

Monthly commentary

“ **Witan’s equity benchmark rose by 3.2% in July, while Witan outperformed with a NAV total return of +3.9% and a share price rise of 4.2%. Year to date, Witan’s NAV total return was 17.9% to the end of July, 0.6% behind the benchmark’s 18.5% return.***

Global equity markets made further progress during July, as investors became more confident that key central banks were set to ease monetary policy. These hopes were confirmed at the end of the month, when the US Federal Reserve cut rates by ¼%, while the ECB and the Bank of Japan have both indicated willingness to ease policy if required. These moves were seen as likely to facilitate a recovery from recently-meagre rates of economic growth. Weak growth and subdued levels of inflation had led to fears of recession in some quarters, prompting a further decline in already-low government bond yields. A sizeable proportion of government bonds have yields that are negative, meaning that purchasers receive back less in absolute or real terms than they invest. Lending money to governments and having to pay while they use it is an act of unreciprocated kindness akin to lending your lawnmower to a neighbour who returns it with no petrol.

In contrast to the exaggerated pessimism implied by falling bond yields, corporate earnings reports have mostly surpassed (modest) expectations. Equity markets have been steady in local currencies while making gains for sterling investors, given the pound’s politically-related weakness. The FTSE World index rose 4.3% during July, led by the US which was up over 5%. The UK, weighed down by investor aversion linked to the issue of Brexit, rose a more subdued 2%.

During July, Witan agreed to issue £50m of long-term debt, repayable in 2051, at a yield of 2.39%. This is the lowest issuing yield in the sector in living memory for such a long maturity and well below expected investment returns from equities. In the long-term the board anticipates that locking in such a low yield will be of considerable benefit to shareholders.

With the change in Prime Minister, the prospect of a no-deal Brexit increased, as Boris Johnson’s government took a hawkish line with the EU, rejecting the previously offered deal (which the House of Commons has also rejected thrice). The outcome of this, both in relation to the terms of Brexit and the possibility of a General Election, is unpredictable but, whilst the impact on the UK’s domestic economy could be unsettling for a period, investment is about the long term. The bulk of Witan’s investments are listed overseas and the majority of the UK market’s profits is generated abroad, while the days when the UK economy was a dominant influence on the world scene are long gone. Accordingly our managers remain focused on evaluating the attractions of individual companies and (without being complacent) as far as possible screening out the short-term political noise.

Further information about the Company is available on Witan’s website, www.witan.com

31 July 2019

***Please remember, past performance is not a guide to future performance, and the value of shares and the income from them can rise and fall, so investors may not get back the amount originally invested. Net Asset Value (“NAV”) performance is not the same as share price performance and investors may not realise returns the same as NAV performance.**

Trust statistics

Gross assets	Share price	NAV per ordinary Share†	Premium (Discount)	Yield
£2.2bn	223.00p	228.99p	(2.6%)	2.11%

Source: BNP Paribas as at 31.07.19.

† NAV is cum income with debt at fair value.

Investment objective

Long-term growth in income and capital through active investment in global equities, using a multi-manager approach.

Trust information

Epic Code	WTAN
Sector	Global Growth
Trust Type	Conventional
Launch Date	1909
Financial Year End	31 December
Dividend Frequency	Quarterly
Last Ex Dividend Date	30 May 2019
AGM	May
Shares in Issue (excluding treasury)	877,102,821
Gearing	12%
Ongoing Charges‡	
Excluding performance fee	0.75%
Including performance fee	0.83%

Source: BNP Paribas as at 31.07.19. †Ongoing charges as disclosed in the Annual Report for the year ended 31.12.18. Information about other costs is also included in the Company’s Key Information Document (KID) and disclosed in the table on page 19 of the 2018 Annual Report, both of which may be found on the Company’s website.

Dividend history (pence per share)

44 years of consecutive dividend growth



Changed to quarterly dividend payments in 2013.



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Five-year performance (%)†



Total performance (%)†

Growth to 31.07.2019	3m	6m	1yr	3yrs	5yrs	10yrs
■ Share Price	4.0	12.3	2.1	48.0	77.6	288.5
■ Net Asset Value‡	3.9	12.9	3.2	40.2	78.2	236.0
■ Benchmark#	5.5	13.9	6.5	38.9	67.8	193.3
NAV-Benchmark Relative	-1.6	-1.0	-3.3	1.3	10.4	42.7

Discrete performance (%)†

Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
Q2 2015	Q2 2016	Q2 2017	Q2 2018	Q2 2019
13.9	-2.5	36.2	10.9	0.6
11.2	7.3	28.0	8.7	2.8
6.8	7.6	22.7	8.3	6.3
4.4	-0.3	5.3	0.4	-3.5

Relative numbers may not add up due to rounding.

† Source: Morningstar / Witan / FTSE, total return includes the notional reinvestment of dividends.

‡ The Net Asset Value figures value debt at fair value and include the notional reinvestment of dividends.

Witan's benchmark is a composite of 30% FTSE All-Share, 25% FTSE All-World North America, 20% FTSE All-World Asia Pacific, 20% FTSE All-World Europe (ex UK), 5% FTSE All-World Emerging Markets. From 01.10.2007 to 31.12.2016 the benchmark was 40% FTSE All-Share, 20% FTSE All-World North America, 20% FTSE All-World Europe (ex UK) and 20% FTSE All-World Asia Pacific. FTSE is a trade mark of the London Stock Exchange Group companies and is used by FTSE under license. For more information go to www.witan.com/support/legal-information.

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Portfolio overview

Top 20 holdings (%)

Syncona	2.2
Apax Global Alpha	2.1
Vonovia	1.9
Unilever	1.6
BP	1.5
Delta Air Lines	1.5
BlackRock World Mining Trust	1.4
Tesco	1.2
Royal Dutch Shell	1.2
Taiwan Semiconductor	1.1
Lloyds Banking	1.0
GMO Climate Change Investment Fund	1.0
Alphabet	0.9
United Continental	0.9
Charter Communications	0.9
Schroders	0.9
BT	0.9
Diageo	0.9
Rio Tinto	0.8
London Stock Exchange	0.8

Top 10 Holdings 15.7
Top 20 Holdings 24.7

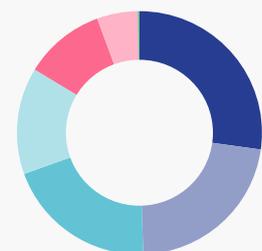
On a combined basis across managers.
 Source: BNP Paribas as at 31.07.19.

Regional breakdown (%)

■ UK	27.2
■ Europe	22.3
■ North America	20.0
■ Asia	14.2
■ Investment Companies	10.7
■ Japan	5.4
■ Other	0.2

Regional breakdown excluding cash, rebased to 100.

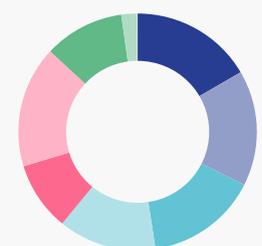
Source: BNP Paribas as at 31.07.19.



Sector breakdown (%)

■ Financials	16.6
■ Industrials	15.8
■ Consumer Services	15.2
■ Consumer Goods	13.3
■ Technology	9.4
■ Other	16.6
■ Investment Companies	10.9
■ Equity Index Futures	2.1
■ Cash / Bonds	0.1

Source: BNP Paribas as at 31.07.19.



Manager breakdown

Manager	Region	%
Lansdowne Partners	Global	15
Pzena	Global	13
Veritas	Global	15
Artemis	UK	7
Heronbridge	UK	6
Lindsell Train	UK	8
Crux	Europe ex-UK	5
SW Mitchell	Europe ex-UK	5
Matthews	Asia Pacific	10
GQG	Emerging	5
Direct holdings	-	11

Total may not sum to 100% due to rounding.
Source: Witan, data as at 31.07.19.

Board of Directors



HARRY HENDERSON
Chairman



ANDREW BELL
CEO



SUZY NEUBERT
Director



RICHARD OLDFIELD
Chairman of the
Remuneration and
Nomination Committee



JACK PERRY
Chairman of the Audit
Committee



BEN ROGOFF
Director



TONY WATSON
Senior Independent
Director



PAUL YATES
Director



ANDREW ROSS
Independent
Non-Executive Director

How to invest

Witan's shares can be traded through any UK stockbroker and most share dealing services, including online platforms that offer investment trusts.

Online platforms

A growing number of platforms offer investment trusts directly to investors including Alliance Trust Savings, Hargreaves Lansdown, Barclays Stockbrokers, Halifax Share Dealing Limited, Interactive Investors and AJ Bell.

Advisers

Advisers who wish to purchase Witan shares for their clients can do so via a stockbroker or via a growing number of dedicated platforms. These include Ascentric, Nucleus, Seven Investment Management and Transact.

Please read the most recent Witan Key Information Document (KID) before placing an investment in Witan Investment Trust, which is available on the website www.witan.com.

Important information

This marketing communication is provided for informational purposes only and should not be construed as constituting an offer or a solicitation to buy or sell interests or investments in Witan Investment Trust plc. Any reference to individual securities does not constitute a recommendation to purchase, sell or hold the investment.

Please remember that past performance is not a guide to future performance. Witan Investment Trust is an equity investment. The value of an investment and the income from it can fall as well as rise as a result of currency and market fluctuations and you may not get back the amount originally invested. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If the value of these investments falls 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 you could get back nothing at all. The share price may trade above and below the NAV per share representing either a premium or discount to the share price respectively.

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