

The analysis included below is not a financial promotion. We are obliged by the Financial Conduct Authority's Consumer Duty regulations to assess periodically the value of the product we manage, namely Witan Investment Trust plc ('The Company' or 'Witan'). Together with other factors, this assessment includes a level of factual analysis of areas such as investment performance over the long term and the growing annual dividend which has outpaced inflation. These are factual statements as at the date of writing that represent the history of the product and indeed the markets in which its investments are made. However, please be advised that this is an analysis of historic data and therefore previous patterns of equity market returns and the individual performance of the Company may not be replicated in future. It is possible that equity markets will not perform in the way they have in the past and that the Company will not be able to pay out dividends that exceed the rate of inflation. Investors should be mindful of this when assessing the merits of an investment in the Company and, if uncertain of the risks of such an investment, should seek independent financial advice.

Witan and Alliance Trust plan to combine to form Alliance Witan

The Boards of Witan Investment Trust plc and Alliance Trust PLC have announced to the London Stock Exchange (LSE) the intention to combine to create Alliance Witan PLC. This would result in the UK's largest ever investment trust merger and take place in 2024 (subject to shareholder approval).

The proposed combination follows a strategic review by the board of Witan of its investment management arrangements, which was triggered by the planned retirement of Andrew Bell, Witan's Chief Executive Officer. Witan's assets will be transferred to Alliance Trust, in exchange for Witan shareholders receiving an issue of shares in Alliance Witan.

The combination will build upon the distinctive multi-manager investment model already employed by Alliance Trust, which utilises the management skills and deep resources of Willis Towers Watson (WTW) to create an actively managed global equity portfolio chosen by experienced stock pickers. Alliance Witan will apply that methodology within an even more liquid, high-profile and cost-efficient "one stop shop" investment vehicle for global equities. With net assets of around £5 billion, significant economies of scale, eligibility for FTSE 100 inclusion, powerful and well-established brand recognition on both sides, Alliance Witan will aim to be the UK's leading global equity investment proposition, sitting at the core of investors' portfolios.

It is anticipated that documentation in connection with the proposals will be posted to shareholders by the end of August 2024, with a view to convening general meetings in September 2024 and the Transaction being completed by late September/early October. Completion of the Transaction will be conditional upon, inter alia, approval from the shareholders of both companies, Financial Conduct Authority approval in relation to the publication by Alliance Trust of a prospectus, the novation of the relevant Note Purchase Agreements from Witan to Alliance Witan. For further information please visit our website at www.witan.com.

The following information is provided on the basis of how the Company is currently managed.

If you are uncertain of some of the technical investment terms included in the Value Assessment, please note that we have included a Glossary immediately following the Conclusion of the Value Assessment.

Value Assessment

Overview

The Company is an 'alternative investment fund' ('AIF'). The Company has appointed its subsidiary, Witan Investment Services Limited ('WIS'), to act as its alternative investment fund manager (AIFM). WIS is authorised and regulated by the United Kingdom Financial Conduct Authority as a Full Scope UK AIFM.

Witan was founded in 1909 and has a long track record of producing capital and income growth for its shareholders. The Company's actively managed portfolio covers a broad range of markets and sectors, offering a distinctive way for investors to access the opportunities created by global economic growth.

The Company's purpose is to achieve significant growth in its investors' wealth by investing in global equity markets. Its objective is to 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 each year.

Witan's dividends have increased each year for 49 years in a row (as at 31/12/2023), and these are paid quarterly.

The Company invests on behalf of its shareholders within the scope of the Trust's objectives, within well-defined risk parameters, and provides transparent, high-quality reporting that promotes an understanding of Witan Investment Trust and enables investors to make an informed decision as to whether the Company meets their medium to long term requirements.

The Company's shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the main market of the London Stock Exchange ('LSE'). With a market capitalisation of £1.5 billion, Witan is a member of the FTSE 250 Index. As such, shareholders are able to exercise choices to switch or exit their investment on any LSE business day.

As an Investment Trust, the price at which shareholders are able to buy or sell shares may differ from the Net Asset Value ('NAV') of those shares. The discount (or premium) to NAV is influenced by many factors, most of which are outside the Company's control. The Board has always paid attention to discount-related issues. Over many years, it has made significant use of share buybacks, when Witan's shares have stood at a discount, and has been prepared to issue shares at a premium to NAV to meet demand from investors. Both actions are accretive to NAV per share, provide liquidity in the market and help to moderate discount volatility. It remains a long-term objective of the Board to create sustainable liquidity in Witan's shares at or near to asset value, and the robust actions taken over recent years are evidence of this continuing commitment. The Company is subject to its Articles of Association, the Listing Rules, the Disclosure and Transparency Rules, the UK corporate governance code and the Companies Act 2006.

WIS, in its capacity as AIFM to the Company, is subject to the FCA's Consumer Duty obligations, by virtue of its ability to have a material influence on the outcomes of retail customers through the design, branding and promotion of the Company. Senior Managers and Certification staff are also subject to the FCA's Conduct Rule 6, which requires all

Conduct Rule staff to 'act to deliver good outcomes for retail customers' where the activities of the firm fall within the scope of the Consumer Duty.

How Witan provides value

Target Market

WIS believes the Company is appropriate for both professional and retail investors who are interested in investing in a diversified portfolio of equity investments over the long term. This could, for example, be saving for retirement, school fees planning or other forms of long-term saving. Although Witan provides exposure to a highly diversified pool of equities - and could therefore be considered as a key building block for shareholders looking for such exposure - it is important that investors consider the characteristics of their overall portfolio and seek independent financial advice where necessary. Witan's shares can be traded through any UK stockbroker, most share dealing services and on-line platforms, as well as Computershare, the Company's Registrars. Advisers who wish to purchase Witan shares for their clients can do so via a number of adviser platforms. Witan shares can be held in ISAs, JISAs and SIPPs.

Overall Investment Strategy and process

Portfolio Structure

Witan has a long-only, high-conviction portfolio structure, consisting of two distinct but complementary elements: **core and specialist**. Whilst diversified by region, investment sector and at the individual company level, it is designed to deliver outperformance of 'low-cost' investment alternatives, such as index tracking ETFs.

The portfolio provides shareholders with access to a range of investments, with the aim of providing better returns over the long term. Short-term performance may be quite different from that of the Company's benchmark.

The **core portfolio** accounts for c.75% of Witan's assets. It is predominantly invested in global, large cap listed companies with strong fundamentals generating enduring cash flows or with underappreciated growth prospects. Our core portfolio managers tend to have concentrated, high-conviction portfolios with low portfolio turnover.

The **specialist portfolio** accounts for c.25% of Witan's assets. It recognises that there are many attractive investment opportunities which fall outside the remit of most mainstream fund managers due to their size, domicile or their unlisted or specialist nature. Exposure to a range of key investment themes is best accessed through managers with specialist knowledge. Through our due diligence process, we identify long-term themes which offer the ability to deliver higher returns and outperformance. Current investment themes include:

- Climate change
- Emerging markets
- Listed private equity funds and unquoted growth funds
- Life sciences

We believe that this portfolio combination provides a one-stop shop for our shareholders to benefit from a wide variety of opportunities via a single investment in Witan.

Manager Selection

The in-house Executive team works closely with the Board to select third-party managers from across the world. We aim to appoint managers for the long term. The selection process focuses on:

- **People** - talented and accountable investment leadership, committed to serving their clients' interests;
- **Process** - high-conviction portfolio construction, using clear and simple processes, with analysis taking account of secular change;
- **Portfolio** - investments characterised by long-term growth in sustainable cash flows and the integration of ESG principles; and
- **Performance** -potential for material outperformance over the long term, after fees.

Gearing and derivatives

Witan's equity portfolio is expected to be the principal driver of performance. The Company also employs additional levers to help it adapt to different conditions and take advantage of a wide range of investment opportunities. Principal among these is the use of gearing. The use of gearing in investment can amplify returns (both positively and negatively) but over the long-term gearing has been a material benefit to Witan's returns. The Company is also able to make selective use of derivatives as transparent, cost-effective tools for efficient portfolio management and to help control risk.

Value Assessment criteria

Performance

The Company has adopted the financial key performance indicators ('KPIs') below which are monitored as significant measures of longer-term success. (For more detail, please refer to the latest Annual Report which can be found on our website www.witan.com)

Share price total return. The Company seeks at least 2% p.a. long-term outperformance in the share price total return

NAV total return. The Company seeks at least 2% p.a. long-term outperformance in NAV total return, debt at fair value

Dividend growth. The Company seeks to grow its dividend ahead of the rate of inflation

Net contribution from borrowings. Gearing to contribute to returns, after interest costs

Discount/premium to NAV. Achieve a sustainable low discount or a premium to NAV, taking account of market conditions

Ongoing Charges Figure ('OCF'). Achieve an OCF as low as possible, consistent with choosing the best available managers

Investment management fees

Each of the third-party managers is entitled to a management fee, based on the assets under management. The agreements can be terminated on one to three months' notice. Witan takes care to ensure the competitiveness of the fees it pays. To ensure competitiveness and value for money, fees are subject to regular review (by the Executive and Board) with most fee structures incorporating a 'taper' whereby the average fee rate reduces as the portfolio grows.

Ongoing charges and costs

The Company's established measure of the costs of operation is the Ongoing Charges Figure ('OCF'). This represents the recurring costs of operating the business (principally the investment management fees paid to our external managers as well as the Company's fixed and variable overhead costs), as a percentage of net assets. This is calculated in accordance with the Association of Investment Companies' (AIC) guidelines and provides a consistent basis for the comparison of costs from one year to the next and relative to other investment companies.

The Company exercises strict scrutiny and control over costs. The Trust's OCF is slightly higher than the median Trust in the AIC Global sector, but the Board considers this to be acceptable taking account of anticipated longer-term performance, asset mix and further consideration of the wider universe of comparable open ended multi manager funds. The Board believes that the current OCF represents good value for money for shareholders, taking into account its multi manager approach.

The Company's investment performance is reported after all costs, however measured. Therefore, although the question of the costs of managing the company is relevant, these costs are not paid directly by individual shareholders and are accounted for in the return on the shares. Investment company shares have no entry charges (the payment of Stamp Duty on UK shares is external to the company, and not within its control).

The Board also reviews Witan's performance relative to peers on a regular basis. Peer group data, which is independently sourced from third-party providers such as Morningstar, includes analysis of fund size, dividend yield, dividend growth over time, gearing, discount or premium to NAV, costs and NAV performance. This information allows us to assess how Witan compares with other funds available to our shareholders.

Service to shareholders

The Company is an independent, self-managed Investment Trust owned by its shareholders. Witan's employees are solely focused on the success of the Company, represented by the returns to its shareholders. Witan believes that this structure leads to a close alignment of interest between its shareholders and the Company. The Board (which predominantly consists of non-executive directors) is responsible for ensuring value for shareholders and always acting in their best interests.

The Chairman is responsible for ensuring that there is effective communication with the Company's shareholders. He works closely with the CEO and there is regular liaison with the Company's stockbroker. There is a programme for meeting or speaking with the institutional investors and with private client stockbrokers and advisers. In addition to the CEO, the Chairman, or the Senior Independent Director (SID), expects to be available to meet the Company's larger shareholders and the Chairman of the Remuneration and Nomination Committee is available to discuss remuneration matters.

The Company is aware that it is not always easy for it to communicate directly with retail shareholders, many of whom own shares via on-line platforms. It therefore dedicates considerable resources to enable such shareholders to engage with the Company where they wish to do so. In recent years, Witan executives have presented at various conferences and private investor shows, produced videos hosted on its own (and third-party) websites, and distributed regular written communications via e-mail and social media channels.

The Company encourages attendance at its Annual General Meeting ('AGM') as a forum for communication with individual shareholders. The Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting. The Chairman, the CEO,

the Chairman of the Audit & Risk Committee and the Chairman of the Remuneration and Nomination Committee all expect to be present at the AGM and to answer questions from shareholders as appropriate. The CEO makes a presentation to the meeting. In addition, arrangements are put in place for shareholders to view the meeting virtually and put questions to the Board if they cannot attend the AGM in person.

Details of the proxy votes received in respect of each resolution are made available to shareholders. In the event of a significant (defined as 20% or more) vote against any resolution proposed at the AGM, the Board would consult shareholders in order to understand the reasons for this and consider appropriate action to be taken, reporting to shareholders within six months.

While the CEO and his team expect to lead on preparing and effecting communications with investors, all major corporate issues are put to the Board or, if time is of the essence, to a Committee thereof.

The Board places importance on effective communication with investors and approves a communications programme each year to enable this to be achieved. Copies of the Annual Report and the Half Year Report are circulated to shareholders and, where possible, to investors through other providers' products and nominee companies (or written notification is sent when they are published online). In addition, the Company publishes a monthly factsheet and its net asset value per share is released daily. All this information is readily accessible on the Company's website (www.witan.com). A Key Information Document, prepared in accordance with the UK version of EU rules, is also published on the Company's website. The Company belongs to the AIC which publishes information to increase investors' understanding of the sector.

Breadth of Service

In addition to the more transparent services provided and noted above, other less obvious services include:

- detailed **due diligence programme** applied to all of the Company's suppliers including the key area of cyber security.
- **Marketing and Thought Leadership.** Creating content for our shareholders and potential shareholders ranging from newsletters, factsheets and financial statements to market commentary and strategic outlooks. The executive team also speaks regularly with a wide range of journalists.
- **Risk Management.** The Board remains responsible for the Company's system of internal control and has charged the Audit & Risk Committee with conducting an annual review of the effectiveness of the system, covering all the controls, including financial, operational and compliance controls and risk management systems
- **Operational oversight.** The service quality and value received from major service providers are reviewed regularly by the Board. The contracts governing the provision of all services are formulated with legal advice and stipulate clear objectives and guidelines for the service required.
- **Compliance and Monitoring.** Specialist advice on regulatory compliance issues and, as required, legal, investment consulting, financial and tax advice.
- **Responsible investment.** As an Investment Trust, we aim to make well-informed investment decisions that ensure that the pursuit of prosperity for our shareholders is not achieved at the expense of the environment or the wellbeing of society. We believe companies which disregard this will fail to deliver sustainable returns to shareholders. Far from there being a conflict between good returns and responsible investment, managing assets in line with these principles is key to achieving good returns and therefore value for our shareholders.

- **Vulnerability** would ordinarily be considered by those assisting clients investing in Witan shares which is not a service provided by WIS. However, investors (whether vulnerable or otherwise) are not charged initial fees or exit fees by WIS and therefore are not treated differently from a cost perspective. In addition, efforts are made to ensure due access to information to shareholders who are vulnerable via the website and via other means such as telephone and mail.

Conclusion

Over the long term, since Witan adopted a multi-manager approach in 2004, it has, after costs, beaten the returns on its benchmark for share price total return, broadly in line for NAV total return and raised the dividend ahead of the rate of inflation.. We believe that delivering absolute returns ahead of inflation as well as long-term outperformance of the benchmark are the ultimate drivers of value for investors in Witan.

In relation to its peer group of global investment funds, Witan has several distinguishing features which we believe adds to the value delivered to shareholders:

- Witan offers a diversification of management style in a single fund through its multi manager approach. One of the features of this approach is the access it gives to investment managers which are not readily available to retail investors. Witan's closest peers are 'funds-of-funds', usually open-ended, which typically deliver their investment solution with a higher Ongoing Charge Figure.
- An investment in Witan gives shareholders exposure to specialist assets which would not normally be offered by mainstream retail funds and are not easy for retail investors to research and monitor. This component has the ability to generate returns that are different from (and in many cases in excess of) the returns expected from mainstream equity portfolios.
- Witan's scale and self-managed structure allows it to offer its multi-manager solution via segregated mandates rather than investing in third-party funds. This approach helps it to control cost and risk through increased due-diligence, ongoing manager oversight, analysis of ESG risks and control over assets held in its custody.
- Most mainstream funds do not allow the use of gearing and those that do, would typically be unable to employ the lost-cost gearing Witan has been able to negotiate. Whilst the modest use of gearing (typically between 5% and 15%) can amplify losses if equity markets fall in the short term, it has been beneficial to shareholders over the medium to long-term, when equity markets have typically risen.
- As an Investment Trust, Witan is a closed-end fund. This means that, unlike an open-ended investment company or unit trust, it is not required to buy and sell assets to meet capital inflows and outflows from investors. Therefore, managers are able to own assets with a longer-term investment horizon and for their own specific merits, rather than having to take account of the liquidity requirements of managing an open-ended fund's portfolio. This long-term horizon is beneficial to shareholders as there is no requirement to liquidate assets (typically at times of greatest market stress, when assets prices are depressed) or invest additional money in assets (typically at times of greatest euphoria).

The Board and its appointed AIFM, Witan Investment Services Ltd, believe that the Company continues to offer good value to its customers.

3 July 2024

GLOSSARY

Benchmark: The Company's equity benchmark is 85% Global (MSCI All Country World Index) and 15% UK (MSCI UK IMI Index). From 1 January 2017 to 31 December 2019 the benchmark was 30% UK, 25% North America, 20% Asia Pacific, 20% Europe (ex UK) and 5% Emerging Markets. From 1 October 2007 to 31 December 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 the benchmark index changed to MSCI International, replacing the previous FTSE source.

Gearing: 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. 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

Net asset value and net asset value per share: Net asset value is the value of total assets less all liabilities of the Company. The Net Asset Value, or NAV, per ordinary share is calculated by dividing this amount by the total number of ordinary shares in issue (excluding those shares held in treasury).

Net asset value total return: Total return on net asset value ('NAV'), on a debt at fair value to debt at fair value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Ongoing charge: The ongoing charge reflects those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue as a collective fund, excluding the costs of acquisition and disposal, finance costs and gains or losses arising on investments.

Premium/discount: The amount by which the market price per share is either higher (premium) or lower (discount) than the net asset value per share expressed as a percentage of the net asset value per share.

Share price total return: on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Discrete performance (%)†

The table below provides performance information for five complete 12-month periods, the most recent of which ends with the last full quarter preceding the date of this document.

	Q1 2019	Q1 2020	Q1 2021 Q1 2022	Q1 2022 Q1 2023	Q1 2023 Q1 2024
Share Price (Total Return)	-19.3	43.8	3.7	-0.7	15.6
NAV (Debt at Fair Value)	-18.5	49.0	4.1	1.7	15.1
Benchmark #	-9.1	37.6	13.2	-0.3	19.3
NAV-Benchmark relative	-9.4	11.5	-9.0	2.0	-4.2

† Source: Morningstar / Witan, total return includes 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. The benchmark changes since 2007 reflect a shift from the UK in favour of a more international strategic asset allocation, together with an index simplification from 2020.

Important note: 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. Please also note the statement at the beginning of this assessment, announcing that Witan and Alliance Trust plan to combine to form Alliance Witan.