

Monthly commentary

“ **Witan’s NAV total return of +4.9% was almost double the benchmark’s total return of +2.5%. The month’s share price total return was +11.1% with the discount to NAV narrowing sharply to 2.4%.** ”

December was another good month for global equities and for Witan shareholders. This was the seventh consecutive month of outperformance, which contrasts with the marked underperformance suffered during the period of market volatility at the start of the pandemic. In the second half of 2020 our restructured portfolio delivered an NAV total return of 22.2% compared with 11.8% from our benchmark. Although there remains more to do to recover the earlier underperformance in full, the recent trend supports the conclusion that the shortfall during the period of market panic was atypical.

Despite the human and economic costs of the second wave of Covid-19 cases worldwide and the renewed restrictions in place at the end of 2020, investors are looking through to a period when the rising proportion of people who are vaccinated reduces both the spread and the severity of the epidemic. The expectation is that pent-up demand in the worst affected sectors, allied to likely government spending programmes to stimulate a recovery from 2020’s deep recession, will see accelerating economic growth during 2021. On the domestic front, UK equities have responded positively to the clarification of the post-Brexit trading relationship with the EU.

In addition, the finalisation of the US Presidential and congressional elections (not without some last-minute controversy and shocking images from Washington DC) allows investors to focus on the policies of President-Elect Biden’s incoming Democrat Administration. While the market was already discounting a significant stimulus, Democrat control of the Senate (confirmed in January) increases its likely size and duration compared with initial expectations. Democrats will remember the lost control of Congress suffered by President Obama at mid-term elections two years after he was first elected, which led to an extended period of political gridlock which hobbled his administration. Consequently, Joe Biden’s fiscal plan (including climate action initiatives) seems likely to prioritise generating a strong recovery in coming years. With the even balance in the Senate and recent Democrat losses of House seats, more controversial aspects such as tax rises and business regulation may struggle to win consensus.

The main risk appears to be equity valuations (which are elevated in some sectors). These are higher than historic averages, although interest rates are also exceptionally low. There are signs that longer-dated bond yields are rising, in response to improving hopes for economic growth and, at some point, expectations for longer-term inflation seem set to rise, given the degree of economic stimulus in train. For 2021 at least, official actions seem likely to keep rates low, to stimulate economic recovery, as well as to keep government borrowing costs under control. For now, time remains on the side of the patient and selective investor who is willing to look further afield than purely the sectors which benefited from the surge in online activity in the year of the lockdown.

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

***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
£2.1bn	230.50p	236.08p	(2.4%)	2.32%

Source: BNP Paribas as at 31.12.20.

† NAV is cum income with debt at fair value.

Investment objective

Achieve an investment total return exceeding that of the Company’s benchmark over the long term, together with growth in the dividend ahead of inflation.

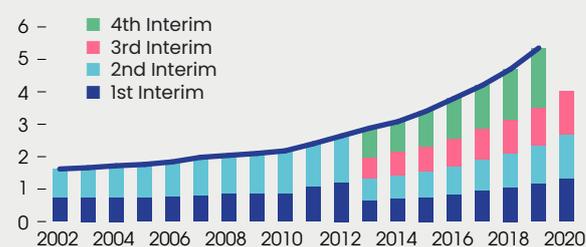
Trust information

Epic Code	WTAN
Sector	Global Growth
Trust Type	Conventional
Launch Date	1909
Financial Year End	31 December
Dividend Frequency	Quarterly
Last Ex Dividend Date	19 November 2020
AGM	April
Shares in Issue (excluding treasury)	801,713,287
Gearing	12%
Ongoing Charges‡	
Excluding performance fee	0.79%
Including performance fee	0.87%

Source: BNP Paribas as at 31.12.20. †Ongoing charges as disclosed in the Annual Report for the year ended 31.12.19. Information about other costs is also included in the Company’s Key Information Document (KID) and disclosed in the table on page 21 of the 2019 Annual Report, both of which may be found on the Company’s website.

Dividend history (pence per share)

45 years of consecutive dividend growth

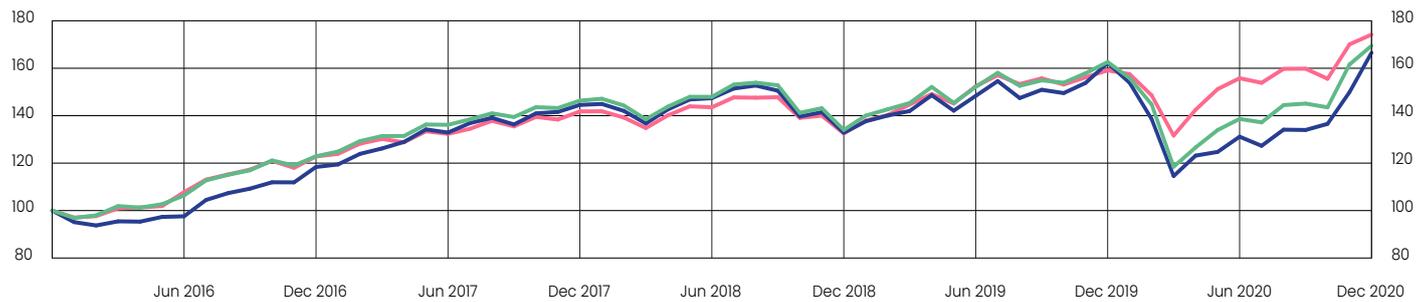


Changed to quarterly dividend payments in 2013.



For more information go to www.witan.com/support/legal-information

Five-year performance (%)†



Total performance (%)†

Growth to 31.12.2020	3m	6m	1yr	3yrs	5yrs	10yrs
■ Share Price	24.3	27.0	2.7	15.2	66.6	183.8
■ Net Asset Value‡	16.8	22.2	4.2	15.8	69.5	156.1
■ Benchmark#	9.0	11.8	9.5	22.8	74.2	141.7
NAV-Benchmark Relative	7.8	10.4	-5.3	-7.0	-4.7	14.5

Relative numbers may not add up due to rounding.

† Source: Morningstar / Witan, 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 85% Global (MSCI All Country World Index) and 15% UK (MSCI UK IMI Index). From 01.01.2017 to 31.12.2019 the benchmark was 30% UK, 25% North America, 20% Asia Pacific, 20% Europe (ex UK), 5% Emerging Markets. From 01.10.2007 to 31.12.2016 the benchmark was 40% UK, 20% North America, 20% Europe (ex UK) and 20% Asia Pacific. With effect from August 2020, the source for benchmark index performance changed to MSCI International, replacing the previous FTSE source.

For more information go to www.witan.com/support/legal-information.

Discrete performance (%)†

Q4 2015 Q4 2016	Q4 2016 Q4 2017	Q4 2017 Q4 2018	Q4 2018 Q4 2019	Q4 2019 Q4 2020
18.4	22.1	-8.1	22.1	2.7
22.9	19.1	-8.4	21.3	4.2
22.8	15.5	-6.6	20.1	9.5
0.1	3.6	-1.9	1.3	-5.3

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Portfolio overview

Top 20 holdings (%)

GMO Climate Change Fund	3.0
Apax Global Alpha	2.7
Syncona	2.3
Taiwan Semiconductor	1.9
BlackRock World Mining Trust	1.8
Princess Private Equity	1.7
Unilever	1.7
Alphabet	1.5
Tesco	1.3
Charter Communications	1.2
MercadoLibre	1.1
Heineken	1.1
Diageo	1.1
BT	1.0
PayPal	1.0
Nintendo	1.0
Safran	1.0
Arcelormittal	0.9
London Stock Exchange	0.9
Flutter	0.9

Top 10 Holdings 19.1
Top 20 Holdings 29.1

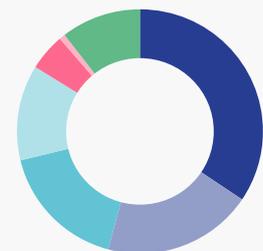
On a combined basis across managers.
Source: BNP Paribas as at 31.12.20.

Regional breakdown (%)

■ North America	34
■ UK	20
■ Europe	17
■ Asia	13
■ Japan	5
■ Other	1
■ Investment Companies	11

Includes futures. Total may not sum to 100% due to rounding.

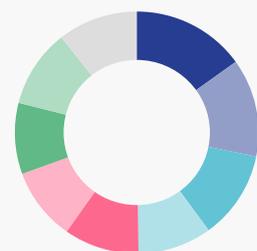
Source: BNP Paribas as at 31.12.20.



Sector breakdown (%)

■ Information Technology	15
■ Industrials	13
■ Consumer Staples	12
■ Health Care	10
■ Consumer Discretionary	10
■ Communication Services	10
■ Financials	10
■ Other	10
■ Investment Companies	11

Total may not sum to 100% due to rounding.
Source: BNP Paribas as at 31.12.20.



Manager breakdown

Manager	Region	%
Veritas	Global	19
Lansdowne Partners	Global	19
Lindsell Train	Global	14
WCM	Global	9
Jennison	Global	5
Artemis	UK	6
Matthews	Asia Pacific	6
GQG Partners	Emerging	6
Direct holdings	-	10
Latitude*	Global	3
GMO Climate Change Fund*	Global	3

Total may not sum to 100% due to rounding.
Source: Witan, data as at 31.12.20.
*Specialist or newly established managers

Board of Directors



ANDREW ROSS
Chairman



ANDREW BELL
CEO



GABRIELLE BOYLE
Non Executive Director



RACHEL BEAGLES
Non Executive Director



SUZY NEUBERT
Non Executive Director



JACK PERRY
Non Executive Director



BEN ROGOFF
Non Executive Director



TONY WATSON
Senior Independent Director



PAUL YATES
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 AJ Bell Youinvest, Barclays Smart Investor, Fidelity, Hargreaves Lansdown, Halifax Share Dealing Limited, Interactive Investor and The Share Centre.

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 AJ Bell Investcentre, FundsNetwork, Nucleus, Novio, Transact and Standard Life Wrap.

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.

www.witan.com

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