7. Activist investors: Alliance Trust and Elliott International

Alexander Pepper[1]

This is the story of the decline of Alliance Trust, an investment company established in 1888 in Dundee, Scotland, as a result of the actions of an active investor, Elliott International. The case examines the business model of investment funds, the role of active investors, corporate governance, business ethics and leadership.

Alliance Trust and Elliott International examines the role played in the economy by activist investors – do they provide important discipline in the capital markets or are they just 'barbarians in the board room'? It considers the importance of a company's history and its position in the local economy – is there room for sentiment, or is all that matters hard-nosed financial metrics? It asks, can finance be a force for good?

The case provides an introduction to the investment management industry, especially investment trusts and the closed-end fund puzzle – why do shares in many investment trusts trade at a discount to net asset value and what are the implications of this?

From a skills perspective, the case requires students to carry out a financial analysis, to compare the performance of Alliance Trust with that of comparable closed-end funds in order to assess whether Elliott International's assertions about the fund's underperformance have any validity.

Guidance on how to write a case analysis can be found in Chapter 1, 'Business cases: what are they, why do we use them and how should you go about doing a case analysis?'.

A teaching note for this case is available to bona fide educators. To request a copy please email a.a.pepper@lse.ac.uk

How to cite this book chapter:

Pepper, Alexander (2025) 'Activist investors: Alliance Trust and Elliott International, in: Sallai, Dorottya and Pepper, Alexander (ed) *Navigating the 21st Century Business World: Case Studies in Management*, London: LSE Press, pp. 95–110. https://doi.org/10.31389/lsepress.nbw.g

Introduction

Dundee, the fourth largest city in Scotland with a population of over 150,000, is situated in a spectacular setting on the north side of the Firth of Tay, the estuary where one of Scotland's most famous rivers meets the sea. If you approach Dundee from the south by train you cross the (second) Tay rail bridge, made famous by the disaster which occurred on the night of 28 December 1879 during a violent storm when the first Tay rail bridge collapsed as a train passed through the central high girders, killing all aboard. If instead you approach by road, you might cross the spectacular road bridge, over a mile long, built in the 1960s to link Fife and Dundee, thus saving a 40-mile round trip via Perth. Alternatively, you might arrive by road from the west through the Carse of Gowrie, a fertile strip of land stretching for about 24km along the north shore of the Tay between Perth and Dundee, bordered by the Sidlaw hills to the north, a rich agricultural area famous for its strawberries, raspberries and other soft fruit.

Dundee is a post-industrial city, known historically for its three main industries – jute, jam and journalism. Jute, a natural fibre imported from the Far East through Dundee's readily accessible seaport, was the basis of Dundee's textile industry in the 19th century. Journalism is the bailiwick of the DC Thomson group, a long-established local firm still owned and run by the Thomson family, best known for publishing *The Dundee Courier*, the *Beano*, the *Dandy*, the *People's Friend* and the *Scots Magazine*. Jam has historically been manufactured from the soft fruit grown in substantial quantities in the Carse of Gowrie. James Keiller & Son produced Great Britain's first commercial brand of marmalade with imported Seville oranges until the company ceased to exist in 1992.

After a period of post-industrial decline in the 1970s and 1980s, Dundee has partially revived in recent years with the growth of the biotechnology and computer gaming industries, linked to the city's two thriving universities.[2] There has also been a major public investment in the waterfront area, including the opening of V&A (Victoria and Albert) Dundee in September 2018. This is an international design centre linked to London's Victoria and Albert Museum and designed by the renowned Japanese architect Kengo Kuma.

Alliance Trust

Dundee was once the home of a number of listed companies. Now only one remains, Alliance Trust plc, an investment company established in the late 19th century to help local businessmen invest their wealth, historically focusing in particular on investment opportunities in post-Civil War America.[3] Alliance Trust is an investment trust, a closed-end investment fund constituted as a public company and listed on the London Stock Exchange. Between 2008 and 2011, Alliance Trust was briefly a constituent member of the FTSE100 index, although it has subsequently been relegated to the

FTSE 250. Customers include large numbers of individual retail investors as well as other institutional investors. Its main investment focus is now on the global equity markets.

The Alliance Trust was formed in 1888 on the merger of three mortgage and land management companies: The Dundee Investment Company, The Dundee Mortgage and Trust Investment Company and The Oregon and Washington Trust. The trust attracted funds from many prominent Dundee figures – the original investors included merchants, ship owners, textile manufacturers and other business people. After formation, the firm expanded into asset classes beyond mortgages over land in America. For some years after 1918 it shared its premises and costs with another firm called the Western & Hawaiian Investment Company, which was subsequently renamed The Second Alliance Trust. In the 1920s and early 1930s, the two companies continued to focus mainly on mortgages and other fixed-income securities, but it divested its mortgage and land interests during the American great depression so that, by 1938, it was reported that stock and bonds constituted 92.41 per cent of the company's assets. In 1986, a savings division was established to sell pensions and other retail investments.

An investment trust is an unusual form of investment vehicle, similar in nature to a unit trust (UK), OEIC (Europe) and mutual fund (US), but with a number of important differences. Investment trusts have a fixed number of shares, unlike, for example unit trusts, which create and cancel units as people invest or remove their funds. In strict legal terms, investment trusts take the form of companies with shares, rather than being English law trusts. Investment trusts which satisfy certain conditions set out in section 842 of the UK Income and Corporation Taxes Act 1988 are exempt from UK tax on capital gains, thus avoiding two levels of capital gains tax which would otherwise be payable by investors. The tax rules are complex and have to be followed very carefully by the investment managers. Dividend income and bond interest are also effectively exempt from UK tax, so investment trusts typically only suffer overseas taxes on their investment income and gains.

A common and peculiar feature of investment trusts is that the net asset value of underlying assets is often greater than the market capitalisation of the trust's own shares, known in the investment industry as the 'discount'. The discount has been the source of much debate and academic research over the years and plays a major part in the Alliance Trust story. Some other specific features of investment trusts are that they are closed-ended. Compared to an open-end fund, a closed-end fund has a fixed number of shares and has a relatively stable capital base; managers' investment decisions are therefore not usually affected when investors buy or sell the investment trust's shares. They are capable of gearing – unlike many other kinds of investment fund, investment trusts can use debt finance to leverage their capital. Income retention is possible – in any year investment trusts can retain 15 per cent of their income for reinvestment, unlike open-end funds which must distribute all their income. And they have significant shareholder rights – shareholders of an investment trust have full shareholder voting rights, which are generally more extensive than the rights of investors in other kinds of fund.

Alliance Trust's shares have historically been widely distributed; in December 2014 70 per cent of its shares were held by over 50,000 retail and institutional investors. Major shareholders at 31 December 2014 included DC Thomson & Co Ltd (5.51 per cent) and Elliott International (5.07 per cent). Alliance Trust's board comprised the chair, Karen Forseke, a very experienced investment professional, the chief executive, Katherine Garrett-Cox (of whom more below), the chief financial officer and five non-executive directors. The board was responsible for setting the long-term objectives of the company, for approving its strategy and business plans, for ensuring that a framework of prudent controls was in place and that risks were managed effectively. However, somewhat unusually in the context of the modern investment industry, prior to 2016 the company was a self-managed investment fund – all investment management was carried out in-house by an investment team employed by a wholly owned investment management subsidiary, Alliance Trust Investments Ltd.

Opportunities and challenges

The late 1990s and early 2000s were challenging years for Alliance Trust. Substantial changes took place in the ways in which people saved and invested money after the 'Big Bang' – the deregulation of the London financial markets in 1986 – and as a result of the Thatcher government's privatisation programme. A raft of reports and recommendations, starting with the Cadbury report in in 1992, made corporate governance stricter and more highly regulated. The Cadbury report was followed by Greenbury (1995), Hampel (1998), Turnbull (1999), and the Smith and Higgs reports (both 2003). The new rules were enshrined in the Combined Code of Corporate Governance, which has itself been regularly revised. In addition, there were substantial modifications to the UK Companies Acts, together with major changes to the regulatory framework with the creation of the Securities and Investments Board in 1985 and its successor body, the Financial Service Authority, in 2001.

These were also challenging times for the financial markets. The period known by some economists as the 'long boom' and the 'great moderation' – a time of economic growth and reduction in the volatility of business cycle fluctuations in developed economies – came to an end with the bursting of the dot-com bubble between 2000 and 2002 and the global financial crash in 2008. The formal merger of The Alliance Trust and The Second Alliance Trust took place at the start of 2006, and the combined company was renamed simply 'Alliance Trust'. In the Exhibits section at the end of this case, Table 7.1 provides details of Alliance Trust's financial performance in the nine-year period to 31 December 2014 following the merger of the two companies. For comparison, Table 7.2 provides financial information relating to a number of other investment trusts with comparable investment strategies. Table 7.3 provides information on a number of stock indices.

Katherine Garrett-Cox

Katherine Garrett-Cox joined Alliance Trust as a chief investment officer in 2007. She had previously had very substantial experience in the investment management industry. From 1993 to 2000 she had been investment director and head of American equities at Hill Samuel Asset Management, a position she had been appointed to at just 26 years of age after working her way up from being a portfolio manager. It was during this period that Garrett-Cox was labelled ‘Katherine the Great’, due to her ‘no prisoners’ approach and ‘hunger for success’. She joined Aberdeen Asset Management PLC as a chief investment officer in 2000 before moving on to Morley Fund Management in 2003. Aviva, Morley’s parent company, had £166bn under management and Garrett-Cox became one of the most well-known, well-paid women in London. Her departure from Aviva for a position at Alliance Trust caused some surprise and was seen as a step down by some. However, she had been overlooked for promotion to CEO at Aviva, and with a Scottish husband and large family (she is a mother of four), others interpreted this as a wish for a quieter lifestyle. However, in 2008 she succeeded Alan Harden as Alliance Trust’s CEO, less than two years after her appointment as chief investment officer. Her responsibilities included investment policy and asset allocation, as well as executive oversight of the company. During a five-year period when the trust was seen to be underperforming, Garrett-Cox`s compensation doubled. Figure 7.1 (in the Exhibits section at the end of this case) compares her remuneration with that of the CEO of Witan, an investment trust with an in-house investment management capability. Table 7.4 shows single-figure total remuneration of the directors of Alliance Trust for the years ended 31 December 2013 and 2014. Table 7.5 shows average CEO pay in the FTSE 100 and FTSE 250 for 2008–2014.

Activist investors target Alliance Trust

Activist investors, who are often hedge funds, operate by buying shares in a company – normally a small equity stake rather than a controlling one – with a view to forcing the board of directors to execute a short-term turnaround in the company’s financial performance. They use various tools and techniques to influence other shareholders and put pressure on the target company’s board. These include pushing for changes in corporate governance systems, altering the company’s business strategy and seeking changes in its capital structure. PR experts will often be engaged to help influence the media to support the activist investor’s strategy. A favourite tactic is to encourage target firms to use cash reserves to increase dividend payments or to buy back shares. Activism often results in putting a company 'in play', making it a potential takeover target. The target company's share price may rise simply on announcement of the activist fund's involvement, as other investors believe that the company may become a takeover target and sense an opportunity for selling their shares at a premium. Activist hedge funds therefore develop expertise at identifying undervalued companies and their exit strategy often involves a share sale on a merger or acquisition.

Laxey Partners

In 2010, Laxey Partners, an activist investor holding 1.3 per cent of Alliance Trust, began making demands for share buy-backs to reduce the discount at which Alliance Trust's shares were trading, at the same time pointing out Alliance Trust's underperformance relative to comparable companies. Alliance Trust has historically eschewed share buy-backs, arguing that they could make higher returns by reinvesting surplus cash. Laxey Partners argued that Alliance Trust should establish a programme of regular share buy-backs. Other trusts, such as Witan, have such mechanisms in place to do this automatically as soon as their discount hits 10 per cent. Further criticisms levelled by Laxey Partners included the block voting system, which Alliance did amend in April 2011 ahead of the AGM to a one share, one vote system. It also started buying back shares on a selective basis in the months leading up to the AGM and announced that buy-backs would now be 'part of Alliance's DNA'.

Specific proposals advanced by Laxey Partners were rejected at the AGM in May 2011; however, a significant minority vote of 33.5 per cent in favour of Laxey's proposals showed significant discontent with the management of Alliance Trust. Following the 2001 AGM, Laxey Partners kept up its pressure on Alliance Trust's management. They expressed discontent with the level of operating costs, challenged the level of remuneration of Katherine Garrett-Cox, and asked questions about secret dealing with other institutional investors. Despite further buy-backs, Alliance Trust's shares continued to trade at a discount of 16.6 per cent in November 2011. At the 2012 AGM, Laxey Partners demanded that Alliance Trust's investment management should be outsourced, arguing that the asset management team was too large for the size of the fund. Karin Forseke, appointed as chair of Alliance Trust in 2012, defended in-house management as being more cost-effective in the long term. Laxey's proposal at the AGM was again resisted, with only around 21 per cent of shareholders voting in support. At this point Laxey Partners withdrew from the battle, announcing that it was 'extraordinarily unlikely' that they would bring further proposals to a general meeting. However, this was not to be the end of the challenge by activist investors.

Elliott International[4]

Elliott International is an associate of Elliott Management Corporation, an American investment management firm which is the world's largest activist hedge fund. Elliott Management Corporation and its various associates was established by Paul Singer, described by *The New York Times* as 'one of the most revered hedge fund managers on Wall Street'. Gordon Singer, Paul Singer's son, runs Elliott's London office. Paul Singer originally made a name for himself with high-profile campaigns against the Argentinian government and companies ranging from Hyundai in South Korea to ThyssenKrupp in Germany. Alliance Trust was its first major intervention in the UK, though it has subsequently acquired Waterstone's the bookshop chain, and more recently targeted Saga's insurance and travel business.

In February 2014, Elliott International disclosed that it had acquired a stake in Alliance Trust, subsequently increasing this to become the single largest shareholder with a 12 per cent shareholding and triggering a great deal of media activity speculating on the reason for Elliott's increased stake. In March 2015, Elliott issued a press release expressing their discontent with Alliance Trust`s investment performance, the costs associated with in-house investment management, and a criticism of its two loss-making subsidiaries. Much of Elliott's dissatisfaction was based on what they perceived to be a lack of communication between Alliance Trust and its shareholders about its business strategy, financial performance and the composition of its board of directors, especially when new directors were appointed. They also publicly challenged the pay level of Alliance Trust's CEO, Katherine Garrett-Cox. To address these concerns Elliott nominated three additional non-executive members for appointment to the board at the AGM in April. An acrimonious dispute ensued. Elliott International publicly argued that its nomination of new board members was part of an attempt to improve Alliance's financial performance and corporate governance. Alliance Trust's board responded that Elliott only had its sights on short-term profit, contrasting this with the company's long-term investment perspective and strategy of 'investing for generations'.

In an open letter to Alliance Trust investors published before the AGM in 2014, Elliott quoted a former director at Alliance Trust, Tim Ingram, who stated:

> It is an uncomfortable fact that the latest annual accounts show that the remuneration of the Alliance Trust Chief Executive over the five years of such dismal performance has totalled over £6 million. The chief executive of an investment trust with good third-party managers and without these loss-making subsidiaries could not possibly justify such a remuneration level, and this would, therefore, save additional money for us shareholders. ... I will be voting my shares in favour of the three new directors joining the board, and would

> suggest that any other shareholder seeking better returns does likewise. The overall performance of Alliance Trust in the medium term has been dismal…[5]

Elliott redoubled its criticism of Alliance Trust, saying that administrative costs had doubled from 2007 to 2014, comparing in-house management cost unfavourably with those of similar-sized investment trusts. The Alliance board responded by claiming that their fixed cost represented good value as the percentage of costs over net assets was expected to decrease in time with a projected increase in the size of the fund. One long-term retail investor argued:

> I would welcome the fund cutting costs but am unlikely to support Elliott's initiative, as I fear that the hedge fund might steer the trust away from its conservative profile. People like this come in for the short term, and I'm a long-term investor. I'm very happy with the fund. It's stable and they keep their gearing low.[6]

In March 2014, six weeks before the AGM and after what they regarded as being an unsatisfactory meeting with Garrett-Cox and Forseke, Elliott decided to go on the offensive. They announced that they would be putting forward three nominees for the Alliance board, to be voted on at the annual shareholders' meeting on 29 April. The nominees were Peter Chambers, former chief executive of Legal & General Asset Management, Anthony Brooke, formerly of SG Warburg and Rory Macnamara, a former director of Morgan Grenfell. In this way they hoped to be able to influence Alliance's future strategy.

Preparing the case

In preparing the case analysis you might like to consider four specific questions in particular:

1. To what extent were Laxey Partners and Elliott International correct in saying that Alliance Trust's financial performance was unsatisfactory?
2. How do Alliance Trust's corporate governance practices prior to 2015 compare with UK best practice?
3. Is Garrett-Cox overpaid and, if so, why does it matter?
4. Consider the role played by activist investors in the financial ecosystem – are they a force for good, or do they prioritise short-term financial gains over other important factors?

Further reading

Munn, C. (2013) 'Growth and instability: 1996–2012', *Investing for Generations: A History of Alliance Trust*, Dundee: Dundee University Press, Chapter 10.

Walker, O. (2016) 'Who are activist investors' and 'What activists want and how they get it', *Barbarians in the Boardroom – Activist Investors and The Battle for Control of the World's Most Powerful Companies,* London: FT Publishing International, Chapters 1 and 2.

Exhibits

The data for all exhibits comes from company accounts.

Table 7.1: Alliance Trust financial performance 2006–2014*

Year#	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assets at y/e (£m)									
Total assets	2,844	2,894	2,211	2,704	3,268	2,676	2,702	3,478	3,415
Loans	(12)	(195)	(88)	(191)	(373)	(276)	(211)	(592)	(396)
Net assets	2,832	2,699	2,123	2,513	2,895	2,400	2,491	2,886	3,019
Net asset value (p)									
NAV per share §	421.5	402.3	316.8	377.7	439	405.8	444.9	516.5	544.8
Share price (p)									
Closing price	365.5	338.0	268.0	313.0	364.0	342.8	375.3	450.1	478.9
Earnings									
Profit after tax (m)	£52.5	£61.5	£69.5	£61.1	£63.8	£61.9	£55.6	£60.6	£68.8
Earnings per share (£)	8.66	9.17	10.37	9.14	9.67	9.87	9.74	10.83	12.38
Dividend per share (£)	7.575	7.90	8.00	8.15	8.395	9.00	9.27	9.55	9.83
Special dividend	-	-	0.50	-	-	-	0.36	1.28	2.55
Expenses									
Total expenses (£m)	£10.1	£15.0	£16.8	£16.0	£17.0	£16.0	£18.7	£21.5	£20.8
Ratio exc. comp	0.36%	0.42%	0.60%	0.64%	0.53%	0.56%	0.67%	0.75%	0.60%
Total expense ratio	0.38%	0.45%	0.67%	0.69%	0.60%	0.60%	0.71%	0.80%	0.64%

Notes: * Prior to 31 January 2007 there were two companies, The Alliance Trust and The Second Alliance Trust; # In 2010 Alliance Trust's accounting year-end changed from 31 Jan to 31 Dec. Figures for 2011 have been annualised as appropriate; § Debt is calculated at fair value from 2014.

Table 7.2: Comparative performance 2006–2014

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total assets (£m)									
Foreign & Colonial Investment Trust	£2,587	£2,694	£2,003	£2,069	£2,425	£2,214	£2,401	£2,657	£2,838
Scottish Mortgage Investment Trust	£1,985	£2,045	£2,276	£1,398	£2,154	£2,502	£2,378	£2,593	£2,986
Witan Investment Trust	£1,383	£1,371	£1,024	£1,139	£1,261	£1,125	£1,243	£1,501	£1,605
Dividend yield									
Foreign & Colonial Investment Trust	1.9%	1.8%	2.8%	2.4%	2.2%	2.5%	2.7%	2.4%	2.2%
Scottish Mortgage Investment Trust	1.6%	1.8%	1.7%	2.9%	1.9%	1.6%	1.8%	1.7%	1.4%
Witan Investment Trust	2.0%	2.1%	2.9%	2.4%	2.1%	2.7%	2.6%	2.2%	2.0%
Total shareholder return									
Foreign & Colonial Investment Trust	11.1%	12.6%	-36.7%	18.5%	14.3%	-4.9%	12.6%	17.6%	12.5%
Scottish Mortgage Investment Trust	37.8%	5.5%	11.4%	-67.1%	43.9%	19.5%	-3.0%	15.6%	22.6%
Witan Investment Trust	10.9%	7.1%	-33.4%	23.4%	16.0%	-12.1%	13.2%	27.0%	13.3%
Discount									
Foreign & Colonial Investment Trust	11.4%	12.3%	13.0%	12.2%	11.8%	11.7%	11.0%	11.3%	8.1%
Scottish Mortgage Investment Trust	10.7%	10.7%	7.9%	8.1%	12.1%	9.1%	7.9%	4.1%	-0.4%
Witan Investment Trust	10.6%	11.0%	12.3%	10.5%	10.7%	10.7%	11.6%	6.8%	-0.6%
Gearing									
Foreign & Colonial Investment Trust	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	14.3%	8.0%	8.9%
Scottish Mortgage Investment Trust	11.7%	13.5%	19.3%	22.7%	14.6%	14.8%	15.4%	14.5%	13.0%
Witan Investment Trust	2.5%	11.1%	14.2%	10.3%	9.4%	11.6%	11.0%	8.5%	10.2%
Share price (p)									
Foreign & Colonial Investment Trust	284.5	318.8	228.5	272.1	309.6	288.5	320.5	378.0	421.2
Scottish Mortgage Investment Trust	104.3	108.4	120	70.6	121.8	148.4	141.6	164.5	208.8
Witan Investment Trust	454.5	478.5	351	444.6	516.5	450.0	503.0	669.0	753.5

Table 7.3: Stock indices 2006–2014 (taking 2006 as 100)

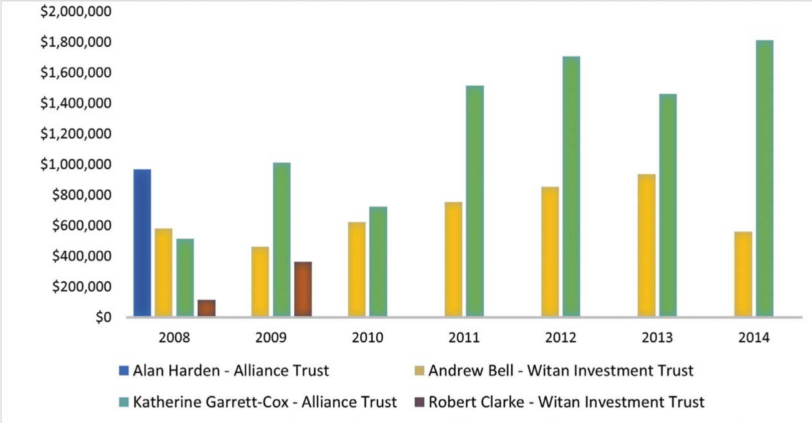
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
FTSE All-World Index	100	107	105	84	124	135	134	157	168
MSCI ACWI	100	106	61	78	85	79	89	111	114
RPI	100	105	109	108	113	119	123	128	131

FTSE All-World index series is a stock market index that covers over 3100 companies in 47 countries, starting in 1986. It is calculated and published by the FTSE Group, a wholly owned subsidiary of the London Stock Exchange which originated as a joint venture between the *Financial Times* and the London Stock Exchange.

The MSCI ACWI (MSCI All Country World Index) is a market capitalisation weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI) and is comprised of stocks from 23 developed countries and 24 emerging markets.

The RPI (Retail Price Index) is one of the two main measures of consumer inflation produced by the United Kingdom's Office for National Statistics.

Figure 7.1: CEO remuneration – Alliance Trust and Witan Investment Trust: 2008–2014



Source: BoardEx (figures in US$)
Notes: Investment management at both Foreign & Colonial Investment Trust and Scottish Mortgage Investment Trust is outsourced, to FCIB and Baillie Gifford respectively; neither investment trust has any full-time employees of its own. Witan Investment Trust is effectively a fund-of-funds, investing solely in other collective investment vehicles through a panel of independent investment managers. It employs a CEO who is responsible for investment performance, business development, shareholder relations, investment trust industry matters and administration. The CEO also manages a small direct holdings portfolio and is supported by a small management team.

Table 7.4: Alliance Trust – single figure total remuneration 2013–2014

Notes: * Taxable benefits include the value of accommodation allowance, medical and life assurance. Car allowance was consolidated into salary in 2014; § Annual bonus includes the AESOP award. The Chief Executive Officer deferred 100% of her annual bonus into shares and the Chief Financial Officer deferred 50% of his annual bonus into share; ± This is a cash payment instead of a pension contribution.

	Salary/Fees		Taxable benefits*		Annual bonus §		Long-term awards		Pension ±		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Executive Director	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Katherine Garrett-Cox	450	425	20	43	576	369	184	436	112	106	1,342	1,379
Alan Trotter	245	225	1	16	216	122	102	229	49	45	613	637
Non-Executive Director											–	–
Karin Forseke	120	120	–	–	–	–	–	–	–	–	120	120
John Hylands	49	49	–	–	–	–	–	–	–	–	49	49
Alastair Kerr	50	50	–	–	–	–	–	–	–	–	50	50
Susan Noble	48	47	–	–	–	–	–	–	–	–	48	47
Win Robbins	41	36	–	–	–	–	–	–	–	–	41	36
Gregor Stewart	3	–	–	–	–	–	–	–	–	–	3	–

Table 7.5: Average CEO remuneration 2008–2014

CEO Pay	2008	2009	2010	2011	2012	2013	2014
FTSE 100 lead executives	£3,271,129	£3,393,953	£3,983,493	£4,096,295	£4,059,334	£4,284,000	£4,155,480
FTSE 250 lead executives	£1,232,000	£1,267,080	£1,695,013	£1,623,937	£1,669,250	£1,697,111	£1,646,198
Ave US / £ ccy rate for year	1.855443	1.565394	1.545893	1.604123	1.584877	1.564768	1.647701

Source: IDS Directors' Pay Reports

References

[1] This case was prepared by Professor Alexander Pepper with the help of Lukas Cejnar, Kazuma Fushimi, Ruihan Gao, Alina Jaeger and Marco Ramsbacher.

[2] See in particular Tomlinson, J., and Whatley, C. (eds) (2011) *Jute No More – Transforming Dundee.* Dundee: Dundee University Press.

[3] See Munn, C. (2013) *Investing for Generations: A History of Alliance Trust*. Dundee: Dundee University Press.

[4] Walker, O. (2016) *Barbarians in the Boardroom – Activist Investors and the Battle for Control of the World's Most Powerful Companies*, London: FT Publishing International, Chapter 10.

[5] Quoted by Gavin Lumsden in *Citywire* on 30 March 2015. https://perma.cc/8KA2-C6PW

[6] Dew, Laura (2015) 'Elliott publishes Alliance Trust correspondence as the war of words escalates', 16 March *Investment Week*.