the Company's total borrowings (unless otherwise indicated these are valued at par) by its NAV. The Gross Gearing calculation includes any cash and cash equivalents or non-equity holdings. As at 31 December 2023, the Company had Gross Gearing of 7.1%.

Gearing (Net) is a measure of the Company's financial leverage and after considering cash balances, it is calculated by dividing the Company's net borrowings (ie total borrowings minus cash and cash equivalents) by its NAV. Unless otherwise indicated, borrowings are valued at par. As at 31 December 2023, the Company had Net Gearing of 4.5%.

Investment manager means the investment manager appointed by the Company to manage its portfolio. As at 31 December 2023, this was Willis Towers Watson ('WTW' or 'the investment manager').

Leverage for the purposes of the Alternative Investment Fund Managers Directive (AIFMD), is a term used to describe any method by which the Company increases its exposure, whether through borrowing (gearing) or through leverage embedded in derivative positions, or by any other means. As required by AIFMD, the Company's leverage is calculated using two methods: the gross method which gives the overall total exposure, and the commitment method which takes into account hedging and netting offsetting positions. As the leverage calculation includes exposure created by the Company's investments, it is only described as 'leveraged' if its overall exposure is greater than its NAV. This is shown as a leverage ratio of greater than 100%. Details of the Leverage employed for the Company is disclosed annually by WTW in its AIFMD Disclosure which can be found on the Company's website.

Stock picker means a manager selected and appointed among others by the investment manager to invest in a portion of the Company's portfolio in a limited number of stocks.

MSCI means MSCI Inc. which provides information relating to the benchmark, the MSCI All Country World Index ('MSCI ACWI'), against which the performance target for the equity portfolio has been set. MSCI's disclaimer regarding the information provided by it and referenced by the Company can be found on the Company's website.

GLOSSARY OF TERMS

MSCI All Country World Index ('MSCI ACWI') is a market capitalisation weighted index designed to provide a broad measure of equity-market performance throughout the world. It is comprised of stocks from both developed and emerging markets. This measures performance in Sterling. The variant of the MSCI ACWI used is the Net Dividend Reinvested (NDR) variant of the MSCI ACWI. This variant gives the return that a shareholder could expect to actually receive because it includes the effects of foreign withholding tax on dividend payments.

Net Asset Value ('NAV') is the value of the Company's total assets less its liabilities (including borrowings). The Company's NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding ordinary shares held in Treasury) and is stated on an 'including income' basis with debt at fair value. The Company's balance sheet NAV as at 31 December 2023 was £3.3bn which, divided by 283,964,600 ordinary shares in issue on that date, gave a NAV per share of 1,175.1p.

NAV (Excluding Non-core Assets) Total Return is a measure of the performance of the Company's NAV that excludes the impact of the Non-core Assets held by the Company, over a specified time period. The Company's NAV (Excluding Non-core Assets Total Return) for 2023, after fees and including income with debt at fair value, was 21.6% as at 31 December 2023.

NAV Total Return is a measure of the performance of the Company's NAV over a specified time period. It combines any change in the NAV and dividends paid. The comparator used for the Company's NAV Total Return is the MSCI ACWI total return. The Company's NAV Total Return for 2023, after fees and including income with debt at fair value, was 21.6% as at 31 December 2023.

Ongoing Charges Ratio ('OCR') is the total expenses (excluding borrowing costs) incurred by the Company as a percentage of the Company's average NAV (with debt at fair value). We calculate the OCR in line with the industry standard using the average of net asset values at each NAV calculation date. The OCR for year to 31 December 2023 was 0.62%.

Ongoing Charges represent the Company's total ongoing costs and are calculated in accordance with the guidelines issued by the Association of Investment Companies ('AIC').

Peer Group Median is the median of the Morningstar universe of UK retail global equity funds (open-ended and closed ended). The number of members of the peer group varies from time to time depending on funds entering or leaving that sector.

Responsible or **Sustainable Investment** is an investment strategy that integrates financial-driven strategies with non-financial Environmental, Social and Governance ('ESG') factors and stewardship for the purpose of managing long-term risk and/or enhancing long-term returns.

Stewardship represents active ownership practices, such as engagement and voting, aimed at achieving positive change in a company's ESG practices and delivering improved risk management and long-term investment returns outcomes, as well as a more sustainable outcome for society and all stakeholders.

Total Assets represents non-current assets plus current assets, before deduction of liabilities and borrowings.

Total Shareholder Return ('TSR') is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend. The comparator used for the Company's TSR is the MSCI ACWI total return. This measure shows the actual return received by a shareholder from their investment. The Company's TSR for the 12 months to 31 December 2023 was 20.2%.

Turnover is the lesser of the value of stocks sold or purchased in the year expressed as a percentage of the value of the equity portfolio. Turnover can be affected by the investment activity of the stock pickers, rebalancing of the Company's portfolio between the stock pickers, the appointment of a new stock picker, additional funds being made available for investment or the need to realise cash for the Company. In the period ending 31 December 2023 turnover was 43.0% (2022: 56.7%).

INFORMATION FOR SHAREHOLDERS

INCORPORATION

Alliance Trust PLC is incorporated in Scotland with the registered number 1731.

The Company's Register of Members is held at:

Computershare Investor Services PLC
Edinburgh House
4 North St Andrew Street
Edinburgh
EH2 1HJ

GENERAL ENQUIRIES

If you have an enquiry about the Company, or wish to receive a paper copy of our Annual Report, please contact the company secretary at our registered office:

Juniper Partners Limited
River Court
5 West Victoria Dock Road
Dundee DD1 3JT

Tel: 01382 938320

Email: investor@alliancetrust.co.uk

The Company's website www.alliancetrust.co.uk contains information about the Company, including the most recent information on its investment performance in its monthly factsheet, and a daily update on the Company's share price and Net Asset Value.

SHARE REGISTER QUERIES

Change of address notifications and enquiries for shareholdings registered in your own name should be sent to the Company's registrar.

You should also contact the registrar if you would like the dividends on shares registered in your own name to be sent to your bank or building society account. You may check your holdings and view other information about Alliance Trust shares registered in your own name at www-uk.computershare.com/investor

REGISTRAR

The Company's registrar is:

Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

AUDITOR

The Company's auditor is:

BDO LLP
55 Baker Street
London
W1U 7EU

ANNUAL REPORT AND ELECTRONIC COMMUNICATIONS

The Company sends paper Annual Reports only to shareholders who have requested this. All shareholders receive notices of the Company's General Meetings and information on how to access the Annual Report either in paper form or electronically. Shareholders can opt to receive all notifications electronically by going to www-uk.computershare.com/investor

DATA PROTECTION

Where the Company has personal information, it will be held and processed by the Company as a data controller in accordance with the requirements of the General Data Protection Regulation and any other applicable legislation. This may be information received from or about shareholders or investors (for example, from a stockbroker), whether by telephone or in writing, or by any electronic or digital means of communication that may be processed.

Information held on the Company's Register of Members is, by law, information to which the public may, for a proper purpose, have access and the Company cannot prevent any person inspecting it or having copies of it for such purpose, on payment of the statutory fee.

If you do not want to receive information from the Company other than that which the Company is obliged to issue to shareholders, please let us know and you will be removed from our mailing lists.

INFORMATION FOR SHAREHOLDERS

SHARE INVESTMENT

The Company invests primarily in equities and aims to generate capital growth and a progressively rising dividend from its portfolio of investments.

The Company conducts its affairs so that its shares can be recommended by independent financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority's ('FCA') rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

KEY DOCUMENTS

Investment trust companies (and other providers of investment products) are required to publish a Key Information Document ('KID'). This requires the inclusion of standardised illustrations of theoretical risk and returns.

The intention is to allow investors to enable a comparison of different investment products across a wide range of financial sectors. Caution should be used in using KIDs as the sole basis for your investment decisions.

The Company's Investor Disclosure Document (IDD) and other key documents are available at www.alliancetrust.co.uk

HOW TO INVEST

There are various ways to invest in the Company. The Company's shares can be traded through any UK stockbroker and most share dealing services and platforms that offer investment trusts

DIVIDEND REINVESTMENT PLAN

Shareholders who hold their shares directly may reinvest their dividends in the Company's shares in a cost-effective way through the Company's Dividend Reinvestment Plan. Details can be found by visiting the registrar's investor centre at www-uk.computershare.com/investor. Shareholders can register and apply to join either online or by post. The Dividend Reinvestment Plan is only available to residents of the United Kingdom.

RISKS

If you are in any doubt about the suitability of investing in the shares of the Company, you should seek professional advice from an independent financial adviser. You should be aware that:

- Investment should be made for the long term;
- The price of a share will be affected by the supply and demand for it and may not fully represent the underlying value of the assets of the Company. The price generally stands below the Net Asset Value of the Company (at a discount) but it may also stand above it (at a premium). Your capital return will depend upon the movement of the discount/premium over the period you own the share, as well as the capital performance of the Company's own assets;
- The assets owned by the Company may have exposure to currencies other than sterling. Changes in market movements, and in rates of exchange, may cause the value of your investment to go up or down; and
- Past performance is not a guide to the future. What you get back will depend on investment performance. You may not get back the amount you invest.

TAXATION

If you are in any doubt about your liability to tax arising from a shareholding in the Company, you should seek professional advice.

CAPITAL GAINS TAX

For investors who purchased shares prior to 31 March 1982, the cost of those shares for capital gains tax purposes is deemed to be the price of the share on that date. The market value of each Alliance Trust PLC ordinary 25p share on that date was £2.85 which, when adjusted for the split on a 10 for 1 basis on 21 June 2006, gives an equivalent value of £0.285 per share. The market value of each Second Alliance Trust PLC ordinary 25p share on 31 March 1982 was £2.35. Holders of Second Alliance Trust PLC shares received 8.7453 ordinary 2.5p shares for each 25p ordinary share they held on 20 June 2006 and are treated as though they acquired these shares at the same time and at the same cost as the Second Alliance Trust shares they previously held. This gives an equivalent value of £0.269 per share.

DIVIDEND TAX ALLOWANCE

Shareholders will normally have a tax-free allowance across their entire share portfolio. Above this amount, shareholders will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company's registrar provides registered shareholders with confirmation of the dividends paid by the Company. Shareholders should include this with any other dividend income when calculating and reporting total dividend income received to HMRC. If you have any tax queries, you should seek professional advice.

COMMON REPORTING STANDARDS

You may have received requests from the Company's registrar for personal information to comply with legal obligations introduced to reduce tax evasion. Whilst it is not compulsory that you complete and return these requests, the Company is required by law to make these requests and to report on the responses received to HMRC.

Please note that only a small number of our shareholders fall into the category where these requests have to be made. If you have any queries on the validity of any document received from our registrar, you can contact them directly on 0370 889 3187.

KEY DATES

Financial Year-End

31 December

Dividends

Barring unforeseen circumstances there will be four dividends paid for the 2024 financial year. Provisional record and payment dates are as follows:

1st Interim Dividend

Dividend will be paid on 28 June 2024 to shareholders on the register on 31 May 2024.

2nd Interim Dividend

Dividend will be paid on 27 September 2024 to shareholders on the register on 30 August 2024.

3rd Interim Dividend

Dividend will be paid on 27 December 2024 to shareholders on the register on 29 November 2024.

4th Interim Dividend

Dividend will be paid on 28 March 2025 to shareholders on the register on 28 February 2025.

INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

The 136th Annual General Meeting of the Company will be held on 25 April 2024 commencing at 11:00 a.m. at the Apex City Quay Hotel & Spa, 1 West Victoria Dock Road, Dundee DD1 3JP. Subject to there being no restrictions in place at the time, shareholders will be welcome to attend in person. In any event we will stream the AGM live to shareholders and they will be able to submit questions in advance or during the meeting. Full details of how to view the meeting and submit questions will be sent to all shareholders and will be on the Company's website. Shareholders are recommended to lodge proxies for their votes before the meeting so that they can be certain their votes will be counted.

Shareholder Events

The Company will be holding a number of shareholder events during the course of 2024. The timing and format of these events will depend on circumstances in place at the time. The Company will provide details of these events on its website www.alliancetrust.co.uk If you wish to register to be sent details of any such events, please contact the Company.

DISABILITY ACT

This document is available both in printed form and on the Company's website. The website uses the Web Content Accessibility Guidelines (WCAG) 2.0 to ensure its text meets the AAA standard in terms of size and contrast and has been designed to be responsive to whichever device it is viewed on, e.g. if it is viewed on a tablet or phone, the screen and text size will adjust so the whole page is viewable.

If you require this document in any other format, please contact the Company.

BOGUS COMMUNICATIONS

The Company is aware of contact having been made with shareholders, generally by telephone, seeking information about their shareholdings. These unsolicited callers may state this is in connection with a takeover bid or some other reason and may offer to buy your shares. The FCA recommends that if you receive an unsolicited call from an investment firm that you do not know you should ask for confirmation that it is regulated by the FCA. For further details of how you can make sure you are dealing with an authorised firm please refer to the FCA website.

If you receive any similar unsolicited calls, please treat with extreme caution. The safest thing to do is hang up. If you have any concerns about the genuineness of any such communication, you may call the Company on 01382 938320.

The Company does try to contact shareholders who have moved house and not updated their details on the share register or where dividends have not been claimed. Contact will generally be by letter or email rather than telephone, but if you are in any way unsure of the genuineness of the contact, please call the Company on 01382 938320.

The Company is prohibited from advising shareholders on whether to buy or to sell shares in the Company but recommend that if you wish to sell your shares you deal only with a financial services firm that is authorised by the FCA.

BOGUS WEBSITES

The Company is also aware of fraudsters copying its website. These cloned websites can be very convincing, with links and contact information copied from our actual website.

To make sure the website is genuine, you should check the address (URL) that appears in the address bar at the top of the webpage.

If you're on our website, it should always begin with https://www.alliancetrust.co.uk

TEN YEAR RECORD

A 10-year record of the Company's Financial Performance is provided below.

Assets £m as at	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2023**
Total assets	3,415	3,351	3,541	2,979	2,678	3,162	3,408	3,754	3,111	3,577
Loans	(380)	(390)	(220)	(233)	(227)	(225)	(305)	(341)	(223)	(230)
Net assets	3,019	2,948	3,284	2,700	2,411	2,879	3,003	3,359	2,895	3,337
Net asset value (p)										
NAV per share	544.8•	559.0•	667.5•	777.7•	723.6•	875.9•	933.9•	1,090.0•	989.5•	1,175.1
NAV total return on 100p – 10 years*	210.7	178.6	198.3	217.8	265.8	270.1	254.1	326.0	270.4	277.5
Share price (p)										
Closing price per share	478.9	517.0	638.0	746.5	688.0	840.0	901.0	1,032.0	948.0	1,112.0
Share price High	481.1	528.5	641.5	747.5	785.0	853.0	912.0	1,078.0	1,038.0	1,112.0
Share price Low	426.0	440.1	447.3	638.0	672.0	688.0	544.0	868.0	887.0	944.0
Total shareholder return on 100p – 10 years*	226.0	197.0	225.5	266.4	306.7	321.4	302.3	373.6	313.1	206.7
Gross gearing/ Net cash (%)										
Gross gearing	11	13	6	5	7	6	8	10	8	7
Cash and cash equivalents	44	25	51	106	81	97	113	89	89	85
Net gearing	11	12	5	5	7	4	6	7	5	5
Net cash	–	–	–	–	–	–	–	–	–	–

Revenue	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2023**
Profit after tax	£68.8m	£60.2m	£65.9m	£48.5m	£41.4m	£47.2m	£36.4m	£48.7m	£78.2m	£53.3m
Earnings per share	12.38p	12.43p†	12.77p	12.86p	12.18p	14.30p	11.16p	15.48p	26.14p	18.55p
Dividends per share	9.83p	10.97p	12.77p	13.16p	13.55p	13.96p	14.38p	19.05p	24.0p	25.2p
Special dividend	2.546p	1.46p$^{\Delta}$	–	–	–	–	–	–	–	–

Performance %†† as at	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2021**	**31 Dec 2022**	**31 Dec 2023**
NAV per share	130	133	158	185	228	232	213	271	222	228
Closing price per share	131	141	174	204	257	268	248	301	253	247
Earnings per share	143	143	147	148	117	155	115	153	269	171
Dividends per share (excluding special)	130	145	169	174	169	171	171	212	259	264

Cost of running the Company	**31 Dec 2013**	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2022**	**31 Dec 2023**
Total expenses	£20.8m	£24.0m	£16.8m	£17.4m	£ 17.4m	£17.6m	£18.0m	£20.0m	£19.3m	£19.2m
Ongoing charges ratio (excluding capital incentives**)	0.60%	0.59%	0.43%	0.54%	0.65%	0.62%	0.64%	0.60%	0.61%	0.62%

•With debt at fair value. *Source: Morningstar UK Ltd. †Includes capital dividend paid December 2015. $^{\Delta}$Capital dividend paid December 2015. ††Performance has been rebased in each case to the year-end occurring 10 years prior to the relevant year, e.g. 31 December 2023 has been rebased to 31 December 2013. **The AIC's recommended methodology for the calculation of an Ongoing Charges figure states that for self-managed companies costs relating to compensation schemes which are linked directly to investment performance should be excluded from the calculation of the principal Ongoing Charges figure. Prior to 2019 the OCR was calculated on the average of the opening and closing NAV for the year.

CONTACT

The Company Secretary
Alliance Trust PLC
River Court
5 West Victoria Dock Road
Dundee
DD1 3JT

Tel +44 (0)1382 938320
Email investor@alliancetrust.co.uk
www.alliancetrust.co.uk

Scan the QR code using your smart phone's camera to access shareholder information on the Company's website.

INVESTING FOR GENERATIONS