

AIFMD Disclosure as at 31st December 2021

The Alternative Investment Fund Managers Directive (AIFMD) is an EU regulatory framework (Directive 2011/61/EU) for alternative investment fund managers (AIFMs), that came into effect on 22nd July 2013. Alliance Trust PLC (the "Company") is an alternative investment fund (AIF) for the purposes of the AIFMD. Towers Watson Investment Management Limited (the "AIFM") is authorised and regulated by the Financial Conduct Authority (FCA) with permission to manage an AIF for the purposes of that Directive. The AIFM has been appointed by the Company to manage the Company's investments under an alternative investment fund management agreement (AIFMA).

One of our commitments to investors, as described in our [Investor Disclosure Document](#), is to disclose any changes to the maximum level of leverage which the Company may employ and also the total amount of leverage employed.

As per this document 'Leverage' 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, leverage is calculated using two methods: the 'gross' method which gives the overall exposure, and the 'commitment' method which takes into account hedging and netting of 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%.

The Company is only permitted to use those types and sources of leverage which are consistent with its investment policy and its objective of spreading investment risk. In addition to borrowing (gearing), the Company can use derivative instruments to hedge, enhance and protect positions, including currency exposures, and for investment purposes. The circumstances in which the Company may use derivatives are explained in the Investor Disclosure Document in the section entitled 'Investment strategy and techniques'. The leverage policy has been approved by the Board which limits the leverage ratio that can be deployed by the Company at any one time to 145% (gross method) and 140% (commitment method). This includes any gearing created by the Company as permitted by its investment policy. This is not necessarily the amount of leverage that is actually employed. This maximum figure has not changed.

The Company's total leverage figures as at 31st December 2021 were as follows;

- As calculated in accordance with the gross method – 109%
- As calculated in accordance with the commitment method – 111%

The Investor Disclosure Document also makes comment on Liquidity Risk Management and specifies that we will disclose the percentage of assets held which are subject to special arrangements arising from their illiquid nature. The Company does not currently hold any such assets.

The Company will update these 2021 disclosures on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

Please see the Annual Report and Accounts for details of other AIFMD disclosures.
To read our remuneration disclosure please [click here](#).