

## Monthly commentary

“ **Witan’s benchmark total return was -0.9% in January while the NAV total return was -1.4%. The share price total return was -3.9%.** ”

Concerns about the persistent high level of coronavirus cases, allied to financial stress experienced by some US hedge funds, led to a fall in equity markets in late January as investors waited for the positive impact of the vaccine roll-out to bring an end to the negative effects of ongoing lockdown restrictions. Despite this, equity markets remain close to recent highs, as the prospects for a return to normality, coupled with an extraordinary level of fiscal stimulus, continue to outweigh the immediate restrictions on activity. Witan’s benchmark total return was -0.9% in January while the NAV total return was -1.4%. Investment Trust discounts widened across the board last month and this was reflected in Witan’s own rating which, despite ongoing share buybacks, slipped from 2.4% at the end of December to 4.8%. The share price total return was -3.9%.

Recent months have seen a change in relative fortunes for the world’s major stock markets. The US, for so long the pacesetter, has been overtaken in recent months by Asian and European markets. Even the UK, where Witan’s managers have investments equivalent to one fifth of the portfolio, is starting to show signs of life with a total return of 16% over the last three months, ahead of the 10% total return for the MSCI All Company World Index.

The UK, which is a more cyclical market than the US, has performed poorly since the Brexit vote in 2016, further compounded by the impact of the pandemic in 2020. The implementation of a Brexit trade deal with the EU and the gradual re-opening of the global economy should help the UK’s relative prospects in 2021. We asked Artemis fund manager, Derek Stewart who is responsible for investing 6% of Witan’s portfolio in UK equities, for his outlook on the UK market. He is enthusiastic about the market and believes that some of the sectors most affected by the pandemic, such as the travel and leisure industries, present an interesting opportunity, as people will revert to their old habits, and look to travel and socialise again. He also notes that much of the UK market is cheaply rated relative to global peers and could provide attractive returns for the patient and selective investor. The full article can be found [here](#).

Witan’s annual results for 2020 will be released in March. Meanwhile, the Board has declared a fourth interim dividend of 1.43p per share, to be paid to shareholders on 31<sup>st</sup> March, the ex-dividend date being 25<sup>th</sup> February. Together with the three dividends already paid of 1.34p each, this represents a total dividend of 5.45p for 2020, an increase of 1.9% on the 5.35p paid for 2019. Although investment income was reduced by dividend cuts from some portfolio holdings, the Board is making use of retained earnings from previous years (revenue reserves) to support growth in the dividend for shareholders. This represents the 46<sup>th</sup> consecutive increase in Witan’s annual dividend.

Further information about the Company is available on Witan’s website, [www.witan.com](http://www.witan.com)

31 January 2021

**\*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 <sup>†</sup>	Premium (Discount)	Yield
£2.0bn	221.50p	232.79p	(4.8%)	2.42%

Source: BNP Paribas as at 31.01.21.

<sup>†</sup> 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.

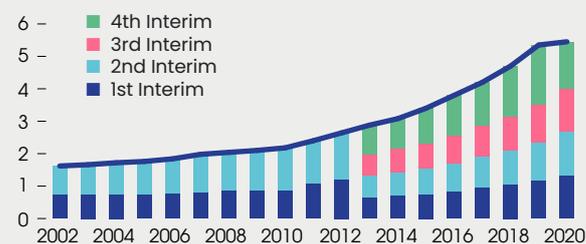
## Trust information

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)	795,271,378
Gearing	14%
Ongoing Charges <sup>‡</sup>	
Excluding performance fee	0.79%
Including performance fee	0.87%

Source: BNP Paribas as at 31.01.21. <sup>‡</sup>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)

46 years of consecutive dividend growth



Changed to quarterly dividend payments in 2013.



For more information go to [www.witan.com/support/legal-information](http://www.witan.com/support/legal-information)

# Investment performance\*

## Five-year performance (%)†



## Total performance (%)†

Growth to 31.01.2021	3m	6m	1yr	3yrs	5yrs	10yrs
■ Share Price	17.2	25.7	4.0	10.4	68.2	176.5
■ Net Asset Value‡	16.4	21.8	7.2	13.6	72.5	154.9
■ Benchmark#	11.0	12.2	9.6	21.7	77.9	140.2
NAV-Benchmark Relative	5.4	9.6	-2.4	-8.1	-5.5	14.6

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](http://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

**\*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.**

## Portfolio overview

### Top 20 holdings (%)

GMO Climate Change Fund	3.2
Apax Global Alpha	2.8
Syncona	2.1
Taiwan Semiconductor	2.0
Princess Private Equity	1.8
Unilever	1.8
BlackRock World Mining Trust	1.7
Alphabet	1.5
Tesco	1.4
MercadoLibre	1.2
Charter Communications	1.1
Diageo	1.1
Heineken	1.1
PayPal	1.0
BT	1.0
Tencent	1.0
Thermo Fisher Scientific	0.9
London Stock Exchange	0.9
ArcelorMittal	0.9
Nintendo	0.9

<b>Top 10 Holdings</b>	<b>19.5</b>
<b>Top 20 Holdings</b>	<b>29.4</b>

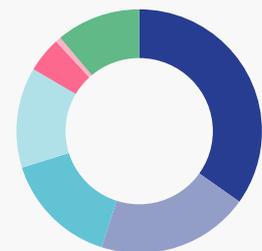
On a combined basis across managers.  
Source: BNP Paribas as at 31.01.21.

### Regional breakdown (%)

■ North America	35
■ UK	20
■ Europe	15
■ Asia	13
■ Japan	5
■ Other	1
■ Investment Companies	11

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

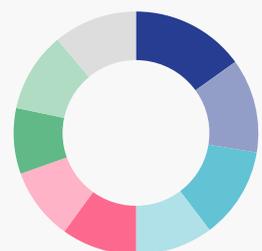
Source: BNP Paribas as at 31.01.21.



### Sector breakdown (%)

■ Information Technology	15
■ Industrials	13
■ Consumer Staples	12
■ Health Care	10
■ Communication Services	10
■ Consumer Discretionary	10
■ Financials	9
■ Other	11
■ Investment Companies	11

Total may not sum to 100% due to rounding.  
Source: BNP Paribas as at 31.01.21.



## Manager breakdown

Manager	Region	%
Lansdowne Partners	Global	19
Veritas	Global	18
Lindsell Train	Global	14
WCM	Global	10
Jennison	Global	5
Artemis	UK	6
Matthews	Asia Pacific	5
GQG Partners	Emerging	7
Direct holdings	-	11
GMO Climate Change Fund*	Global	3
Latitude*	Global	2

Total may not sum to 100% due to rounding.  
Source: Witan, data as at 31.01.21.  
\*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](http://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](http://www.witan.com)

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