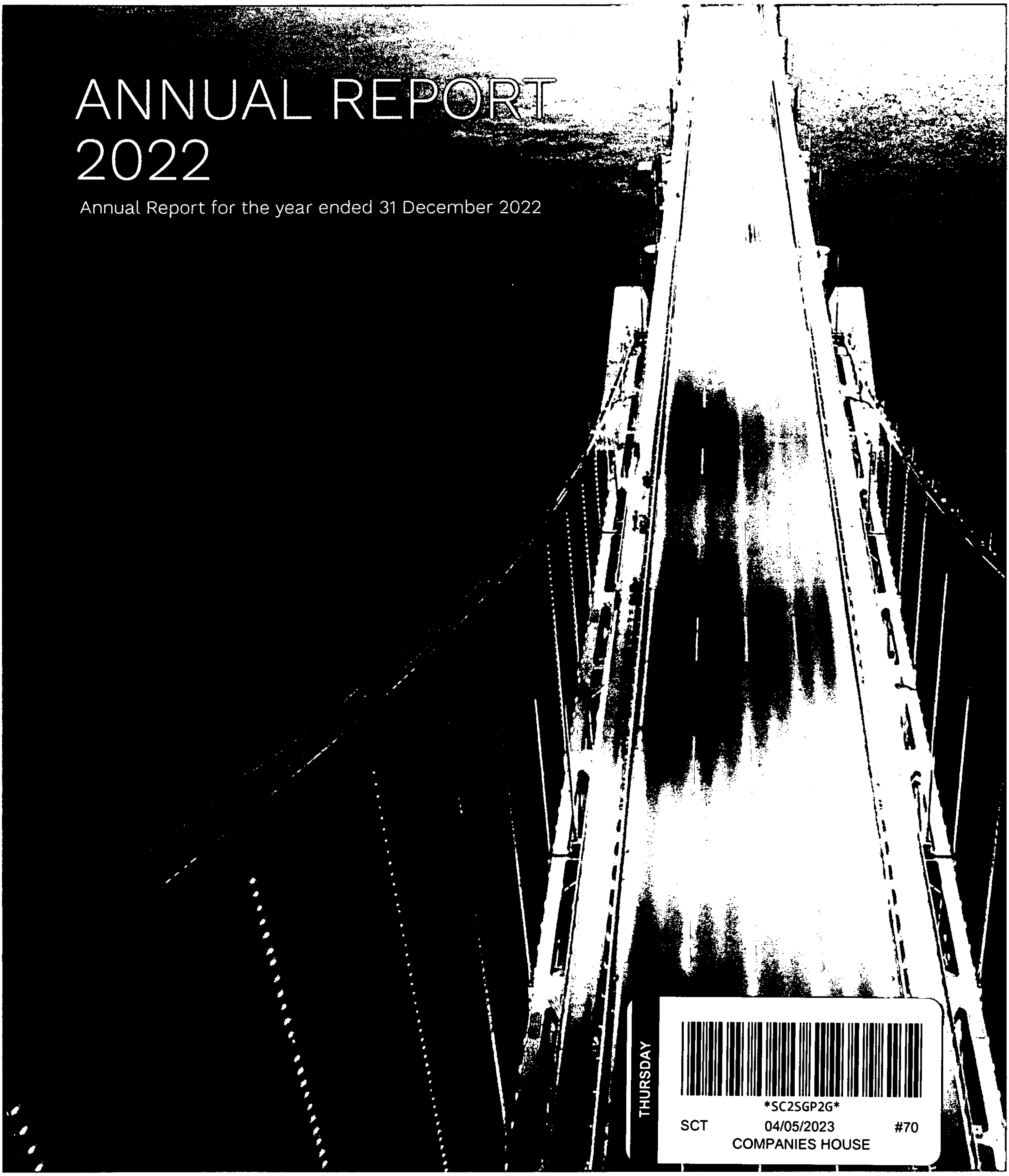
ANNUAL REPORT 2022

Annual Report for the year ended 31 December 2022

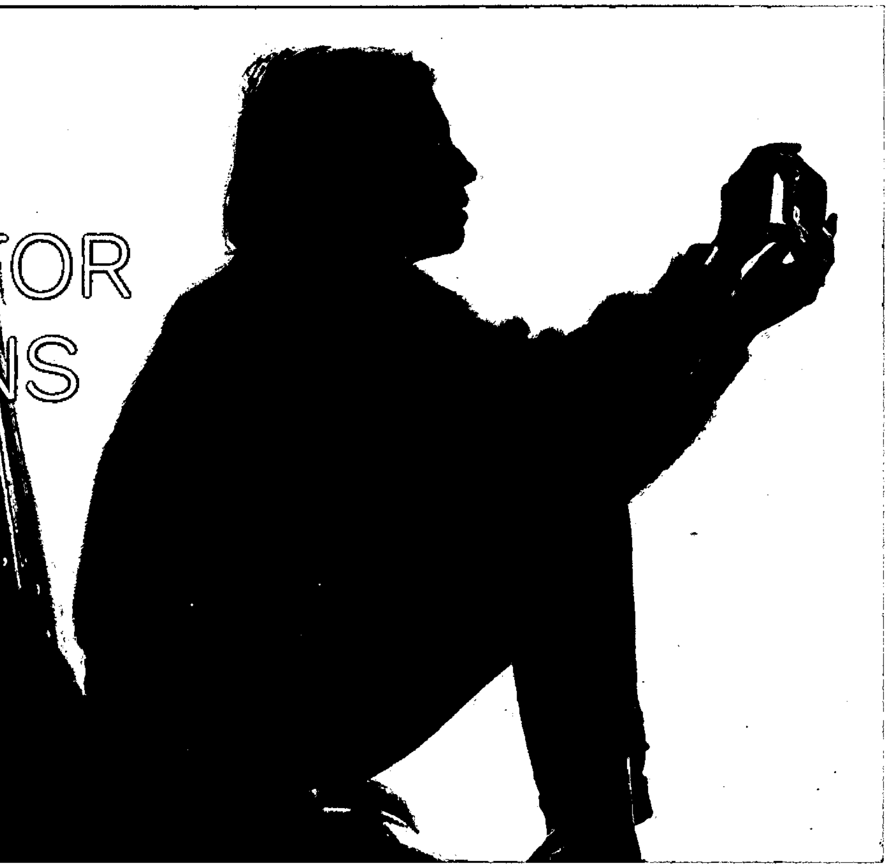


AllianceTrust INVESTING FOR GENERATIONS

Alliance Trust PLC - SC1731

Annual Report and Financial Accounts 2022

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.

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.

CONTENTS

> Our unique approach brings together the 'best ideas' from world-class[1] Stock Pickers. Each is responsible for investing in a selection of high conviction equities."

Gregor Stewart
Chairman

A CORE HOLDING FOR ALL GENERATIONS

Our portfolio's unique blend of Stock Pickers and their customised stock selections make 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[1] 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[2] by asking the Stock Pickers to choose no more than 20 stocks[3] in which they have the highest level of conviction.

When combined, our portfolio's country and sector exposures resemble the index[2] 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 best-in-class[1] 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.

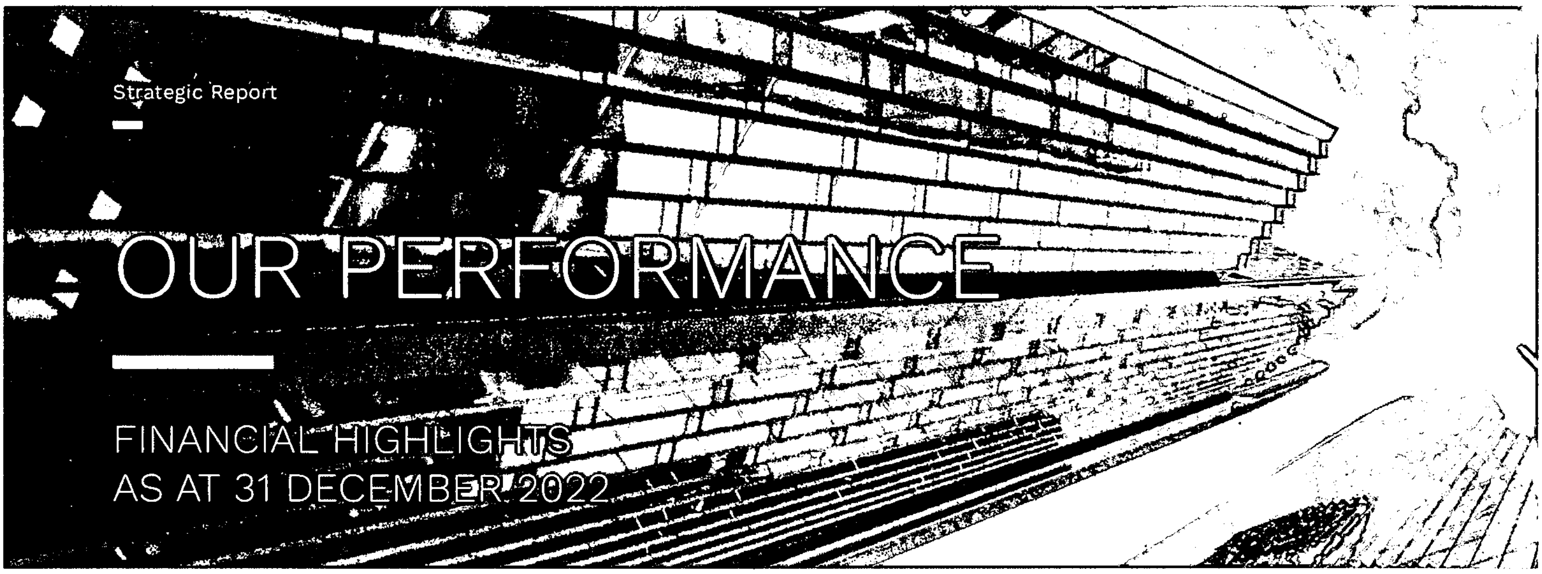
Responsible ownership

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 56-year track record of dividend growth, which is one of the longest in the investment trust industry.

1. As rated by Willis Towers Watson. 2. MSCI All Country World Index. 3. Apart from GQG Partners, which also manages a dedicated emerging markets mandate with up to 60 stocks.



OUR PERFORMANCE

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2022

KEY PERFORMANCE INDICATORS

On these two pages we set out the Key Performance Indicators (KPIs) the Board uses to measure performance. The benchmark we use is the MSCI All Country World Index (MSCI ACWI) in sterling with net dividends reinvested.

Share Price

31 December 2022	31 December 2021	31 December 2020	31 December 2019
948.0p	1032.0p	901.0p	840.0p

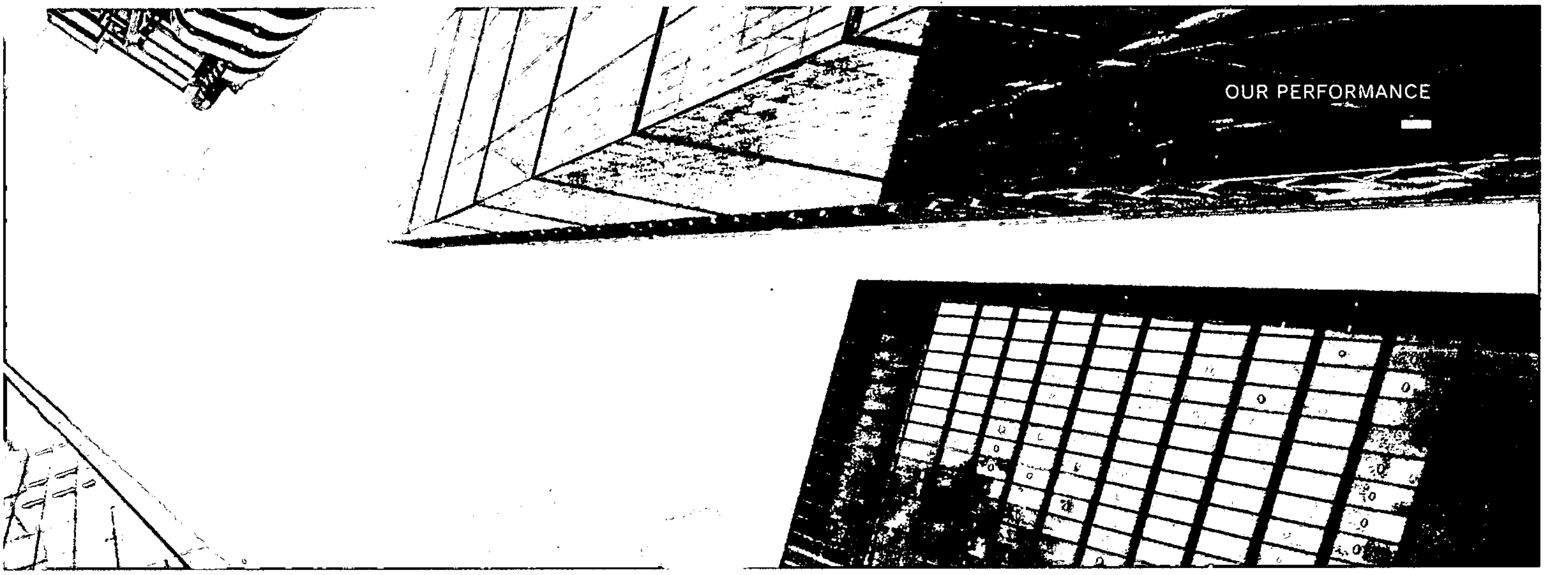
NAV Total Return[1]

Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
-7.1%	18.6%	8.5%	23.1%

Total Dividend[2]

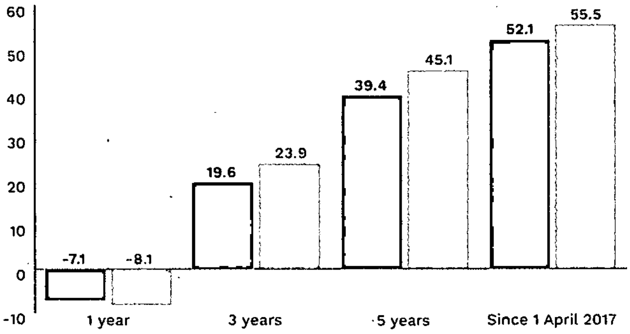
Year to 31 December 2022	Year to 31 December 2021	Year to 31 December 2020	Year to 31 December 2019
24.00p	19.05p	14.38p	13.96p

1. Alternative Performance Measure (see page 110 for further information). 2. GAAP Measure.



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

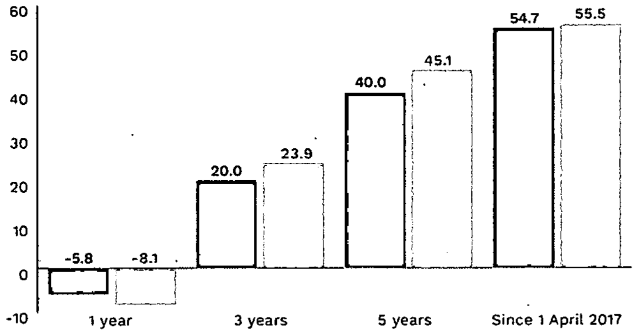
MSCI ACWI

Source: Morningstar and MSCI Inc.

NAV Total Return based on NAV including income with debt at fair value and after Stock Picker and WTW investment fees.

TOTAL SHAREHOLDER RETURN (%)[1]

This demonstrates the return our shareholders receive through dividends and capital growth of the Company.



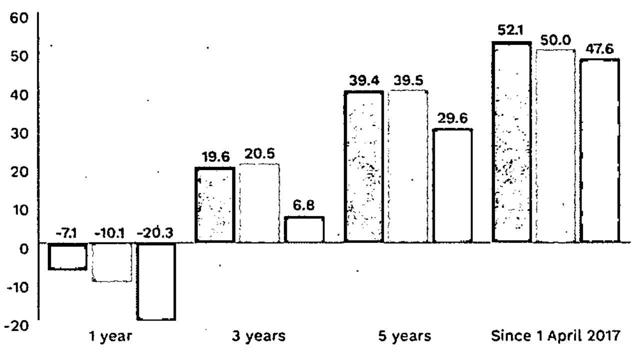
Alliance Trust

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

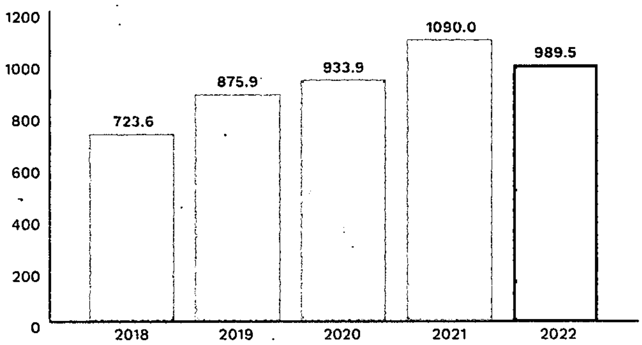
Peer Group Median

AIC Global Sector Average NAV Total Return (unweighted)

Source: Morningstar and Association of Investment Companies.

NET ASSET VALUE (PENCE)[2]

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



Source: BNY Mellon Performance & Risk Analytics Europe Limited.

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

CHAIRMAN'S STATEMENT

VOLATILE MARKET BACKDROP

There were few places for investors to hide in 2022. The return of high inflation after a 40-year absence, the war in Ukraine, higher interest rates and fears of recession, sent most asset prices tumbling. Equities suffered less than bonds but still ended the year down on the previous year. Against this challenging backdrop, the Company delivered an encouraging performance against its benchmark index, the MSCI All Country World Index (MSCI ACWI) and outperformed most of its competitors in the Association of Investment Companies (AIC) Global Sector. In its report, our Investment Manager, Willis Towers Watson ('WTW') analyses this performance. While any negative annual return is frustrating, we remain focused on long-term performance and are encouraged by last year's progress relative to competitors and the index.

RESILIENT PERFORMANCE

In the year to 31 December 2022, the Company's Net Asset Value (NAV) Total Return was -7.1 % (2021: 18.6%), outperforming our benchmark index, the MSCI ACWI which returned -8.1% (2021: 19.6%). The Company's Total Shareholder Return (TSR) was -5.8% (2021: 16.5%), as the discount to NAV at which the shares traded narrowed. The average TSR of the AIC Global Sector peer group was -23.2%.

Our portfolio's longer term returns also compare well with our peers. Between 1 April 2017, when we adopted our multi-manager strategy, and 31 December 2022, the Company's TSR was 54.7% against the average share price return of the AIC Global Sector peer group of 41.2%. We estimate that anyone investing £100 in April 2017 will have seen the value of their investment grow to £155 if they had reinvested their dividends.

The Board is satisfied that the Company's long-term performance has been consistent with its objective of delivering real returns and a rising dividend. It is also pleased with the performance versus peers. The only disappointment is that the Company has not yet outperformed its benchmark index by the target set when the investment strategy was adopted on 1 April 2017.

As part of its annual review of the performance of the Investment Manager, the Board also considered WTW's performance over the first five-year period since its appointment. Further details on the nature and outcome of the review can be found on page 49. The main findings of the review reinforced the Board's judgement that the investment strategy is sound, and the Board continues to endorse WTW's investment approach.

INCREASED DIVIDEND

The Board has declared a fourth interim dividend of 6.0p per share which brings the full year dividend to 24.0p. Following the step up in dividend levels from the second half of 2021, this is a 26% increase on the prior year and the 56th consecutive annual increase in the ordinary dividend. With a share price of 948.0p at year end, the full year dividend represents a yield of 2.5%. Following a year of particularly high income from certain stocks in the portfolio, I am pleased to report that Earnings Per Share ('EPS') for the year ended 31 December is 26.14p per share (2021: 15.48p). Given this high level of earnings in 2022, the Board has taken the opportunity to take advantage of the Company's structure as an investment trust and add to the Company's already significant distributable reserves.

BORROWING AND GEARING

There were no major changes to the Company's long-term borrowing arrangements during 2022. As market interest rates rose, the value of the fixed rate loans on the Company's balance sheet declined resulting in a higher NAV, thus enhancing overall performance for the year. Further details on the revaluation of debt and its contribution to shareholder returns can be found on page 9.

> "We are pleased that our performance was more resilient than the market and ahead of most of our peers in the AIC Global Sector."

Gregor Stewart
Chairman

STABLE DISCOUNT

As shareholders are aware, one of the Board's strategic objectives is the maintenance of a stable discount. The Company's average discount over the year was 5.9%, equal to that of the prior year. As at 31 December 2022 the Company's discount was 4.2% (2021: 5.3%). This compared favourably with the average discount for the AIC Global Sector of 7.4% as at the year end. During the year under review, the Company bought back 15.5 million shares. These share buybacks helped to support the stability of the discount and enhanced the NAV Total Return by 0.3%. The Board will continue to use share buybacks as appropriate, and invest in promotional activity, such as investor events, designed to raise the Company's profile, to support the management of the discount. We hope, in time, to convert our discount into a premium as the benefits of our long-term strategy gain wider recognition. Further details on the Company's discount can be found on page 34.

STRENGTHENED OPERATING MODEL

As previously announced, we made some operational changes at the end of 2022 which were the outcome of the work undertaken by the Board to strengthen the Company's operating model. Juniper Partners Limited ('Juniper') has been appointed as Company Secretary and will also provide finance, fund administration and accounting services to the Company from 1 April 2023. WTW was also appointed to provide further marketing, public relations, and investor relations services. The changes will benefit shareholders by reducing risk in the Company's operating model and should also enhance the Company's communications. The Board is pleased that despite the changes, it has been able to continue to work with members of the Company's Executive team in their new roles with either Juniper or WTW. You can read more about the changes including details of the revised fee payable to WTW on page 55.

BOARD SUCCESSION

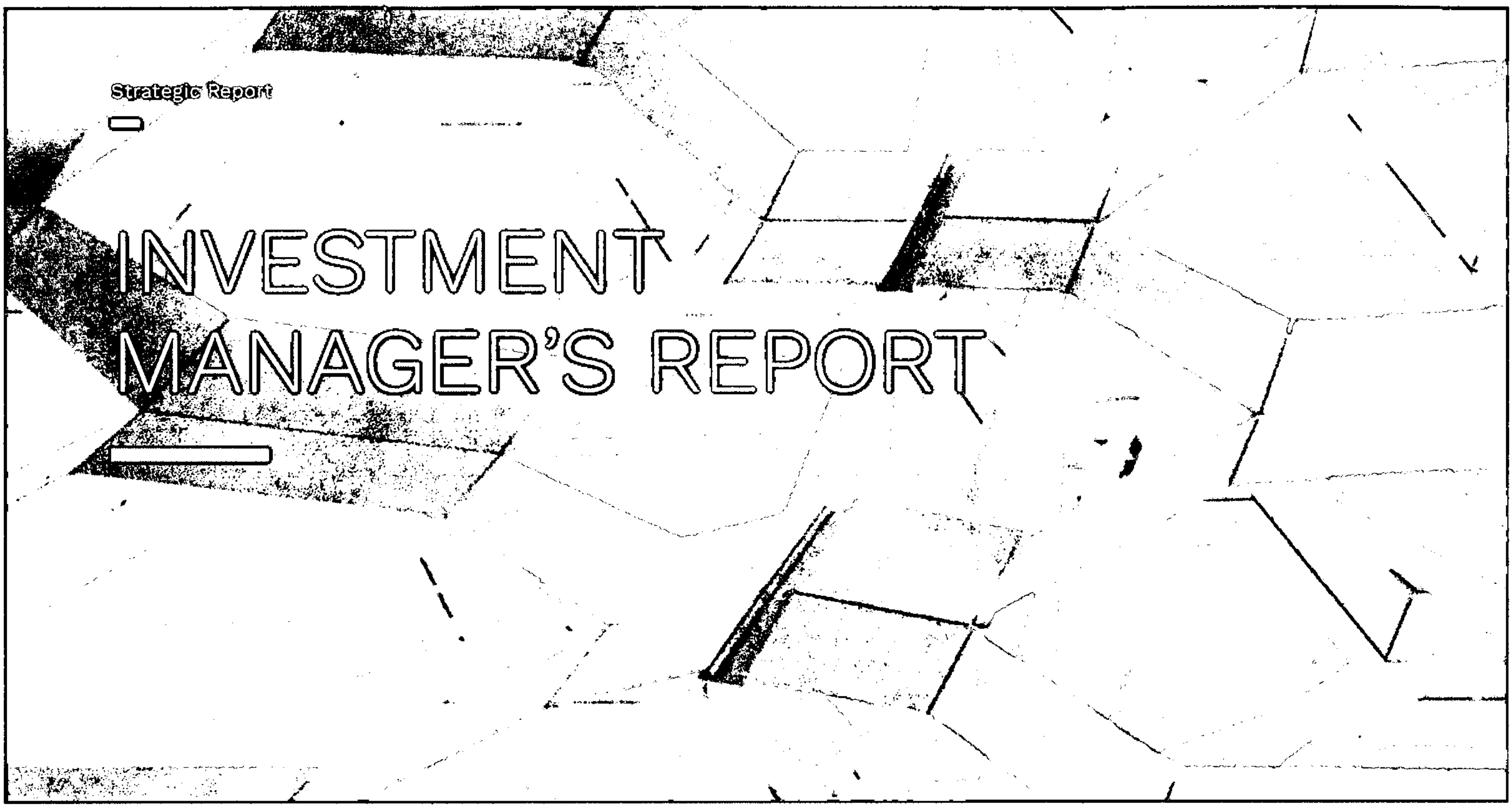
As part of our succession planning, we have made a number of changes to the Board over the past three years. The most recent of these being the appointment of Vicky Hastings and Milyae Park to the Board in September 2022. Vicky has extensive experience in fund management, both as a fund manager and business leader, while Milyae's diverse career spans financial services, retail, and technology. They have brought further diversity of skills and fresh perspectives to the Board.

I would like to express my thanks to Anthony Brooke for his significant contribution to the Board over the past seven and a half years. Anthony joined the Board in 2015 and will complete his tenure at the Annual General Meeting on 27 April 2023.

PORTFOLIO WELL POSITIONED FOR UNCERTAIN ECONOMIC OUTLOOK

The outlook for the global economy remains highly uncertain and equity markets remain volatile. If inflation and interest rates have peaked in the US and the UK, as some analysts believe, and the war in Ukraine comes to an end, equity markets may rally. On the other hand, they may fall further if we descend into a deep recession. Coherent arguments can be made for both a bull and a bear case. The good news is that the success of our investment strategy does not hinge on macroeconomic outcomes. Regardless of the immediate outlook, our Stock Pickers remain resolutely focused on finding excellent businesses with exciting prospects. The speculative froth topping the valuations of many growth stocks has been blown away by higher interest rates and harsher economic conditions. We now look forward to the possibility of company fundamentals, not sentiment, driving share prices, if not for the short term, certainly in the long run.

Gregor Stewart
Chairman
8 March 2023



INVESTMENT MANAGER'S REPORT

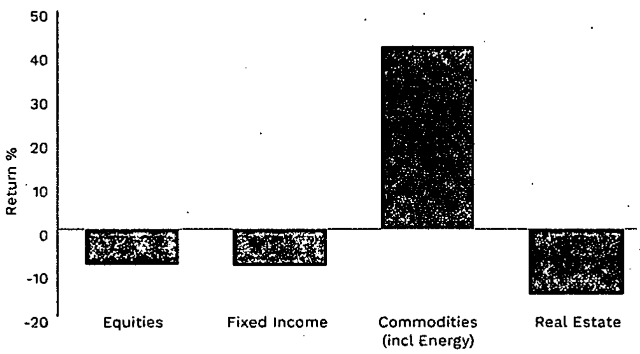
"AN ISLAND OF STABILITY"

The Collins Dictionary's word for the year is "permacrisis", a portmanteau of "permanent" and "crisis". It seems appropriate, as the world has lurched from one unprecedented event to another in the past few years. First Brexit, then the Covid pandemic, quickly followed in February last year by Russia's invasion of Ukraine. The return of a land war to Europe began to reshape geo-politics and triggered sharp rises in food and energy prices, adding to inflationary pressures already building due to supply chain disruption and ultra-loose monetary policy linked to Covid. Interest rates decisively reversed direction, finally ending the cycle of rate reductions that began in the Great Financial Crisis. It hardly needs to be said that 2022 was one of the toughest environments on record for investors. It was also a year in which it was difficult for investment managers focusing on bottom-up stock picking to add value.

Not surprisingly, most asset classes delivered negative returns. With the war driving up energy and raw materials prices, only commodities bucked the downward trend as shown in the top chart opposite.

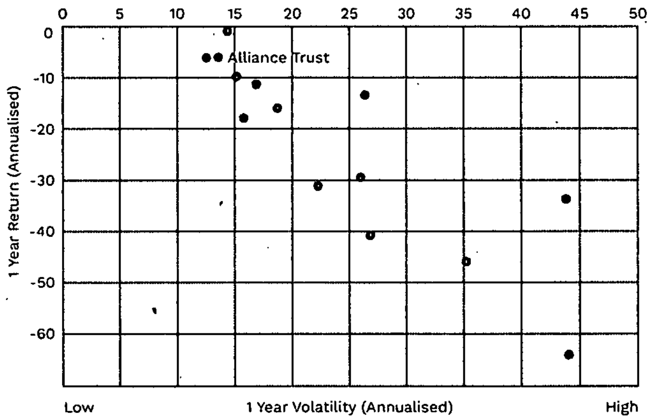
The Company's benchmark, the MSCI ACWI, which includes developed and developing markets, returned -8.1% during the year. The Company's NAV Total Return also fell but was more resilient than the benchmark returning -7.1%, while a narrowing of the discount meant that TSR declined by 5.8%. The portfolio therefore outperformed the index in a challenging market environment. It also declined in value by a lot less than those investment trusts with a growth-style bias which have led the way in recent years. In the words of one analyst, Alliance Trust was "an island of stability".[1]

COMMODITIES OUTPERFORMED OTHER ASSET CLASSES



Source: WTW, MSCI Inc. (Total Returns in GBP).
Data from 1st January 2022 to 31st December 2022.

ALLIANCE TRUST DELIVERED SOLID RETURNS IN 2022 WITH LOW VOLATILITY



Source: WTW, Morningstar. 1 year Total Shareholder Returns and Volatilities of the Investment companies in the Association of Investment Companies Global Sector, as at 31 December 2022.

1. Source: Quoted Data.

GROWTH STOCKS LED MARKET DECLINE

Within the equity market, previously high-flying growth stocks in the US suffered some of the sharpest declines. Having contributed the most to performance in prior years, stocks such as Meta, Tesla, Alphabet, Microsoft, Amazon and Apple, accounted for approximately half of the decline in the MSCI ACWI in 2022.[2] Lesser-known growth stocks, such as Shopify, Snap, and DocuSign also suffered steep declines in value. Meanwhile, defensive, and less glamorous value stocks generally did well, though measuring returns in aggregate by investment style masked what was largely a switch in fortune between the technology ('tech') and energy sectors, with the latter soaring in value. The about-turn in sector performance is easily explained by the abrupt reversal in the interest rate cycle since late 2021/early 2022. Higher borrowing costs dented optimism about the future earnings potential for many 'jam tomorrow' tech companies, while soaring prices for commodities boosted near-term cash flows and profits for 'jam today' energy and raw materials companies. On a country basis, the UK stock market did relatively well last year, with the FTSE 100 managing a modest gain of 0.9%, due to its concentration of energy and raw materials companies. Chinese equities fell significantly, as its economy remained semi-closed through much of the year due to persistent Covid lockdowns, though these had begun to ease by the end of 2022 because of public pressure.

BALANCED STOCK EXPOSURE HELPED PERFORMANCE

The portfolio's outperformance versus the market and most peers in 2022 stemmed from maintaining a balanced exposure to countries, sectors, and styles, and focusing on stock picking as the primary source of returns, although having slightly more money in aggregate invested in the UK than the index added value. In addition, the Company's NAV Total Return benefitted over the period from the decline in the fair value of the Company's fixed rate debt with rising bond yields. Offsetting some of this benefit was the impact of the portfolio being geared in a falling market as you can see from the table below.

CONTRIBUTION ANALYSIS (%)

12 months to 31 December 2022	%
Portfolio	**-7.4**
Gearing	-0.8
Cost of Gearing	-0.3
Share Buybacks	0.3
Expenses	-0.6
Cash & accruals	0.1
Change in Fair Value of debt	1.6
NAV Total Return	**-7.1**
Change in discount	1.3
Total Shareholder Return	**-5.8**
MSCI ACWI Total Return	-8.1

Source: WTW, Bank of New York Mellon. Data as at 31 December 2022.

2. Source: WTW, FactSet.

INVESTMENT MANAGER'S REPORT

Whereas in previous years, our diversified stance had held back performance versus the market and many growth-style peers, due to the concentration of returns in a handful of expensive US growth stocks, in 2022 it enabled us to avoid the worst of the tech rout and, at the same time, benefit from the recovery in energy stocks. Not owning Tesla and Apple boosted relative returns versus the index, and although we continue to own some other fallen growth stars such as **Amazon**, **salesforce.com** and **Alphabet**, the relative modesty of our exposures helped to contain the damage. The oil companies **ExxonMobil** in the US (held by GQG Partners 'GQG'), **BP** in the UK (held by Jupiter Asset Management 'Jupiter') and **Petrol Brasileiro** ('Petrobras') in Brazil (held by GQG) were among the biggest contributors to relative returns. Our Stock Pickers also found winners in defence, where **BAE Systems** (held by Veritas Asset Management 'Veritas') and **Booz Allen Hamilton** (held by Black Creek Investment Management 'Black Creek') benefitted from rising demand due to increased government spending. Our positions in healthcare and financials, with US-based **UnitedHealth Group** (held by GQG and Veritas), and Indian bank **HDFC** (held by GQG) also boosted returns.

In terms of the Stock Pickers, GQG contributed most to the portfolio's outperformance, having correctly timed its exit from many overpriced tech stocks in 2021 and increased its exposure to cheaper energy companies. Jupiter and Black Creek, which both have a bias towards value stocks, also did well, while the Stock Pickers with a growth-style bias, such as Sands Capital ('Sands') and Sustainable Growth Advisors ('SGA'), which had performed well in prior years during the growth boom, were hit by the deratings of many of the stocks that they owned. We retain high conviction in the skill of both Sands and SGA to add value to the portfolio in the longer term, even though many of the stocks that they own may have been out of favour during 2022.

TOP 5 STOCK CONTRIBUTORS AND DETRACTORS TO RETURN RELATIVE TO BENCHMARK IN 2022

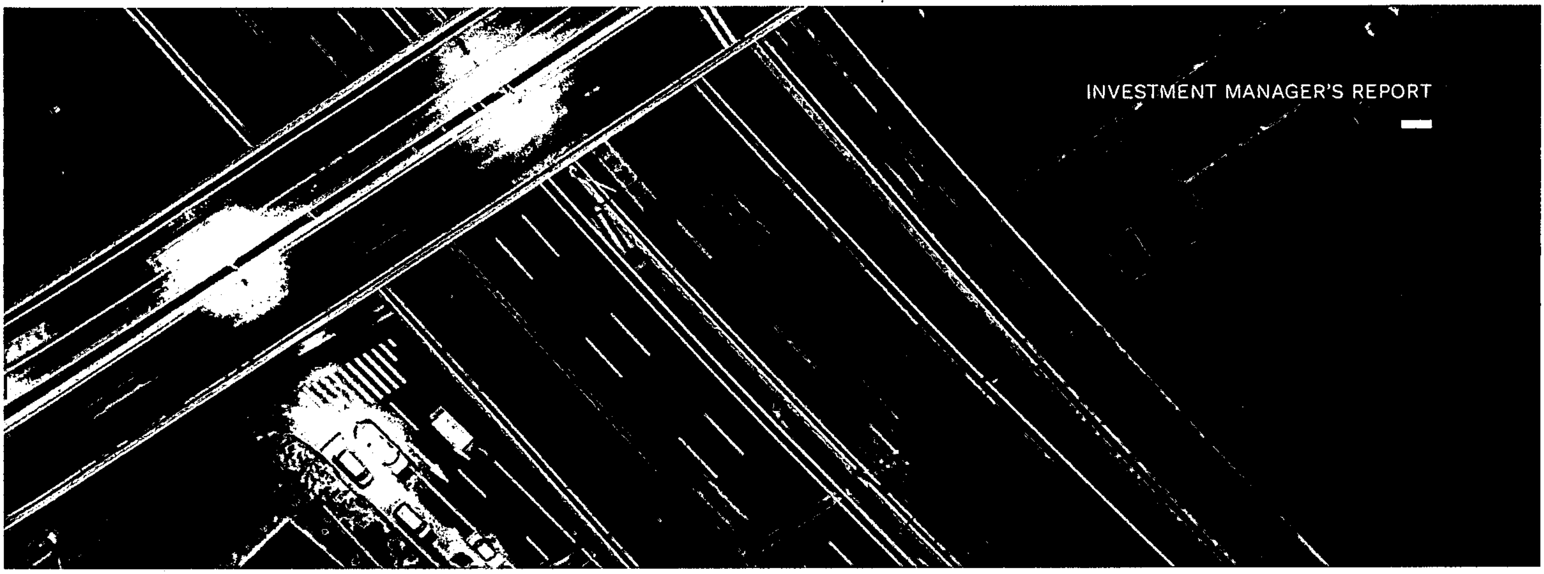
Top 5 contributors

Name	Country	Sector	Average Active Weight (%)	2022 Total Return in Sterling (%)	Attribution Effect Relative to Benchmark (%)
Petrobras	Brazil	Energy	1.7	71.9	0.9
Tesla	United States	Consumer Discretionary	(1.1)	(60.6)	0.7
ExxonMobil	United States	Energy	0.9	107.9	0.6
H&R Block	United States	Consumer Discretionary	0.5	78.4	0.5
BAE Systems	United Kingdom	Industrials	0.7	60.9	0.4

Top 5 detractors

Name	Country	Sector	Average Active Weight (%)	2022 Total Return in Sterling (%)	Attribution Effect Relative to Benchmark (%)
salesforce.com	United States	Information Technology	1.1	(41.9)	(0.5)
Charter Communications	United States	Communication Services	0.9	(41.9)	(0.4)
Adidas	Germany	Consumer Discretionary	0.8	(45.7)	(0.4)
Alphabet	United States	Communication Services	1.5	(32.1)	(0.4)
Sea Limited	Singapore	Communication Services	0.2	(74.2)	(0.3)

Source: WTW, The Bank of New York Mellon, FactSet. Data as at 31 December 2022.
Average active weight is the average difference between the weight of the stock in the portfolio and the weight of the stock in the benchmark over the period.



PORTFOLIO TURNOVER REFLECTED NEW OPPORTUNITIES

Our role as Investment Manager is to select the best Stock Pickers available globally and blend them together into a balanced portfolio, reallocating capital between them where necessary to control risk. We consciously did not change the strategic stance of the portfolio during the year, although we terminated River and Mercantile Asset Management's ('R&M') mandate in March due to a change in corporate ownership which we thought could undermine the firm's investment culture. At the time, R&M's relatively small allocation accounted for approximately 6% of the portfolio. This capital was redistributed to existing Stock Pickers with similar investment approaches, principally Jupiter and Black Creek, to retain the portfolio's overall style balance, although some of the capital also went to GQG.

Stock Picker weights evolved naturally during the year due to share price fluctuations and there was some turnover in positions by the Stock Pickers, most notably GQG's shift between sectors. Total stock turnover was 56.7%, partly due to the reallocation of R&M's capital, without which it would have been below 50%. At that level, stock turnover equates to an average two-year holding period. This may seem short for an investment approach focused on investing for generations. However, last year was anything but normal. The volatility of share prices created many new opportunities and our Stock Pickers actively exploited them.

Examples of outright sales in 2022 included **Novo Nordisk,** which was disposed of by SGA and replaced with **ICON**. ICON is a leading contract research organisation specialising in the strategic development, management, and analysis of programs that support clinical development. ICON's scale enables it to expedite the clinical trial process and provide more comprehensive offerings, allowing it to charge premium prices.

Sands purchased **Keyence** and sold **Twilio**. Twilio, a California-based business selling communication tools, was sold due to weakening fundamentals, indications of a deteriorating competitive position, and waning confidence in management's execution. Keyence is a leading designer of high-end factory automation sensors and sensor systems. Despite the tech sell off, Sands expects the company to maintain its leadership position as it expands into new industries, solutions, and applications over the next decade, that should hopefully result in sustained above-average earnings growth.

Vulcan Value Partners ('Vulcan') added **CBRE Group** and **General Electric Co.** ('GE') to the portfolio. CBRE is the largest commercial real estate services provider in the world, with over 100,000 employees generating $17bn of net revenue. CBRE serves both corporate occupiers of real estate and real estate investors. GE is an industrial company that operates in aviation, healthcare, renewal energy, and power. Vulcan believes that GE's management has made considerable progress in simplifying the company's structure and de-risking the balance sheet.

Black Creek sold **Nutrien**, the world's largest crop nutrient company, whose share price increased sharply as fertiliser prices rose to all-time highs, and purchased **Stericycle**, a leading global provider of regulated waste disposal services to businesses. Black Creek was attracted by Stericyles's valuation, which is temporarily depressed as it goes through a multi-year restructuring programme which will leave it stronger in the long run.

INVESTMENT MANAGER'S REPORT

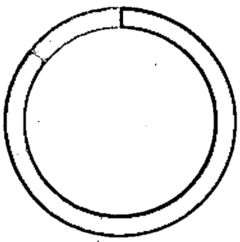
The portfolio's positioning at the end of the year remained broadly neutral versus the benchmark across countries, sectors, and styles. Even so, the portfolio was marginally overweight in the UK and in industrials where some of our Stock Pickers see opportunities from investment in new capacity. The portfolio was also underweight in the US. These overweight and underweight sector/country positions were the byproducts of bottom-up stock selection versus top-down allocations and were well within our risk tolerance. Despite top-down similarities, the portfolio was vastly different to the index in terms of stocks, with an Active Share of 79%, ensuring stock selection drives relative returns.

Number of Companies as at 31 December 2022	
Portfolio	186
MSCI ACWI (benchmark index)	2,885

Source: WTW, Bank of New York Mellon, MSCI Inc. Data as at 31 December 2022. All figures may be subject to rounding differences.

REGIONAL AND SECTOR WEIGHTS

Region



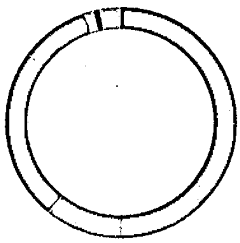
Portfolio Weight

- North America **53.1%**
- Asia & Emerging Markets **17.1%**
- Europe **15.7%**
- UK **11.2%**
- Stock Picker Cash **2.9%**

All figures may be subject to rounding differences.

Source: WTW, Bank of New York Mellon. Data as at 31 December 2022.

Sector

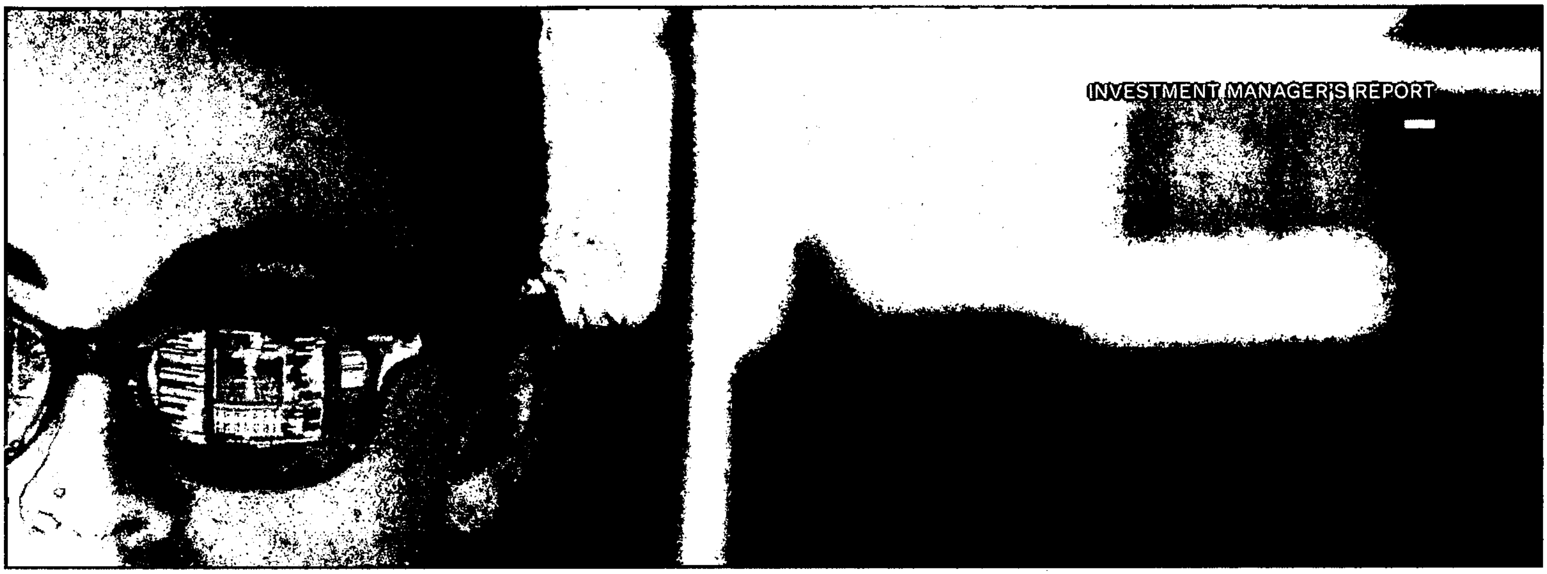


Portfolio Weight

- Information Technology **23.6%**
- Industrials **13.9%**
- Financials **12.6%**
- Health Care **11.0%**
- Communication Services **9.4%**
- Consumer Discretionary **8.4%**
- Energy **6.2%**
- Consumer Staples **5.3%**
- Materials **4.5%**
- Utilities **1.3%**
- Real Estate **0.9%**
- Stock Picker Cash **2.9%**

All figures may be subject to rounding differences.

Source: WTW, Bank of New York Mellon. Data as at 31 December 2022.



UNCERTAIN MARKET OUTLOOK

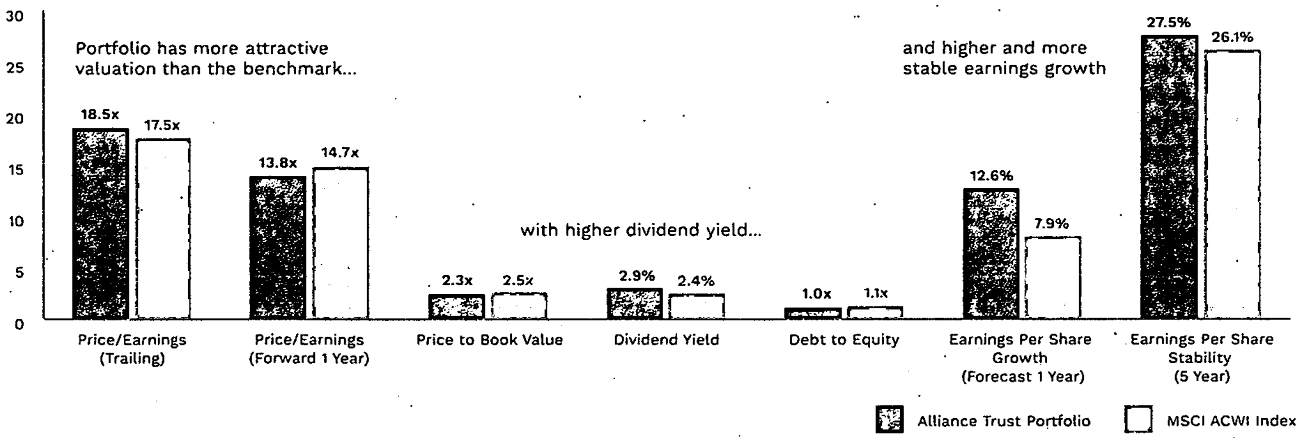
After a tough year for investors, it may be tempting to think that the worst of the bear market is over. However, we expect continued economic uncertainty to produce more market volatility. On the positive side, there are some encouraging signs that inflation pressures may have peaked in the US and UK. This means we may be approaching the end of the cycle of rising interest rates. If that is the case, it is plausible that the global economy could achieve a soft landing, in other words a cyclical slowdown that avoids a deep and widespread recession. But a hard landing seems just as likely if interest rates remain at current levels and corporate earnings fail to meet optimistic expectations. Hence gross gearing at year end was 7.8%, at the lower end of our typical 7.5-12.5% range, reflecting our caution about the market outlook.

We believe the Company's portfolio is well positioned, with balanced exposure to stocks that can survive, and even thrive, in the current high inflation environment, as well as many companies who are financially strong enough to weather a recession. We also have exposure to many high-quality cyclical stocks with temporarily depressed valuations that could benefit disproportionately from an economic rebound. This reflects the fact that our approach does not attempt any big calls on the future direction of the market. We believe there are potential mispricing opportunities across the market, whether it is among growth stocks that have been oversold or value stocks whose earnings prospects are underappreciated. Our goal is simply for our Stock Pickers to pick the right companies with the best long-term opportunities for superior returns.

FUNDAMENTALS DRIVE RETURNS IN THE LONG TERM

We are reassured that, altogether, the portfolio has more attractive characteristics than our benchmark, namely a lower valuation, a higher dividend yield and more stable projected earnings growth. We also take comfort from empirical evidence that, notwithstanding short-term fluctuations due to changes in market sentiment, share prices follow company fundamentals in the long run.

PORTFOLIO FUNDAMENTALS ARE STRONG
Portfolio Fundamentals at 31 December 2022



All figures may be subject to rounding differences.

Notes: The Price to Earnings ratio, also called the P/E ratio, is an indication of the worth of a company. It is the amount per share that an investor will pay for each £1 of that company's earnings. One way to calculate the P/E ratio is to use actual reported earnings over the past 12 months. This is referred to as the trailing P/E ratio. The P/E ratio can also be calculated using an estimate of future earnings (the forward P/E). The lower the P/E ratio the better value that company should be. Earnings per Share is an indicator of how much money a company makes for each share of its stock, it is a measure of a company's profitability. Earnings per Share Growth gives a good picture of the rate at which a company has grown its profitability over a given period, with higher levels suggesting a company has products or services in strong demand and is able to grow its earnings faster. Earnings per Share Stability is a measure of the level of fluctuation in a company's Earnings per Share over a given time period, the higher the value the more predictable future earnings should be.

Source: BNY Mellon Performance & Risk Analytics Europe Limited. Data as of 31 December 2022.

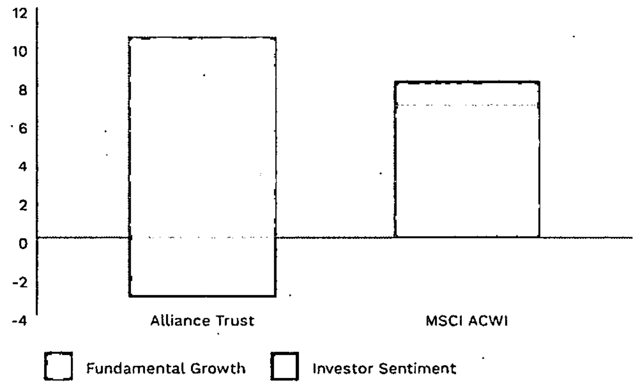
INVESTMENT MANAGER'S REPORT

It is notable that since our appointment on 1 April 2017, the price appreciation achieved through improvements in the underlying businesses of portfolio companies, as opposed to changes in market sentiment, is much greater than that of the benchmark. The charts opposite detail the components of returns for the Company's portfolio, the MSCI ACWI and S&P 500. By contrast, the benchmark has benefitted disproportionally in recent years from over-excitement about the earnings potential of fashionable high tech growth stocks.

As the more challenging economic environment forces investors to become increasingly hard-headed in their assessment of corporate prospects, we believe that the fundamentally strong companies in the Company's portfolio, whether they are classified as growth or value or something in between, will gain greater recognition. Since the adoption of the multi-manager approach on 1 April 2017, after all costs, the NAV Total Return has performed in line with low-cost passive products and has outperformed the AIC Global Sector. Given that market returns are no longer as concentrated as they have been in recent years we are growing more confident that we will outperform the benchmark from here. It is a trite analogy, but we believe that a slow and steady pace wins the investment race, even if it lacks the excitement and bursts of speed associated with more adventurous strategies. We aim to offer investors a smooth path to the finishing line.

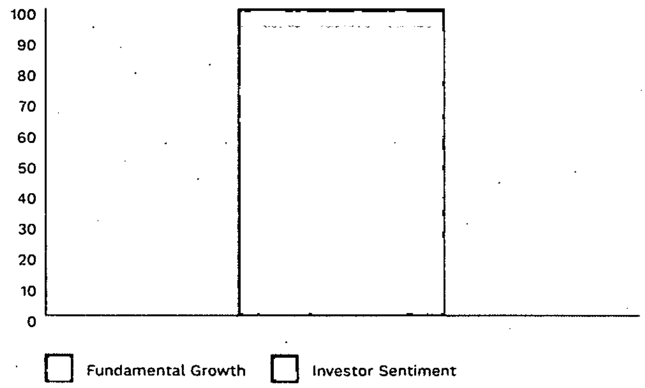
COMPANY FUNDAMENTALS DRIVE SHARE PRICES IN THE LONG TERM

Components of Gross Equity Portfolio Return for the Alliance Trust portfolio, 2017-2022 (%)



Source: WTW, MSCI Inc.
Data from 30 April 2017 to 31 December 2022 based on Price to Book.
Equity portfolio log return gross of fees, which excludes the impact of gearing on returns and cost of gearing. The Ongoing Charges Ratio for 2022 was 0.61%.

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



Source: WTW, Robert Shiller (http://www.econ.yale.edu/~shiller/).
Data as at 31 December 2021 based on Price to Earnings (Trailing).

RESPONSIBLE INVESTMENT: THE ALLIANCE TRUST APPROACH

As stewards of approximately £3bn of assets, we apply high standards of Responsible Investment to managing the investment portfolio on behalf of shareholders. Environmental, Social and Governance (ESG) factors can all have a significant impact on the Company's ability to deliver growth in capital and rising dividends. ESG risk factors are therefore integrated into the investment processes by the Company's Investment Manager, Willis Towers Watson (WTW), to protect financial returns. WTW has a rigorous approach to Responsible Investing:

1. WTW conducts due diligence on the Company's Stock Pickers to ensure they have a long-term mindset, exercise voting rights and engage with companies on ESG considerations.
2. WTW has appointed EOS at Federated Hermes (EOS), a renowned stewardship specialist, to provide an additional layer of engagement with companies, policy makers and regulators. With over $1.6 trillion[1] under advice, this gives EOS more weight when lobbying for profitable change than one Stock Picker would have as a standalone investor.
3. WTW monitors the portfolio and challenges the Stock Pickers when it feels their analysis could be improved, particularly in relation to climate change. WTW has extensive resources in this area, comprising 90 specialists analysing company-by-company the financial implications of climate change.

TARGETING NET ZERO GREENHOUSE GAS (GHG) EMISSIONS

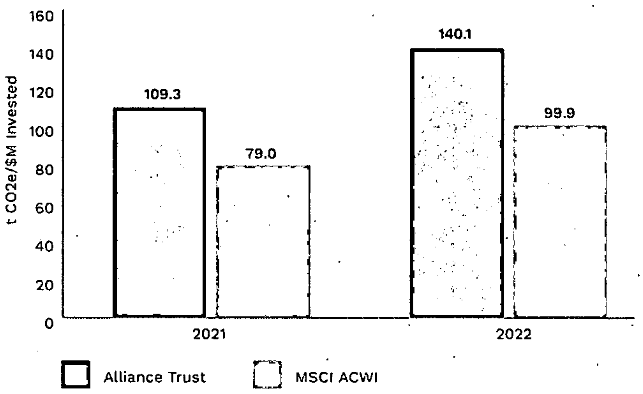
Climate change poses significant risks to investment returns from many companies, which is why the Company has pledged to have its assets managed to achieve Net Zero by 2050 at the latest, with an interim target of reducing portfolio emissions by 50% by 2030, relative to 2019.

However, the transition to Net Zero by 2050 will not be linear. There will be times when it will be attractive to invest in innovative companies developing solutions to climate change. But there will also be times when it will make financial sense to buy mispriced shares in traditional energy companies. We benefitted last year from GQG correctly seeing in 2021 that the shares of many traditional energy companies were trading well below levels that were justified by their future profitability. Increased allocations to high-emitting stocks such as **Heidelberg Materials**, **ExxonMobil** and **Petrobras**, among others, meant that overall portfolio emissions rose year-on-year. However, the weighted average carbon intensity (which measures carbon emissions as a proportion of revenue) ended the year lower than the index. Although there was a handful of stocks driving up portfolio emissions last year, two-thirds of the portfolio holdings by weight were either on or transitioning towards a clear path to Net Zero. The key to tackling the laggards is to engage and keep encouraging them in the right direction.

1. Source: https://www.hermes-investment.com/uk/en/institutions/eos-stewardship/eos-team/

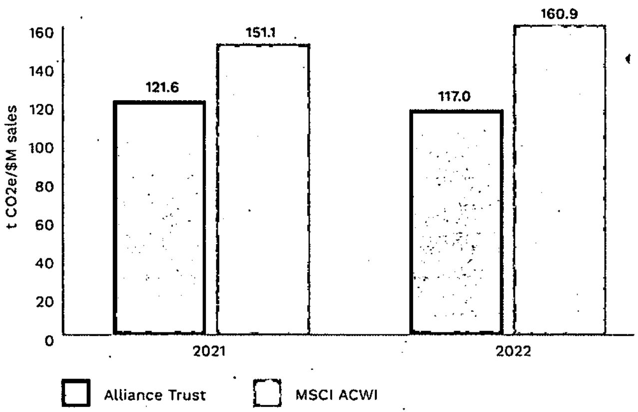
INVESTMENT MANAGER'S REPORT

CARBON EMISSIONS FOR ALLIANCE TRUST PORTFOLIO COMPARED TO MSCI ACWI



Source: WTW, MSCI ESG Research LLC, data as at 31 December 2021 and 31 December 2022. Based on Portfolio and Benchmark investment of $1,000,000,000.

WEIGHTED AVERAGE CARBON INTENSITY FOR ALLIANCE TRUST PORTFOLIO COMPARED TO MSCI ACWI



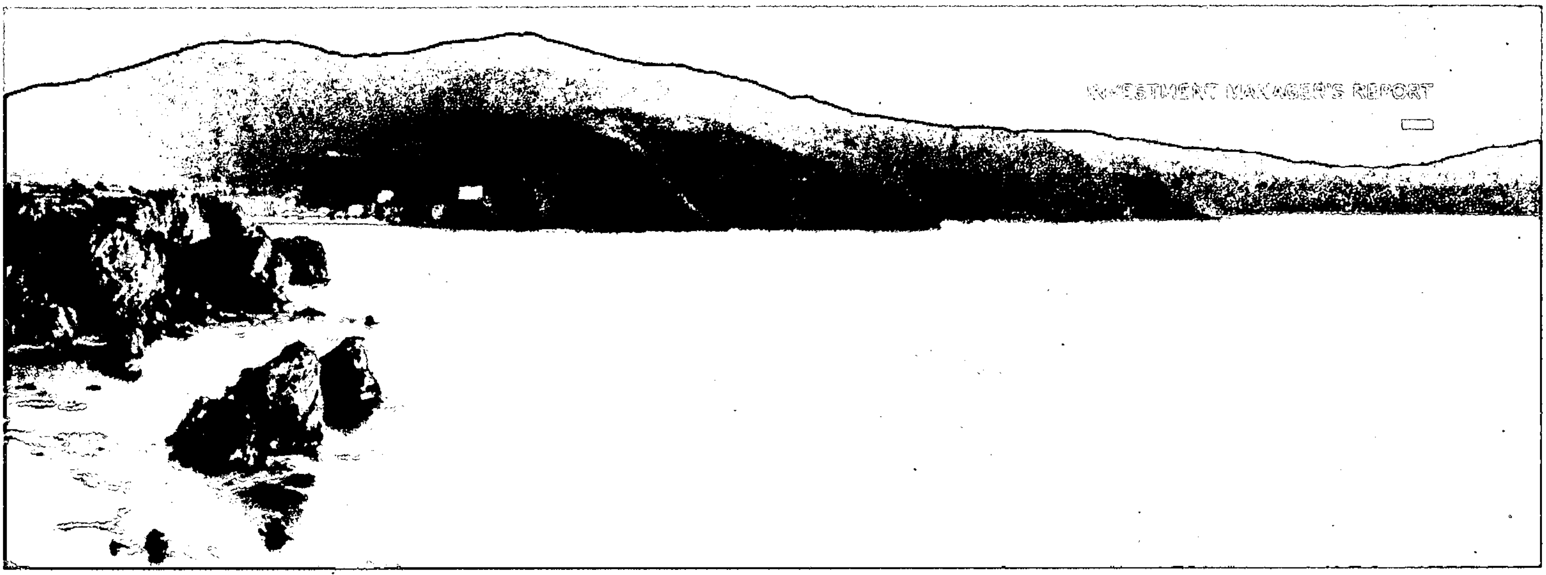
Source: WTW, MSCI ESG Research LLC, data as at 31 December 2021 and 31 December 2022. Based on Portfolio and Benchmark investment of $1,000,000,000.

GQG, as a responsible owner of ExxonMobil, for example, made two specific engagements in the past 18 months. During these discussions, GQG urged ExxonMobil to improve its climate disclosures, as it believes that ExxonMobil is investing in de-carbonisation more widely than is appreciated. GQG is encouraged that three new directors with sustainability expertise have been appointed to the ExxonMobil board of directors and that ExxonMobil announced its ambition for Net Zero greenhouse gas emissions by 2050. GQG has also recently engaged with Petrobras on our behalf.

In addition to GQG's efforts with these companies, EOS has an ongoing programme of engagement with them and some of the world's largest emitters of greenhouse gases, arguing for more sustainable long-term business models, reductions in greenhouse gases and improved governance and disclosure. EOS plays a key role in support of Climate Action 100+[1], an investor led initiative with the support of over 700 investors, representing more than $68 trillion[2] of assets under management that aims to ensure the world's largest corporate greenhouse emitters take the necessary action on climate change.

Climate Action 100+[1] is engaging with 166 companies, accounting for over 80 percent of global corporate industrial greenhouse gas emissions. While many of these companies are improving their disclosures, and embracing Net Zero commitments, their real-world activities are not yet sufficient to shift their business models to align with Net Zero goals. This demonstrates the need to continue to escalate engagement activity with the highest emitters to ensure Net Zero goals are met. As the transition gains momentum, EOS will continue to engage with such companies to ensure that they recognise the reality of a Net Zero economy, that they factor this into their financial and strategic planning, and that they deploy capital to address the risks and capture the opportunities presented by the transition.

1. https://www.climateaction100.org/
2. Source https://www.climateaction100.org/about/



ENGAGEMENT TO DRIVE POSITIVE CHANGE

As well as engaging on climate change, we, together with EOS and our Stock Pickers are also focused on a wide range of governance and social issues. These issues get less scrutiny by regulators concerned about greenwashing and are not always as easy to assess with data. It is, however, possible to address them through engagement.

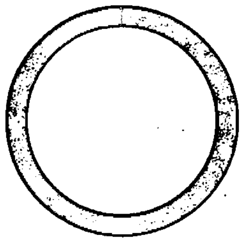
For example, Jupiter successfully engaged with **Bayer**, the German listed pharmaceutical, consumer health and agricultural sciences company, to help persuade the CEO to step down after a series of missteps by voting against management, supervisory boards and the remuneration report. Metropolis Capital ('Metropolis') engaged with **News Corp** over the company's use of a "poison pill" provision to prevent activist investors, competitors or other potential acquirers from taking control of the company. The provision had never been voted upon by shareholders. Following feedback from investors, including Metropolis, News Corp terminated the provision.

Sands challenged **Entegris** on how it sources materials and tools for semiconductor manufacturing. Semiconductor companies have exposure to conflict minerals such as tantalum, tin, tungsten, and gold, given that many of these are integral components of manufacturing electronic circuits. Sands is encouraged that Entegris has hired a senior employee to enhance its public disclosures and responsible mineral sourcing and is transitioning away from materials sourced from Russia.

In addition to engagements by the Stock Pickers, EOS engaged with 103 companies within the Alliance Trust portfolio on 493 issues and objectives throughout the year. Of these engagements, the environmental category accounted for 27% of total engagement, with 75% of environmental engagements relating to climate change.

Meanwhile, our Stock Pickers voted on all voteable proposals, casting votes on 3,444 resolutions at investee company meetings. Of these resolutions, they voted against company management on 323 and abstained from voting on 109 occasions. Of the key votes against management, the issues voted on were governance-related issues such as remuneration and director election. The topics and breakdown of the ways in which our Stock Pickers voted are detailed opposite.

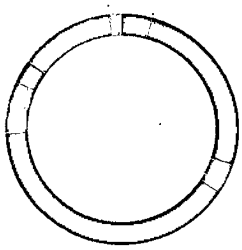
HOW WE VOTED



Source: WTW, EOS at Federated Hermes data as at 31 December 2022.

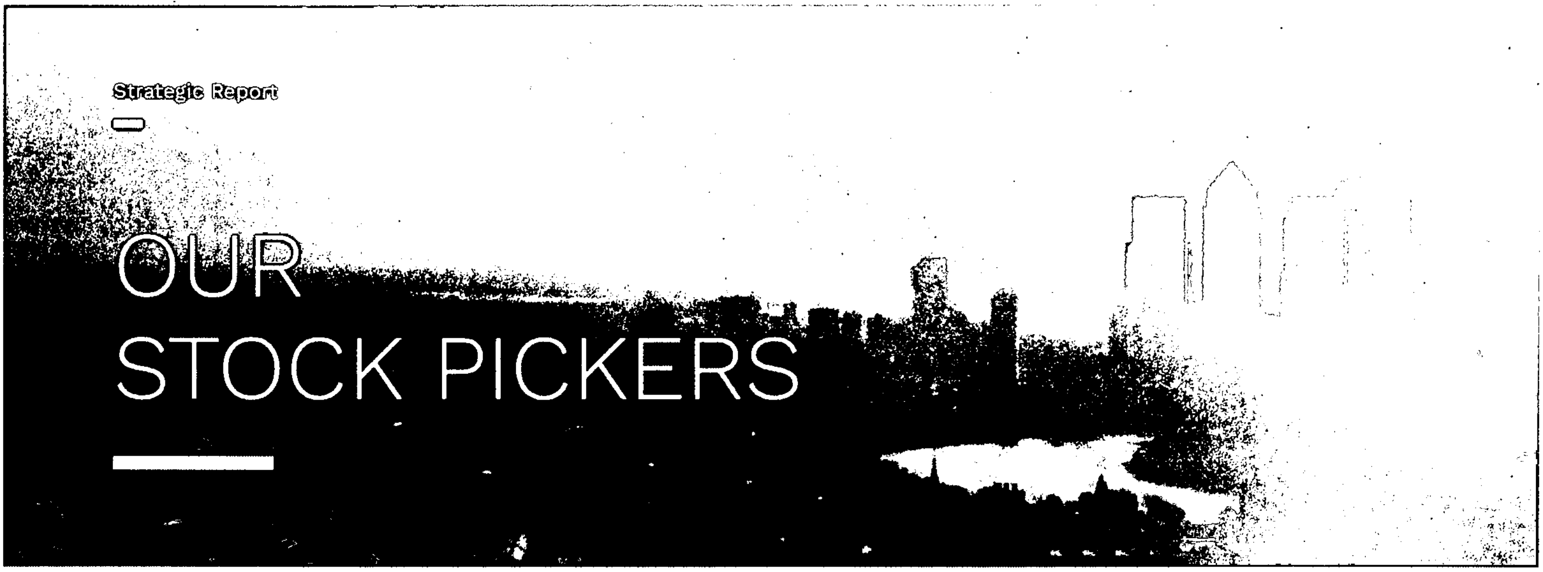
Note. Total percentages may not add up to 100 due to rounding differences.

REASONS FOR VOTING AGAINST MANAGEMENT



Source: WTW, EOS at Federated Hermes data as at 31 December 2022.

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



OUR STOCK PICKERS

HOW WE MANAGE THE COMPANY'S PORTFOLIO

We have overall responsibility for the management of the Company's portfolio. We have built and manage a team of diverse, best-in-class[1] Stock Pickers, each of whom invest in a bespoke selection of typically 10-20 of their 'best ideas'. 'Investing For Generations' is the backbone of the philosophy of the Company. It brings long-term principles into how we invest your money, including ESG considerations. This helps us define our investment approach, ensuring that the Stock Pickers' thinking and practices are aligned with the core beliefs of the Company and that they invest responsibly. We consider this a key factor for long-term success.

HOW WE CHOOSE OUR STOCK PICKERS

We aim to forge abiding partnerships with our Stock Pickers, enabling them to focus on what they do best. Our Stock Pickers are focused on the long term and do not necessarily look at volatility as a risk, but more as an opportunity: risk is more associated with the permanent loss of capital. There was one change to the Stock Picker line up in 2022. R&M's mandate was terminated after a change in ownership. We were concerned that this could prove a distraction for the investment team. The capital allocated to R&M was redistributed among the remaining Stock Pickers with similar characteristics to retain balanced exposure to different styles of investment, sectors and regions. We are, however, always on the lookout for new Stock Pickers and the advantage of the multi-manager structure is that we can easily change the line-up without disrupting the whole portfolio.

We invest significant time, research and effort in identifying Stock Pickers for the Company's portfolio, leveraging our extensive research network, robust process and expertise. Our approach involves identifying the skills and characteristics we believe are essential in good Stock Pickers. We believe the key to identifying tomorrow's high-performing Stock Pickers lies in extensive due diligence combined with qualitative and quantitative analysis. This due diligence 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.

We do not believe that quantitative assessments on their own provide enough information to give us an advantage in assessing the potential of a Stock Picker to outperform. Our Manager Research team formulates a view on each Stock Picker we seek to rate over a series of meetings. We look beyond past performance numbers to try to understand what 'competitive edge' each Stock Picker has and whether that edge is likely to be sustainable in the future. We dig deeper into the investments made by each Stock Picker using a case study methodology to understand the depth of fundamental analysis involved in investment decisions. We look at matters such as the team's process for selecting stocks, adherence to this process through different market conditions, relevant team dynamics, training and experience as well as performance track record. We see the track record as just a single data point and, without the context of the additional data we assess, it is unlikely to persuade us that a Stock Picker is skilled. Our expectation of success further rises where we engage with Stock Pickers to structure bespoke high conviction, concentrated strategies usually of 10 to 20 stocks, at an attractive cost and we believe portfolios are more robust when we diversify across Stock Pickers with differing approaches. High Active Share and concentrated portfolios are advantageous. Academic research supports this[2]. The broadest opportunity set is provided by unrestricted global mandates, to allow skilled Stock Pickers the widest scope.

1. As rated by WTW.
2. Sebastian & Attaluri, Conviction in Equity Investing, The Journal of Portfolio Management, Summer 2014.

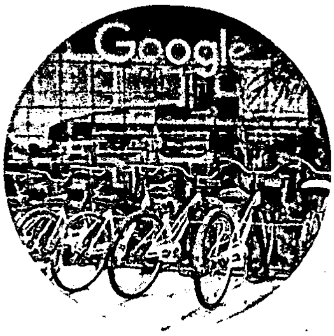
OUR STOCK PICKERS AS AT 31 DECEMBER 2022

Stock Picker	Background	Investment Style	% of portfolio by value at 31 December 2022
Black Creek Investment Management	Black Creek is based in Toronto and was founded in 2004. Assets under management as at 31 December 2022 were $8.7bn.	Long-term contrarian value-orientated buyers of leading businesses across the market cap spectrum.	14% (11% at 31 Dec 2021)
GQG Partners	GQG is a boutique investment management firm focused on global and emerging markets equities. Headquartered in Fort Lauderdale, Florida, USA, it managed assets of $88bn as at 31 December 2022.	Seeks large capitalisation, high-quality companies, with durable earnings growth over the long-term; quality at a reasonable price.	20% (19% at 31 Dec 2021) (Includes both global and emerging markets mandates)
Jupiter Asset Management[3]	Jupiter was established in London in 1985 as a specialist investment boutique. Since then it has expanded beyond the UK and managed £50.2bn as at 31 December 2022.	Looks for out-of-favour and undervalued businesses with prominent franchises and sound balance sheets.	11% (7% at 31 Dec 2021)
Lyrical Asset Management	Lyrical Asset Management is a boutique advisory firm based in New York, with 250 clients and discretionary assets under management (AUM) of over $6.4bn as at 31 December 2022.	Looks for quality US companies with simpler business models and attractive growth amid the cheapest 20% of their universe.	7% (7% at 31 Dec 2021)
Metropolis Capital	Metropolis is a UK-based firm with a value-based investment style. It had £2.6bn assets under management at 31 December 2022.	Focuses on long-term market recognition of the fundamental value of their investments and income generated from those investments.	10% (10% at 31 Dec 2021)
Sands Capital	Sands is an independent, employee-owned firm based in Greater Washington DC, USA. As at 31 December 2022, it had assets under management of $38.9bn.	Focuses on finding high-quality, wealth-creating growth businesses that can sustain above-average earnings growth over the long term.	5% (8% at 31 Dec 2021)
Sustainable Growth Advisers (SGA)	SGA is based in Stamford, Connecticut USA, and manages US, global, emerging markets and international large-cap growth portfolios. It had assets of $20.7bn as at 31 December 2022.	Seeks differentiated companies that have strong pricing power with recurring revenue, strong cash flow generation and long runways of growth.	11% (11% at 31 Dec 2021)
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 2022 it managed £19.5bn.	Aims to grow real wealth over five-year periods by looking for highly cash generative protected businesses benefitting from enduring growth trends.	15% (13% at 31 Dec 2021)
Vulcan Value Partners	Vulcan is based in Birmingham, Alabama, USA, and was founded in 2007. As at 31 December 2022 it managed $8.1bn 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.	7% (8% at 31 Dec 2021)

3. 'JUPITER' and JUPITER are the trade marks of Jupiter Investment Management Group Ltd.
River & Mercantile Asset Management's mandate was terminated in March 2022. As at 31 December 2021, it managed 6% of the Company's portfolio.

INVESTMENT PORTFOLIO

OUR LARGEST 30 INVESTMENTS AT 31 DECEMBER 2022



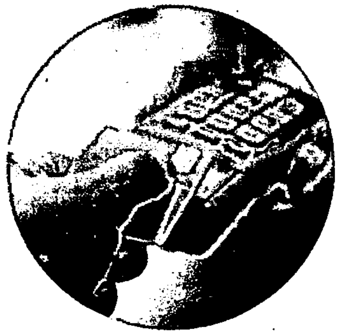
Alphabet

1

Alphabet

Alphabet is a holding company that engages in the acquisition and operations of different firms. It is best known as a 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.

Country of Listing	**United States**
Sector	**Communication Services**
Value of Holding (£m)	**103.3**
Net purchases in 2022 (£m)	**40.4**
% of Total Assets	**3.3**
% of MSCI ACWI	**1.8**
% Average Portfolio Weight	**3.8**
% Total Return	**-32.1**



VISA

2

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 use. 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	**Information Technology**
Value of Holding (£m)	**95.4**
Net sales in 2022 (£m)	**33.9**
% of Total Assets	**3.1**
% of MSCI ACWI	**0.6**
% Average Portfolio Weight	**3.0**
% Total Return	**7.3**

Microsoft

Microsoft

③

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.

Country of Listing	United States
Sector	Information Technology
Value of Holding (£m)	93.7
Net purchases in 2022 (£m)	2.2
% of Total Assets	3.0
% of MSCI ACWI	3.0
% Average Portfolio Weight	2.8
% Total Return	-20.9

mastercard.

Mastercard

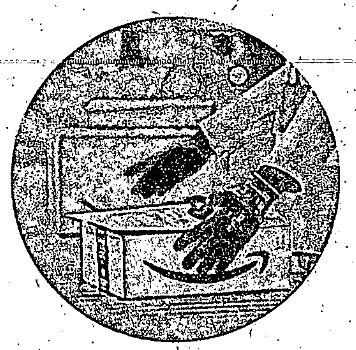
④

Mastercard is an American technology company in the global payments business. It works with a wide range of consumers across individuals to corporations to governments to enable and facilitate electronic forms of payment. It provides technological solutions and enablement of electronic payment solutions. Mastercard is a firm that has shown good stability and quality with its earnings, holding one of the dominant positions amongst payment solutions.

Country of Listing	United States
Sector	Information Technology
Value of Holding (£m)	66.0
Net purchases in 2022 (£m)	0.9
% of Total Assets	2.1
% of MSCI ACWI	0.5
% Average Portfolio Weight	1.8
% Total Return	9.3

INVESTMENT PORTFOLIO

OUR LARGEST 30 INVESTMENTS AT 31 DECEMBER 2022

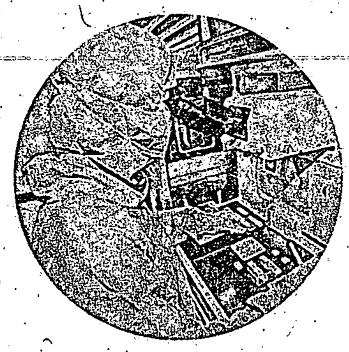


5

Amazon.com

Amazon.com is an American multinational technology company that focuses on e-commerce, online advertising, cloud computing, digital streaming, and artificial intelligence. Amazon offers personalised shopping services, web-based credit card payment, direct shipping to customers, as well as operating a cloud platform offering services globally. Amazon's revenue growth does not only benefit from increases in online shopping. The opportunity for growth is also driven by the strength and execution in AWS, its cloud computing business.

Country of Listing	**United States**
Sector	**Consumer Discretionary**
Value of Holding (£m)	**61.9**
Net purchases in 2022 (£m)	**26.8**
% of Total Assets	**2.0**
% of MSCI ACWI	**1.4**
% Average Portfolio Weight	**1.9**
% Total Return	**-44.3**

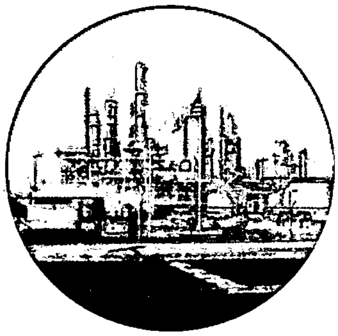


6

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)	**53.8**
Net purchases in 2022 (£m)	**11.9**
% of Total Assets	**1.7**
% of MSCI ACWI	**0.9**
% Average Portfolio Weight	**1.6**
% Total Return	**19.6**



ExxonMobil

(7)

ExxonMobil

ExxonMobil is a global oil and gas company that explores for, produces, and sells crude oil, natural gas and petroleum products. It holds an industry-leading inventory of global oil and gas resources and is a world leading refiner and marketer of petroleum products. It has been in existence for over a century and is known for innovation and being a leader in the energy and chemical manufacturing business. ExxonMobil markets fuels, lubricants, and chemicals under four brands: Esso, Exxon, Mobil and ExxonMobil.

Country of Listing	United States
Sector	Energy
Value of Holding (£m)	49.0
Net sales in 2022 (£m)	7.8
% of Total Assets	1.6
% of MSCI ACWI	0.8
% Average Portfolio Weight	1.5
% Total Return	107.9

HDFC BANK

(8)

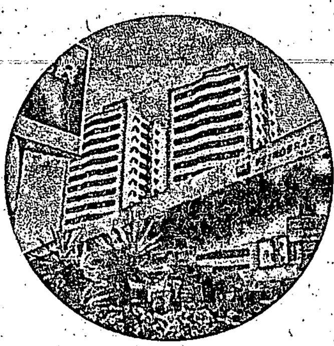
HDFC Bank

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. HDFC markets project advisory services and capital market products such as Global Deposit Receipts, Euro currency loans, and Euro currency bonds. The firm is one of the largest on the Indian stock exchange and also one of the major employers in the country.

Country of Listing	India
Sector	Financials
Value of Holding (£m)	47.4
Net purchases in 2022 (£m)	14.2
% of Total Assets	1.5
% of MSCI ACWI	0.0
% Average Portfolio Weight	1.1
% Total Return	18.7

INVESTMENT PORTFOLIO

OUR LARGEST 30 INVESTMENTS AT 31 DECEMBER 2022



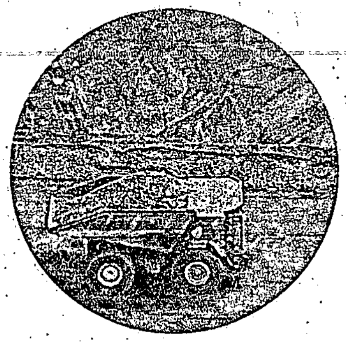
PETROBRAS

9

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; 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.

Country of Listing	**Brazil**
Sector	**Energy**
Value of Holding (£m)	**43.7**
Net purchases in 2022 (£m)	**0.9**
% of Total Assets	**1.4**
% of MSCI ACWI	**0.1**
% Average Portfolio Weight	**1.8**
% Total Return	**71.9**



VALE

10

Vale

Vale is a metal and mining company in Brazil. It produces and sells iron ore, pellets, manganese, alloys, gold, nickel, copper, kaolin, bauxite, alumina, aluminium, potash and more. Amongst these, the firm is the largest producer of iron ore and nickel in the world and runs the Carajas mine, the largest iron mine in the world. Iron ore exports in Brazil account for about one third of the world's supply. The company is Brazil's largest public company, and locally it owns and operates railroads and maritime terminals.

Country of Listing	**Brazil**
Sector	**Materials**
Value of Holding (£m)	**36.6**
Net sales in 2022 (£m)	**28.6**
% of Total Assets	**1.2**
% of MSCI ACWI	**0.1**
% Average Portfolio Weight	**0.8**
% Total Return	**44.1**

	Name	Country of Listing	Value of Holding £m	% of Total Assets	% Average Portfolio Weight
11	**Interpublic Group**	**United States**	**36.3**	**1.2**	**1.0**
12	**TotalEnergies**	**France**	**34.1**	**1.1**	**0.7**
13	**AstraZeneca**	**United Kingdom**	**34.1**	**1.1**	**0.9**
14	**British American Tobacco**	**United Kingdom**	**33.2**	**1.1**	**0.7**
15	**Safran**	**France**	**32.6**	**1.0**	**0.9**
16	**Bureau Veritas**	**France**	**31.2**	**1.0**	**0.9**
17	**DBS Bank**	**Singapore**	**29.8**	**1.0**	**1.0**

11 Interpublic Group: Interpublic Group is an organisation of advertising agencies and marketing service companies. The company operates globally in various sectors.

12 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).

13 AstraZeneca: AstraZeneca operates as a holding company. The company, through its subsidiaries, researches, manufactures, and sells both pharmaceutical and medical products.

14 British American Tobacco: British American Tobacco has been in existence for over a century and operates as a holding company for a group of companies that manufactures, markets, and sells cigarettes and other tobacco products including cigars and roll-your-own tobacco.

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

16 Bureau Veritas: Bureau Veritas is a world leading company that provides a range of consulting services, including global inspection and audit, tests and certification applied to quality, hygiene, safety and health. The firm was founded in 1827.

17 DBS Bank: DBS Bank and its subsidiaries provide a variety of financial services. The company offers services including mortgage financing, lease and hire purchase financing, nominee and trustee, funds management, corporate advisory, and brokerage.

INVESTMENT PORTFOLIO

OUR LARGEST 30 INVESTMENTS AT 31 DECEMBER 2022

	Name	Country of Listing	Value of Holding £m	% of Total Assets	% Average Portfolio Weight
18	**Berkshire Hathaway**	**United States**	**29.5**	**1.0**	**0.5**
	Berkshire Hathaway is a holding company owning subsidiaries in a variety of business sectors. The company's principal operations are insurance businesses, conducted nationwide on a primary basis, and worldwide on a reinsurance basis.				
19	**Heidelberg Materials**	**Germany**	**29.2**	**0.9**	**0.8**
	Heidelberg Materials produces and markets cement and aggregates (two essential raw materials for concrete) as one of the world's largest building materials companies. Downstream activities include mainly the production of ready-mixed concrete as well as asphalt and other building products.				
20	**Canadian Pacific**	**Canada**	**29.1**	**0.9**	**1.0**
	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.				
21	**MercadoLibre**	**Uruguay**	**28.9**	**0.9**	**0.8**
	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, conduct sales, and purchases online in either a fixed-price and auction format.				
22	**Makita**	**Japan**	**27.8**	**0.9**	**0.8**
	Makita, founded in 1915, manufactures electric power tools, including battery-operated power tools, stationary wood working machines, pneumatic devices, and gardening tools for global distribution. The Company also produces power tool attachments and accessories and provides parts replacement and repair services.				
23	**VINCI**	**France**	**27.4**	**0.9**	**0.8**
	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.				
24	**AIA**	**Hong Kong**	**27.3**	**0.9**	**0.7**
	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	% Average Portfolio Weight
25	**Glencore**	**Switzerland**	**26.9**	**0.9**	**0.7**
	Glencore is one of the world's largest diversified natural resources companies. The company operates in metals and minerals, energy products, and agricultural products. It is also a market leader in recycling copper and precious metals. It offers products and services to a global network of clients in automotive, power generation, steel production, food processing and more.				
26	**Murata Manufacturing**	**Japan**	**26.2**	**0.8**	**0.7**
	Murata Manufacturing manufactures and sells electronic modules and components. The company produces communication modules, power supply modules, multilayer ceramic capacitors, noise countermeasure components, timing devices, sensor devices, high frequency components, batteries, and other products.				
27	**Convatec**	**United Kingdom**	**26.1**	**0.8**	**0.8**
	Convatec manufactures medical and surgical equipment, marketing its products worldwide. The company offers urine meters, dressings, negative pressure wound systems, adhesive removers, and infusion devices.				
28	**Unilever**	**United Kingdom**	**26.0**	**0.8**	**0.8**
	Unilever manufactures personal care products. The company offers consumer goods, food, detergents, fragrances, beauty, home, and personal care products. It serves customers worldwide.				
29	**Adidas**	**Germany**	**25.3**	**0.8**	**0.8**
	Adidas manufactures sports shoes and sports equipment. The company produces products that include footwear, sports apparel, and golf clubs and balls. Adidas sells its products worldwide.				
30	**Airbus**	**France**	**25.1**	**0.8**	**0.1**
	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.				

Source: WTW, The Bank of New York Mellon, MSCI Inc.
Note: All figures are subject to rounding differences.

INVESTMENT PORTFOLIO

OUR OTHER INVESTMENTS AT 31 DECEMBER 2022

Name	Country of Listing	% of Total Assets	Value of Holding £m
Baidu	China	0.8	25.0
ASML	Netherlands	0.8	24.9
General Electric	United States	0.8	24.7
Charter Communications	United States	0.8	24.7
Yum	United States	0.8	24.4
Danaher	United States	0.8	24.4
The Cooper Companies	United States	0.8	24.4
State Street	United States	0.8	24.2
Kyndryl	United States	0.8	24.0
Exelon	United States	0.8	23.6
Enbridge	Canada	0.8	23.4
Intuit	United States	0.7	23.3
News Corp	United States	0.7	23.2
Imperial Brands	United Kingdom	0.7	23.2
Stericycle	United States	0.7	23.0
Fleetcor Technology	United States	0.7	22.8
Standard Chartered	United Kingdom	0.7	22.5
BP	United Kingdom	0.7	22.3
Kuehne & Nagel	Switzerland	0.7	22.2
ICON	Ireland	0.7	22.2
Humana	United States	0.7	21.2
Autodesk	United States	0.7	21.1
S&P Global	United States	0.7	21.0
Booking Holdings	United States	0.7	20.9
KKR	United States	0.7	20.8
Workday	United States	0.7	20.5
Schwab (Charles)	United States	0.7	20.3
salesforce.com	United States	0.6	20.1
Fiserv	United States	0.6	20.0
Continental	Germany	0.6	19.9
Covestro	Germany	0.6	19.5
Smiths Group	United Kingdom	0.6	19.3
Molson Coors	United States	0.6	19.3
Paypal	United States	0.6	19.2
Weir Group	United Kingdom	0.6	19.1
Aena	Spain	0.6	19.0
Ashtead	United Kingdom	0.6	18.8
Comcast	United States	0.6	18.7
GSK	United Kingdom	0.6	18.7
Ebara	Japan	0.6	18.3

Name	Country of Listing	% of Total Assets	Value of Holding £m
Bayer	Germany	0.6	18.1
Schneider Electric	France	0.6	17.8
Texas Instruments	United States	0.6	17.8
Harley Davidson	United States	0.6	17.7
Intel	United States	0.6	17.6
Amadeus IT	Spain	0.6	17.6
Skyworks Solution	United States	0.5	17.0
CVS Health	United States	0.5	16.8
Walmart	United States	0.5	16.8
Broadcom	United States	0.5	16.2
United Rentals	United States	0.5	16.2
Santen Pharmaceutical	Japan	0.5	16.1
Transdigm	United States	0.5	16.0
DKSH Holding	Switzerland	0.5	16.0
Admiral	United Kingdom	0.5	15.7
Flex	United States	0.5	15.3
Cigna	United States	0.5	15.2
WPP	United Kingdom	0.5	14.8
Cisco Systems	United States	0.5	14.7
Hargreaves Lansdown	United Kingdom	0.5	14.7
Swire Pacific	Hong Kong	0.5	14.6
Ameriprise Financial	United States	0.5	14.4
CBRE Group	United States	0.5	14.3
TP ICAP	United Kingdom	0.4	14.0
Signify	Netherlands	0.4	13.9
Aercap	Ireland	0.4	13.7
Carlyle Group	United States	0.4	13.7
Dexcom	United States	0.4	13.4
HCA Healthcare	United States	0.4	12.9
ITC	India	0.4	12.8
Housing Development Finance	India	0.4	12.8
Zebra Technologies	United States	0.4	12.7
Kingfisher	United Kingdom	0.4	12.3
TS Tech	Japan	0.4	11.8
Western Union	United States	0.4	11.5
Kubota	Japan	0.4	11.4
ServiceNow	United States	0.4	11.3
Keyence	Japan	0.4	11.0
Oracle	United States	0.3	10.6
Sonic Healthcare	Australia	0.3	10.4

INVESTMENT PORTFOLIO

OUR OTHER INVESTMENTS AT 31 DECEMBER 2022

Name	Country of Listing	% of Total Assets	Value of Holding £m
Synnex	United States	0.3	10.1
NRG Energy	United States	0.3	9.9
Intercontinental Exchange	United States	0.3	9.5
Liberty Global	United Kingdom	0.3	9.3
Whirlpool	United States	0.3	9.2
Kato Sangyo	Japan	0.3	9.0
Global Payments	United States	0.3	8.9
Adient	Ireland	0.3	8.6
Lithia Motors	United States	0.3	8.3
Ebay	United States	0.3	8.0
META	United States	0.3	7.9
Reliance Industries	India	0.2	7.5
Entegris	United States	0.2	7.3
Edwards Lifesciences	United States	0.2	7.1
Block	United States	0.2	7.1
Andritz	Austria	0.2	7.1
Snowflake	United States	0.2	7.1
Netflix	United States	0.2	6.6
Taiwan Semiconductor Manufacturing	Taiwan	0.2	6.4
Liberty Media	United States	0.2	6.4
Atlassian	United States	0.2	6.3
Gruma	Mexico	0.2	6.3
Adyen	Netherlands	0.2	6.1
Shopify	Canada	0.2	5.9
Itau Unibanco	Brazil	0.2	5.8
ICICI Bank	India	0.2	5.7
Sea	Singapore	0.2	5.7
Lincoln National	United States	0.2	5.3
Western Digital	United States	0.2	5.2
Eletrobras	Brazil	0.2	5.2
State Bank of India	India	0.2	4.9
Philip Morris International	United States	0.2	4.9
Bank Central Asia	Indonesia	0.2	4.8
Wal-Mart de Mexico	Mexico	0.1	4.6
Bharti Airtel	India	0.1	4.4
Heineken	Netherlands	0.1	4.4
Shell	United Kingdom	0.1	4.2
Sun Pharmaceutical Industries	India	0.1	4.0
America Movil	Mexico	0.1	3.9
Hanesbrands	United States	0.1	3.9

Name	Country of Listing	% of Total Assets	Value of Holding £m
Bank Mandiri	Indonesia	0.1	3.9
Bread Financial	United States	0.1	3.8
Cloudflare	United States	0.1	3.7
Commscope Holdings	United States	0.1	3.6
Coca-Cola	United States	0.1	3.6
Cipla	India	0.1	3.5
Petrochina Co Ltd	China	0.1	3.5
Eni	Italy	0.1	2.9
Banorte	Mexico	0.1	2.6
Kasikornbank	Thailand	0.1	2.5
POSCO	South Korea	0.1	2.4
Tata Steel	India	0.1	2.4
Power Grid	India	0.1	2.3
BTG Pactual	Brazil	0.1	2.3
Ping An Insurance	China	0.1	2.2
Moody's	United States	0.1	2.1
JSW Steel	India	0.1	2.0
B3	Brazil	0.1	1.9
SK Telecom	South Korea	0.1	1.8
Banco Bradesco	Brazil	0.1	1.6
Zijin Mining Group	China	0.1	1.6
PICC Property and Casualty	China	0.0	1.3
Turkish Airlines	Turkey	0.0	1.3
Paramount Global	United States	0.0	0.9
Bajaj Finserv	India	0.0	0.9
Tüpraş	Turkey	0.0	0.5
Standard Bank	South Africa	0.0	0.4
Akbank	Turkey	0.0	0.3
China Resources Land	Hong Kong	0.0	0.2
Koc Holding	Turkey	0.0	0.2
Garanti BBVA	Turkey	0.0	0.2
China Overseas Land	Hong Kong	0.0	0.2
Bank Negara Indonesia	Indonesia	0.0	0.1
Sitios Latinoamérica	Mexico	0.0	0.1
China Hongqiao	China	0.0	0.0
BİM	Turkey	0.0	0.0

Source: The Bank of New York Mellon.
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.

DIVIDEND

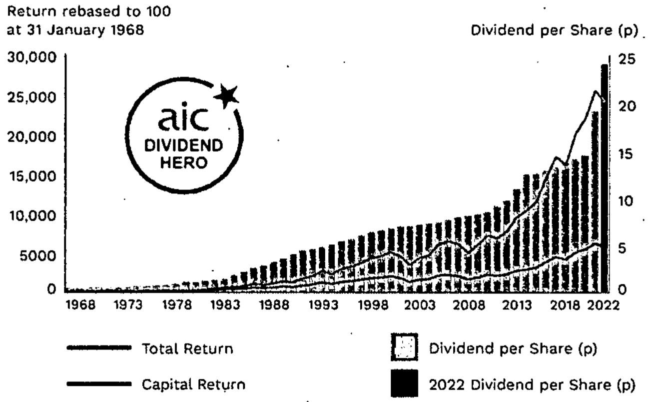
As previously noted in the Chairman's Statement on page 6, the Company has increased its total dividend for the year ended 31 December 2022 to 24.00p per ordinary share (2021: 19.05p), a 26% increase on the previous year.

During the year under review, the Board was pleased to be able to pay shareholders a consistent quarterly dividend of 6.0p per ordinary share, being an increase on the corresponding quarterly dividend payments in the previous financial year. The total of the first and second interim dividends represented an increase of 62.1% on the same payments for 2021. Details of the payments can be found below.

Dividend	2022 (p)	2021 (p)	% increase
1st Interim	6.0	3.702	62.1
2nd Interim	6.0	3.702	62.1
3rd Interim	6.0	5.825	3.0
4th Interim	6.0	5.825	3.0

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 56-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 following chart shows the growth in the Company's dividend over the last 56 years.



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.

The Board aims to continue delivering a rising dividend year after year as well as capital growth. The chart 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 £23,926 at the end of 2022, and £5,643 if you did not.

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.

> "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 £23,926 at the end of 2022."

INCOME & DISTRIBUTABLE RESERVES

The Company's income receipts from dividends in 2022 saw a significant increase to £94.9m (2021: £61.9m). The same level of dividend income may not continue in 2023.

The Company's distributable reserves at 31 December 2022 were £2.9bn (2021: £3.3bn). Of these, the Company's revenue reserve was £102.3m (2021: £95.2m), realised capital reserves were £2.7bn (2021: £2.8bn) and unrealised capital reserves were £0.1bn (2021: £0.5bn). Both elements of the capital reserves are readily convertible to cash.

FOURTH INTERIM DIVIDEND DECLARATION

A fourth interim dividend of 6.0p per ordinary share will be paid on 31 March 2023 to shareholders who are on the register at close of business on 10 March 2023. The fourth interim dividend will be fully paid from income, with no requirement to utilise revenue reserves. The payment dates for the 2023 financial year can be found on page 115.

ONGOING CHARGES & DISCOUNT

ONGOING CHARGES[1]

The Company's Ongoing Charges Ratio (OCR) marginally increased to 0.61% (2021: 0.60%). Total administrative expenses were £6.5m (2021: £5.9m) and investment management expenses were £12.8m (2021: £14.1m). 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 which is consistent with the Association of Investment Companies (AIC) Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts. 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.

SHARE BUYBACKS

The Company bought back 5.0% of its issued share capital during the year, purchasing 15,537,581 shares for cancellation. The total cost of the share buybacks was £149.6m. The weighted average discount of shares bought back in the year was 6.3%. All the shares bought back were cancelled. Share buybacks contributed a total of 0.3% to the Company's NAV performance in the year.

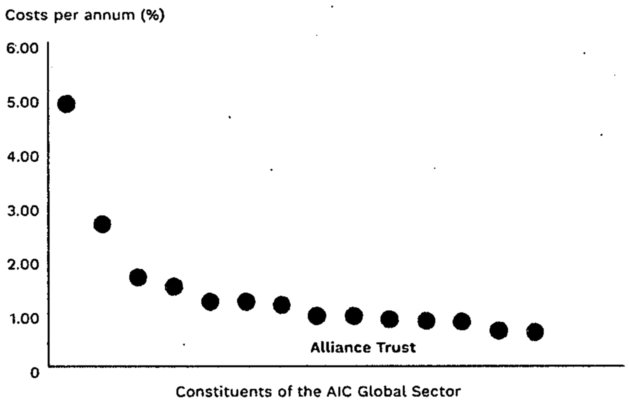
DISCOUNT[1]

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 5.9%.

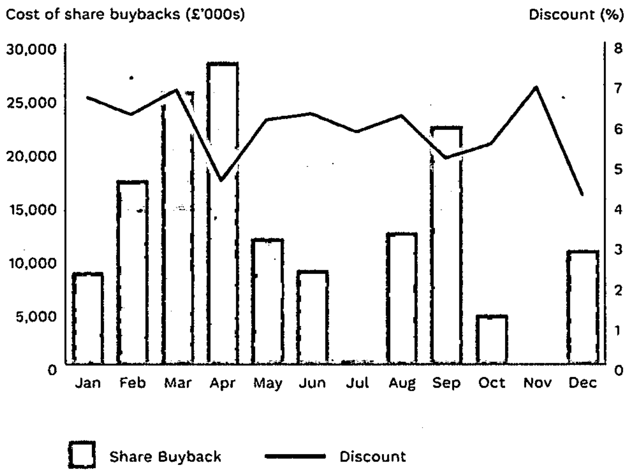
As at 31 December 2022, the Company's share price discount was 4.2% (2021: 5.3%). The average discount (unweighted) for the AIC Global Sector was 7.4%.

OUR COSTS ARE COMPETITIVE



Notes: The charges are shown for the investment companies in the AIC global equity sector and include Ongoing Costs, Portfolio Transaction Costs and Performance Fees. Data sourced on 29 December 2022 by WTW from each investment company's Key Information Documents (KIDs) available on their website. As such, cost data may be as at different dates.

DISCOUNT AND SHARE BUYBACKS



Source: WTW, Bank of New York Mellon.

1. Alternative Performance Measure (see page 110 for details).

HOW WE MANAGE OUR RISKS

STRATEGIC OBJECTIVES

The strategic objectives of the Company are to:

- Consistently meet the investment performance targets set by the Board;
- Continue its policy of paying a progressive dividend;
- Maintain a stable discount; and
- Provide good value to its shareholders.

The Board determines the levels of risk that it is prepared to accept to achieve the Company's strategic objectives. It then monitors whether there is a possibility of any of these risk levels being breached (through Early Warning Indicators, or EWIs) and, if there is, it will take action to bring the level of risk back within the EWI it has set. During the year, the EWI's were reviewed to ensure they remained appropriate. No changes were made to the list of EWIs.

At the year end, there were three measures which triggered their EWIs. Details of which are as follows:

Portfolio Performance: The EWI was triggered due to the underperformance of the portfolio against the MSCI ACWI over a rolling three-year period.

Portfolio Turnover: The EWI was triggered as a result of increased turnover due to Stock Picker changes and trading in the portfolio when Stock Pickers took advantage of opportunities in the market.

Operational Risk: The EWI was triggered as a result of factsheet errors. Additional controls have subsequently been put in place to mitigate the risk of future errors being made.

PRINCIPAL AND EMERGING RISKS

In common with other financial services organisations, the Company's business model results in inherent risks. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company and how these are continuously monitored and managed.

As an investment company, investment risk has the potential to impact the Company significantly. We explain on the next page how we mitigate against the potential impact of this risk. 2022 was a challenging year as a result of geopolitical tension, inflation and the risk of many economies entering into recession, all of which adversely impacted the global economy. The market outlook for 2023 remains highly uncertain as policy makers continue to battle inflation without triggering a deep recession. The backdrop of the war in Ukraine also continues to impact market and investor confidence.

The other area where we see risk evolving relates to ESG matters and we cover the actions being taken on this within the portfolio on pages 15 to 17 and operationally on page 39. In addition to considering the potential adverse impact of ESG factors on the Company's reputation and financial performance, a specific climate change risk, along with mitigating activities at Company and portfolio level, is being monitored..

Set out on the next five pages are the Company's principal and emerging risks that could impact on the achievement of the strategic objectives and the Board's view of each risk.

HOW WE MANAGE OUR RISKS

Investment, Counterparty and Financial Risks

Risk	Risk Trend during 2022	Mitigating Activities
Market Risk Risk of a general fall in equity markets that would lead to a lower valuation of the Company's investments.	▲ Increased After a strong 2021, 2022 was challenging for global equity markets with concerns over the economic implications of the Russia-Ukraine conflict, the potential need for a faster pace of interest rate hikes to combat higher inflation, and renewed Covid-19 outbreaks in China led to an increased volatility in equities.	• Active management of the concentrated high conviction approach employed by the Company means that it should be able to take advantage of any volatility caused by external factors as it creates opportunities. • The investment approach focuses on company fundamentals with stock selection being the main driver of investment performance rather than sentiment-driven market movements. • The portfolio is managed to be broadly balanced in terms of style, sector, and geographical exposures relative to the benchmark, avoiding being held hostage to any one particular risk factor that might fall out of favour at any point in time which is near impossible to predict. The Company can use derivative instruments to hedge, enhance and protect positions including currency exposures.
Investment Performance Risk Investment performance fails to deliver long-term capital growth and rising income that meet the targets set by the Board.	▼ Decreased Whilst the Company's portfolio returned negatively in 2022, it outperformed its benchmark over the period.	• The Company is closed-ended and, unlike open-ended funds, does not have to sell investments at low valuations in volatile markets. This allows Stock Pickers to remain invested for the long term and adhere to their disciplined investment process. • The Company's multi-manager approach benefits from a rich mix of investment styles which reduces the risk of isolated losses normally associated with a single Stock Picker. • The portfolio is designed to outperform the market over the long term, regardless of the market conditions, by blending the stocks invested in by Stock Pickers with different complementary styles into a diversified, high conviction global equity portfolio expected to deliver consistent outperformance with lower volatility. • The Investment strategy and the performance of the Stock Pickers as well as the composition, allocation/re-balancing and diversification of the portfolio are regularly reviewed. • The Board actively considers the prevailing external environment and outlook in its decision-making process. • The global market appears to be less skewed towards large US technology stocks. This offers more opportunity for active Stock Pickers to add value through high conviction stock selection and for the portfolio to outperform its index.

Investment, Counterparty and Financial Risks continued

Risk	Risk Trend during 2022	Mitigating Activities
Credit and Counterparty 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. Counterparty risk is the risk that a counterparty to an agreement will fail to discharge an obligation or commitment that it has entered into with the Company.	▶ Unchanged The credit and service quality of the third parties that the Company dealt with in 2022 remained at appropriate levels.	• The Company contracts only with creditworthy counterparties. • Its main transactions relating to investments are carried out with well-established brokers on a cash against receipt, or cash against delivery, basis. • A due diligence process is followed when selecting third-party service providers. • Outsourced providers are subject to regular oversight by the Board, the Company Secretary[1] and the Depositary. • The Company's Depositary is responsible for the safekeeping of the Company's assets and liable to the Company for any loss of assets. Reports from the Depositary and Custodian are reviewed regularly by the Board, the Company Secretary[1] and WTW. Daily reconciliation of the Company's assets is undertaken. 1. For the year ended 31 December 2022, this was undertaken by the Executive team.
Capital Structure and Financial Risk The capital structure is not appropriate to support the Company's strategic objectives, risk appetite and overall operations. The Company does not have sufficient liquid resources to ensure it can meet its liabilities as they fall due and the fair value of the assets of the Company is amplified by any gearing that the Company may have.	▶ Unchanged The Board used the tools at its disposal to manage the share capital, reserves, discount and gearing at stable levels.	• The Board regularly reviews the capital structure of the Company including, but not limited to, issued share capital, discount and share buybacks, capital and other reserves, and gearing. • The Board (and the Company's Broker) monitors the discount level closely and has taken the powers, which it seeks to renew each year, for share issuance, buybacks and cancellation to support the management of the discount. • In 2021, the Company was granted Court approval for the conversion of the Company's merger reserve into a distributable reserve. This has provided the Company with increased flexibility in the way it can fund dividend payments. • Stress and scenario testing is carried out on the portfolio and reported to the Committee by WTW. • Liquidity analysis, including liquidity stress testing, is carried out on the portfolio and reported to the Committee by WTW. • The Company's portfolio comprises quoted equities which are readily realisable.

HOW WE MANAGE OUR RISKS

Operational Risks		
Risk	**Risk Trend during 2022**	**Mitigating Activities**
Cyber attack Failure to ensure that the business is adequately protected against the threat of cyber attack, which may lead to significant business disruption or external fraud.	▲ Increasing The Russian-Ukraine conflict increased the risk of global cyberattacks on critical systems and business applications with the risk of spillover cyberattacks against non-primary targets becoming more widespread.	• The Company benefits from the level of IT security put in place by its third-party IT service provider. This includes having in place security designed to protect systems from cyber attack. • Business continuity plans are in place should a cyber attack occur.
Outsourcing Loss arising from inadequate or failed processes, people and/or systems of outsourced functions.	▶ Unchanged The outsourced providers and Executive team continued to provide services under a hybrid working model during 2022 with no adverse impact on the standard of service received.	• WTW monitors and reports on the performance of outsourced providers to the Board which also receives control reports from certain service providers. • WTW itself is monitored by the Board and the Company Secretary, and the Depositary which also monitors the Custodian. • The Board also monitors the performance of Juniper Partners Limited following its appointment as Company Secretary on 31 December 2022.

Environmental, Social and Governance (ESG) factors		
Risk	**Risk Trend during 2022**	**Mitigating Activities**
Environmental, Social and Governance (ESG) factors Failure to consider the impact of ESG factors adversely affecting the Company's reputation and financial performance. The adverse impact of climate-related risks (both physical and transition risks) on the Company's business strategy, operating model, investment strategy and financial planning.	▲ Increased Increasing volume, short implementation deadlines and lack of commonality of new ESG regulations issued by multiple regulators, accompanied by increased regulatory focus and labelling and marketing of investment products as having ESG characteristics increase the perceived risk of greenwashing. In 2022, some of the Stock Pickers found attractive opportunities in the Energy sector, leading to an increase in the portfolio's carbon footprint.	• WTW's approach to ESG is embedded within its overall assessment of the Company's Stock Pickers. • The appointment of the EOS (Equity Ownership Services team) at Federated Hermes has strengthened the Company's commitment to responsible investment. • The Board will continue to consider developments in this area such as the recommendations from the Task Force on Climate-related Financial Disclosures, and the FCA's Sustainability Disclosure Regulation currently under consultation. • The Company committed to transitioning its portfolio to Net Zero greenhouse gas emissions by 2050. • Stocks with significant exposure to thermal coal and tar sands are excluded from the portfolio. • WTW is a signatory to the Net Zero Asset Managers Initiative, the Principles for Responsible Investment and the UK Stewardship Code. • EOS and a number of our Stock Pickers are signatories to the Climate Action 100+ initiative. • The Company calculates its carbon footprint based on the GHG Protocol Corporate Accounting and Reporting Standard and verified by Carbon Footprint Limited. • WTW monitors the carbon intensity of the Company's portfolio against recognised benchmarks. • The Company has a small physical presence with a limited impact on the environment.

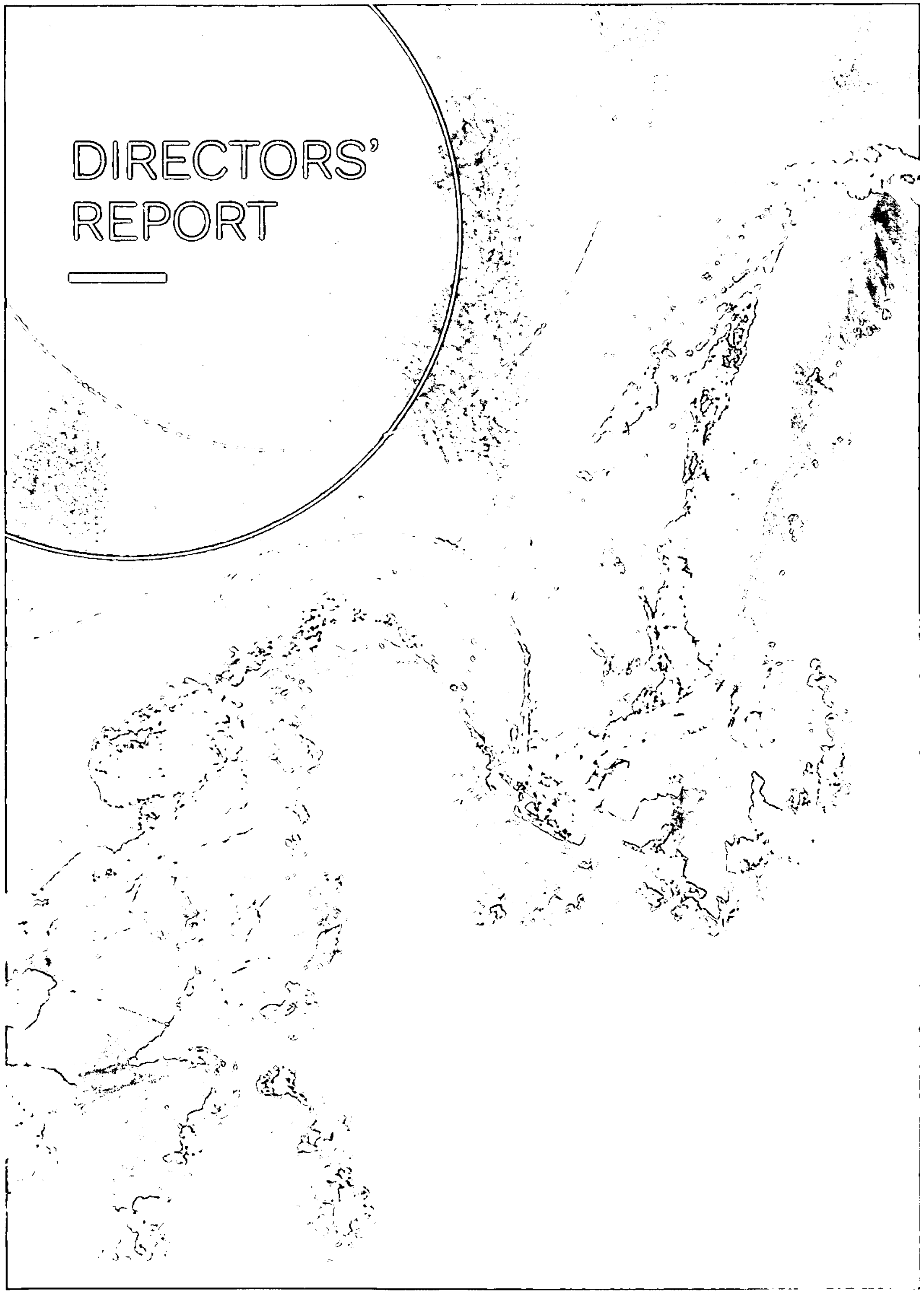
HOW WE MANAGE OUR RISKS

Legal and Regulatory Non-Compliance		
Risk	**Risk Trend during 2022**	**Mitigating Activities**
Legal and Regulatory non-compliance Failure of not meeting and complying with all relevant legal and regulatory requirements and responsibilities.	▶ Unchanged There were no material legal or regulatory issues for the Company that arose during 2022.	• The Board receives updates from WTW, the Company Secretary and the Company's legal advisers on legal and regulatory developments and changes.[1] • WTW reviews and monitors the Company's Investment Trust status and reports on this regularly to the Board. • On at least an annual basis, the Board receives updates from the Company's third-party service providers in respect of their compliance with legal and regulatory obligations. • The Board conducts an annual internal review on its and its Committees' effectiveness. An external review is carried out at least every three years and the last such review was in 2021. • Members of the Board and representatives from WTW and Company Secretary[1] periodically attend relevant industry training events. • Shareholder documentation including the Company's Interim and Annual Reports are subject to stringent review. • Processes and procedures are in place to ensure compliance with applicable requirements such as the Market Abuse Directive.

1. For the year ended 31 December 2022, this was undertaken by the Executive team.

The Strategic Report (including pages 2 to 40 of this document, the s172 statement on pages 59 to 61 and the viability statement on pages 62 and 63) has been approved by the Board and signed on its behalf by:

Gregor Stewart
Chairman


DIRECTORS'
REPORT

BOARD OF DIRECTORS

GREGOR STEWART
Chairman (Independent)

Chair of the Nomination Committee.

Gregor joined the Board in 2014 and chaired the Audit and Risk Committee until his appointment as Chairman in September 2019.

Gregor is a Chartered Accountant and was Finance Director for the insurance division of Lloyds Banking Group, including Scottish Widows, and a member of the Group's Finance Board. He worked for more than 20 years at Ernst & Young, with 10 years as a Partner in the firm's Financial Services practice.

Current Appointments

- **Direct Line Insurance Group plc**
  Non-Executive Director
- **FNZ (UK) Limited and its holding company**
  Chair of FNZ (UK) Limited and Non-Executive Director of its holding company

SARAH BATES
Senior Independent Director

Member of 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 (now Baillie Gifford China Growth 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 an Ambassador for Chapter Zero.

Current Appointments

- **Worldwide Healthcare Trust plc**
  Chair of the Nomination Committee and Senior Independent Director
- **John Lewis Partnership Trust for Pensions**
  Chair
- **BBC Pension Scheme**
  Independent Member of the Investment Committee and Chair of BBC Pension Investment Limited
- **USS Investment Management Limited**
  Chair

Guide to current appointments

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

ANTHONY BROOKE
Independent Non-Executive Director

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

Anthony joined the Board in 2015.

Anthony was a Vice Chairman of S.G. Warburg & Co. Ltd. and from 1999 to 2008 a partner in Fauchier Partners, a manager of alternative investments. Until 2010, Anthony was a Non-Executive Director of the PR consultancy, Huntsworth PLC.

Anthony will retire as a Non-Executive Director of the Company with effect from the conclusion of the Annual General Meeting on 27 April 2023.

Current Appointments

- **Investment Committee of the National Portrait Gallery**
  Member
- **Investments Committee of Christ's College, Cambridge**
  Member
- **Various Endowments**
  Adviser

DEAN BUCKLEY
Independent Non-Executive Director

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

Dean joined the Board in 2021.

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.

Current Appointments

- **Fidelity Special Values PLC**
  Chair
- **JPMorgan Asia Growth & Income plc**
  Chair of the Audit Committee, Remuneration Committee and Senior Independent Director
- **Baillie Gifford & Co Limited**
  Non-Executive Director
- **Evelyn Partners Fund Solutions Limited**
  Chair

BOARD OF DIRECTORS

JO DIXON
Independent Non-Executive Director

Chair of 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.

Current Appointments

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

CLARE DOBIE
Independent Non-Executive Director

Member of 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

- **Roman River Music charity**
  Trustee

VICKY HASTINGS
Independent Non-Executive Director

Member of 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 and Charter European Trust Plc.

Current Appointments

- **Henderson European Focus Trust Plc**
  Chair
- **Edinburgh Investment Trust Plc**
  Non-Executive Director and Senior Independent Director
- **Impax Environmental Markets Plc**
  Non-Executive Director
- **Moorfields Eye Charity**
  Trustee

MILYAE PARK
Independent Non-Executive Director

Member of 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 holds an MBA from The Wharton School. She has held senior global executive positions spanning investment banking and other financial services, retail, consumer and technology. Milyae has experience running and advising companies from FTSE 100 to start-up in scale in over 40 countries. In addition, her recent advisory experience has focused on digital transformation and growth, as well as ESG.

Current Appointments

- **Fidelity European Trust PLC**
  Non-Executive Director
- **Museum of London**
  Governor, Chair of the subsidiary Museum of London (Trading) Ltd
- **Faber and Faber Limited**
  Non-Executive Director

BOARD OF DIRECTORS

BOARD AND COMMITTEE ATTENDANCES

In 2022, in addition to the Board's regular quarterly meetings, several ad hoc Board meetings were held. There were four scheduled Audit and Risk Committee meetings and no ad hoc Audit and Risk Committee meetings were held (although there was a decision between meetings circulated by email). The Nomination Committee was established on 1 November 2022. There were no matters that required to be considered by the committee between its establishment and prior to the financial year end. The committee will meet for the first time in 2023.

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

1. Gregor Stewart stepped down as a Member of the Audit and Risk Committee on 1 July 2022.
2. Vicky Hastings and Milyae Park joined the Board on 29 September 2022.
3. Chris Samuel left the Board on 21 April 2022.

Several ad hoc working group meetings also took place to deal with specific activities during the year which involved some, or all, of the Directors. This included the Marketing Oversight Group. Details of its activities can be found on page 51.

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 members should have different skills, geographical and industry experience, backgrounds, ethnicity, race and gender. 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 plans on page 53. 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 three males and five females. One of the Directors is of a minority ethnic origin and of the two senior Board positions (Chairman and Senior Independent Director) one is male and the other 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. A table showing the gender and ethnicity of the Directors and workforce can be found on page 60.

In accordance with the AIC Code, as part of its succession planning program, the Board appointed Cornforth Consulting, an independent external search consultant to undertake a search for at least one Non-Executive Director. As a result of this search, Vicky Hastings and Milyae Park were appointed as Directors of the Company on 29 September 2022.

BOARD OF DIRECTORS

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

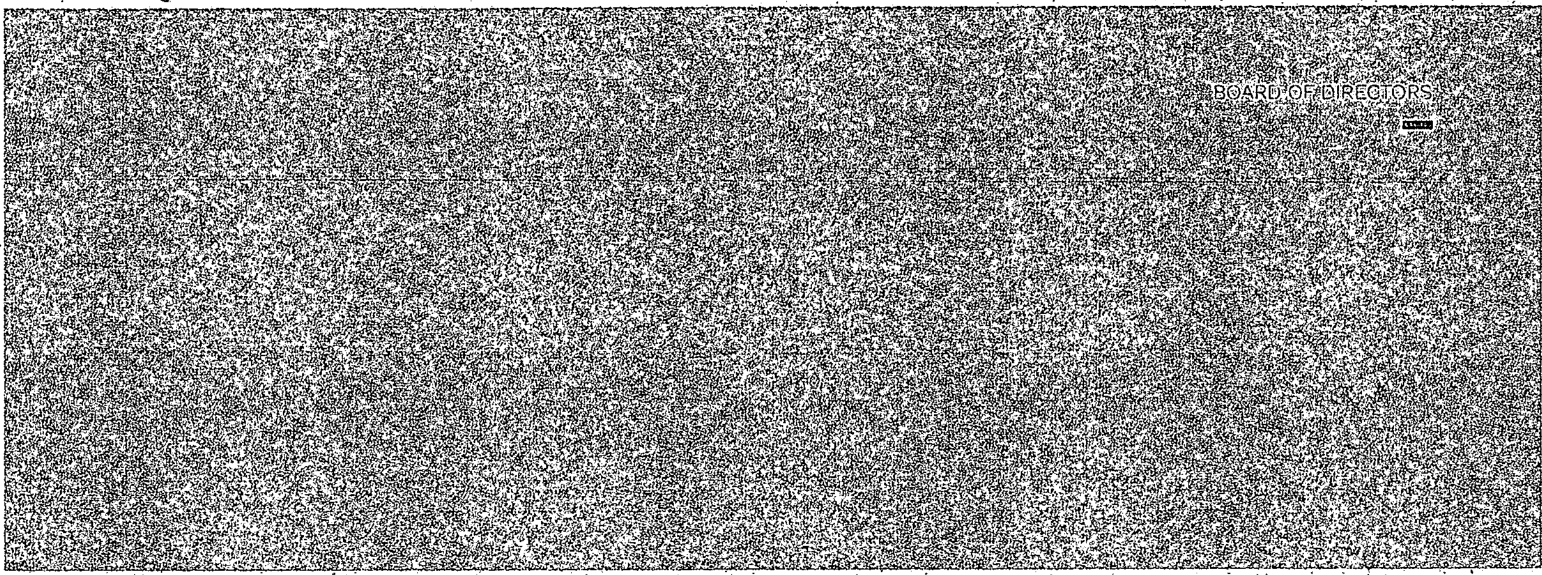
Director	Financial Services	Business Leadership	Asset Management	Investment Trusts	Marketing and Distribution	Finance
Gregor Stewart	✓	✓		✓	✓	✓
Sarah Bates	✓	✓	✓	✓	✓	✓
Anthony Brooke	✓		✓		✓	
Dean Buckley	✓	✓	✓	✓	✓	✓
Jo Dixon	✓	✓		✓		✓
Clare Dobie	✓		✓	✓	✓	
Vicky Hastings	✓	✓	✓	✓		
Milyae Park	✓	✓		✓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

BOARD EVALUATION

The annual review of individual Directors' performance is usually supported by an independent external facilitator and undertaken by way of questionnaire and discussions between the Chairman and each of the Directors. A review of the performance of the Chairman is undertaken by the other Directors, led by the Senior Independent Director. A more extensive review is undertaken every third year, with the last review having been undertaken for 2021.

During the year under review, the Board appointed Lintstock Limited ('Lintstock') to support its annual appraisal of the effectiveness of the Board, its Committees and the individual Directors. Lintstock, has no other connections with the Company or individual Directors and was therefore deemed independent. The findings of the external evaluation were discussed with the Chairman, and with the Senior Independent Director in respect of the Chairman's evaluation, and all findings were considered by the Board after the year-end.

The results of the evaluation confirmed that the Chairman continues to lead the Board in an effective manner. It also 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 by Lintstock. Some focal points were highlighted to the Board for 2023. These included ensuring the new operating model is effective and continuing to develop the Company's partnership with WTW – with a particular focus on the Company's marketing and distribution activities.



INVESTMENT MANAGER REVIEW

In addition to its ongoing monitoring of the Investment Manager, the Board undertakes a robust annual evaluation of its 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.

The Board's annual evaluation of the Investment Manager was also supported by Lintstock. Several areas were evaluated, these included the overall success of the Company's investment policy, the provision of information to both the Board and shareholders, regulatory compliance, sales and marketing, and fees. The Board agreed that, taking the factors that had impacted performance into consideration, the overall performance of the Investment Manager was in line with expectations. Some minor recommendations were made in respect of enhancements that could be made by the Investment Manager, all of which are being considered.

As previously noted in the Chairman's Statement on page 5, the Board also considered WTW's performance over the first five-year period since its appointment and commissioned a review by an external expert. The review included both quantitative analysis and interviews with the Investment Manager.

The Board was encouraged with the findings of the review which reinforced its own judgment that the Investment Manager's investment approach remained consistent with the investment objective of the Company, to produce a real return over the long term through a combination of capital growth and a rising dividend.

It is encouraging that, after facing a strong headwind for most of the period since WTW's appointment in April 2017, market conditions have now turned in the Company's favour. The index is no longer dominated by a handful of US growth stocks and there are more opportunities for skilled stock picking across countries and sectors.

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.

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 2022 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, as most of 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 also gains assurance on the effectiveness of the internal controls operated by third parties on its behalf from the reports that it receives from the Investment Manager and, up until the end of December 2022, the Company's Executive team.

As a result of the changes made to the Company's operating model at the end of 2022, this assurance will, in future come from the Investment Manager, Administrator, and Company Secretary. See page 59 for further details.

Remuneration and Management Engagement

As a purely Non-Executive Board with no Executive Directors, the Board does not consider it necessary to establish a Remuneration Committee. During the year under review, the only remuneration questions to be determined were in relation to the remuneration of the five members of the Executive team and the Directors' own remuneration.

As a result of the changes made to the Company's operating model, the only remuneration to be considered going forward will be 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 WTW's performance throughout the year and undertake a formal annual evaluation. 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 Gregor Stewart, 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 64 to 66 of this report.

“Through the appointment of two new directors, we have brought further diversity of skills and fresh perspectives to the Board.”

Gregor Stewart
Chairman

Nomination Committee

On 1 November 2022 the Board established a Nomination Committee which comprises all the Non-Executive Directors and is chaired by Gregor Stewart.

The primary responsibilities of the 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.

In addition, the committee is responsible for the annual performance evaluation of the Board and its committees.

Vicky Hastings and Milyae Park were appointed to the Board on 29 September 2022 in advance of the establishment of the Nomination Committee. There were no other matters that required to be considered by the committee between its establishment and the financial year end, accordingly, the committee will meet for the first time in 2023. A report on the work of the committee will be included in future annual reports.

The Board's Policy on diversity and what it has achieved can be found on page 47 and a table providing a breakdown of Directors and staff by gender and ethnicity can be found on page 60.

Committee Terms of Reference

The terms of reference of 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 66.

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 Marketing Oversight Group chaired by Clare Dobie. The Group works closely with the Company's Investment Manager, WTW, and met four times during the year. Matters considered included how the Company can better engage with shareholders who invest via a platform, wealth manager or other third parties.

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

Gregor Stewart
Chairman

CORPORATE GOVERNANCE

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.

The Board currently meets at least four times a year to review 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 one or more of the Stock Pickers attend each meeting. The Board arranges to meet with each of the Stock Pickers at least once a year. 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. In addition, 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[1] and the Directors.

1. For the year ended 31 December 2022, this was undertaken by the Executive team.

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.

THE DIRECTORS

The Board has no Executive Directors and currently comprises eight Independent Non-Executive Directors. The Board is wholly independent, with the Chairman having been considered to be independent on appointment. The Directors' biographies, including other board commitments, are set out on pages 42 to 45. 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 48, a summary of the key skills and expertise that the Board recognises the Directors should possess is also provided.

Name	Designation	Appointed	Expected minimum duration of appointment
Gregor Stewart	Chairman	1 December 2014; took on role of Chairman on 5 September 2019	April 2026*
Sarah Bates	Senior Independent Director	4 March 2021	April 2027
Anthony Brooke	Non-Executive Director	24 June 2015	April 2023**
Dean Buckley	Non-Executive Director	4 March 2021	April 2027
Jo Dixon	Non-Executive Director	29 January 2020	April 2026
Clare Dobie	Non-Executive Director	26 May 2016	April 2023
Vicky Hastings	Non-Executive Director	29 September 2022	April 2029
Milyae Park	Non-Executive Director	29 September 2022	April 2029

*This date is based on Gregor Stewart's date of appointment as Chairman rather than as a Director and reflects the potential length of term he may serve on the Board.
**Mr Brooke has confirmed that he will not stand for re-election in 2023 and will complete his tenure at the Company's Annual General Meeting on 27 April 2023.

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 48.

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 68 to 73 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 a 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 three years.

Clare Dobie, having been appointed as a Director in May 2016, will have completed her initial tenure at this year's AGM. On the recommendation of the Nomination Committee, given Clare continues to contribute significantly to the Company, the Board has agreed to extend Clare's tenure, notwithstanding it shall not exceed nine years from her date of appointment.

The Chairman was appointed to the Board in December 2014 and to the role of Chairman in September 2019. In accordance with the Board's tenure policy, Gregor may potentially serve as a Director until April 2026. Only the Chairman has more than eight years' service as a Director of the Company.

Succession Planning

In accordance with the Company's succession plan, Chris Samuel retired as a Director of the Company in April 2022 and Anthony Brooke will complete his tenure at the AGM in 2023.

The Board appointed Vicky Hastings and Milyae Park effective 29 September 2022. Vicky and Milyae's biographies can be found on page 45.

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 Chairman 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. As planned prior to her appointment, Jo Dixon stood down from one of her external directorships in 2022. Another of her external directorships is due to cease in 2023 upon completion of the members voluntary liquidation.

All the Directors who served in 2022 other than Chris Samuel, who stepped down during the year, and Vicky Hastings and Milyae Park who were appointed during the year, served the full financial year. All of these Directors except for Chris Samuel 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, with the exception of Anthony Brooke, resolutions proposing the re-election of all Directors will be put to shareholders for approval at this years AGM. Vicky Hastings and Milyae Park having been appointed to the Board during the year are subject to formal election by shareholders.

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 2023. Procedures are in place to allow Directors to request authority should it be required outwith the normal Board meeting schedule.

CORPORATE GOVERNANCE

THE COMPANY'S PURPOSE

The Company is a public limited company and an investment company with investment trust status. It aims to generate capital growth over the medium to long term while maintaining an increasing dividend for its shareholders. It does all this 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 will 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.

RESPONSIBLE INVESTMENT

In its Investment Manager's Report, 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 which illegally manufacture armaments under international law via the Inhuman Weapons Convention, and those weapons covered by standalone conventions.
- Companies with significant exposure to thermal coal and tar sands.
- Investments in Russia and Belarus.
- The Company itself and 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.

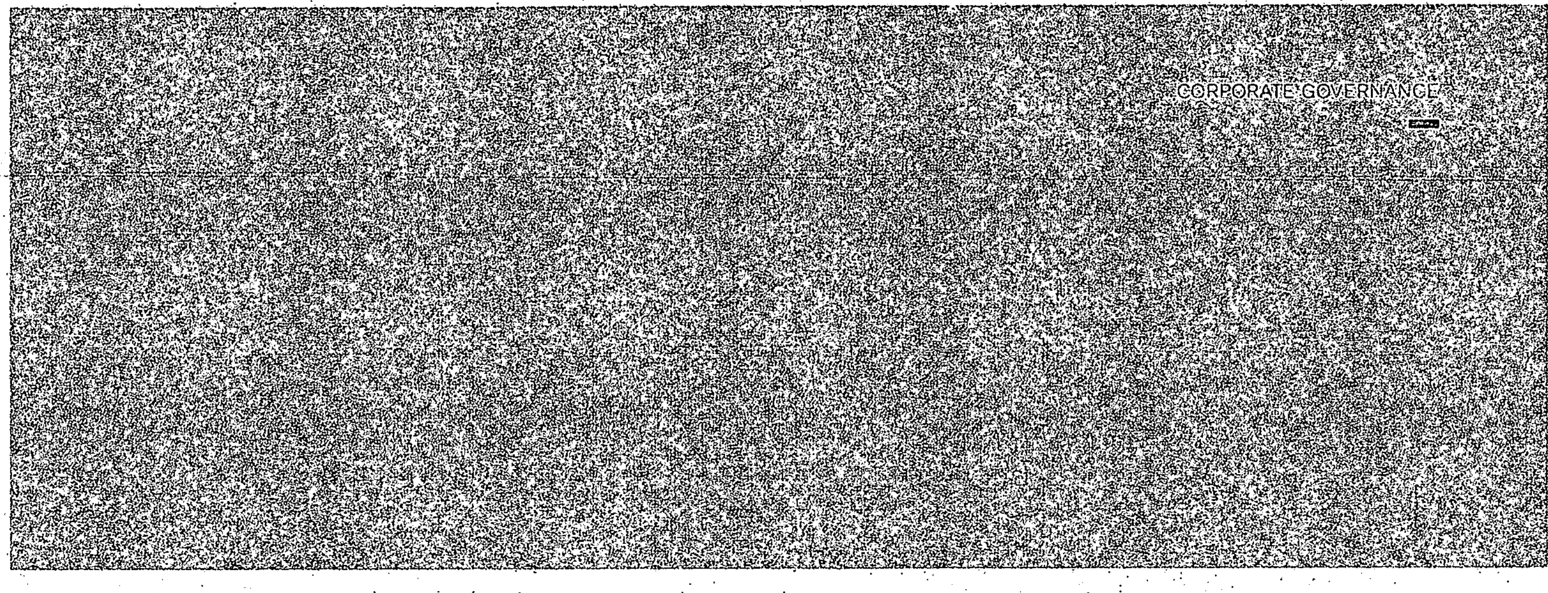
The Company supports the UK Stewardship Code published by the Financial Reporting Council (FRC). It aims to enhance the quality of engagement between institutional investors and the companies in which they invest to help improve long-term risk-adjusted returns to shareholders and the efficient exercise 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 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 19 October 2019, the Company entered into a management agreement with Towers Watson Investment Management Limited ('TWIM'). During the year under review, fees paid to TWIM were as follows:

The management fee equates to the sum of:

(i) £1.5m per annum (increasing in line with UK Consumer Prices Index (CPI) on 1 April each year) plus 0.055% per annum of the market capitalisation of the Company after deduction of (a) the value of Non-core Assets, (b) the value of the Company's subsidiaries. In 2022 this was £34,225 (2021: £34,000); and

(ii) such fees as are agreed from time to time in respect of the Stock Pickers who are each entitled to a base management fee rate, generally based on the value of assets under management. No performance fees are payable.

The AIFM is also entitled to receive the following payments:

(i) A fixed administration fee, in respect of the provision of certain underlying administration services, which is capped at £0.92m per annum (increasing each year from 1 April in line with the CPI). In 2022 this fee was £1.04m (2021: £0.98m); and

(ii) fees paid to the managers/administrators of Non-core Assets of £nil (2021: £nil).

Investment Management and Distribution Services:

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

Detail of the investment management and distribution fee payable to TWIM 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, TWIM 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 TWIM and the Company will also agree a fee which is attributable to the marketing, investor relations and public relations activities that are undertaken by TWIM (or agreed third parties) on behalf of the Company. Such fee 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, TWIM is entitled to receive its fees pro rata to the date of termination.

With effect from 1 April 2023, Administration, Finance and Accounting services will be performed by Juniper Partners Limited. Accordingly, TWIM will cease to receive a fee for the provision of those services from this date.

CORPORATE GOVERNANCE

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 above will also provide Administration, Finance and Accounting services to the Company with effect from 1 April 2023.

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.

SHARE CAPITAL AND WAIVER OF DIVIDENDS

The Company's issued share capital as at 31 December 2022 comprised 292,759,600 2.5p shares. There are no preference shares or shares held in Treasury.

At the last AGM the shareholders renewed the authority for the repurchase of up to 14.99% of the issued shares 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 provision during the course of the year and acquired and cancelled 15,537,581 shares at a cost of £149.6m.

DIVIDEND

The dividend payable to shareholders on 31 March 2022 is disclosed on page 33.

VOTING RIGHTS

There are no agreements in respect of voting rights.

As at 7 March 2023, being the latest practical date prior to publication of this report, the Company had no shareholders holding an interest in more than 3% of the voting rights of the ordinary shares in issue of the Company.

ANNUAL GENERAL MEETING

This year's Annual General Meeting ('AGM') will be held on 27 April 2023 at 11:00 a.m. at the V&A Dundee, 1 Riverside Esplanade, Dundee DD1 4EZ. The AGM will also be streamed live to shareholders. A web link will be provided on the AGM Form of Proxy/Form of Direction for those shareholders wishing to attend the AGM via the live stream.

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 and during the meeting. The Board would welcome your attendance at the AGM.

Resolutions 1 to 12 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 election/ 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 13: Authority to repurchase the Company's ordinary shares

This resolution seeks shareholder approval for the Company to renew its power to purchase its own ordinary shares either for cancellation or to hold them in treasury. The Directors believe that the ability of the Company to purchase its own ordinary shares in the market will potentially benefit all shareholders of the Company. The purchase of ordinary shares at a discount to the underlying Net Asset Value ('NAV') will would enhance the NAV per share of the remaining ordinary shares. The Company will only re-issue ordinary shares from treasury at prices greater than the prevailing NAV per ordinary share at the date of issue. The Company is seeking shareholder approval to repurchase up to 43,746,006 ordinary shares, representing approximately 14.99% of the Company's current issued share capital. Treasury shares will only be reissued at prices greater than the prevailing net asset value.

Resolution 14: Authority to disapply pre-emption rights on allotment

If the Directors wish to re-issue ordinary 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 ordinary shares from treasury for cash either in connection with a pre-emptive offer or otherwise up to a nominal value of £729,586 equivalent to 10% of the total issued ordinary share capital of the Company, excluding those ordinary shares held in treasury, as at 6 March 2023, without the ordinary shares first being offered to existing shareholders in proportion to their existing holdings.

The Directors do not intend to re-issue ordinary 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 ordinary share capital of the Company excluding those ordinary shares held in treasury within a rolling three-year period, without prior consultation with shareholders.

As stated in Resolution 13, ordinary shares will only be issued from treasury at prices greater than the prevailing NAV per ordinary 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 ordinary 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 ordinary shares from treasury.

Resolution 15: 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 13 to 15, if approved, will expire at the conclusion of the 2024 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.

USE OF FINANCIAL INSTRUMENTS

Information on the use of financial instruments can be found in Note 18 on pages 100 to 106 of the Accounts.

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 2022.

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.

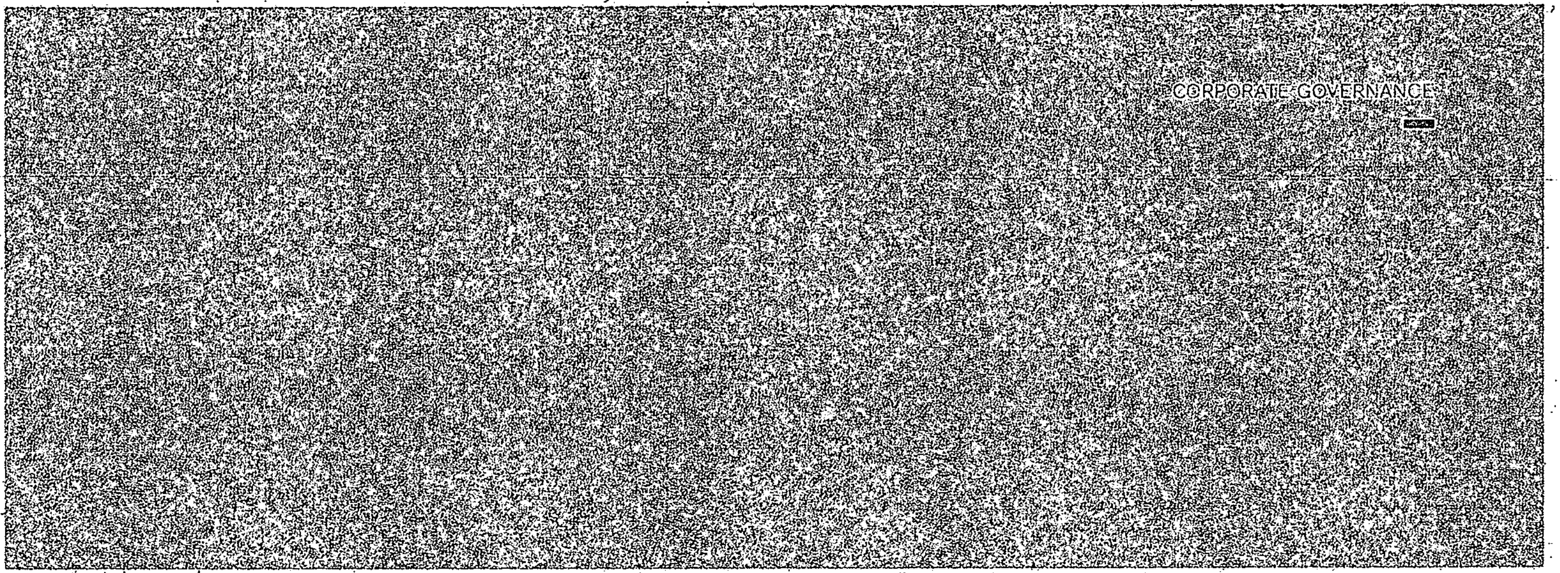
CORPORATE GOVERNANCE

STREAMLINED ENERGY AND CARBON REPORTING

The ways in which the Company addresses the issue of climate change in its investment portfolio is covered in more detail in the Investment Manager's Report. Here we report on the day-to-day activities of the Company. During 2022, the Company's total energy consumption decreased due to changes in the building management system. The CO^2 emissions relating to this change in consumption are represented by the Scope 1 and 2 figures in the table below. The Company's overall level of CO^2 emissions increased by 37.5%, mainly due to Scope 3 emissions relating to business travel.

The Company's carbon footprint has been calculated based on the GHG Protocol Corporate Accounting and Reporting Standard. All of the Company's energy consumption is in the UK. The emissions reported below have been verified by Carbon Footprint Limited. All figures have been restated to reflect the sale of the Company's operating subsidiaries in 2017 and 2019. Details of our verification statements are available on the Company's website. The Company compensated for its hard-to-decarbonise emissions with certified greenhouse gas removals to achieve a Net Zero position for its non-portfolio related carbon emissions in 2022.

Tonnes C02e	Year to 31 Dec 2018	Year to 31 Dec 2019	Year to 31 Dec 2020	Year to 31 Dec 2021	Year to 31 Dec 2022
Total of Scope 1, 2 and 3 Location based	55.3	26.6	12.9	10.4	14.3
Total of Scope 1, 2 and 3 Market based	52.4	24.0	13.7	9.0	13.3
Scope 1	21.6	11.0	6.1	6.2	5.0
Scope 2 (Location)	6.5	2.9	1.3	1.4	1.0
Scope 2 (Market)	3.6	0.3	2.1	0.0	0.0
Scope 3	27.1	12.7	5.5	2.8	8.3
Tonnes C02e per FTE all Scopes (location)	11.0	5.3	3.1	2.5	3.5
Tonnes C02e per FTE Scopes 1 and 2 (location)	5.6	2.8	1.8	1.8	1.5
Total Energy Consumption (all UK) (kWh)			38,753	40,168	32,352



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 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 below.

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. Shareholders had the opportunity to join three investor forums during the year which took place in person and virtually. 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 Head of Investor Relations and Marketing and Broker reported regularly to the Board on meetings 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 113.

Following the relaxation of Covid-19 restrictions and for the first time in three years, the Board was pleased to welcome shareholders in person to the Company's AGM. Those shareholders who were not able to attend in person were able to view the meeting and ask questions remotely. The Company's 135th AGM to be held in April 2023 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 292,800 dormant shares with a value of £2.8 million and £17,400 of unclaimed dividends.

The Board concluded its work to simplify and strengthen the Company's operating model. This resulted in the appointment of Juniper as Company Secretary with effect from 31 December 2022. Juniper will also provide finance, administration, and fund accounting services to the Company with effect from 1 April 2023. The Company also appointed TWIM to provide it with further marketing, public relations and investor relations services with effect from 31 December 2022.

The changes to the Company's operating model have not impacted the management of the Company's portfolio. The changes will benefit shareholders by reducing risk in the Company's operating model. In addition, the Company's communications will benefit from additional input due to the closer proximity between marketing and investment colleagues.

The Board considered the impact of the changes on the Company's small Executive team. Following the changes to the Company's operating model, the Board was pleased that the majority of the Executive team joined either Juniper or WTW, apart from one employee who retired. The Board was also mindful of its Dundee heritage of which it is very proud and was pleased that those employees who were based in the Company's Dundee office will remain there with Juniper, having taken over responsibility for the office premises.

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 21 April 2022, all resolutions put to shareholders were duly passed with no significant votes against cast.

CORPORATE GOVERNANCE

Employees

During the year under review, the Company had a small Executive team of five people who had all been employed for a number of years. There was therefore no need to seek to recruit staff nor a need to consider any promotions. Should such a requirement have arisen the Company would have based its decisions solely on the individual's suitability. There was no discrimination on any basis and, should any employee have suffered from a health condition or disability, reasonable adjustments would have been made to allow them to continue to have the same opportunities as any other employee.

The Company had two part-time employees (one male and one female). The most senior employee was female and all other employees reported directly to her. All the employees were British and white. All employees had the flexibility to work from home or in the office. The table below provides the gender, ethnicity and colour split of the workforce of the Company and the Board as at 31 December 2022.

As at 31 December 2022	Male	Female	White British	Asian British
Board	3 (37.5%)	5 (62.5%)	7 (87.5%)	1 (12.5%)
Senior Board Positions*	1 (50%)	1 (50%)	2 (100%)	0 (0%)
Senior Managers	2 (66.7%)	1 (33.3%)	3 (100%)	0 (0%)
Other Staff	0 (0%)	2 (100%)	2 (100%)	0 (0%)
Total	6 (38.5%)	9 (61.5%)	14 (92.3%)	1 (7.7%)

*Chair and Senior Independent Director.

With effect from 31 December 2022, the Company had no employees. This was primarily as a result of the changes made to the Company's operating model.

Society

The Company and WTW are targeting Net Zero greenhouse gas emissions by 2050 for the Company's portfolio and aims 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 the Investment Manager is approaching this can be found on pages 15 to 16.

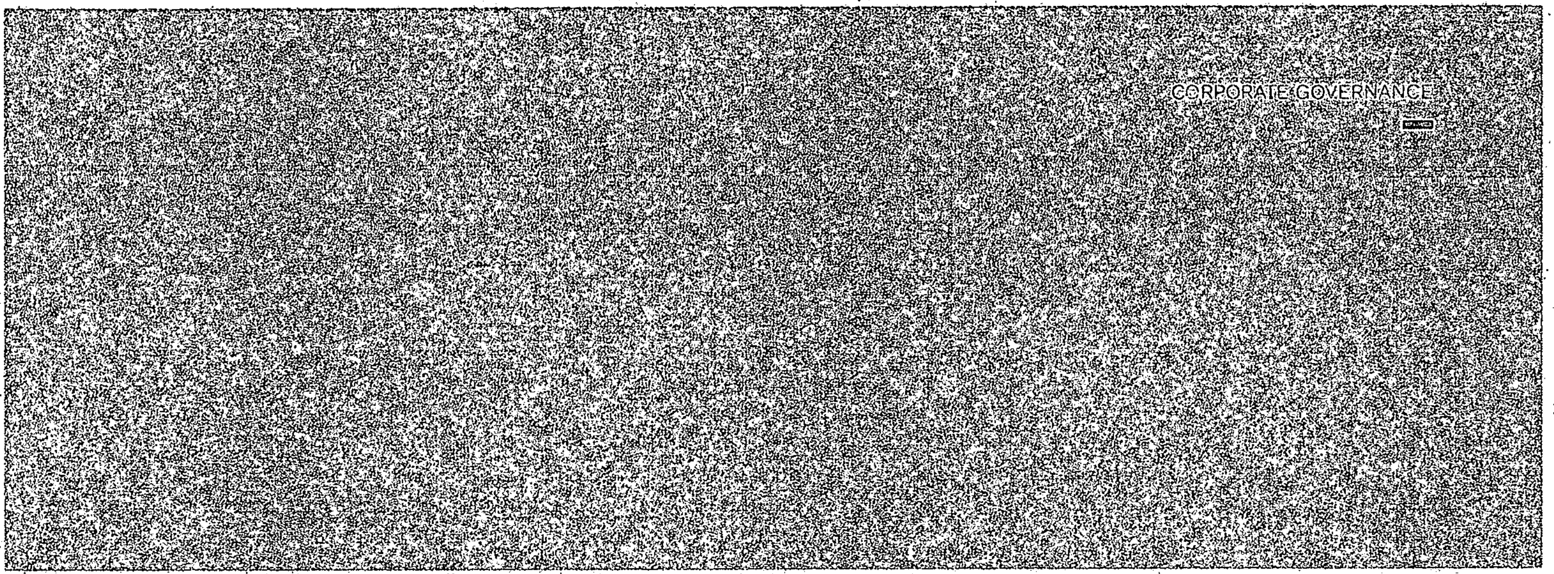
The Company has an energy efficient office. However, for most of 2022 staff have been working partly from the office and partly from home. The Board has agreed that the day-to-day business operations of the Company should be carbon neutral and it is Net Zero for its non-portfolio related carbon emissions. More details of the Company's carbon footprint can be found on page 58. 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 17.

The Board has maintained a limited number of types of investment restrictions. During the year, the Board added a restriction on investment in Russia and Belarus. Details of these exclusions can be found on page 54.

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, employees 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.

Staff were, if they requested it, 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 portfolio to WTW and the responsibilities of safekeeping the Company's assets to its Depositary and Custodian.

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 decision taken during the year are as follows:

Succession planning

Chris Samuel retired as a Director of the Company following the conclusion of the AGM held on 21 April 2022. Anthony Brooke also informed the Board of his intention to retire as a Director of the Company at the 2023 AGM. In accordance with its succession planning the Company undertook a search for new Directors to join the Board. The Company appointed Cornforth Consulting to assist with this process. Following an extensive review of candidates, including a formal interview process, Vicky Hastings and Milyae Park were appointed as Directors of the Company on 29 September 2022. Vicky has extensive experience in fund management, both as a fund manager and business leader, while Milyae's diverse career spans financial services, retail, and technology. They have brought further diversity and fresh perspectives to the Board.

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 24.00p per ordinary share for the financial year ended 31 December 2022, a 26% increase on the previous year. The Board aims to continue delivering a rising dividend year after year as well as capital growth.

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 35 to 40. 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 how it is performing against its strategic objectives and its principal and emerging risks.

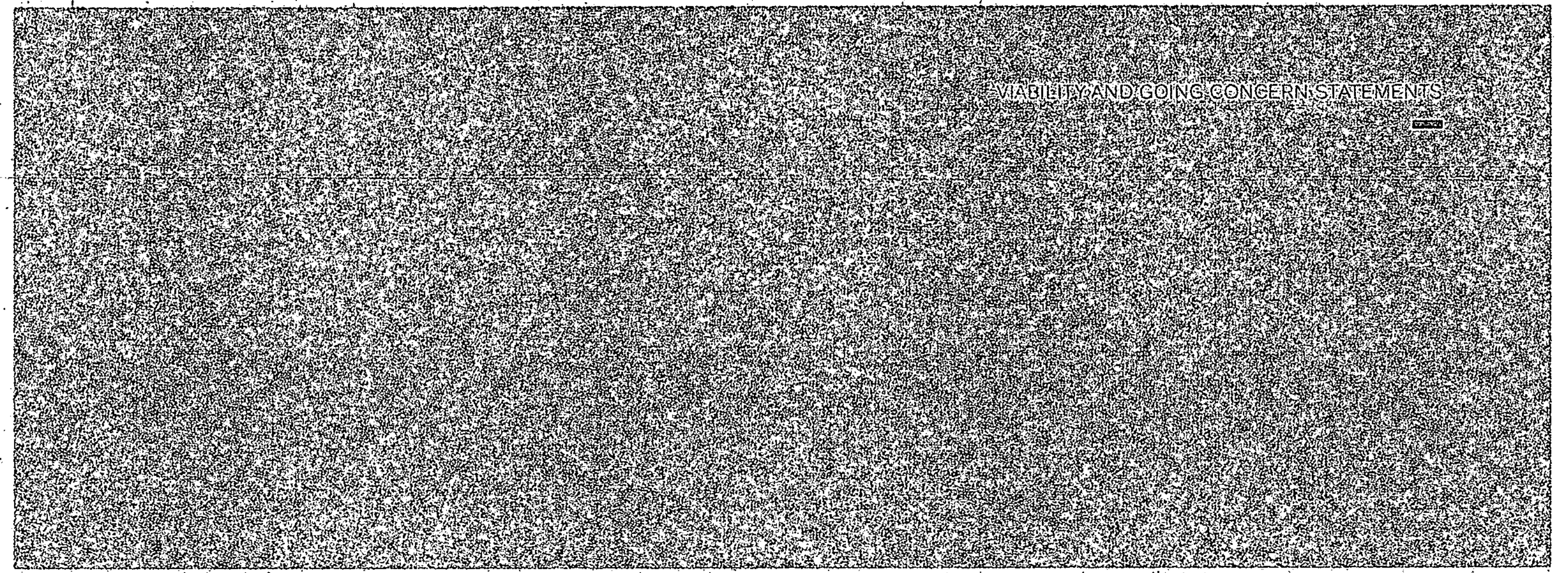
The Board received regular updates on performance and other factors that could impact on the viability of the Company.

The Board also engaged with the Investment Manager on the longer term impact of climate change and other societal change factors on the portfolio, and how the portfolio will 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 achieve 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 2022 the Company had Total Assets of £3.1bn, with net gearing of 4.7% and gross gearing of 7.8%. At the year end the Company had £88.9m 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 the Investment Manager carried out a liquidity analysis and stress test which indicated that around 94% of the Company's portfolio could be sold within a single day and a further 6% within 10 days, without materially influencing market pricing. The Investment Manager performs liquidity analysis and stress testing on the Company's portfolio of investments on an ongoing basis under both current and stressed conditions. The Investment Manager 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. Investment income from the Company's portfolio increased significantly in 2022 to £94.9m from £61.9m in 2021 which enhanced this position. The Company has sufficient funds to meet its Dividend Policy commitments.



- **Reserves:** The Company has large reserves (at 31 December 2022 it had £2.9bn of distributable reserves and £19.0m 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 34).
- **Significant Risks:** The Company has a risk and control framework (see pages 35 to 40) 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 100 to 106.
- **Borrowing:** The Company has put in place unsecured long-term borrowing arrangements of various durations going out to 2053 amounting to £160.0m. In addition the Company at the year end had drawn £63.5m of its approved borrowing facilities of £250.0m plus an accordion option of a further £50.0m. The Company comfortably meets its banking covenant tests.
- **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. The Company concluded the work it was undertaking to strengthen its operating model with changes being made effective from 31 December 2022 (see page 59). The Board concluded that these changes would reduce risk in the Company's 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 for at least 12 months from the date of approval of these accounts. 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

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

The Committee is comprised of all the Directors of the Board other than the Chairman who ceased to be a member of the Committee during the year. They are all independent and Non-Executive. Due to my recent relevant experience, and qualification as a Chartered Accountant, I am the designated financial expert on the Board and head up this Committee. 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 accounts were fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, 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 2023. In its evaluation of the Auditor, the Committee considered the Financial Reporting Council's Audit Quality Review report and was satisfied that the issues referred to therein did not impact on the audit provided to the Company.

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.

“I am pleased to present the Report of the Audit and Risk Committee for the year ended 31 December 2022. I hope it helps provide insight to the Committee's role of oversight of the control environment, risk management and financial reporting.”

Jo Dixon
Chair, Audit and Risk Committee

The Company policy on non-audit services 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. In 2022 the only 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.

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 after the conclusion of the 2021 Audit and 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.

The level of risk being run by the Investment Manager in the portfolio was reviewed and consideration given to the diversification of risk by exposures to different regions, industries and style. It also considered 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.

AUDIT AND RISK COMMITTEE

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 the Executive team together with reports from the Depositary and the Custodian and Administrator. 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 2022 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 WTW, which has delegated certain accounting responsibilities to The Bank of New York Mellon (International) Limited. WTW still remains responsible to the Board for the accuracy and completeness of the financial records of the Company and provides a report to each Board meeting. As previously noted on page 56, with effect from 1 April 2023, Administration, Finance and Accounting services will be performed by Juniper Partners Limited.

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 2022

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 appointment of Juniper Partners Limited and the appointment of WTW to provide further marketing, public relations and investor relations services.

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 Audit and Risk Committee
8 March 2023

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 Director's 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 Accounts, taken as a whole, are fair. balanced, and understandable and provides the information necessary for shareholders to assess the 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 41 to 63 (other than pages 62 to 63 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 on pages 2 and 3 and relationships with suppliers, customers and others and their impact on the Board's decisions on pages 59 to 61 of the Strategic Report.

Each of the Directors, who are listed on pages 42 to 45 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, is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

On behalf of the Board

Gregor Stewart
Chairman
8 March 2023

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 and there were only five employees. During the year the Board agreed employees' discretionary bonus awards for 2022. The Board did not conduct a review of Directors' fees during 2022. It is anticipated that a review will be undertaken in 2023.

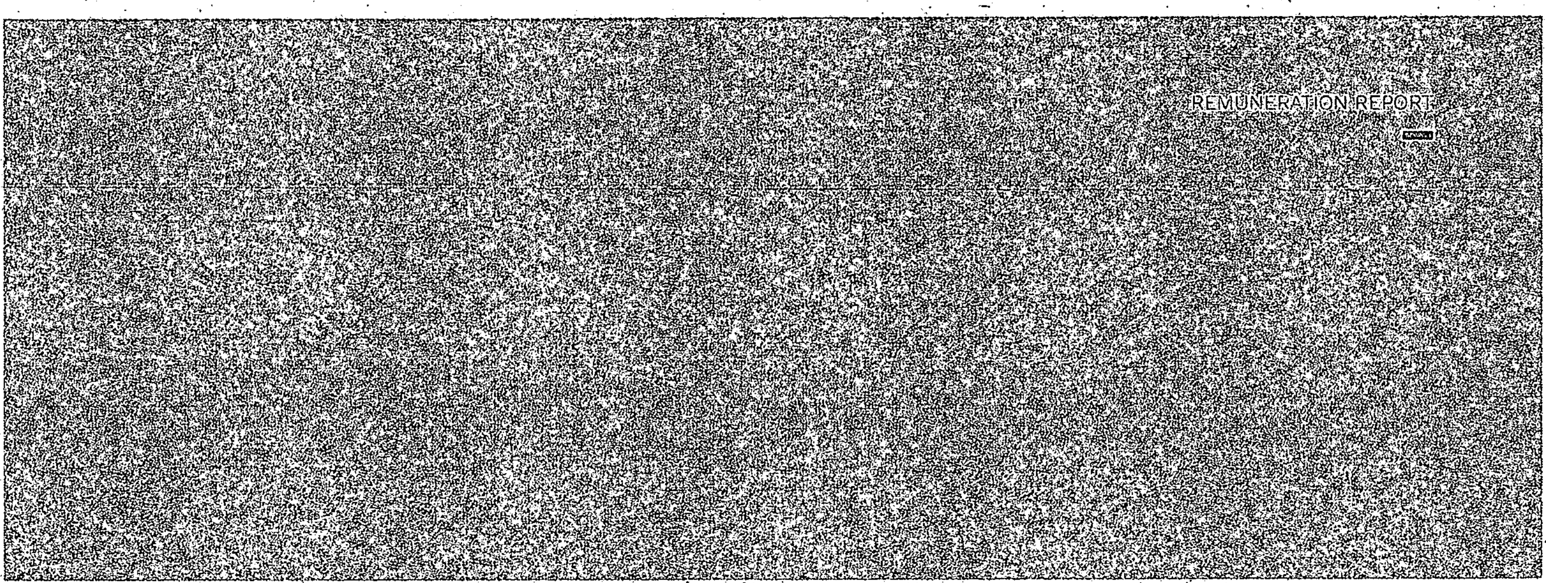
Directors regularly engage with shareholders on all aspects of performance and governance and are open to contact from shareholders at any time. Any comments received from shareholders are always carefully considered. We welcome the opportunity to discuss matters of remuneration with shareholders at 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.

REMUNERATION POLICY

The Company seeks approval of its Remuneration Policy from shareholders every three years. At the Annual General Meeting (AGM) held on 21 April 2022, shareholders approved the following 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 2022.



HOW WE IMPLEMENT OUR POLICY

NON-EXECUTIVE DIRECTORS' FEES

The 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 would require shareholder approval. The basic Non-Executive Director's fee has remained unchanged since 2013. During 2022, the Board received no independent advice in respect of remuneration.

Remuneration is fixed at the annual rates set out in the table below. Although permitted under the Company's Articles of Association, 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 of Association, 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 2022 to the Chairman, who is the highest paid Director, and all other Directors and the fees which will be payable from 1 January 2023. The table also explains the purpose of each fee.

Annual Fees	2022	2023	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 Audit and Risk Committee[2]	£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 Chairman 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. 2. This fee is additional to the Committee membership fee.

REMUNERATION REPORT

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 53.

STAFF REMUNERATION

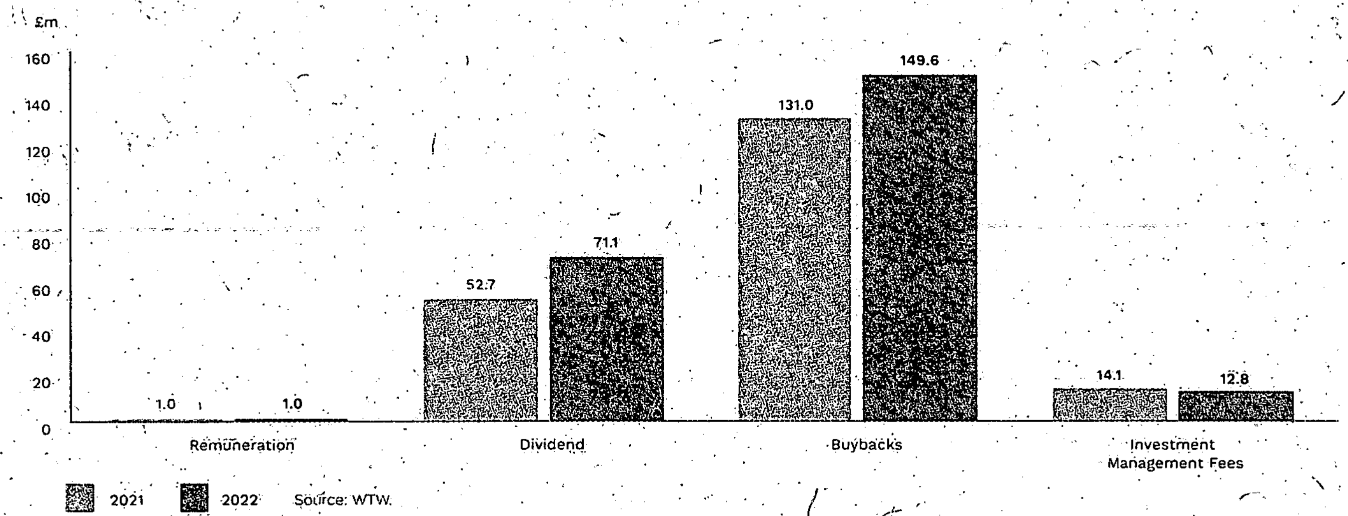
The Company has no Executive Directors. Until 31 December 2022, it also had a small Executive team comprising five members of staff, two of whom worked part-time. The Board took all decisions in respect of salary, pension contributions and discretionary cash bonuses for these members of staff on the recommendation of the Company Secretary and Head of Operations (other than in respect of her own remuneration). These staff members were entitled to receive pension contributions of up to 17% of their salary.

Employees were not members of any share-based incentive arrangements nor of any long-term share award schemes.

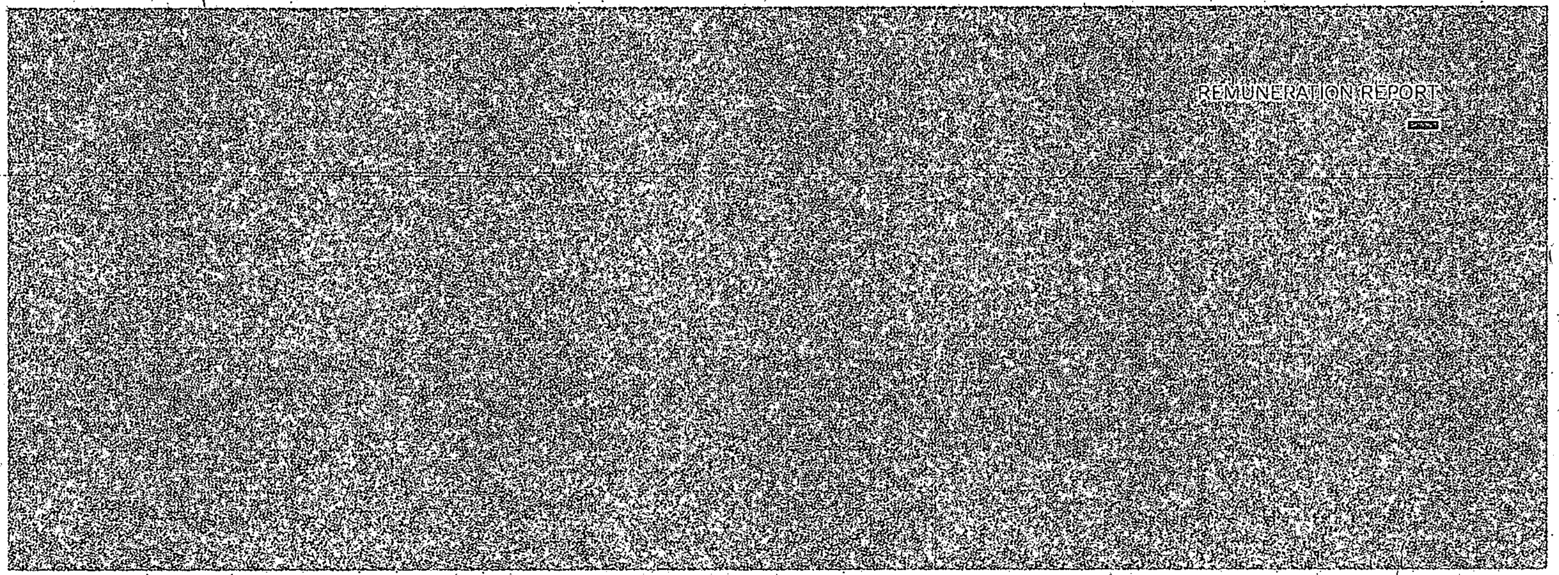
For the year ended 31 December 2022, average employee fixed remuneration increased by 1.1% (2021: 1.3%), taxable benefits increased by 44.0% (2021: 30.0%)* and variable remuneration increased by 10.6% (2021: 35.4%).

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below shows the actual expenditure of the Company in 2021 and 2022 on remuneration, distributions to shareholders by way of dividend and share buybacks, as well as investment management fees incurred. The Executive team received £0.7m in remuneration for the year to 31 December 2022 (2021: £0.6m) and the Non-Executive Directors received £0.3m (2021: £0.3m).



*Relates to the cost of private medical insurance.



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 69); there was no variable remuneration paid or taxable benefits provided to any of the Directors. The total Basic Non-Executive Director fees paid for 2022 was £283,647; the maximum Basic Non-Executive Director fees which may be paid is £300,000 per annum. The remuneration figures reflect any changes in roles of each Director as detailed in the footnote below.

Non-Executive Director	2022 £000	2021 £000
Gregor Stewart	80	80
Sarah Bates[1]	44	35
Anthony Brooke	41	41
Dean Buckley[2]	41	34
Jo Dixon[3]	49	49
Clare Dobie	41	41
Vicky Hastings[4]	10	-
Milyae Park[4]	10	-
Chris Samuel[5]	13	41
Karl Sternberg[6]	-	22
Total	**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 2022 compared to the financial years ended 31 December 2021 and 31 December 2020. The remuneration figures reflect any change in a Director's role or pro-rata fees as detailed in the footnote below. The percentage change of the average employee remuneration over the three year period is also detailed.

	Change in Total Remuneration (%)		
	2022	2021	2020
Gregor Stewart	-	-	-22.3
Sarah Bates[1]	24.3	-	-
Anthony Brooke	-	-	-4.7
Dean Buckley[2]	21.0	-	-
Jo Dixon[3]	-	10.1	-
Clare Dobie	-	-	-
Vicky Hastings[4]	-	-	-
Milyae Park[4]	-	-	-
Chris Samuel[5]	-69.2	-	-
Karl Sternberg[6]	-	-50.0	-2.2
Average Employee	**29.4**	**-4.1**	**49.5**

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

REMUNERATION REPORT

DIRECTORS' SHAREHOLDINGS (AUDITED)

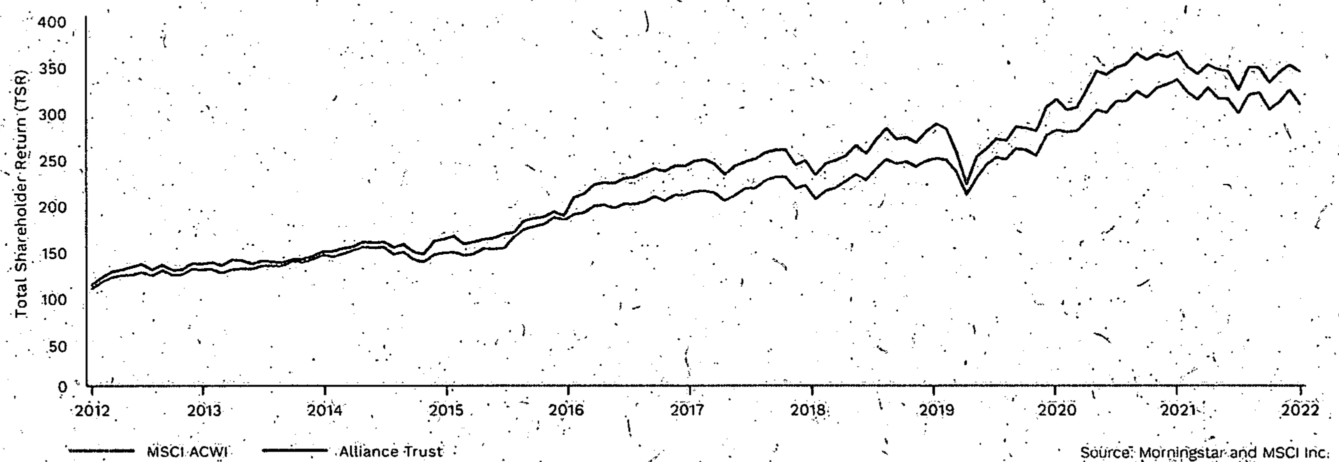
All Directors are required to hold 3,000 shares in the Company. Details of the shareholdings of all Directors and their connected persons, together with details of shares acquired, are shown below. None of these shares are subject to performance conditions. In 2022 the Company issued no options to subscribe for shares and there are no options held by the Directors or by any member of staff.

Directors' shareholdings	As at 31 December 2021	As at 31 December 2022	Acquired between 31 December 2022 and 8 March 2023
Gregor Stewart	25,235	25,235	–
Sarah Bates	27,198	27,198	–
Anthony Brooke	25,000	25,000	–
Dean Buckley	3,000	10,000	–
Jo Dixon	3,000	6,500	–
Clare Dobie	4,666	9,975	–
Chris Samuel[1]	62,936	N/A	–
Vicky Hastings[2]	–	6,076	–
Milyae Park[2]	–	3,000	–

1. Chris Samuel retired as a Director on 21 April 2022.
2. Vicky Hastings and Milyae Park were appointed as Directors on 29 September 2022.

PERFORMANCE GRAPH

The graph below shows the Total Shareholder Return (TSR) for holders of Alliance Trust PLC Ordinary Shares, measured against the MSCI All Country World Index (ACWI) rebased to 100 at 31 January 2013. 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 2022.

VOTING AT ANNUAL GENERAL MEETING

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

Resolution	Votes for	%	Votes against	%	Total votes cast	Votes withheld (abstentions)
Directors' remuneration report (excluding Remuneration Policy)	79,466,384	99.61	313,729	0.39	79,780,113	958,436

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

APPROVAL

The Remuneration Report comprising pages 70 to 73 has been approved by the Board and signed on its behalf by:

Gregor Stewart
Chairman
8 March 2023

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 2022 and of its loss 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 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 3 years, covering the years ended 31 December 2020 to 31 December 2022. 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 year to check that it was 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;
- Evaluating the appropriateness of the Directors' method of assessing the going concern assumption in light of market volatility and the present uncertainty in economic recovery;
- Reviewing the Directors' assessment, corroborating inputs used in the assessment to supporting documentation;
- 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

		2022	2021
Key audit matters	Revenue recognition	✓	✓
	Valuation and Ownership of Investments	✓	✓
Materiality	Company financial statements as a whole: £28.9m (2021: £33.5m) based on 1% (2021: 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 (Notes 2 and 3 to the financial statements) Income arises from dividends and interest 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 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.	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 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 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 10 to the financial statements) The investment portfolio at the year-end comprised of listed equity investments and 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.	We responded to this matter by testing the valuation and ownership of the whole portfolio of listed investments. We performed the following procedures: • Confirmed the year-end bid price was used by agreeing to externally quoted prices; • Assessing 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; • Recalculating the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; 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:

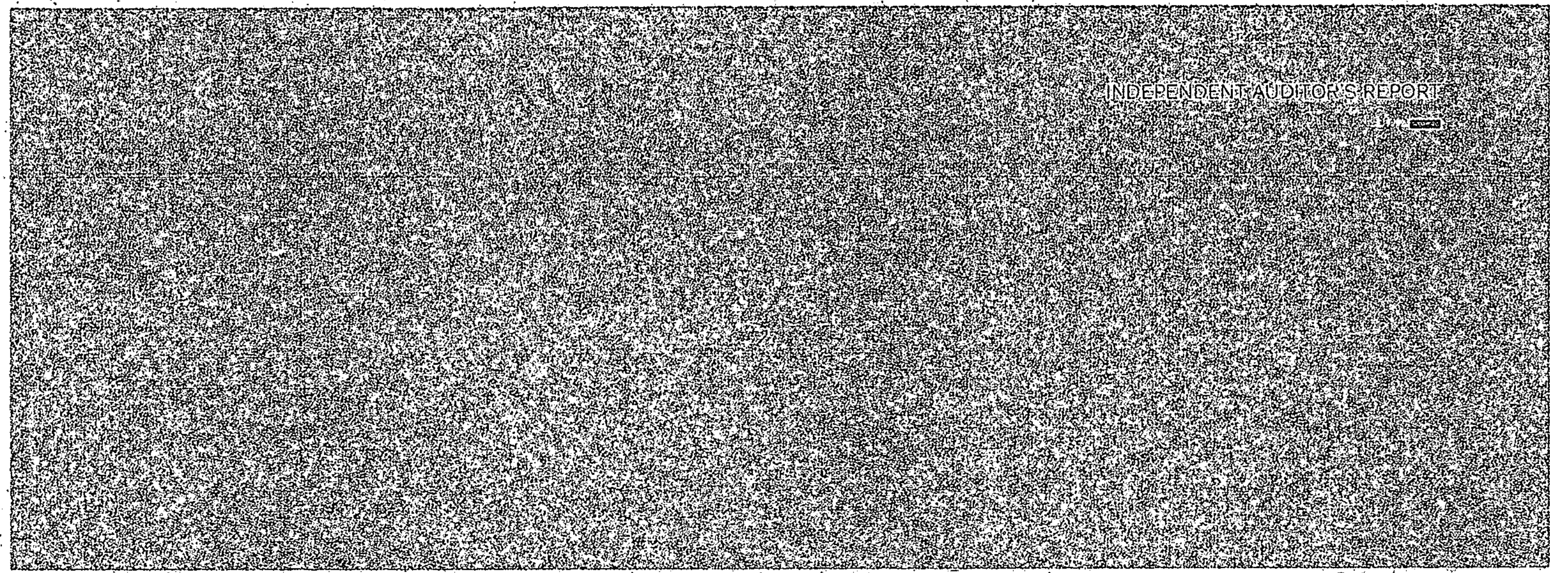
	Company financial statements	
	2022 £m	**2021 £m**
Materiality	28.9	33.5
Basis for determining materiality	1% of Net Assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	21.7	25.1
Basis for determining 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

We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on revenue return before tax to be £4,200,000 (2021: £2,500,000). Specific materiality was determined using 5% (2021: 5%) of revenue return before tax. We further applied a performance materiality level of 75% (2021: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £210,000 (2021: £130,000). 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' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable on page 67; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages; and • The section describing the work of the Audit and Risk Committee set out on pages 64 to 66.

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:

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the UK Listing Rules, the DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and UK adopted international accounting standards. We also considered the Company's qualification as an Investment Trust under UK tax legislation.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- review of minutes of Board and Audit and Risk Committee meetings throughout the period for any instances of non-compliance with laws and regulations;
- obtaining an understanding of the control environment in monitoring 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 their Investment Trust Status.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be revenue recognition and management override of controls.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; 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 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.

INDEPENDENT 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.

DocuSigned by:
Peter Smith
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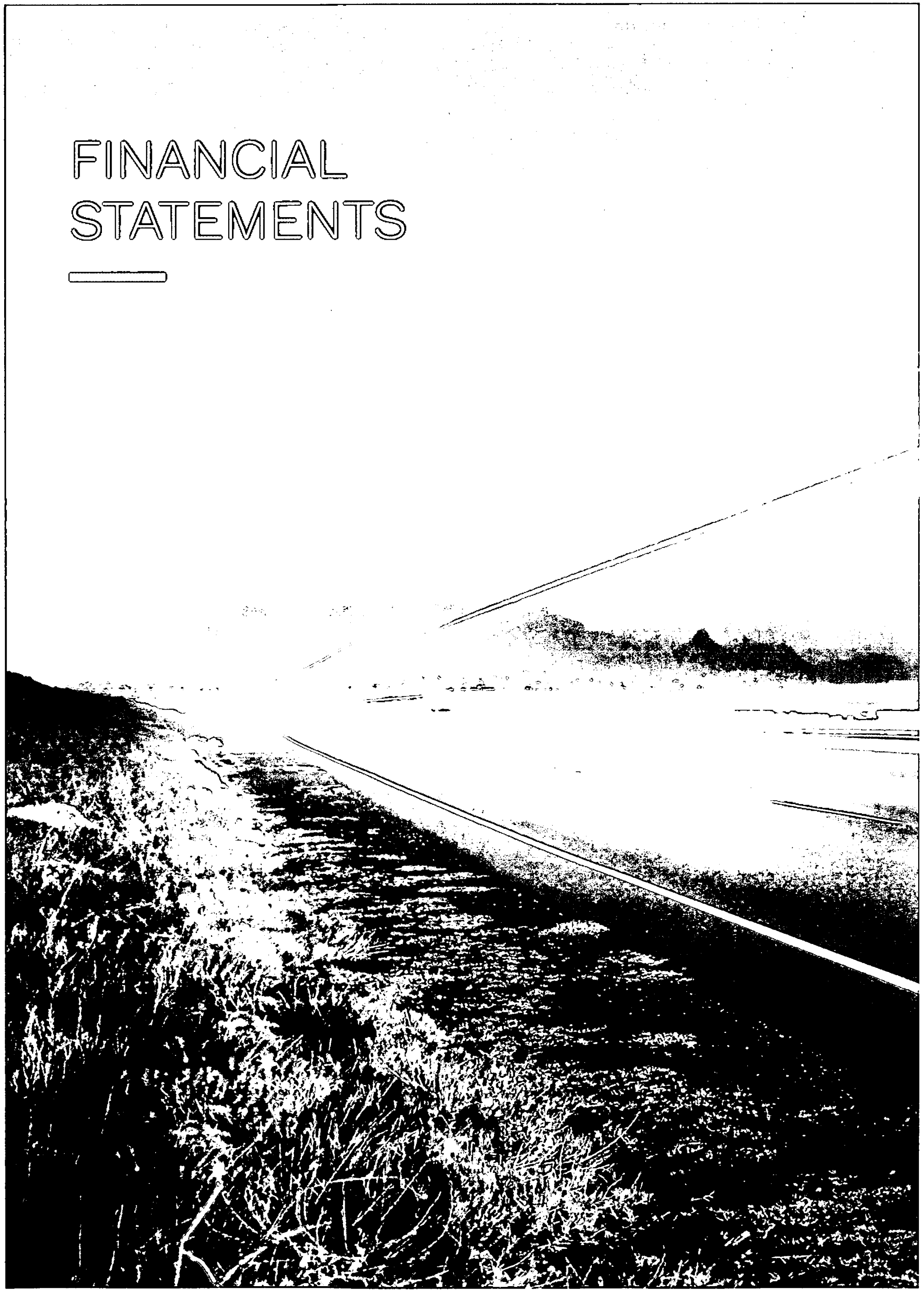
Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
8 March 2023

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 2022

		Year to 31 December 2022			Year to 31 December 2021		
£000	Note	Revenue	Capital	Total	Revenue	Capital	Total
Income	3	**95,521**	**-**	**95,521**	62,282	-	62,282
(Loss)/gain on investments held at fair value through profit or loss	9	**-**	**(358,675)**	**(358,675)**	-	500,959	500,959
Profit on fair value of debt		**-**	**54,682**	**54,682**	-	11,957	11,957
Total		**95,521**	**(303,993)**	**(208,472)**	62,282	512,916	575,198
Investment management fees	4	**(3,197)**	**(9,586)**	**(12,783)**	(3,532)	(10,595)	(14,127)
Administrative expenses	4	**(5,562)**	**(912)**	**(6,474)**	(5,003)	(919)	(5,922)
Finance costs	5	**(2,156)**	**(6,469)**	**(8,625)**	(1,958)	(5,876)	(7,834)
Foreign exchange gains/(losses)		**-**	**486**	**486**	-	(3,999)	(3,999)
Profit/(loss) before tax		**84,606**	**(320,474)**	**(235,868)**	51,789	491,527	543,316
Taxation	6	**(6,435)**	**(342)**	**(6,777)**	(3,110)	(183)	(3,293)
Profit/(loss) for the year		**78,171**	**(320,816)**	**(242,645)**	48,679	491,344	540,023

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

Earnings per share attributable to equity holders							
Basic (pence per share)	8	**26.14**	**(107.28)**	**(81.14)**	15.48	156.23	171.71
Diluted (pence per share)	8	**26.14**	**(107.28)**	**(81.14)**	15.48	156.22	171.70

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

£000	Note	Share capital	Capital redemption reserve	Merger reserve	Realised capital reserve	Unrealised capital reserve	Revenue reserve	Total distributable reserves	Total Equity
					Distributable reserves				
At 1 January 2021		8,040	10,958	645,335	1,850,043	389,750	99,174	2,338,967	3,003,300
Total Comprehensive income:									
Profit for the year		-	-	-	399,917	91,427	48,679	540,023	540,023
Transactions with owners, recorded directly to equity:									
Ordinary dividend paid	7	-	-	-	-	-	(52,680)	(52,680)	(52,680)
Unclaimed dividends returned		-	-	-	-	-	49	49	49
Own shares purchased		(337)	337	-	(131,512)	-	-	(131,512)	(131,512)
Transfer to capital reserves		-	-	(645,335)	645,335	-	-	645,335	-
At 31 December 2021		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 dividend 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)**
At 31 December 2022		**7,314**	**11,684**	**-**	**2,669,933**	**103,754**	**102,334**	**2,876,021**	**2,895,019**

The £103.8m (2021: £481.2m) of 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 capital reserve includes movements on the unsecured fixed rate loans of £54.7m (2021: £12.0m) which are not distributable.

BALANCE SHEET AS AT 31 DECEMBER 2022

£000	Note	2022	2021
Non-current assets			
Investments held at fair value	9	**3,012,492**	3,650,282
Right of use asset	19	**54**	504
		3,012,546	3,650,786
Current assets			
Outstanding settlements and other receivables	10	**9,648**	14,624
Cash and cash equivalents	17	**88,864**	88,579
		98,512	103,203
Total assets		**3,111,058**	3,753,989
Current liabilities			
Outstanding settlements and other payables	11	**(9,344)**	(15,863)
Bank loans	12	**(63,500)**	(180,500)
Lease liability	19	**(38)**	(251)
		(72,882)	(196,614)
Total assets less current liabilities		**3,038,176**	3,557,375
Non-current liabilities			
Unsecured fixed rate loan notes held at fair value	12	**(143,141)**	(197,823)
Lease liability	19	**(16)**	(372)
		(143,157)	(198,195)
Net assets		**2,895,019**	3,359,180
Equity			
Share capital	13	**7,314**	7,703
Capital redemption reserve		**11,684**	11,295
Capital reserve		**2,773,687**	3,244,960
Revenue reserve		**102,334**	95,222
Total Equity		**2,895,019**	3,359,180

All net assets are attributable to equity holders.

Net asset value per ordinary share attributable to equity holders			
Basic and diluted (£)	14	**£9.89**	£10.90

The financial statements were approved by the Board of Directors and authorised for issue on 8 March 2023.
They were signed on its behalf by:

Gregor Stewart
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

£000	Note	2022	2021
Cash flows from operating activities			
(Loss)/profit before tax		**(235,868)**	543,316
Adjustments for:			
Losses/(gains) on investments		**358,675**	(500,959)
Gains on fair value of debt		**(54,682)**	(11,957)
Foreign exchange (losses)/gains		**(486)**	3,999
Depreciation	19	**174**	203
Finance costs	5	**8,625**	7,834
Scrip dividends		**(503)**	(854)
Operating cash flows before movements in working capital		**75,935**	41,582
Increase in receivables		**(3,189)**	(1,074)
Decrease in payables		**(1,153)**	(1,206)
Net cash inflow from operating activities before income tax		**71,593**	39,302
Taxes paid		**(7,302)**	(3,454)
Net cash inflow from operating activities		**64,291**	35,848
Cash flows from investing activities			
Proceeds on disposal at fair value of investments through profit and loss		**2,202,258**	3,817,847
Purchases of fair value through profit and loss investments		**(1,920,913)**	(3,717,464)
Net cash inflow from investing activities		**281,345**	100,383
Cash flows from financing activities			
Dividends paid - Equity		**(71,086)**	(52,680)
Unclaimed dividends returned		**27**	49
Purchase of own shares		**(149,033)**	(131,512)
(Repayment)/drawdown of bank debt	17	**(117,000)**	35,500
Principal paid on lease liabilities	19	**(293)**	(250)
Interest paid on lease liabilities		**(17)**	(25)
Finance costs paid		**(8,435)**	(7,465)
Net cash outflow from financing activities		**(345,837)**	(156,383)
Net decrease in cash and cash equivalents		**(201)**	(20,152)
Cash and cash equivalents at beginning of year		**88,579**	112,730
Effect of foreign exchange rate changes		**486**	(3,999)
Cash and cash equivalents at end of year		**88,864**	88,579

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 113. 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 2022 and the comparatives, which are in brackets, refer to the year ended 31 December 2021.

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 SIGNIFICANT 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 unsecured 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 at least 12 months from date of approval. The Company's assets, the majority of which are investments in quoted equity securities and are readily realisable, significantly exceed its liabilities. 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.

Critical accounting estimates and judgements

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 unsecured 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.

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 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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.

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) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts of similar maturity dates. Changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income.

(iv) 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.

(v) 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.

(vi) Bank loans and unsecured 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 costs. Interest payable on the bank loans is accounted for on an accrual basis in the statement of Comprehensive Income.

Unsecured 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. The borrowings are invested with the aim of enhancing long term returns. In line with fair value movements in investments related movements on the unsecured 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.

(vii) 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.

(viii) 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.

Rental income from property and income from historic mineral rights are recognised on a time-apportioned basis.

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.

(ix) 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 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.
- Expenses connected with rental income and mineral rights income – these are included as administrative expenses.

(x) 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.

(xi) Dividends payable

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

(xii) Realised and unrealised reserves

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

Capital redemption reserve

This reserve was created in 2006 by the cancellation and repayment of the Company's preference share capital when the Company merged with The Second Alliance Trust PLC. This is not distributable.

Merger reserve

This reserve was created as part of the arrangements for the acquisition of the assets of The Second Alliance Trust Limited in 2006. Following the approval by shareholders at the Company's Annual General Meeting held on 22 April 2021 to convert this into a distributable reserve, the Court on 8 July 2021 approved the reduction of the bonus shares. The Court Order became effective on 9 July 2021, at this time the Merger reserve was transferred into Capital reserves.

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 or purchases of shares for employee benefit trust;
- 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:

£000	2022	2021
Income from investments		
Listed dividends – UK	**14,795**	12,961
Listed dividends – Overseas	**80,135**	48,913
	94,930	61,874
Other income		
Property rental income	**257**	321
Other interest	**323**	54
Other income	**11**	33
	591	408
Total income	**95,521**	62,282

Dividend income from the portfolio in 2022 exceeded forecast; the rate of increase may not be sustained in 2023.

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

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Investment management fees						
Investment management fees	3,197	9,586	12,783	3,532	10,595	14,127

A breakdown of the investment management fees is detailed on page 55 of this report.

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Total staff costs	298	896	1,194	301	903	1,204
Total Auditor's remuneration	53	-	53	37	-	37
Depreciation	174	-	174	203	-	203
WTW finance and administration	1,443	16	1,459	1,378	16	1,394
Depositary and custody services	480	-	480	473	-	473
Other administrative costs	3,114	-	3,114	2,611	-	2,611
Total administrative costs	5,562	912	6,474	5,003	919	5,922

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Staff Costs						
Staff costs	245	736	981	240	721	961
Social security costs	37	111	148	46	137	183
Pension costs - defined contribution scheme	16	49	65	15	45	60
Total Staff Costs	298	896	1,194	301	903	1,204

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Auditor's remuneration						
Fee payable to the Auditor for the audit of the Group's annual accounts	48	-	48	32	-	32
All other services	5	-	5	5	-	5
Total Auditor's remuneration	53	-	53	37	-	37

In addition to the audit fees paid by the Company disclosed above, fees payable to the Company's Auditors for the audit of the non-consolidated subsidiaries amount to £3,000 (2021: £4,500), with no audit-related services for these entities during either 2021 or 2022. Total audit fees were £48,000 (2021: £36,500) and non-audit fees were £5,200 (2021: £4,700). Total remuneration paid to BDO in 2022 amounted to £53,200 (2021: £41,200).

Total Directors' remuneration recorded for the year was £329k (2021: £343k). Total basic Directors' remuneration for the year was £283k (2021: £215k). The balance of the staff costs £865k (2021: £861k) relates to the Executive team. Further details are given in the Remuneration Report on pages 68 to 73. The average full-time equivalents in the year was four (2021: four), further details can be found on page 60. The cost of insured benefits for staff is included in Staff costs.

Total Company expenses of £19,257k (2021: £20,049k) consist of investment management fees of £12,783k (2021: £14,127k) and administrative expenses of £6,474k (2021: £5,922k). Administrative expenses include property and other costs not connected to the ongoing investment business of the Company of £672k (£471k) as disclosed on page 34.

5 FINANCE COSTS

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Bank loans interest and associated costs	583	1,750	2,333	377	1,133	1,510
4.28% unsecured fixed rate notes	1,070	3,210	4,280	1,070	3,210	4,280
2.657% unsecured fixed rate notes	133	399	532	133	399	532
2.936% unsecured fixed rate notes	147	440	587	147	440	587
2.897% unsecured fixed rate notes	145	435	580	145	435	580
Interest on lease liabilities	4	13	17	6	19	25
Other finance costs	74	222	296	80	240	320
	2,156	6,469	8,625	1,958	5,876	7,834

Bank loan interest has increased in line with higher average interest rates. The value of bank loans utilised at the year end was £63.5m (2021: £180.5m).

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

6 TAXATION

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
UK corporation tax - Revision of prior year estimate	-	-	-	(1,042)	-	(1,042)
Overseas taxation - Revision of prior year estimate	-	-	-	(990)	-	(990)
Overseas taxation	6,435	342	6,777	5,142	183	5,325
	6,435	342	6,777	3,110	183	3,293
Tax expense for the year	6,435	342	6,777	3,110	183	3,293

The 2021 revisions of prior year estimates relates to a £1.04m release of a prior year UK tax provision relating to taxation of overseas dividends and a £0.99m refund of overseas withholding tax. In 2021 the UK tax provisions were released because the tax provision amounts no longer met the conditions to be recognised as a liability.

The profit/(loss) of the Company for the year ended 31 December 2022 is taxed at the standard UK corporation tax rate of 19% (19%). Taxation for overseas jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The tax charge assessed for the years ended 2021 and 2022 can be reconciled to the profit per the statement of comprehensive income as follows:

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Profit/(loss) before tax	84,606	(320,474)	(235,868)	51,789	491,527	543,316
Tax at the standard UK corporation tax rate of 19.00% (19.00%)	16,075	(60,890)	(44,815)	9,840	93,390	103,230
Losses/(gains) on investments not subject to UK corporation tax	-	68,148	68,148	-	(95,182)	(95,182)
Income exempt from UK corporation tax	(17,317)	-	(17,317)	(11,080)	-	(11,080)
Revision of prior year estimate	-	-	-	(2,032)	-	(2,032)
Effect of overseas tax	6,435	342	6,777	5,142	183	5,325
Deferred tax assets not recognised	1,337	(7,166)	(5,829)	1,300	1,032	2,332
Other adjustments	(95)	(92)	(187)	(60)	760	700
Tax expense for the year	6,435	342	6,777	3,110	183	3,293

At the balance sheet date, the Company had unused tax losses of £185.7m (2021: £171.6m) available for offset against future profits. The unrecognised deferred tax asset in relation to the unused tax losses is £46.4m (2021: £42.9m). The Company has other deferred tax assets totalling £1.0m 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% (2021: 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

£000	2022	2021
2020 fourth interim dividend of 3.595p per share	-	11,411
2021 first interim dividend of 3.702p per share	-	11,714
2021 second interim dividend of 3.702p per share	-	11,593
2021 third interim dividend of 5.825p per share	-	17,962
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	-
	71,086	52,680

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

£000	2022	2021
2021 first interim dividend of 3.702p per share	-	11,714
2021 second interim dividend of 3.702p per share	-	11,593
2021 third interim dividend of 5.825p per share	-	17,962
2021 fourth interim dividend 5.825p per share	-	17,948
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	17,555	-
	70,889	59,217

8 EARNINGS PER SHARE

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

£000	2022 Revenue	2022 Capital	2022 Total	2021 Revenue	2021 Capital	2021 Total
Ordinary shares						
Earnings for the purposes of basic and diluted earnings per share being net profit/(loss) attributable to equity holders	78,171	(320,816)	(242,645)	48,679	491,344	540,023
Number of shares						
Weighted average number of ordinary shares for the purpose of basic earnings per share			299,027,659			314,504,909
Weighted average number of ordinary shares for the purpose of diluted earnings per share			299,027,937			314,508,968

The basic figure is arrived at by reducing the number of ordinary shares by nil (2021: 1,611) 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

£000	2022	2021
Investments designated at fair value through profit and loss:		
Investments listed on a recognised investment exchange	**3,012,458**	3,650,248
Investments in related and subsidiary companies	**34**	34
	3,012,492	3,650,282

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

Unlisted investments relate to directly held private equity investments.

£000	Listed equity investments	Other equity	Related and subsidiary companies	Unlisted investments	Total
Opening book cost at 1 January 2021	2,828,600	-	-	648	2,829,248
Opening investment holdings gains/(losses)	440,351	-	34	(77)	440,308
Opening valuation as at 1 January 2021	3,268,951	-	34	571	3,269,556
Movements in the year					
Purchases at cost	3,685,646	-	-	-	3,685,646
Sales – proceeds	(3,804,637)	(635)	-	(607)	(3,805,879)
Gains on investments	500,288	635	-	36	500,959
Closing valuation as at 31 December 2021	3,650,248	-	34	-	3,650,282
Closing book cost	3,131,040	-	-	-	3,131,040
Closing investment holdings gains	519,208	-	34	-	519,242
Closing valuation as at 31 December 2021	3,650,248	-	34	-	3,650,282
Opening book cost at 1 January 2022	**3,131,040**	-	-	-	**3,131,040**
Opening investment holdings 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) or 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 holdings gains	**86,732**	-	**34**	-	**86,766**
Closing valuation as at 31 December 2022	**3,012,458**	-	**34**	-	**3,012,492**

In Other equity, the (losses)/ gains on investments relate to losses and gains on futures contracts held for the purposes of efficient portfolio management.

Detail on the hierarchical valuation of investment is given in note 18.9.

£000	2022	2021
(Losses)/gains on investments excluding derivatives	**(358,311)**	500,324
(Losses)/gains on derivatives	**(364)**	635
Total (losses)/gains on investments	**(358,675)**	500,959
Transaction costs	**(2,374)**	(3,171)
Net (losses)/gains on investments	**(361,049)**	497,788

The Company received £2,193.6m (2021: £3,805.9m) from investments sold in the year. The book cost of these investments when they were purchased was £2,119.8m (2021: £3,383.9m). 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

£000	2022	2021
Sales of investments awaiting settlement	**76**	8,766
Dividends receivable	**5,521**	2,282
Other debtors	**292**	342
Recoverable overseas tax	**3,759**	3,234
	9,648	14,624

Outstanding settlements and 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 amortised cost using the effective interest rate method, less provision for impairment. The Directors consider that the value recognised of other receivables approximates to their fair value.

11 OUTSTANDING SETTLEMENTS AND OTHER PAYABLES

£000	2022	2021
Purchases of investments awaiting settlement	**2,155**	9,118
Amounts due to subsidiary companies	**35**	35
Amounts payable for share buybacks	**1,424**	-
Other creditors	**3,563**	4,716
Interest payable	**2,072**	1,899
Tax payable	**95**	95
	9,344	15,863

Outstanding settlements and other payables are not-interest bearing and are initially recognised at fair value and subsequently valued at their amortised cost using the effective interest method. The Directors consider that the value recognised of other payables approximates to their fair value.

12 BANK LOANS AND UNSECURED FIXED RATE LOAN NOTES

Bank loans

£000	2022	2021
Bank loans repayable within one year	**63,500**	180,500

Analysis of borrowings by currency:		
Bank loans – sterling	**63,500**	180,500
The weighted average % interest rates payable:		
Bank loans	**1.70%**	0.81%
The estimated fair value of the borrowings:		
Bank loans	**63,500**	180,500

£000	2022	2021
Opening bank loans balance	**180,500**	145,000
(Repayment)/drawdown of bank loans	**(117,000)**	35,500
Closing bank loans balance	**63,500**	180,500

Unsecured fixed rate loan notes

£000	2022	2021
4.28 per cent. Unsecured fixed rate loan notes due 2029	**98,434**	122,178
2.657 per cent. Unsecured fixed rate loan notes due 2033	**16,378**	22,844
2.936 per cent. Unsecured fixed rate loan notes due 2043	**14,644**	25,309
2.897 per cent. Unsecured fixed rate loan notes due 2053	**13,685**	27,492
	143,141	197,823

The expiry dates for the total bank loan committed facilities of £250m are disclosed in note 18.7. At 31 December 2022 the Company has a £150m facility which will expire on 16 December 2023 and a £100m facility which will also expire on 16 December 2023. As at 31 December 2022 £63.5m of the £100m facility has been drawn down. The loans are drawn down through a utilisation request and are repayable on the maturity date of that utilisation. Loans have been classified as short term in line with the date of repayment within the utilisation request.

£100m of unsecured 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, unsecured, 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%.

The fair value of unsecured 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.

The fair value of the items classified as loans and borrowings are classified as Level 3 under the hierarchical fair value hierarchy.

Total borrowing and unsecured fixed rate notes

	2022	2021
The total weighted average % interest rate	**2.91%**	2.26%

13 SHARE CAPITAL

£000	2022	2021
Allotted, called up and fully paid: 292,579,600/(2021: 308,117,181) ordinary shares of 2.5p each	**7,314**	7,703

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

During the year the Company bought back 15,537,581 (2021: 13,480,500) ordinary shares at a total cost of £149,635,644 (2021: £130,957,647), all of which were cancelled. The full cost of all shares bought back is included in the capital reserves.

£000	2022	2021
Ordinary shares of 2.5p each		
Opening share capital	**7,703**	8,040
Share buybacks	**(389)**	(337)
Closing share capital	**7,314**	7,703

14 NET ASSET VALUE PER ORDINARY SHARE

The calculation of the net asset value per ordinary share is based on the following:

	2022	2021
Equity shareholder funds (£000)	**2,895,019**	3,359,180
Number of shares at year-end – basic	**292,579,600**	308,115,570
Number of shares at year-end – diluted	**292,579,600**	308,117,181

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 (2021: 1,611) 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 (2021: £1,222) and £34,225 (2021: £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 42 to 45.

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 68 to 73.

£000	2022	2021
Total emoluments	**329**	343

17 ANALYSIS OF CHANGE IN NET CASH/(DEBT)

£000	2020	Cash flow	Other (losses) /gains	2021	Cash flow	Other gains	2022
Cash and cash equivalents	112,730	(20,152)	(3,999)	88,579	**(201)**	**486**	**88,864**
Bank loans and unsecured fixed rate loan notes	(354,780)	(35,500)	11,957	(378,323)	**117,000**	**54,682**	**(206,641)**
Net (debt)/cash	(242,050)	(55,652)	7,958	(289,744)	**116,799**	**55,168**	**(117,777)**

Other gains/(losses) includes £486m (2021: (£3.999m)) foreign exchange losses on cash balances and fair value movements of £54.682m gain (2021: £11.957m 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 2 to 40 and the accounting policies on pages 80 to 91 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 2022 (see 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.

£000	2022	2021
Debt*	**(206,641)**	(378,323)
Cash and cash equivalents	**88,864**	88,579
Net debt	**(117,777)**	(289,744)
Net debt as % of net assets	**4.1%**	8.6%

*If debt had been valued at par, net debt as a percentage of net assets would be 4.7% (2021: 7.4%).

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.

The Company has a risk management framework in place which is described in detail on pages 35 to 40. 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 managed on a regular basis by TWIM as 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 49.

Details of the equity investment portfolio at the balance sheet date are disclosed on pages 20 to 31.

18.3 CURRENCY RISK

A significant amount of the Company's assets, liabilities and transactions are 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

£000	Overseas investments 2022	Net monetary assets 2022	Total currency exposure 2022	Overseas investments 2021	Net monetary assets 2021	Total currency exposure 2021
US dollar	**1,899,107**	**27,196**	**1,926,303**	2,510,185	23,418	2,533,603
Euro	**396,421**	**2,371**	**398,792**	420,000	1,759	421,759
Yen	**131,642**	**421**	**132,063**	101,633	282	101,915
Other non-sterling	**305,403**	**1,760**	**307,163**	297,782	3,720	301,502
	2,732,573	**31,748**	**2,764,321**	3,329,600	29,179	3,358,779

Sensitivity analysis

If pounds sterling had strengthened by 10% (2021: 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 2021. The revenue return impact is an estimated figure for 12 months based on the cash balances at the reporting date.

£000	2022	2021
Income statement		
Revenue return	**(8,014)**	(4,891)
Capital return	**(276,432)**	(335,878)
Net assets	**(284,446)**	(340,769)

A 10% (2021: 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. Unsecured 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:

£000	2022	2021
Exposure to floating interest rates		
Cash at bank	**88,864**	88,579
Bank loans repayable within 1 year	**(63,500)**	(180,500)
	25,364	(91,921)

Sensitivity analysis

If interest rates had decreased by 0.5% (2021: 0.25%), 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.

£000	2022	2021
Income statement		
Revenue return	**(364)**	(108)
Capital return	**239**	338
Net assets	**(125)**	230

A 0.5% increase (2021: 0.25%) 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 TWIM, within parameters set by the Directors on investments and asset allocation strategies and risk. TWIM 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 20 to 31 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. A breakdown of investments by geography and sector can be found on page 12.

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

£000	2022	2021
Investments at fair value through profit & loss		
Investments listed on a recognised investment exchange	**3,012,458**	3,650,248
Investments in related and subsidiary companies	**34**	34
	3,012,492	3,650,282

Sensitivity analysis

99.9% (2021: 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.

£000	2022	2021
Statement of comprehensive income		
Capital return	**(301,246)**	(365,025)
Net assets	**(301,246)**	(365,025)

A 10% increase (2021: 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, the Executive team and the Depositary.
- The Company's Depositary is responsible for the safekeeping of the Company's assets and liable to the Company for any loss of assets. Reports from the Depositary and Custodian are regularly reviewed and daily reconciliation of the Company's assets is undertaken.

The Company minimises credit risk through banking polices which restrict banking deposits to high rated financial institutions.

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

£000	2022	2021
Credit rating		
A1	**88,864**	88,262
A1	**-**	317
	88,864	88,579
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:

£000	2022	Expires	2021	Expires
Committed multi-currency facility** – The Bank of Nova Scotia, London Branch	**150,000**	**16/12/2023**	150,000	16/12/2022
Amount drawn	**-**		150,000	
Committed multi-currency facility – The Bank of Nova Scotia, London Branch	**100,000**	**16/12/2023**	100,000	16/12/2023
Amount drawn	**63,500**		30,500	
15-year 4.28% unsecured 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% unsecured fixed rate loan notes*	**20,000**	**27/11/2043**	20,000	27/11/2043
Amount drawn	**20,000**		20,000	
35-year 2.897% unsecured fixed rate loan notes*	**20,000**	**27/11/2053**	20,000	27/11/2053
Amount drawn	**20,000**		20,000	
Total facilities	**410,000**		410,000	
Total drawn	**223,500**		340,500	

All the facilities are unsecured 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.

**The Bank of Nova Scotia, London Branch £150m facility due to expire on 16 December 2023 has an option to increase the commitment by £50m to £200m, subject to certain conditions being met.

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 exposure to this risk and the sensitivity analysis is detailed below.

£000	2022	2021
Investments after gearing	**3,012,492**	3,650,282
Gearing*	**(206,641)**	(378,323)
Investments before gearing	**2,805,851**	3,271,959

*Gearing is expressed based on debt at fair value.

Sensitivity analysis

If the fair value of gearing had increased by 10%, with all other variables held constant, the statement of comprehensive income result and the net assets attributable to equity holders would have further decreased by the amounts shown below.

£000	2022	2021
Income statement		
Capital return	**20,664**	37,832
Net assets	**20,664**	37,832

A 10% increase (2021: 10% increase) in the fair value of gearing would have resulted in an 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 2022. 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:

	2022				2021			
£000	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets								
Listed investments	**3,012,458**	**-**	**-**	**3,012,458**	3,650,248	-	-	3,650,248
Unlisted investments								
Other	**-**	**-**	**34**	**34**	-	-	34	34
Total assets	**3,012,458**	**-**	**34**	**3,012,492**	3,650,248	-	34	3,650,282
Liabilities								
Unsecured fixed rate Loan notes	**-**	**-**	**(143,141)**	**(143,141)**	-	-	(197,823)	(197,823)
Total liabilities	**-**	**-**	**(143,141)**	**(143,141)**	-	-	(197,823)	(197,823)

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.

£000	**2022**	**2021**
Balance at 1 January	**34**	605
Sales proceeds	**(292)**	(607)
Gains on investments	**292**	36
Balance at 31 December	**34**	34

Fair value gains/(losses) on the unsecured fixed rate loan notes are disclosed on the face of the Statement of Changes in Equity.

Subsidiaries

Investments in subsidiary companies (Level 3) are valued in the Company accounts at £34k (2021: £34k).

19 LEASES

Right of use property assets

£000	2022	2021
Cost		
Balance at 1 January	1,021	984
Lease modification	(908)	37
Balance at 31 December	113	1,021
Depreciation		
Balance at 1 January	(517)	(390)
Lease modification	632	76
Depreciation charge for the year	(174)	(203)
Balance at 31 December	(59)	(517)
Net book value at 31 December	54	504

Property lease liabilities

£000	2022	2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	38	251
One to five years	16	372
Total undiscounted lease liabilities at 31 December	54	623

Amount recognised in profit or loss

£000	2022	2021
Income from sub-leasing right of use assets	257	321

Amounts recognised in the statement of cash flows

£000	2022	2021
Total cash outflow for leases	(293)	(250)

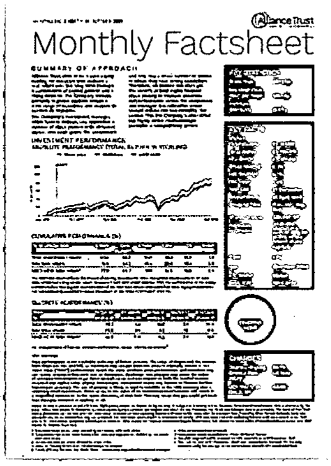
CONNECTING WITH SHAREHOLDERS

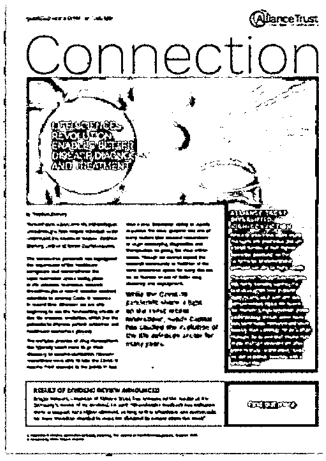
STAYING CLOSE TO SHAREHOLDERS

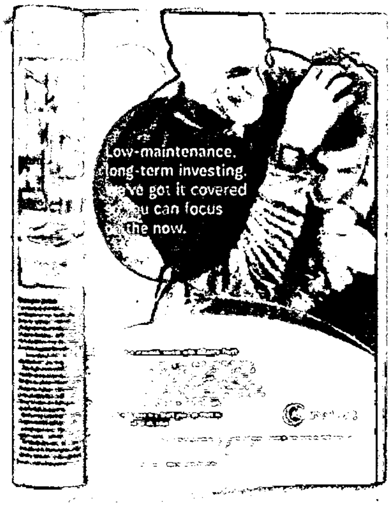
The routes and access to stock markets have changed dramatically in recent years. Many more shares are now in the hands of retail investors, buying through platforms and obtaining their information about investments from a wide variety of sources, increasingly online, as opposed to relying on companies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

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.







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 59 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

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.

		2022	2021
Opening NAV per share (p)	(A)	1,090.0	933.9
Closing NAV per share (p)	(B)	989.5	1,090.0
Change in NAV (%)	C=(B-A)/A	(9.2)	16.7
Impact of dividend reinvested (%)	(D)	2.1	1.9
NAV Total Return (%)	**C+D**	**(7.1)**	**18.6**

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.

		2022	2021
Opening share price (p)	(A)	1032.0	901.0
Closing share price (p)	(B)	948.0	1032.0
Change in share price (%)	C=(B-A)/A	(8.1)	14.5
Impact of dividend reinvested (%)	(D)	2.3	2.0
Total Shareholder Return (%)	**C+D**	**(5.8)**	**16.5**

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 net asset value per share of the Company.

		2022	2021
Closing NAV per share (p)	(A)	989.5	1,090.0
Closing share price (p)	(B)	948.0	1,032.0
(Discount)/Premium (%)	**(B-A)/A**	**(4.2)**	**(5.3)**

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.

		2022	2021
Investment Management fee (£000)		12,781	14,127
Other expenses (£000)		6,477	5,921
Non-recurring costs (£000)		(672)	(520)
Ongoing charges (£000)	(A)	18,586	19,528
Average net assets (£000)	(B)	3,050,503	3,281,536
Ongoing Charges Ratio (%)	**(A/B)**	**0.61**	**0.60**

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 2022 this was calculated as 2.5% in relation to the MSCI ACWI benchmark.

Active Share is a measure of how actively a portfolio is managed; is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index. For the Company's portfolio as at 31 December 2022 this was calculated as 79% 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 net asset value. As of the 31 December 2022 the Company's shares traded at a discount of 4.2%.

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 Net Asset Value. The Gross Gearing calculation includes any cash and cash equivalents or non-equity holdings. As at 31 December 2022, the Company had Gross Gearing of 7.8%.

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 Net Asset Value. Unless otherwise indicated, borrowings are valued at par. As at 31 December 2022, the Company had Net Gearing of 4.7%.

Investment Manager means the investment manager appointed by the Company to manage its portfolio. As at 31 December 2022, this was Towers Watson Investment Management Limited, a member of the Willis Towers Watson group of companies.

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 Net Asset Value. 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 by Willis Towers Watson to invest the Company's portfolio.

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.

NAV (Excluding Non-core Assets) Total Return is a measure of the performance of the Company's Net Asset Value (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 2022, after fees and including income with debt at fair value, was -7.1% as at 31 December 2022.

NAV Total Return is a measure of the performance of the Company's Net Asset Value (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 2022, after fees and including income with debt at fair value, was -7.1% as at 31 December 2022.

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 and is stated on an 'including income' basis with debt at fair value. The Company's balance sheet Net Asset Value as at 31 December 2022 was £2.9bn which, divided by 292,579,600 ordinary shares in issue on that date, gave a NAV per share of 989.5p.

Non-core Assets are the assets the Company holds aside from the global equity portfolio. At the end of 2022 there was one interest in a private equity investment which has now sold all of its assets but is not able to complete its liquidation for another year, any further return on this investment will be insignificant. The total value of these Non-core Assets as at 31 December 2022 was £34,225 (2021: £34,225).

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 2022 was 0.61%.

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 2022 was -5.8%.

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 2022 turnover was 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 Registrars.

You should also contact the Registrars 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.

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.

Shares in the Company may also be suitable for institutional investors who seek a combination of capital and income return. Private investors should consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares.

Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

INFORMATION FOR SHAREHOLDERS

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, as well as Computershare, the Company's Registrars.

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 wish to acquire shares in the Company, you should take professional advice as to whether an investment in our shares is suitable for you. 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 Registrars provide registered shareholders with a 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 Registrars, 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 2023 financial year as follows:

1st Interim Dividend

Dividend will be paid on 30 June 2023 to shareholders on the register on 2 June 2023.

2nd Interim Dividend

Dividend will be paid on 29 September 2023 to shareholders on the register on 1 September 2023.

3rd Interim Dividend

Dividend will be paid on 29 December 2023 to shareholders on the register on 1 December 2023.

4th Interim Dividend

Dividend will be paid on 29 March 2024 to shareholders on the register on 1 March 2024.

ANNUAL GENERAL MEETING

The 135th Annual General Meeting of the Company will be held on 27 April 2023 commencing at 11:00 a.m. at the V&A Dundee, 1 Riverside Esplanade, Dundee DD1 4EZ. 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 2023. 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.

TEN YEAR RECORD

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

Assets £m as at	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 2021	31 Dec 2022
Total assets	3,478	3,415	3,351	3,541	2,979	2,678	3,162	3,408	3,754	3,111
Loans	(380)	(380)	(390)	(220)	(233)	(227)	(225)	(305)	(341)	(223)
Net assets	2,886	3,019	2,948	3,284	2,700	2,411	2,879	3,003	3,359	2,895
Net asset value (p)										
NAV per share	516.5	544.8•	559.0•	667.5•	777.7•	723.6•	875.9•	933.9•	1,090.0•	989.5•
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
Share price (p)										
Closing price per share	450.1	478.9	517.0	638.0	746.5	688.0	840.0	901.0	1,032.0	948.0
Share price High	464.2	481.1	528.5	641.5	747.5	785.0	853.0	912.0	1,078.0	1,038.0
Share price Low	375.3	426.0	440.1	447.3	638.0	672.0	688.0	544.0	868.0	887.0
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
Gross gearing/ Net cash (%)										
Gross gearing	12	11	13	6	5	7	6	8	10	8
Net cash	–	–	–	–	–	–	–	–	–	–

Revenue	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 2021	31 Dec 2022
Profit after tax	£60.6m	£68.8m	£60.2m	£65.9m	£48.5m	£41.4m	£47.2m	£36.4m	£48.7m	£78.2m
Earnings per share	10.83p	12.38p	12.43p†	12.77p	12.86p	12.18p	14.30p	11.16p	15.48p	26.14p
Dividends per share	9.55p	9.83p	10.97p	12.77p	13.16p	13.55p	13.96p	14.38p	19.05p	24.0p
Special dividend	1.28p	2.546p	1.46p^	–	–	–	–	–	–	

Performance %†† as at	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 2021	31 Dec 2022
NAV per share	123	130	133	158	185	228	232	213	271	222
Closing price per share	123	131	141	174	204	257	268	248	301	253
Earnings per share	125	143	143	147	148	117	155	115	153	269
Dividends per share (excluding special)	126	130	145	169	174	169	171	171	212	259

Cost of running the Company	31 Dec 2012	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
Total expenses	£21.5m	£20.8m	£24.0m	£16.8m	£17.4m	£ 17.4m	£ 17.6m	£18.0m	£20.0m	£19.3m
Ongoing charges ratio (excluding capital incentives**)	0.75%	0.60%	0.59%	0.43%	0.54%	0.65%	0.62%	0.64%	0.60%	0.61%

•With debt at fair value. *Source: Morningstar UK Ltd. †Includes capital dividend paid December 2015. ^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 2022 has been rebased to 31 December 2012. **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.

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