

Capital and income growth from active global equity investment

Half year report 30 June 2014



Witan's objective

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

Witan is an investment trust which is listed on the London Stock Exchange and was founded in 1909.

Witan offers diversified exposure to global markets (principally equities) using a multi-manager approach. The portfolio is diversified by geographical region, industrial sector and at the individual stock level.

Witan typically uses between 10 and 15 investment managers. The blend of different active approaches and styles aims to deliver added value for shareholders while smoothing out the volatility normally associated with a single manager.

To view the report online

If you would like to view video updates about the Company, please visit:

www.witan.com



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Shareholder Total Return	+6.9%
NAV Total Return	+1.1%
Dividends per Share	+9.1%

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Financial highlights

Corporate Key Performance Indicators

	(Unaudited) 30 June 2014	Change since 31 December 2013	(Unaudited) 30 June 2013	(Audited) 31 December 2013
Share price	706.5p	5.6%	589.0p	669.0p
Net asset value per ordinary share (debt at par value)	725.9p	0.1%	663.2p	725.2p
Net asset value per ordinary share (debt at market value)	717.5p	0.0%	653.3p	717.6p
Dividends per ordinary share	7.2p		6.6p	14.4p
Discount (debt at par value)	2.7%		11.2%	7.7%
Discount (debt at market value)	1.5%		9.8%	6.8%
Share buy-backs ^(A)	0.0%		0.4%	0.4%
On-going charges including performance fees ^(B)	0.37%		0.60%	1.12%
On-going charges excluding performance fees ^(B)	0.38%		0.33%	0.69%

(A) The percentage of the ordinary share capital in issue at the previous year end that was bought back during the period.

(B) The total of the recurring operating and investment management costs (excluding the expenses of the subsidiary company) expressed as a percentage of the daily average net assets including debt at market value.

Performance

Total Returns to 30 June 2014	6 months return	1 year return	3 years return	5 years return
Total shareholder return ^(C)	6.9%	22.6%	46.3%	132.4%
Net asset value total return ^(D)	1.1%	12.2%	30.8%	106.1%
Benchmark ^(E)	2.3%	10.9%	26.1%	90.1%
FTSE All-Share Index ^(F)	1.6%	13.1%	29.2%	96.7%
FTSE World (ex UK) Index ^(F)	3.4%	9.8%	29.9%	95.5%

(C) Source: Datastream. The movement in the ordinary share price adjusted to include the notional reinvestment of dividends.

(D) Source: Datastream/Witan. The movement in the net asset value per share adjusted to include the notional reinvestment of dividends.

(E) Source: Witan/FE Analytics. The benchmark is a composite of four indices: the FTSE All-Share Index 40%, the FTSE All-World North America Index 20%, the FTSE All-World Europe (ex UK) Index 20% and the FTSE All-World Asia Pacific Index 20%.

(F) Source: Datastream. See also FTSE International for conditions of use (www.ftse.com).

Other financial highlights

	(Unaudited) 30 June 2014	Change since 31 December 2013	(Unaudited) 30 June 2013	(Audited) 31 December 2013
Net assets	£1,374m	0.1%	£1,256m	£1,373m
Number of ordinary shares in issue	189,301,000	0.0%	189,346,000	189,311,000
Revenue return per ordinary share	8.85p		9.03p	15.44p
Gearing ^(G)	8.8%		11.7%	7.3%

(G) The difference between shareholders' funds and the total market value of the investments (including the face value of futures positions) expressed as a percentage of shareholders' funds.

Interim management report



Harry Henderson | Chairman



Andrew Bell | Chief Executive Officer

- During the first half of 2014, the Company's Net Asset Value ("NAV") total return was +1.1% compared with a benchmark return of +2.3% for the same period – a relative underperformance of 1.2%.
- The share price total return was +6.9%, with a narrower discount continuing the trend seen in 2013.
- A second interim quarterly dividend of 3.6p per ordinary share will be paid in September. Total dividends paid in respect of the period are 7.2p per ordinary share (2013: 6.6p).

Market Background

2014 has so far been a relatively subdued year for global equity markets. This is partly a natural consequence of the strong gains enjoyed during 2013, benefiting from reduced fears of financial instability and increased hopes that economic growth in 2014 would accelerate. As a result, most equity markets at the end of 2013 were in need of a period of consolidation, to allow earnings to catch up.

The economic backdrop has been mixed. Growth has picked up speed in the UK but the US had to contend with an unusually harsh winter, which set back growth at the start of the year. Growth in Japan was strong ahead of a rise in taxes in April but has weakened since, while there were fears that the Chinese authorities' efforts to curb speculation in the property and infrastructure sectors would lead to a broader slowdown. Europe's recovery from recession a year ago lost momentum, partly owing to the strength of the Euro. Despite these cross-currents, confidence became more firmly established that economic growth was on an improving trend, even if the recovery remains patchy.

Away from the economic front, Russia's annexation of Crimea and renewed instability in parts of the Middle East generated sharp but short-lived setbacks in equity markets. The situation in Ukraine remains unstable, with continuing armed conflict in the Eastern part of the country, near the Russian border. In the Middle East, fears of disruption to Iraqi oil production led to a precautionary rise in oil prices which, in the absence of further setbacks for the Baghdad government, began to unwind by early July. Although geopolitical uncertainties contributed to a lack of investor conviction, the focus remained on economics.

One surprise has been a strong rally in government bonds, sometimes seen as a harbinger of weaker growth. Improving hopes of economic growth would normally engender expectations of higher interest rates and selling of government bonds. So a fall in bond yields coinciding with improving growth hopes is something of a conundrum. The explanation may be that the modest increase in expected interest rates due to the stronger US and UK economies has been counteracted by falling government deficits, subdued inflation and by some institutions (such as pension funds) purchasing bonds to lock in their improved funding positions, following 2013's equity gains.

Investment Performance

The NAV total return (taking debt at market value) was +1.1%, which was 1.2% below that of our equity benchmark's +2.3% return. The discount narrowed from 6.8% to 1.5% during the period, resulting in a share price total return of + 6.9%.

Markets consolidated for most of the period, with attention shifting from stocks which had performed well to laggards. Although the percentage changes in most markets were minor over the period as a whole, there were periods of intra-market volatility, during which stocks (and managers) that had outperformed in 2013 encountered setbacks.

6 of Witan's 11 external managers, together with the directly held portfolio, outperformed their respective benchmarks, while 5 underperformed during the period.

Interim management report continued

Portfolio Changes

There were no changes to the appointed managers during the period, following the changes made during 2013. Within the direct holdings, exposure to Electra Private Equity and Aberforth Geared Income Trust was reduced following further strength in their share prices.

Additions were made to overseas equity exposure in February, following January's market falls and Japanese market exposure was increased during periods of weakness in the spring.

Gearing

The Company has structural borrowings of £110 million, amounting to 8% of net assets, in addition to a short term £50m multi-currency facility, on which the drawn balance was £27m at the end of the period. Taking account of cash balances and the face value of equity index futures, at the end of June gearing was 8.8%, slightly higher than the year-end figure of 7.3%.

Expenses

The on-going charges figure ("OCF") for the six months was 0.38%, up from 0.33% for the first half of 2013. Including performance fees, the OCF was 0.37% for the first half of 2014, down from 0.60% for the same period in 2013. These figures apply for the first half and are not annualised. The OCF for the whole of 2013 was 0.69% excluding performance fees and 1.12% including performance fees.

General expenses declined in the first half of the year. The Board ensures careful monitoring and control of expenses, in order that value for money is obtained for shareholders. Base management fees were higher than those in the first half of 2013, owing to an increase in assets under management and to the higher average base fees charged by managers appointed since 2012, whose terms do not include a performance fee. There was a £0.02m reduction in the previously accrued provision for performance fees compared with a charge of £3.25m in the 2013 interim report. This reflects weaker performance by some managers during the period.

Investment Income

Portfolio revenue was 1% lower than in 2013, reflecting changes in holdings as well as underlying changes in portfolio dividends. The strength of the pound eroded the sterling value of foreign currency dividends from the portfolio, masking the underlying revenue increase in local currencies. With the rise in market levels, together with 2013's changes in managers and fee structures, the element of investment management base fees charged to revenue rose from £0.5m to £0.7m, although other expenses were well contained, declining by 3% to £2.7m. As a result of these factors, the Company's revenue earnings per share were 2% lower compared with the first half of 2013, at 8.85p.

Dividend

The Board's policy is that the first three interim dividends of the current financial year (in June, September and December) will, in the absence of unforeseen circumstances, be paid at the rate of one quarter of the total payment in respect of the previous year.

Accordingly, a second interim dividend of 3.6p per ordinary share, being one quarter of the total dividend paid in respect of 2013 (14.4p), will be paid on 18 September to shareholders on the

register on 22 August 2014. This follows the first interim dividend of 3.6p per ordinary share paid on 18 June 2014.

The fourth payment (in March 2015) will be a balancing amount, reflecting the difference between the three quarterly dividends already paid and the payment decided for the full year. The full year's dividend is intended to be consistent with the Company's policy to increase the total annual dividend in real terms, ahead of inflation.

The Company has increased its dividend every year since 1974 (a 39 year record of increases), recognising the importance for its investors of a reliable and growing income.

The discount, share buybacks and issuance

Over the past year the favourable balance between demand and supply in the market for our shares has led to a sustained narrowing of the share price discount, which stood at 1.5% (to the NAV including income, with debt at market value) at the end of June. The Board welcomes the rerating enjoyed by Witan's shares since 2012, from which all shareholders clearly benefit. This is likely to be due to a range of factors, which include a distinctive investment approach, good performance, improved investor confidence in the recovery in the stock market and changes in the savings market, notably the retail distribution review in 2013 and the government's proposed changes to personal pensions in 2014.

At the Company's AGM in April, shareholders gave authority for shares bought back to be placed into Treasury and for Treasury shares to be reissued or for new shares to be issued, provided that in each case such issuance is done at a premium to net asset value. To date, no shares have been issued or reissued, as Witan's shares remain at a small discount, albeit much reduced. During the period, the Company bought back 10,000 shares, at a discount of approximately 3%. These shares have been placed in Treasury.

The Company has met its longstanding target of achieving a discount below 10% and clearly it is in shareholders' interests for Witan's shares to continue to be highly rated in the market. With this in mind, although no new discount target is set, the Company will, as in the past, be prepared to buy back shares taking account of prevailing market conditions, the level of the discount and the impact on the NAV per share. Similarly, where it is in shareholders' interests, the Company may issue shares at a premium to NAV, to help market liquidity and spread the Company's costs over a larger asset base, with such issuance being accretive to NAV per share.

AIFM Directive

In July, the Company's subsidiary, Witan Investment Services (WIS), was authorised by the Financial Conduct Authority as an Alternative Investment Fund Manager (AIFM) under the AIFM Directive. The Company has appointed WIS, with effect from 14 July 2014, to act as the Company's AIFM and has appointed BNP Paribas Securities Services (London) as a depository, in order to meet the Directive's requirements. Although the Directive prescribes certain organisational arrangements and additional reporting requirements for regulated entities, the Company's business model and objectives remain substantively the same as outlined in the Strategic Report of the 2013 Annual Report.

Interim management report continued

Outlook

The outlook for economic growth is improving but the good news is unevenly distributed. The UK and the US appear most clearly set on a recovery path and emerging economies, including China, are beginning to benefit from this, after a number of years when their export markets were weak. It is not yet clear how far Japan's recovery, which has been stronger than expected over the past year, has been set back by the rise in taxes, although early signs are encouraging. European growth remains fragile, despite the looser monetary policy recently adopted by the European Central Bank. The current conflict in Ukraine adds an unpredictable factor, given concerns over a possible Russian threat to Ukraine's borders and the risk of consequent economic sanctions, including potential disruption of Russian energy supplies to Europe.

Currencies have been a complicating factor, in that the US dollar has been surprisingly weak, despite the US's relative economic resilience. A strong pound is a potential headwind for the UK, obstructing a rebalancing of the economy from consumption towards exports, while European politicians have been complaining about the strength of the Euro. Markets appear to believe that the US will continue to operate a looser monetary policy than its competitors, as it has since 2009. It is possible, however, that US policy is close to a turning point, if signs of more robust employment growth and a pick-up in inflation persist. The US dollar may surprise on the upside, if its interest rate cycle turns up, although this has been forecast for several years and been deferred so often that markets have stopped believing in it.

The timing of the first interest rate rise appears less important than the gradient of the climb. Even central banks contemplating rate increases emphasise the likely slow pace of tightening while Europe and Japan remain in an easing phase. If the early stages of the forthcoming rate cycle may be characterised as reducing pressure on the accelerator more than touching the brakes then growth is unlikely to judder to a halt as a result of monetary policy.

Equities have been calm on the surface this year, although sector performance has been changeable as investors booked gains on 2013's winners (particularly mid-cap and smaller companies) and sought value in areas that had lagged. The mild euphoria at the end of 2013 has dissipated, while earnings reports and economic growth have improved the fundamental foundations for equities. Hopes for renewed gains depend upon confirmation that economic growth (and further growth in company profits) is set to be sustained into 2015. Whilst this appears probable, there is less of a safety margin from valuations, which generally appear full rather than cheap. The need for selectivity, finding undervalued growth, is greater in the wake of the general rise in stock market indices in recent years. As for government bonds, in many economies they yield less than forecast inflation rates. This apparent lack of value has been ignored in recent years but, at some stage, interest rates and inflation expectations will rise, undermining the optimistic assumptions built into such low bond yields. Governments may have a vested interest in keeping their borrowing costs low but value conscious investors should assess carefully whether such low yields offer them an adequate return.

For and on behalf of the Board

Harry Henderson
Chairman

Andrew Bell
Chief Executive Officer

11 August 2014

Portfolio information

as at 30 June 2014

Company	£'m	% of portfolio
Reed Elsevier	29.4	2.02
Diageo	24.2	1.66
London Stock Exchange	21.9	1.50
Unilever	20.5	1.41
Comcast	18.6	1.28
Daily Mail & General	18.4	1.26
Pearson	17.4	1.19
BP	17.3	1.19
Princess Private Equity	17.2	1.18
Sage	15.4	1.06
Google	15.4	1.06
Schroders	14.6	1.00
Royal Dutch Shell	14.6	1.00
BT	14.2	0.97
Rathbone Brothers	13.1	0.90
NB Distressed Debt	12.9	0.89
J P Morgan Chase	12.8	0.88
Lloyds	12.6	0.87
Capita	12.3	0.85
Microsoft	11.6	0.80
Burberry	11.3	0.78
Edinburgh Dragon 3.5% Conv Bond	11.2	0.77
Aberforth Geared Income	11.0	0.75
Oracle	10.7	0.74
Walt Disney	10.5	0.72
Top 25	389.1	26.73

Company	£'m	% of portfolio
Roche Holdings	10.5	0.72
Reckitt Benckiser	9.7	0.67
Delta Air Lines	9.6	0.66
Imperial Tobacco	9.6	0.66
Nike	9.5	0.65
Vodafone	9.3	0.64
Verizon	8.7	0.60
Greene King	8.6	0.59
GlaxoSmithKline	8.3	0.57
Wells Fargo	8.0	0.55
Electra Private Equity 5% Conv Bond	8.0	0.55
Qualcomm	7.7	0.53
SES	7.4	0.51
Fidessa	7.2	0.50
International Consolidated Airline	7.2	0.50
Lockheed	7.2	0.49
UnitedHealth	7.2	0.49
Laboratory Corp of America	6.9	0.47
Amazon	6.8	0.47
Japan Tobacco	6.4	0.44
MTN	6.2	0.43
Barclays	6.2	0.43
Li & Fung	6.0	0.42
Hays	6.0	0.41
Itochu	5.9	0.41
Top 50	583.2	40.09

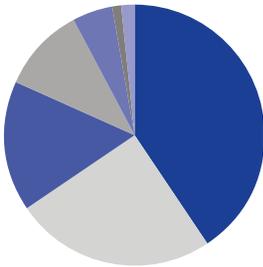
The top 10 holdings represent 13.8% of the total portfolio (31 December 2013: 14.8%).

The full portfolio is not listed because it contains over 400 companies. The above listing is of the largest individual equity investments and as such does not include the open-ended funds used to invest in Emerging Markets (valued at £53.9 million), Japan (Polar Japan Growth and Polar Japan Alpha, together valued at £19.6m) or the Polar Global Insurance Fund (valued at £8.3m). It also excludes the face value of the Japanese equity index futures position (£39.4m).

Portfolio information continued

Portfolio information

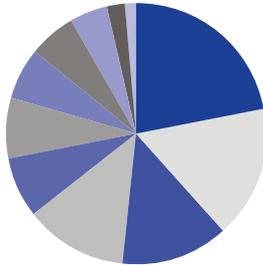
Portfolio by geographical classification as at 30 June 2014



- United Kingdom – 40.7%
- North America – 24.9%
- Continental Europe – 16.3%
- Asia Pacific (Ex-Japan) – 10.5%
- Japan* – 4.9%
- Latin America – 1.3%
- Other – 1.4%

*underlying exposure 7.6% including index futures investment

Sector breakdown of the portfolio as at 30 June 2014



- Financials – 22.0%
- Consumer Services – 16.6%
- Industrials – 13.3%
- Consumer Goods – 12.6%
- Health Care – 7.6%
- Technology – 7.4%
- Open-ended Funds – 6.5%
- Oil & Gas – 5.7%
- Telecoms – 4.7%
- Basic Materials – 2.3%
- Utilities – 1.3%

Regulatory disclosures

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of any past related party transactions are contained in the Company's Annual Report for the year ended 31 December 2013.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company's business can be divided into various areas:

- a fall in equity prices
- the application of investment strategy: country, currency, industrial sector, stock selection, choice of investment manager
- the appropriateness of the corporate objective and strategy
- operational and regulatory risks.

Information on these risks is given in the Strategic Report and in the Notes to the Financial Statements in the Company's Annual Report for the year ended 31 December 2013.

In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- (c) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Harry Henderson
Chairman

11 August 2014

Investment managers

Assets under management and investment performance as at 30 June 2014

Investment Manager	Appointment date	% of Witan's funds under management at 30.06.14 ⁽¹⁾	Performance in the half year (%)	Benchmark Performance in the half year (%)	Performance since appointment (%) ⁽²⁾	Benchmark Performance since appointment (%) ⁽²⁾
Artemis Investment Management (UK)	06.05.08	10.1	+0.7	+1.6	+11.9	+5.9
Heronbridge (UK)	17.06.13	7.1	+1.7	+1.6	+17.6	+10.9
Lindsell Train (UK)	01.09.10	11.9	0.0	+1.6	+20.0	+11.6
Lansdowne Partners (Global)	14.12.12	8.5	-1.8	+2.7	+28.1	+14.2
MFS International (Global)	30.09.04	8.8	+2.0	+3.2	+12.0	+9.1
Pzena (Global)	02.12.13	9.9	+2.0	+3.2	+3.1	+4.2
Tweedy, Browne (Global)	02.12.13	3.3	+3.8	+3.2	+4.8	+4.2
Veritas Asset Management (Global)	11.11.10	12.5	+5.4	+3.2	+12.5	+9.4
Marathon Asset Management (Pan-Europe)	23.07.10	8.2	+2.7	+2.7	+12.1	+10.0
Matthews International Capital Management (Asia Pacific cum Japan)	20.02.13	10.0	+2.0	+1.3	+2.9	+0.2
Trilogy Global Advisors (Emerging Markets)	09.12.10	3.6	+5.6	+3.0	-3.2	-1.2
Witan Direct Holdings	19.03.10	4.8	+2.8	+2.3	+9.3	+7.9

(1) Percentage of Witan assets managed, excluding central cash balances. Excludes Polar Japan open-ended funds (1.3% of assets).

(2) Percentages are annualised where the appointment date was before 2013.

Source: The WM Company.

Investment managers

Mandates as at 30 June 2014

Equity mandate	Investment manager	Benchmark (total return)	Investment style
UK	Artemis Investment Management	FTSE All-Share	Recovery/special situations
UK	Heronbridge Investment Management	FTSE All-Share	Intrinsic value growth
UK	Lindsell Train	FTSE All-Share	Long term growth from undervalued brands
Global	Lansdowne Partners	D J Global Titans	Concentrated, benchmark-independent investment in developed markets
Global	MFS International	FTSE All-World	Growth at an attractive price
Global	Pzena	FTSE All-World	Systematic value
Global	Tweedy, Browne	FTSE All-World	Fundamental value
Global	Veritas Asset Management	FTSE All-World	Fundamental value, real return objective
Pan-European	Marathon Asset Management	FTSE All-World Developed Europe	Capital cycles
Asia Pacific (cum Japan)	Matthews International Capital Management	MSCI Asia Pacific Free	Quality companies with dividend growth
Emerging Markets	Trilogy Global Advisors	MSCI Emerging Markets	Fundamental, growth orientated
Directly-held investments	Witan Executive team	Witan's composite equity benchmark	Collective funds invested in mispriced assets, recovery situations or specialist assets

Consolidated statement of comprehensive income

for the half year ended 30 June 2014

	Note	(Unaudited) Half year ended 30 June 2014		Total £'000
		Revenue return £'000	Capital return £'000	
Investment income		21,423	–	21,423
Other income		742	–	742
Gains on investments held at fair value through profit or loss	2	–	5,096	5,096
Total income		22,165	5,096	27,261
Expenses				
Management and performance fees		(731)	(2,171)	(2,902)
Other expenses		(2,671)	(51)	(2,722)
Profit before finance costs and taxation		18,763	2,874	21,637
Finance costs		(1,045)	(3,009)	(4,054)
Profit/(loss) before taxation		17,718	(135)	17,583
Taxation		(968)	–	(968)
Profit/(loss) attributable to equity holders of the parent company		16,750	(135)	16,615
Earnings/(loss) per ordinary share	3	8.85p	(0.07)p	8.78p

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with IFRSs as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Group does not have any Other Comprehensive Income and hence the total profit for the period, as disclosed above, is the same as the Group's Total Comprehensive Income.

All income is attributable to the equity holders of Witan Investment Trust plc, the parent company. There are no minority interests.

(Unaudited) Half year ended 30 June 2013			(Audited) Year ended 31 December 2013		
Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
21,556	–	21,556	37,943	–	37,943
810	–	810	1,449	–	1,449
–	164,627	164,627	–	289,871	289,871
22,366	164,627	186,993	39,392	289,871	329,263
(457)	(4,619)	(5,076)	(1,146)	(8,925)	(10,071)
(2,753)	(51)	(2,804)	(5,216)	(101)	(5,317)
19,156	159,957	179,113	33,030	280,845	313,875
(1,086)	(3,132)	(4,218)	(2,144)	(6,185)	(8,329)
18,070	156,825	174,895	30,886	274,660	305,546
(950)	–	(950)	(1,623)	–	(1,623)
17,120	156,825	173,945	29,263	274,660	303,923
9.03p	82.70p	91.73p	15.44p	144.96p	160.40p

Consolidated statement of changes in equity

for the half year ended 30 June 2014

(Unaudited)							
Half year ended 30 June 2014							
Note	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000	
At 31 December 2013	47,328	16,237	46,498	1,208,931	53,950	1,372,944	
Total comprehensive income:							
(Loss)/profit for the period	–	–	–	(135)	16,750	16,615	
Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	–	–	–	–	(15,334)	(15,334)	
Buy-backs of ordinary shares	5	–	–	(69)	–	(69)	
At 30 June 2014	47,328	16,237	46,498	1,208,727	55,366	1,374,156	

(Unaudited)							
Half year ended 30 June 2013							
Note	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000	
At 31 December 2012	47,520	16,237	46,306	938,708	57,076	1,105,847	
Total comprehensive income:							
Profit for the period	–	–	–	156,825	17,120	173,945	
Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	–	–	–	–	(19,916)	(19,916)	
Buy-backs of ordinary shares	5	(183)	–	183	(4,221)	(4,221)	
At 30 June 2013	47,337	16,237	46,489	1,091,312	54,280	1,255,655	

(Audited)							
Year ended 31 December 2013							
Note	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000	
At 31 December 2012	47,520	16,237	46,306	938,708	57,076	1,105,847	
Total comprehensive income:							
Profit for the year	–	–	–	274,660	29,263	303,923	
Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	–	–	–	–	(32,389)	(32,389)	
Buy-backs of ordinary shares	5	(192)	–	192	–	(4,437)	
At 31 December 2013	47,328	16,237	46,498	1,208,931	53,950	1,372,944	

Consolidated balance sheet

as at 30 June 2014

	(Unaudited) 30 June 2014 £'000	(Unaudited) 30 June 2013 £'000	(Audited) 31 December 2013 £'000
	Note		
Non current assets			
Investments held at fair value through profit or loss	1,455,689	1,359,163	1,436,962
Current assets			
Other receivables	8,234	10,692	6,695
Cash and cash equivalents	58,437	55,658	57,532
	66,671	66,350	64,227
Total assets	1,522,360	1,425,513	1,501,189
Current liabilities			
Other payables	(10,800)	(17,508)	(7,873)
Bank loan	(27,000)	(42,000)	(10,000)
	(37,800)	(59,508)	(17,873)
Total assets less current liabilities	1,484,560	1,366,005	1,483,316
Non current liabilities			
At amortised cost:			
8½ per cent. Debenture Stock 2016	(44,583)	(44,586)	(44,584)
6.125 per cent. Secured Bonds due 2025	(63,266)	(63,209)	(63,233)
3.4 per cent. cumulative preference shares of £1	(2,055)	(2,055)	(2,055)
2.7 per cent. cumulative preference shares of £1	(500)	(500)	(500)
	(110,404)	(110,350)	(110,372)
Net assets	1,374,156	1,255,655	1,372,944
Equity attributable to equity holders			
Ordinary share capital	5 47,328	47,337	47,328
Share premium account	16,237	16,237	16,237
Capital redemption reserve	46,498	46,489	46,498
Retained earnings:			
Other capital reserves	1,208,727	1,091,312	1,208,931
Revenue reserve	55,366	54,280	53,950
Total equity	1,374,156	1,255,655	1,372,944
Net asset value per ordinary share	6 725.9p	663.2p	725.2p

Consolidated cash flow statement

for the half year ended 30 June 2014

	(Unaudited) Half year ended 30 June 2014 £'000	(Unaudited) Half year ended 30 June 2013 £'000	(Audited) Year ended 31 December 2013 £'000
Operating activities			
Profit before taxation	17,583	174,895	305,546
Interest paid	4,054	4,065	8,329
Gains on investments held at fair value through profit or loss	(5,096)	(164,627)	(289,871)
Net (purchases)/sales of investments held at fair value through profit or loss	(11,392)	13,009	50,630
Decrease/(increase) in other receivables	95	(682)	(6)
(Decrease)/increase in other payables	(38)	3,153	2,752
Scrip dividends included in investment income	(595)	(558)	(1,256)
Net gain/(loss) from futures contracts	275	(1,904)	4,465
Net cash inflow from operating activities before interest and taxation	4,886	27,351	80,589
Interest paid	(4,023)	(4,031)	(8,285)
Tax on overseas income	(1,176)	(1,023)	(1,624)
Net cash (outflow)/inflow from operating activities	(313)	22,297	70,680
Financing activities			
Equity dividends paid	(15,334)	(19,916)	(32,389)
Buy-backs of ordinary shares	(69)	(4,300)	(4,617)
Drawdown/(repayment) of bank loans	17,000	21,000	(11,000)
Net cash inflow/(outflow) from financing activities	1,597	(3,216)	(48,006)
Increase in cash and cash equivalents	1,284	19,081	22,674
Cash and cash equivalents at the start of the period	57,532	36,420	36,420
Effect of foreign exchange rate changes	(379)	157	(1,562)
Cash and cash equivalents at the end of the period	58,437	55,658	57,532

Notes to the financial statements

for the half year ended 30 June 2014

1 Basis of preparation

The condensed set of financial statements for the half year ended 30 June 2014 has been prepared on the basis of the accounting policies set out in the consolidated financial statements for the year ended 31 December 2013.

2 Transaction costs*

The gains on investments held at fair value through profit or loss include purchase transaction costs of £502,000 (half year ended 30 June 2013: £1,227,000; year ended 31 December 2013: £1,792,000) and sale transaction costs of £212,000 (half year ended 30 June 2013: £610,000; year ended 31 December 2013: £984,000). The purchase transaction costs comprise mainly stamp duty and commissions. The sale transaction costs comprise mainly commissions.

* includes manager transition costs

3 Earnings/(loss) per ordinary share

The earnings per ordinary share figure is based on the net profit for the half year of £16,615,000 (half year ended 30 June 2013: £173,945,000; year ended 31 December 2013: £303,923,000) and on 189,304,589 ordinary shares (half year ended 30 June 2013: 189,628,759; year ended 31 December 2013: 189,472,414), being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) Half year ended 30 June 2014 £'000	(Unaudited) Half year ended 30 June 2013 £'000	(Audited) Year ended 31 December 2013 £'000
Net revenue profit	16,750	17,120	29,263
Net capital (loss)/profit	(135)	156,825	274,660
Net total profit	16,615	173,945	303,923

Weighted average number of ordinary shares in issue during the period	189,304,589	189,628,759	189,472,414
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	Pence	Pence	Pence
Revenue earnings per ordinary share	8.85	9.03	15.44
Capital (loss)/earnings per ordinary share	(0.07)	82.70	144.96
Total earnings per ordinary share	8.78	91.73	160.40

Notes to the financial statements continued

for the half year ended 30 June 2014

4 Interim dividend

The Directors have declared a second interim dividend of 3.6p per ordinary share (2013: 3.3p), payable on 18 September 2014 to shareholders registered on 22 August 2014. The shares will be quoted ex-dividend on 20 August 2014. A first interim dividend of 3.6p (2013: 3.3p) was paid on 18 June 2014.

5 Ordinary share capital

At 30 June 2014 there were 189,301,000 ordinary shares in issue (30 June 2013: 189,346,000; 31 December 2013: 189,311,000) and 10,000 ordinary shares held in treasury (30 June 2013 and 31 December 2013: nil). During the half year ended 30 June 2014 the Company bought 10,000 of its own ordinary shares in the market to be held in treasury (half year ended 30 June 2013: 733,500 for cancellation; year ended 31 December 2013: 768,500 for cancellation). The cost of the share buy-backs, including stamp duty, amounted to £69,000 (half year ended 30 June 2013: £4,221,000; year ended 31 December 2013: £4,437,000).

6 Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £1,374,156,000 (30 June 2013: £1,255,655,000; 31 December 2013: £1,372,944,000) and on 189,301,000 (30 June 2013: 189,346,000; 31 December 2013: 189,311,000) ordinary shares, being the number of ordinary shares in issue at the period end.

7 Subsidiary undertaking

The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Witan Investment Services Limited, which is registered in England and Wales, operates in the United Kingdom and is regulated by the Financial Conduct Authority.

8 Financial instruments

Carrying amount versus fair values

At the period end the carrying value of financial assets and financial liabilities approximates their fair value with the exception of the non current liabilities as detailed below:

	Fair value £'000	Carrying amount £'000
Financial liabilities measured at amortised cost:		
Non current liabilities		
Preference shares	1,379	2,555
Debenture stock	50,204	44,583
Secured bonds	74,649	63,266
	126,232	110,404

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Financial assets and financial liabilities at fair value through profit or loss at 30 June 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
Equity securities designated at fair value through profit or loss	1,343,717	–	–	1,343,717
Investments in other funds	–	111,972	–	111,972
Derivatives (nominal exposure of £39,397,000)	(78)	–	–	(78)
Total financial assets and liabilities carried at fair value	1,343,639	111,972	–	1,455,611

There were no level 3 investments during the 6 months to 30 June 2014.

There have been no transfers between levels of the fair value hierarchy during the period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of the event or change in circumstances that caused the transfer.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: valued using quoted prices in active markets for identical assets.

Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.

Included in Level 2 are investments in Trilogly Emerging Markets Fund, Polar Capital Insurance Fund, Polar Japan funds and iShares MSCI fund.

Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies in the year end accounts.

Notes to the financial statements continued

for the half year ended 30 June 2014

9 Segment Reporting

As detailed in the Company's Annual Report for the year ended 31 December 2013, geographical segments are considered to be the Group's primary reporting segment and business segments the secondary reporting segment. The Group has two business segments: its activity as an investment trust, which is the business of the parent company, and the business of the subsidiary company, Witan Investment Services Limited, which provides management services within the United Kingdom only. The investment trust is managed by reference to a geographical benchmark, as detailed on page 2; the geographical allocation of the portfolio, as at 30 June 2014, is set out on page 10. The schedule on page 12 summarises the assets under management and investment performance relating to each investment manager. This information is updated and reviewed regularly for internal management purposes and is essential for assessing the structure of the overall portfolio and the performance of each investment manager.

	Half year ended 30 June 2014		Half year ended 30 June 2013		Year ended 31 December 2013	
	Investment trust £'000	Management services £'000	Investment trust £'000	Management services £'000	Investment trust £'000	Management services £'000
Revenue from external customers	21,587*	578	21,735*	631	38,203*	1,189
Carrying amount of assets	1,373,073	1,083	1,254,649	1,006	1,371,905	1,039

*The investment and other income of the parent company.

10 Half year accounts

The condensed set of financial statements, forming the half year accounts, has been neither audited nor reviewed by the Company's auditors.

11 Comparative information

The financial information contained in this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 June 2014 and 30 June 2013 has been neither audited nor reviewed by the auditors.

The figures and financial information for the year ended 31 December 2013 are extracted from the latest published audited financial statements of the Company and do not constitute the statutory accounts for that year. The audited financial statements for the year ended 31 December 2013 have been filed with the Registrar of Companies. The report of the independent auditors on those accounts contained no qualification or statement under section 498(2) or section 498(3) of the Companies Act 2006.

Witan Wisdom and Jump

How to invest

There is a variety of ways to invest in Witan Investment Trust plc. Naturally, Witan's shares can be traded through any UK stockbroker. Advisers who wish to purchase Witan for their clients can also do so via a growing number of platforms that offer investment trusts including Ascentric, Alliance Trust Savings, Nucleus, Raymond James, Seven IM and Transact. Witan is also available for investment through the two savings schemes managed by Witan Investment Services – Witan Wisdom and Jump Savings.

Witan Wisdom

Shareholders who hold their investment via the Witan Wisdom product have already been notified that from 6 April 2014 we have changed the charging structure of the savings scheme. From 6 April 2014, there is a flat annual fee of £30 +VAT for both the Witan Wisdom Share Plan and ISA. There is no charge other than government stamp duty, for regular savings or dividend reinvestment. Lump sum dealing is charged at a flat rate of £15, plus government stamp duty.

Witan Wisdom offers two different savings wrappers:

The Witan Wisdom ISA is a stocks and shares ISA that enables investors to buy Witan shares within a tax efficient wrapper. Investors have an annual ISA allowance of up to £15,000 for the 2014/15 tax year. The minimum lump sum investment with Witan Wisdom ISA is £2,000, with the regular savings minimum being £100 per month. Investors can also transfer existing ISAs to Witan Wisdom while retaining their tax efficient wrapper during and after transfer.

The Witan Wisdom Share Plan is our straightforward, low-cost savings scheme. The minimum lump sum investment is £1,000, and the minimum regular contribution is £50 per month or quarter. There is no maximum. Accounts can also be held jointly, or designated to a child.

Witan Investment Trust plc is an equity investment. Investors are reminded that past performance is not a guide to future performance and the value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Please note that tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon your individual circumstances. Investors should consult their own tax advisers in order to understand any applicable tax consequences. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited of 14 Queen Anne's Gate, London SW1H 9AA is registered in England and Wales number 5272533. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Conduct Authority. We may record telephone calls for our mutual protection and to improve customer service.

Jump Savings for children

Jump gives parents, grandparents and other adults the chance to invest in Witan on behalf of a child. This flexible savings plan has a minimum lump sum investment set at £250 and regular contributions can be made from £50 per month or quarter. Jump is available in three different wrappers:

Junior ISA – Is a tax efficient wrapper available to children born before 1 September 2002 or after 3 January 2012, or those who did not qualify for a Child Trust Fund. The account can only be opened by the parent though others can add to it. It currently has an annual subscription limit of £4,000 for the 2014/15 tax year. You can open a Jump Junior ISA with a minimum lump sum investment of £250 or £50 per month or quarter.

Jump Child Trust Fund – Like the Junior ISA, the Child Trust Fund (CTF) is a tax efficient savings vehicle with a current annual limit of £4,000 each year (measured by the child's birthday). Each child born in the UK from 1 September 2002 up to and including 2 January 2012 was eligible for a CTF. You can transfer existing CTFs to Jump subject to a minimum transfer value of £1,000.

Jump Savings Plan – the Jump Savings Plan offers greater flexibility than the Junior ISA or Child Trust Fund in terms of the limits, access and control of the investment. It can also be opened by grandparents, relatives and other family friends. You can open a Jump Savings Plan with a lump sum investment of £250 or £50 per month or quarter.

(n.b. With a flat rate annual fee of £30 +VAT for Jump, the cost is high for the minimum subscription level. Investors should consider if this is suitable for them if they do not plan to add to the account.)

Brochures and applications for all of our products are available by calling 0800 082 81 80 or online via www.witan.com. If you would prefer to write to request further information, the address details can be found on the inside back cover.

Our relationship with the RHS



Witan Investment Trust has enjoyed a fruitful relationship with the Royal Horticultural Society ('RHS') for more than 15 years. Over this time Witan has helped the RHS to redevelop a number of new gardens at Wisley including the Walled Garden West, the Herb Garden and most recently the Bowes-Lyon Rose Garden.

Witan shareholders who hold their shares through Witan Wisdom or Jump Savings, or on the main register, are eligible to apply for a ballot for a ticket that will allow free entry for two adults to any one of the four RHS gardens in the UK.

If you would like to request a ticket then please phone us on 0800 082 8180 or email us at wisdom@ifdsgroup.co.uk.

Warning to Shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers of shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on the inside back cover.

Directors and other information

Directors

H M Henderson (Chairman)^{(a), (c), (d)}

A L C Bell (Chief Executive Officer)^(d)

J E B Bevan^(a)

R W Boyle^{(a), (b), (d)}

M C Claydon^{(a), (b), (c), (d)}

S E G A Neubert^{(a), (d)}

R J Oldfield^{(a), (c)}

A Watson (Senior Independent Director)^{(a), (b), (d)}

(a) Independent non-executive directors.

(b) Members of the Audit Committee which is chaired by Mr Boyle.

(c) Members of the Remuneration and Nomination Committee which is chaired by Mrs Claydon.

(d) Director of Witan Investment Services Limited.

Company Secretary

Frostrow Capital LLP

25 Southampton Buildings

London WC2A 1AL

Telephone: 020 3008 4910

Registered Office

14 Queen Anne's Gate

London SW1H 9AA

Telephone: 020 7227 9770

Registered Number

Registered as an investment company in England and Wales, Number 101625.

Registrar

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS99 6ZZ

Telephone: 0870 707 1408*

* Calls cost about 7 pence per minute from a BT line; calls from other providers, or from mobile phones, may cost more.

Payment of Dividends:

Dividends can be paid directly to a shareholder's bank account by means of BACS. Mandate forms for this purpose are available on request from the Registrar (at the address above). Alternatively, shareholders can write to the Registrar to give their instructions: these must include bank account

number, the bank account title and the sort code of the bank to which payments are to be made.

Other Points of Contact

If you have any questions or need more information concerning Witan, you may contact us in the following ways:

Freephone:

0800 082 8180

Website:

www.witan.com

E-mail:

wisdom@ifdsgroup.co.uk

Post:

For Witan Wisdom and Jump Savings queries:

Witan Wisdom

PO Box 10550

Chelmsford

CM99 2BA

Note to those who access this document by electronic means

The financial report for the half year ended 30 June 2014 has been approved by the Board of Witan Investment Trust plc and circulated to the Company's shareholders in hard copy format. It is also made available in electronic format for the convenience of readers. However, the Board cannot accept responsibility for guaranteeing the integrity of the document in electronic format. Printed copies are available from the Company's Registered Office in London.

Readers should note that legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.



The Company is also member of

aic
The Association of
Investment Companies



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