

# Quarterly Review

## Market review

It was another exceptionally good quarter for global equities. Global stock markets have rallied since their March lows, gold has hit a record high, oil prices have doubled, and house prices in the United States and the United Kingdom have started to recover. Fears about a repeat of last year's crisis have steadily disappeared and concerns about the sustainability of the recovery continue to ease.

Australia became the first G20 country to raise interest rates in more than a year. Australia's move boosted market confidence that the recovery is on track and sent gold prices to a record high in early October. Other commodities and stocks rallied in tandem.

Successfully avoiding an economic depression through aggressive fiscal stimuli, governments and central banks have now established a framework to address similar crisis in the future. However the key challenge for many policymakers next year will be deciding when to start raising interest rates and unwinding emergency lending measures to banks. A premature exit could pose a threat to recovery, while waiting too long could create asset bubbles in faster-growing emerging economies.

## Manager review

During the third quarter of 2009 6 out of 14 managers outperformed. Collectively they manage 55% of Witan's portfolio. The star performers were Orbis, Wellington and Southeastern who outperformed by 9.6%, 6.2% and 3.6% respectively.

In the year to date Witan is ahead of its benchmark by 2.6% in share price terms and 1.6% in NAV terms. This outperformance has come from positive stock selection, which offset negative results from asset allocation.

The 30th September 2009 marked the five year anniversary of Witan's adoption of the multi-manager approach. Over the past five years, and taking into account all changes to the benchmark, Witan has outperformed by 7.32% in share price terms and 2.62% in NAV terms.

## Market outlook

After slowing for two years, it is likely that U.S. economic growth will pick up in 2010. While expansion will resume, it will likely be at a slower pace. However, high debt repayment schedules and higher taxes to pay for the recovery programs will remain a drag on growth and prevent the expansion from being as robust as it was in the last recovery.

There are concerns about the recent US dollar lows because a rising American currency has traditionally had a negative correlation with Asian stocks. Despite clear signs that the Japanese economy is recovering, its relative attractiveness has diminished. There are also concerns that a strong yen could affect corporate earnings.

In Europe although economic data is improving and investor confidence is strengthening, much uncertainty exists. The economic recovery faces a number of challenges, including rising unemployment, weaker consumer spending, and stretched government finances.

Although the outlook for the general global economy has improved, some risks remain. Overall we remain optimistic about the long-term prospects for equities, however in the near term some caution may be warranted.

Trust Information	
Epic Code	WTAN
Sector	Global Growth
Trust Type	Conventional (Ords)
Launch Date	1909
Financial Year End	31 December
Next Dividend Payment	April
Last Ex Div Date	26 August 2009
AGM	April
Shares in Issue	210,169,054

Trust Statistics	
Gross Total Assets*	£1,126m
NAV per ordinary share*	483.17p
Share price*	417.80p
Premium/Discount*	-13.5%
Gearing*	6%
Yield*	2.44%
Total Expense Ratio (TER)	0.71%

\*Source: BNP Paribas as at 30.09.2009

## Investment Objective

Witan's objective is to create wealth for its investors through stockmarket investment. Witan offers its shareholders a diverse investment in terms of Manager, geographical region, industrial sector and individual stock.

## Portfolio Changes

Since the year end (31.12.08) there have been the following changes to the portfolio:

- Gearing increased from 0 to 6%
- The appointment of Pimco to manage a £10m corporate bond portfolio
- An additional £10m awarded to both Marathon and Artemis

## Geographic Breakdown (%)

	UK	North America	Europe	Asia Pacific	Other	Total
Witan	37.0	21.6	19.8	19.5	2.1	100.0
Benchmark	40.0	20.0	20.0	20.0	0.0	100.0
Overweight/Underweight	-3.0	1.6	-0.2	-0.5	2.1	0.0

Source: Style Research/BNP Paribas as at 30.09.2009

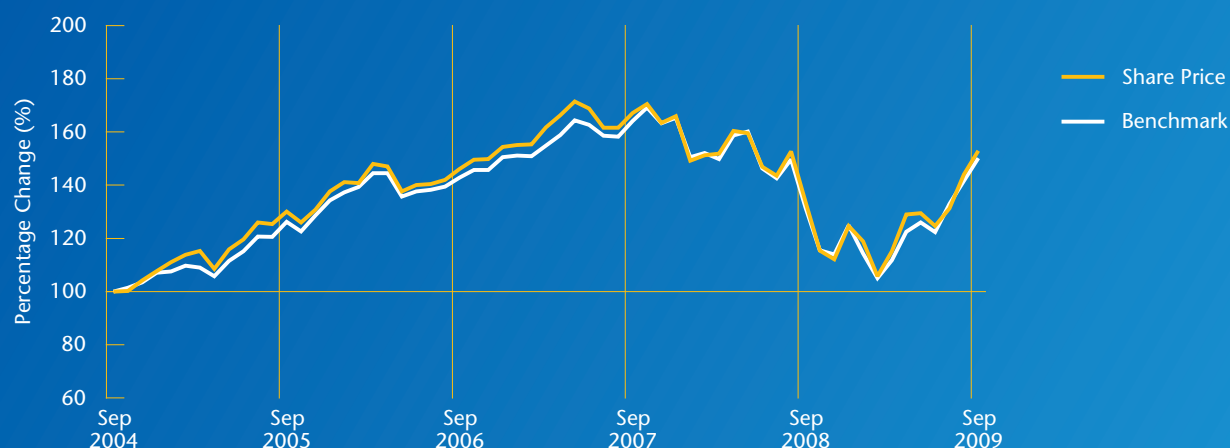
## Sector Breakdown (%)

	Witan	Benchmark	Overweight/Underweight
Financials	20.6	24.5	-3.9
Consumer Services	18.0	8.4	9.7
Industrials	14.0	10.5	3.5
Consumer Goods	10.6	12.0	-1.4
Oil & Gas	9.9	12.4	-2.5
Healthcare	7.4	7.7	-0.3
Technology	7.0	6.3	0.7
Telecoms	5.2	5.4	-0.3
Basic Materials	5.1	8.3	-3.2
Utilities	2.2	4.5	-2.3
Total	100.0	100.0	0.0

Source: Style Research/BNP Paribas as at 30.09.2009

## Investment performance

Share Price (Total Return)  
Vs Benchmark (Total Return)\*



Performance over	3 m	6 m	1 yr	3 yrs	5 yrs	10 yrs
Share Price (Total Return)	22.62%	32.84%	14.25%	4.71%	52.90%	36.41%
Net Asset Value** (Total Return)	23.80%	35.80%	15.30%	6.02%	48.20%	31.70%
Benchmark* (Total Return)	22.51%	34.40%	14.08%	5.20%	50.20%	35.59%
Relative SP Performance	0.11%	-1.56%	0.17%	-0.49%	2.70%	0.82%

Discrete performance	Q3 2004 Q3 2005	Q3 2005 Q3 2006	Q3 2006 Q3 2007	Q3 2007 Q3 2008	Q3 2008 Q3 2009
Share Price (Total Return)	30.01%	12.31%	14.43%	-19.91%	14.25%
Net Asset Value** (Total Return)	23.30%	13.30%	13.00%	-18.60%	15.30%

All performance data source: Datastream to 30.09.09

\*The benchmark for the Witan Investment Trust plc is 40% FTSE All Share / 20% FTSE AW Europe ex UK / 20% FTSE AW Asia Pacific / 20% FTSE AW North America.

\*\*The Net Asset Value figures value debt at fair value except for 10 year figure where debt is valued at par value.

# TOP TEN

## Ten Largest Equity Holdings as at 30.09.2009

1	HSBC	1.7%
2	British Petroleum	1.6%
3	Glaxosmithkline	1.3%
4	Vodafone	1.3%
5	Royal Dutch Shell	1.3%
6	Fairfax	1.3%
7	Walt Disney	1.2%
8	DIRECTV	1.1%
9	Accor	1.0%
10	Cheung Kong	1.0%

Source: BNP Paribas as at 30.09.2009

## Important information

Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If the value of these investments falls in value, gearing will magnify the negative impact on performance. If an investment trust incorporates a large amount of gearing the value of its shares may be subject to sudden and large falls in value and investors could get back nothing at all.

Emerging markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered. Funds which specialise in investing in a particular region or market sector are more risky than those which hold a very broad spread of investments. Funds investing in overseas securities are exposed to and can hold currencies other than Sterling. As a result, exchange rate movements may cause the value of investments to decrease or increase. Some, or all, of the annual management fee may be charged to the capital of the Fund. Whilst this increases the yield, it will restrict the potential for capital growth. Net Asset Value ("NAV")

performance is not the same as share price performance and investors may not realise returns the same as NAV performance. Where a fund holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more pronounced effect on the Fund's value than if a larger number of investments were held.

Issued and approved by Witan Investment Services Limited. Witan Investment Services is registered in England no. 5272533 of 201 Bishopsgate, London EC2M 3AE. Witan Investment Services provides investment products and services and is authorised and regulated by the Financial Services Authority. Calls may be recorded for our mutual protection and to improve customer service.

Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise and fall as a result of currency and market fluctuations and investors may not get back the amount originally invested.

# Witan Investment Trust plc

## 3 Months

Manager	Equity Mandate	%	Portfolio	Benchmark	Relative Return
Henderson Global Investors	UK Enhanced Index	14.8	22.7	22.3	0.4
Southeastern	Global	15.0	25.3	21.7	3.6
MFS	Global	10.4	22.6	21.7	0.9
Thomas White	Global	9.3	20.8	21.7	-0.9
Artemis	UK Active	8.0	18.4	22.4	-4.0
Brandes Investment Partners	Japan	6.1	7.2	9.3	-2.1
Wellington Management Company	Europe ex UK	8.9	35.8	29.6	6.2
Marathon Asset Management	UK Active	7.1	18.0	22.4	-4.4
Henderson Global Investors	US Enhanced Index	4.9	18.6	19.3	-0.7
Comgest	Asia ex Japan and Australia	6.0	21.9	22.4	-0.5
Henderson Global Investors	UK Small Cap	4.2	28.2	26.0	2.2
Varenne Capital	Europe	2.5	16.0	27.3	-11.3
Orbis	Australia	1.7	46.3	36.7	9.6
Pimco	Fixed Interest	1.1	8.5	11.6	-3.1

## 6 Months

Manager	Equity Mandate	%	Portfolio	Benchmark	Relative Return
Henderson Global Investors	UK Enhanced Index	14.8	36.5	35.2	1.3
Southeastern	Global	15.0	37.7	30.3	7.4
MFS	Global	10.4	27.8	30.3	-2.5
Thomas White	Global	9.3	26.7	30.3	-3.6
Artemis	UK Active	8.0	36.1	35.6	0.5
Brandes Investment Partners	Japan	6.1	14.5	17.0	-2.5
Wellington Management Company	Europe ex UK	8.9	53.0	42.8	10.2
Marathon Asset Management	UK Active	7.1	28.1	35.6	-7.5
Henderson Global Investors	US Enhanced Index	4.9	20.6	21.4	-0.8
Comgest	Asia ex Japan and Australia	6.0	36.1	45.3	-9.2
Henderson Global Investors	UK Small Cap	4.2	50.4	55.1	-4.7
Varenne Capital	Europe	2.5	26.0	40.3	-14.3
Orbis	Australia	1.7	89.1	54.4	34.7
Pimco	Fixed Interest	1.1	N/A	N/A	N/A

## 1 Year

Manager	Equity Mandate	%	Portfolio	Benchmark	Relative Return
Henderson Global Investors	UK Enhanced Index	14.8	12.2	10.7	1.5
Southeastern	Global	15.0	19.6	12.8	6.8
MFS	Global	10.4	16.3	12.8	3.5
Thomas White	Global	9.3	10.4	12.8	-2.4
Artemis	UK Active	8.0	19.1	10.8	8.3
Brandes Investment Partners	Japan	6.1	17.8	10.8	7.0
Wellington Management Company	Europe ex UK	8.9	28.7	15.8	12.9
Marathon Asset Management	UK Active	7.1	9.8	10.8	-1.0
Henderson Global Investors	US Enhanced Index	4.9	4.2	4.6	-0.4
Comgest	Asia ex Japan and Australia	6.0	39.1	42.7	-3.6
Henderson Global Investors	UK Small Cap	4.2	17.8	27.5	-9.7
Varenne Capital	Europe	2.5	7.8	14.1	-6.3
Orbis	Australia	1.7	39.6	35.3	4.3
Pimco	Fixed Interest	1.1	N/A	N/A	N/A



THOMAS WHITE INTERNATIONAL  
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ARTEMIS  
The Profit Hunter

PIMCO

VARENNE CAPITAL PARTNERS



Henderson  
Global Investors



COMGEST



MARATHON  
Asset Management

All manager performance source: The WM company as at 30.09.2009

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Witan...



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If you're not a big fan of party games, simply have a word with Witan. As experts in delivering long-term growth, we aim to see that everyone's a winner.

Witan investment trust

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## Contact details

Telephone: 020 7227 9770  
[www.witan.com](http://www.witan.com)

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