



Message from the Chief Executive

In 2013 we made steady progress across all parts of the business. This has been reflected in the increase in the NAV and share price. The NAV and share price were the highest year-end levels we have reported.

The core of the Trust is the global equity portfolio, which equates to over 94% of net assets. This produced a solid total return of 21.6%. On the revenue account, we report a 9.1% increase in profit after tax, which has allowed us to increase the total dividend payment.

Our subsidiaries, Alliance Trust Savings and Alliance Trust Investments, have continued to develop. Alliance Trust Savings now has £5.4bn of Assets under Administration and it has gained market share as our distinctive flat-fee structure has appealed to IFAs and a number of private investors who are taking control of their portfolios in the wake of the Retail Distribution Review. Alliance Trust Investments completed the integration of the Aviva sustainable and responsible investment funds and rebranded them as Alliance Trust Sustainable Future funds. We have gone on to win new institutional investors and our first segregated mandate. In addition, nine of the 11 funds were rated above median over the year, and eight of the nine with a three year track record, have similarly outperformed their peers.

In addition to our strong financial results we have been recognised for the quality of our products and the services we provide. We have won many awards for our performance, customer service, transparency, products and services.

"Investing for Generations" is more than a marketing slogan. It encapsulates our 125 year track record of creating value for shareholders and our commitment for the future. We also use "Investing for Generations" to describe our sustainability strategy, which covers not only our investment philosophy but also other ways in which we have an impact on our shareholders, customers and employees and the wider community. You can read more about this on page 21.

Katherine Garrett-Cox

"it is only through adherence to our values and by delivering a sustainable business for our shareholders that we can continue to rebuild trust in our sector"

Purpose

We know that almost 70% of our shares are held, either directly or beneficially, by private individuals and around 90% of the clients of Alliance Trust Savings make their own investment decisions. Most of our investors are private individuals. We see our purpose as being to provide products and services that enable our shareholders and clients to create wealth and security for a stronger financial future.

People will invest in us and do business with us because:

We help them achieve long-term financial security

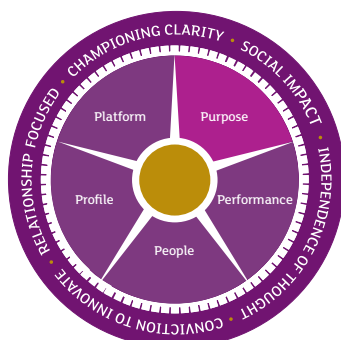
From the conversations and correspondence we have with our shareholders, we know that stability and sustainability of capital and income returns are important factors in their decision to invest in us.

We understand their needs and deliver what we say we will

We have been investing the capital of our shareholders for over 125 years and the families of a number of our shareholders have been invested in Alliance Trust for generations. Whether we are talking to shareholders who have invested directly with us, or to customers who invest in our funds or use our platform, we do not forget who our owners are, nor the importance of professional, but personal, customer service.

We have a clear investment focus and grow wealth in a sustainable manner

Our equity portfolio consists of around 100 holdings and before an investment decision is made we undertake a rigorous research process to understand the drivers of that company's potential performance. We know that our shareholders invest in us for the long term and our investment focus is to try to match their investment horizon. We focus on identifying companies which are trading at significant discounts to their intrinsic value, and which we believe exhibit a superior or more sustainable return profile for many years to come.



We offer a 'best value', easy to use platform

Alliance Trust Savings administers a multi-award winning platform, which provides its clients with a cost-effective means of managing their portfolio. We charge a flat fee for the service, as it basically costs us the same amount to administer a portfolio of £50,000 as to administer a portfolio of £500,000. As a result our customers have greater transparency over the charges levied.

We operate in a way that will allow our shareholders and customers to trust us

Trust among private investors in financial service providers has been severely dented by some of the events of the last five years. Alliance Trust is determined to create the environment whereby investors can feel that they can trust Alliance Trust to be clear about what it will do and how it will do it. We will achieve this by being transparent in what we do and how we communicate and relate to our clients.

We are easy to do business with – we have ethical and transparent processes and we produce high quality information

The Association of Investment Companies (AIC) has recognised Alliance Trust as the trust which provides the Best Information to Shareholders of any generalist investment trust for the last two years. While at Alliance Trust Savings we provide a clear charging structure, with no hidden charges or retained fees, and we have won a number of awards for the quality of the service that we provide to our clients.



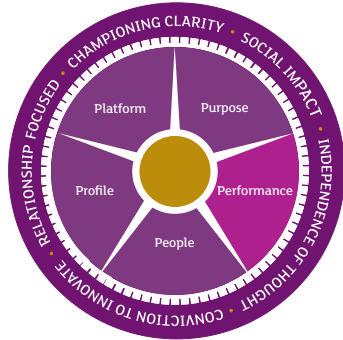
Performance

Review of investment performance

The Total Shareholder Return (TSR) for the Trust in 2013 was 22.7% and the Net Asset Value Total Return (NAV TR) was 18.4%. The NAV TR is the best absolute return the Trust has generated for three years and the TSR is the best absolute return that the Trust has reported in eight years. These returns are on top of the double digit growth we reported in 2012. The NAV and share price at 31 December were the highest year-end levels ever achieved.

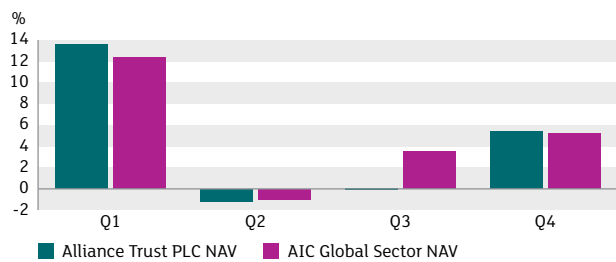
The difference between the returns is explained by the narrowing of the discount, which ended the year at 12.9%, having spent most of the year below 14%. The discount has not traded consistently at this level since 2006. We recognise that while these numbers are improving, there is always work to be done and we maintain our focus on delivering improved investment performance and a narrowing discount.

On page 9 we report on our Key Performance Indicators (KPIs). We measure and report on our performance in terms of how we rank relative to the returns generated by other Global investment trusts. We look at our performance over one, three and five years and use the three year results in the Long-Term Incentive Plan (LTIP) calculations (see pages 56, 57 and 64). Over the year we were ranked median on a TSR basis and in the third quartile on an NAV basis. We were ranked in the second quartile over three years on both measures and in the third quartile over five years.



The relative rankings are largely a result of the performance of the equity portfolio. The Trust has a greater exposure to the US than many of our peers. The US market was one of the best performing markets in the early part of 2013 and our performance relative to our peers was enhanced as a result. On a rolling six month basis, we were ranked above median for the period up until July, but then as the US started to suffer from political uncertainty arising from ‘Obamacare’ and the debate over the Federal budget, we saw this position reverse. Although the weakening of the US Dollar relative to Sterling in the second half of the year will have helped make US companies more competitive, the valuation of our portfolio was impacted more than many of our peers, particularly in the third quarter of 2013.

Alliance Trust NAV performance against peer group



Portfolio performance analysis

The table on the next page shows that the equity investment portfolio, which represented on average 94% of net assets, returned 21.6% during the year and contributed 19.4% to the NAV total return. The attribution analysis table on page 14 gives more information on how this performance was generated from a global sector perspective.

The total return of fixed income investments was affected by the weakness in bond markets in the second quarter of the year but recovered in the second half, to give an overall total return of 3.6%. The Trust’s holding in the Alliance Trust Monthly Income Bond Fund, which accounted for the majority of the investment in fixed income, had a total

return of 3.2%, compared to 1.9% for the IBoxx Sterling Corporate Bond 5-15 year index which is the benchmark for that fund. The holdings in the Alliance Trust Dynamic Bond Fund returned 4.7%, showing the robustness of the investment approach during a period of volatile markets. The total weight in fixed income fell as a proportion of total net assets by more than 1% due to the relative strength of equities.

Other Assets, which include Private Equity, Property, Mineral Rights and Subsidiaries made a marginally negative contribution to NAV growth. Cash balances yielded a negligible return due to the continuing very low level of interest rates.

The low interest rate environment allowed the Trust to borrow at an average cost of 1.8%. Gearing was increased from £200m to £380m, to take advantage of the positive outlook for equities. The cost of borrowing was low in relation to the returns that were earned on the Trust's investments so the gearing was beneficial for overall performance.

Expenses of £21.5m reduced the NAV by 0.8% during the year. Buybacks had a small positive effect of around 0.04% of NAV.

Contribution Analysis (%)	Average Weight	Rate of Return	Contribution to Total Return
Equities	93.8	21.6	19.4
Fixed Income	7.9	3.6	0.3
Other Assets	7.3	-1.2	-0.1
Cash and Accruals	2.5	0.0	-0.2
Gearing (cost of borrowing)	-11.5	1.8	-0.2
Total	100.0	19.2	19.2
Expenses			-0.8
Share Buybacks			0.0
NAV Total Return			18.4
Narrowing of Discount			4.3
Share Price Total Return			22.7
MSCI ACWI Total Return			21.1

Source: Alliance Trust and FactSet

Equity portfolio attribution

The table overleaf analyses the performance of the Trust's equity portfolio by sector and the extent to which each part of the portfolio contributed to the overall return. We do not have a fixed benchmark as we believe that this would constrain our ability to shape the portfolio. However we recognise that many like to measure the Trust against an index and we show our performance relative to the chosen reference index, in this case the MSCI All Country World Index. The portfolio's return of 21.6% was slightly better than the index which returned 21.1%.

The table overleaf shows the weighting of the assets in the portfolio and the index and the return of each sector or asset class in the portfolio and the index.

The degree of out/underperformance is then attributed to:

- Sector Allocation – This measures the impact of over or underweighting each sector relative to the benchmark weightings. For example, we had more in Health Care than the index, and this sector performed better than the index.
- Stock Selection – This measures the degree to which the stocks that we held in each sector did better or worse than the sector index. For example, although we were overweight in Utilities which did not do well relative to the index as a whole, we selected good stocks in that sector.

Our investment approach is based on stock selection rather than taking deliberate active positions on a sector basis, but this analysis provides a useful insight into the structure of the portfolio.

The biggest overweight this year has been in Health Care which was the strongest sector in the market. Some of our holdings, such as Intuitive Surgical and Novo Nordisk, lagged in the short term but we remain confident about their future prospects.



%	Alliance Trust		MSCI All Country World Index		Sector Allocation Effect	Stock Selection Effect	Total Relative Effect
	Average Weight	Total Return	Average Weight	Total Return			
Consumer Discretionary	9.3	32.7	11.3	34.1	-0.2	0.0	-0.2
Consumer Staples	9.8	18.6	10.5	17.0	0.1	0.0	0.1
Energy	8.3	14.5	10.2	12.0	0.2	0.2	0.4
Financials	21.9	20.8	21.5	20.3	0.0	0.1	0.1
Health Care	14.0	25.1	10.0	34.0	0.5	-1.0	-0.5
Industrials	11.2	32.7	10.6	28.1	0.0	0.5	0.5
Information Technology	12.9	16.0	11.9	24.4	-0.1	-0.9	-1.0
Materials	4.2	1.1	6.4	-2.4	0.3	0.3	0.6
Telecommunication Services	3.1	21.5	4.2	22.0	0.0	0.0	0.0
Utilities	5.5	26.5	3.4	9.5	-0.2	0.8	0.6
Index Futures & Currency Forwards	-0.2	0.0	0.0	0.0	-0.2	0.0	-0.2
Equities	100.0	21.6	100.0	21.1	0.4	0.0	0.4

Source: Alliance Trust

Stock selection was strong in Utilities (e.g. China Gas Holdings and Enterprise Product Partners) and Industrials (e.g. Deutsche Post) but was relatively weak in Information Technology (e.g. Samsung Electronics).

The largest overall contributor to relative performance was Materials where the decision to avoid most of the mining stocks (especially gold stocks) in the MSCI Index was beneficial and offset the effects of negative returns from The Mosaic Company and Glencore Xstrata.

The largest sector in terms of absolute weight in the portfolio remains Financials. Stock selection was mixed in this sector, with some notable successes such as Prudential and Legal & General being offset by weak performance from Bangkok Bank and Standard Chartered.

In the second half of the year Sterling was strong, particularly against the US Dollar, reversing the move seen in the first half. As the equity portfolio has a relatively high weighting in UK stocks, the currency movement improved relative performance. However, this was partly offset by currency hedges that were designed to bring the overall currency positioning of the Trust closer to neutral.

In the fourth quarter a long position in Nikkei 225 index futures was established to add exposure to the Japanese market. The underlying exposure was equivalent to 5% of the equity portfolio's value at the year-end. The portfolio benefited from strength in the Japanese equity market without being exposed to currency risk from a weakening Yen. We closed this position after the year-end for risk management reasons.

May 2013

Share price and NAV reached new highs

Alliance Trust Cateran Yomp attracted over 400 entries. In 3 years over £1m has been raised for charity

June 2013

Review of financial performance

Consolidated results

For the year ended 31 December 2013 the consolidated profit per share was 81.38p (2012: 43.78p) comprising revenue earnings per share of 9.80p (8.61p) and capital profit per share of 71.58p (35.17p). Consolidated administrative expenses charged against revenue profits were £45.4m (£41.2m). Consolidated administrative expenses charged against capital profits were £1.9m (£1.6m).

Company total return

The Company generates returns through revenue earnings and capital growth. For the year ended 31 December 2013 the revenue earnings per share were 10.83p (9.74p) and the capital profit per share was 70.80p (35.40p) representing a total profit per share of 81.63p (45.14p).

Company revenue performance

Revenue earned from the Company's assets increased by 13% to £90.0m (£80.0m). The increased income was largely the result of a greater exposure to equities following an increase in the level of borrowings in February. Our top 10 income generating investments account for 21% of our investment income, with the largest being Zurich Insurance, HSBC, Resolution, Pfizer and Royal Dutch Shell.

Company capital performance

Last year saw an increase in the financial markets and our net asset value per share increased by 16.1% (9.6%) to 516.5p (444.9p). Gains on our investment portfolio totalled £416.1m (£198.5m).

Company expenses

Although Company costs increased by 15% to £21.5m (£18.7m), we remain conscious of prevailing market conditions and the requirement to apply strict cost controls across the business. The main contributors to the increase were the higher cost of fund management and investment in compliance and risk functions to ensure that we remain fully compliant with an ever increasing range of new regulatory requirements, see pages 38 and 39.

Ongoing Charges Ratio

The Ongoing Charges Ratio was 0.75% (0.67%). As a self-managed investment company we apply the AIC's recommendation that costs relating to compensation schemes which are linked directly to investment performance should be excluded from the calculation of the principal Ongoing Charges Ratio. We have, in line with the guidance, disclosed on page 117 the Ongoing Charges Ratio both including and excluding such capital incentives.

As the Company has substantial investments in the Monthly Income Bond Fund, Dynamic Bond Fund and Global Thematic Opportunities Fund, which are managed by Alliance Trust Investments, a proportion of the ongoing charges of these underlying funds have been incorporated into the Ongoing Charges. The proportion is based on the percentage of the fund held by the Company. It should be noted that the expenses incurred by the Company's subsidiaries have been excluded from the Ongoing Charges calculation as these do not relate to the operation of the investment company. This is in accordance with the guidelines provided by the AIC.



Dividend

Alliance Trust has a long and proud tradition of annual increases in the dividend. We have increased the dividend in each of the last 47 years and are one of only three investment trusts which have such a track record. Our policy is that we aim to pay a sustainable and rising ordinary dividend and pay the balance of the income derived from the portfolio back to shareholders by way of a special dividend. The ordinary dividend for 2013 will rise by 3% to 9.548p. We are also announcing that the payment to shareholders for the year will also include a special dividend of 1.282p, which will be paid on 30 June 2014. This amounts to an increase in the total dividend payment for the year of 12.5%. The dividend is covered from earnings, ensuring that we maintain the capital base to deliver rising dividends in future years.

In the absence of any unforeseen developments, we expect to be able to recommend quarterly interim dividends of 2.4585p, payable on or around 30 June 2014, 30 September 2014 and 31 December 2014 and a fourth interim dividend of at least 2.4585p, payable on or around 31 March 2015.

Subsidiary businesses

The financial results of the subsidiary businesses are disclosed on pages 30 to 33 and in Note 19 on pages 97 to 99 which explains the basis of inter-company charging.

Borrowing facilities

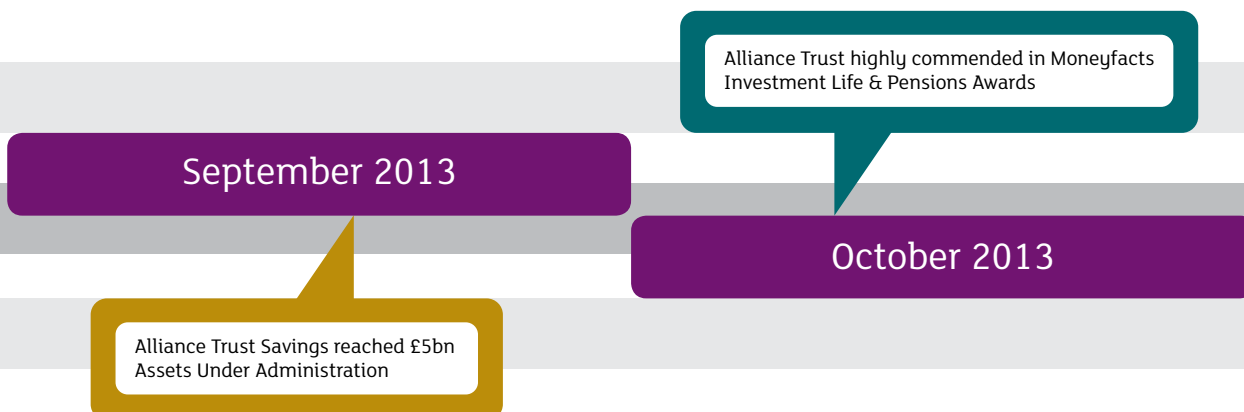
At 31 December 2013 we had net debt of £380m or 11.6% (6.6%). The Company had committed funding lines of £450m (£400m) in place at the year end.

Discount and share buybacks

During the year we bought back 1.485m shares representing 0.3% of the Company's share capital at a total cost of £6.7m and a weighted average discount of 13.4%. The effect of our policy of buybacks has been to reduce the volatility of the discount of our share price to NAV and has ensured that the discount has not been allowed to drift wider. The shares bought back are cancelled rather than held in treasury.

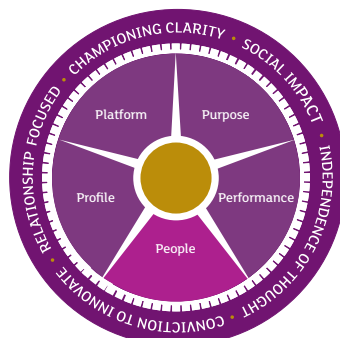
Our willingness to undertake share buybacks where we judge it to be beneficial to shareholders is now well established, and we are committed to the ongoing flexible use of buybacks, taking into account the Company's discount relative to the peer group. Last year we reported that the discount had traded in a narrower range than in any of the previous five years and this has remained true in 2013.

During the first four months of 2013, the discount continued to narrow steadily, continuing a trend which had begun in June 2012. In May 2013 it reached its narrowest point (11.2%) at the time when markets were reaching their high point of the year. The discount widened over the summer as the markets grew concerned about the contagion effect of the budgetary developments in the US. As that threat appeared to be resolved, so the discount has started to narrow again and it continues to narrow in 2014.



People

Our people are the key to our success and unlocking their potential is the route to achieving our 2020 vision and strategy.



Selecting the best people

We recruit people who will fit well with the values and behaviours we set out for our business.

Where possible, we recruit from within and seek to develop and promote from our existing talent pool. By 2020 we have set ourselves an ambitious target to achieve more than 50% of vacancies filled by internal applicants.

We grow our own talent through an annual graduate scheme which rotates recruits around key business areas, before selecting a permanent area of specialism. A number of senior positions are now held by former graduate scheme members.

Rewarding success

We reward our people for performance and these rewards are linked to the success of our business and also aligned closely to our shareholder interests. The majority of our people are shareholders through our All Employee Share Ownership Plan and are therefore closely linked to the performance of the business.

We listen to our people

84% of our people take the time to tell us what they think through our Employee Engagement Survey.

Our engagement results are excellent and 81% of those who responded tell us that they would recommend Alliance Trust as a good place to work. We listen to their feedback and build improvements into our plans for the future.

Equality & diversity

We fundamentally believe that a diverse workforce will create the optimum environment upon which our business will thrive and grow.

We are committed to creating an inclusive environment where our people can develop and contribute fully.

In formulating and implementing our employment and recruitment policies we ensure that they are at all times compliant with all relevant EU and UK legislation. Recruitment, development and promotion is based solely on their suitability for the job to be done. We will not discriminate on the basis of gender, sexual orientation, age, race, nationality, disability or political or religious belief.

Our Executive Committee comprises 60% male and 40% female members.

The table below provides the gender split at different levels within the business.

	Male	Female
Board	3 (43%)	4 (57%)
Senior managers	47 (73%)	17 (27%)
Total workforce	121 (49%)	127 (51%)

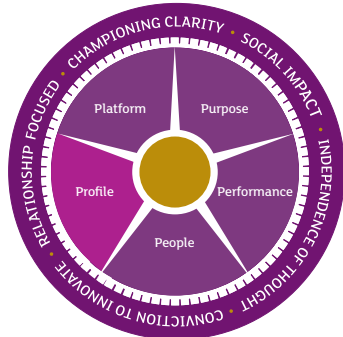
November 2013

Alliance Trust Investments won Best New Entrant at ESG Investment Awards

Launch of the new Alliance Trust PLC website

December 2013

Profile



We believe that we are in a unique position at Alliance Trust in that we offer products and services that should appeal to a broad cross-section of investors and meet a range of their investment requirements. We provide for investors who use collective investment vehicles. We offer a globally diversified investment trust and a range of open-ended funds. We also provide a savings platform upon which these, and other, investments may be held in a tax-efficient manner. We have been proactively promoting our products and services to consumers, intermediaries and institutions for a number of years and this has gone a long way to building our company brand awareness to date.

We believe that it is important that shareholders have all the information that they may reasonably need in order to make an informed decision and provide more disclosures than are required in order to assist this understanding. The flat-fee pricing structure in Alliance Trust Savings also provides transparency and certainty for retail investors.

However, with the introduction of the Retail Distribution Review, there are a large number of investors who are looking to manage their own portfolios. For them and others, education is going to play an important role in answering their questions. If we can be seen to provide assistance in this area, then we can engender trust and build up brand awareness by becoming recognised for providing valuable insight and guidance.

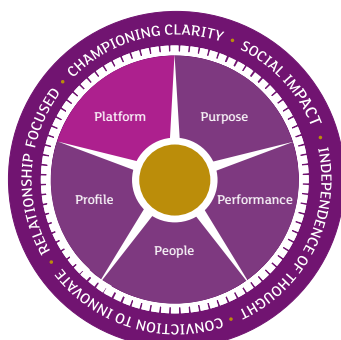
With that in mind, we have launched an online hub, in association with the Daily Telegraph, that has quality educational content focusing on topics such as introduction to investment planning, products in a portfolio, global diversification, retirement planning, planning for your family future etc. In 2014, we will be launching a group wide brand campaign focusing on education and guidance aiming at individual investors. We will be advertising these themes heavily with the objective of building brand awareness and, importantly, trust in our brand.



Our Investment Focus online hub.

Platform

During the year we have addressed a number of issues which would otherwise have affected our ability to continue investing and growing the business.



Outsourcing middle and back office investment functions

We reported last year that we had entered into an outsourcing agreement with BNY Mellon (BNYM) with a view to BNYM taking on the administration of certain of our middle and back office investment functions. During the year, the project has progressed and we are on track to deliver the first phase of the project during 2014.

The outsourcing arrangements, which are not expected to result in material cost savings, will however enable us to focus on managing the investment portfolio and also to ensure that middle and back office investment functions are delivered in a single, scalable and cost effective manner by our third party provider. It will also ensure that these services will develop in line with industry best practice.

Regulatory change – Alternative Investment Fund Managers’ Directive (AIFMD)

The AIFM (Alternative Investment Fund Managers) Directive was conceived in the aftermath of the financial crisis in 2008. Its objective was to ensure that previously unregulated collective investment activities would be subject to regulatory oversight. Although the primary target was hedge funds, the legislation is broadly written to regulate a wide range of collective investments including investment trusts. Unlike many other investments in this category, investment trusts were already regulated by both the Companies Acts and the Listing Rules which apply to companies traded on the London Stock Exchange. The presence of an independent Board also acts to safeguard the interests of shareholders.

Alliance Trust has applied to the Financial Conduct Authority (FCA) for authorisation as a Manager under the Directive. As a self-managed trust we will act as our own manager and, as required, will appoint a third party as a Depositary for the Trust’s assets. The principal duties of the Depositary are to ensure the safekeeping of investors’ assets and to oversee the processes and procedures of the manager. The costs associated with implementation and the ongoing charges associated with the Directive will be borne by the Trust.

Savings platform

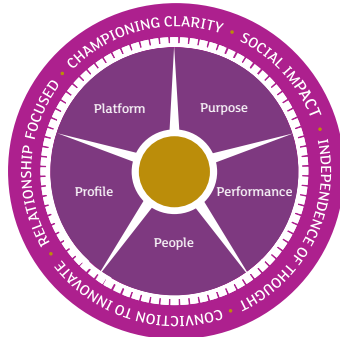
Alliance Trust Savings has entered into an agreement with GBST to deliver its platform technology solution. GBST is a leading global provider of securities transaction and online trading technology. The technology will be fully integrated within the business to improve the offering to customers and intermediaries, deliver operational efficiencies and support the growth of the business. The aim is to launch the new technology for intermediary new business in the early part of 2015, followed by the migration of existing customers towards the end of 2015.

Information technology

We believe that it is important that the technology we use provides us with the tools that we need to run our business efficiently but is also secure. In the course of the year we reviewed our IT systems, in conjunction with external security consultants, and enhanced controls to improve data security and to reflect industry developments.

Our values

Our values are shared beliefs within the business that drive our culture and provide a framework for decisions and behaviours; a compass for our actions, initiatives and how we behave. They are central to everything we do and underpin our focus on the delivery of long-term value for our shareholders.



Social impact

We are committed to creating a sustainable future for our shareholders, customers and communities. We are committed to a strategy of responsible investment and have a key role to play in supporting a stable capital market. We develop our employees to realise their full potential. We manage the impact of our direct operations on the environment, minimising our carbon footprint and we will begin to influence the actions of our suppliers. We play our part in supporting the communities in which we operate. We actively promote a sense of social responsibility in our own people and encourage our people to get involved and give something back to society.

Independence of thought

As an independent company, rather than part of a wider financial services group, we can chart our own course. We are not afraid to challenge the norm and are courageous in the way we think and the way we do things. We aim to be distinctive in our approach, in order to deliver better value for shareholders and customers. We are not afraid to ask one another tough questions - in a constructive and supportive way. We encourage our people to drive ideas forward with passion, energy and commitment and we see things through - we don't wait to be told.

The conviction to innovate

Larger or multi-national businesses can struggle to be flexible in how they operate. By contrast, we are a business which is big enough to have strong resources but small enough to be flexible and enterprising. We consistently aim to look for improvements in how we do business as well as opportunities in our markets that can offer value for our shareholders and customers in the short and longer term. We listen and are open to other people's ideas, finding the best solution for the business. We stretch ourselves to constantly improve and be the best we can.

Relationship focused

Our focus has always been on building long term, mutually beneficial alliances with shareholders, customers and business partners who trust us to deliver. We understand this kind of trust and loyalty has to be earned. We aim to do this through understanding and listening to our audiences, ensuring they feel valued, exceeding their expectations and ultimately, doing the right thing for our shareholders and customers. As well as focusing on our customers, we listen, co-operate and collaborate to support each other. We do what we say we will, building trust with our colleagues. We recognise and celebrate success.

Championing clarity

The investment world is built upon an ever-growing volume of complex information that can often feel daunting. Yet, all audiences want quality of insight over quantity of information. They also seek clear messages and open, not closed, doors. We aim to stand out as a business which takes the time and effort to be clear in our messages and to make complex information easier to digest for our shareholders, customers and employees. Internally, we aim to communicate face to face, avoiding email where we can. We are open and honest.

Investing for Generations – sustainability

The Alliance Trust sustainability strategy is called Investing for Generations. This strategy is focused on building our business for the long term. While we have been investing for 125 years we realise that to continue for the next 125 years, we need to remain as relevant to our shareholders, clients, and customers as we have always been.

We have identified five key areas of focus for our Investing for Generations strategy:

Responsible investing

We support and encourage our investment team to use our influence, as shareholders, to improve corporate responsibility. For example, following the collapse of the Rana Plaza factory in Bangladesh, we worked with other shareholders, representing about £1 trillion of assets under management, to champion the Bangladesh Accord on Fire and Building Safety. Our argument is that if incidents like this persist, apart from the devastating human impact, it will damage the brands of those companies, so there is a long-term shareholder benefit in making sure that companies respect human rights.

Our policy is to vote whenever practicable. As the quality of the management of a company in which we invest is a key consideration, in most cases we support management but we will engage with them and ultimately vote against their recommendations where we believe that their proposals are not in shareholders' interests.

Votes against management were mainly in respect of Asian companies and ranged from individual reappointments to severance packages and a corporate restructuring. Full details of our voting record can be found on our website www.alliancetrust.co.uk.

In favour of management recommendations	75
Against management recommendations	10

We will also engage with management throughout the year if we believe that a proposal is detrimental to the long-term future of the business. Recently we were concerned about the way in which a company was planning a major transaction. Although we were ultimately unsuccessful in making them change their plans many commentators agreed with our position and were critical of the way in which the transaction was undertaken.

We are signatories to the United Nations Principles for Responsible Investment (UN PRI) and two of our investment team are members of different UN PRI committees.

Shareholders and customers

We place our shareholders at the heart of everything that we do. They are the ultimate owners of the Trust and we are focused on the return that we generate for them.

In addition to the management of the portfolio, we are also very conscious of the impact that our interaction with the clients of our asset management business and the customers of our savings platform can have on our performance and reputation.

Alliance Trust Savings operates a customer charter that governs how we treat our customers. Our training programmes are designed to improve customer services and experience as it is by servicing their investment needs that we will provide better returns for our shareholders over the long term.

Environment

We are committed to managing the impact of our operations on the environment and embedding environmental management and improvement into all areas of our business. This commitment is the foundation of our environmental management system (EMS), which is based on International Standard ISO 14001:04.

Our EMS is supported by our environmental policy and related policies and procedures which set out our commitment to environmental stewardship and how we aim to minimise our impact on the environment.

We report on our greenhouse gas emissions on page 70.

Community

Our goal is to support the communities in which we operate.

We established the Alliance Trust Staff Foundation and have supported local charities operating within Dundee, Edinburgh and London.

We support Pilotlight, which places business professionals onto the Boards of charities, and some of our senior team members are now working directly with local charitable organisations. In collaboration with FutureReach we ran two workshops in local Dundee schools, helping to equip students with the necessary skills to secure employment in the future.

We allocate two volunteering days to our people per annum and encourage them to get involved in local projects or charitable activities.

People

Our goal is to provide rewarding careers for the people we employ and we aim to recruit, retain and develop the best talent in the marketplace.

We encourage share ownership and this ensures that we align the interests of our people closely with the interests of our shareholders.