

This document is issued by Witan Investment Services Limited solely in order to make particular information available to investors in Witan Investment Trust plc (the “Company”) before they invest, in accordance with the requirements of the FCA Rules implementing the AIFM Directive in the United Kingdom. It is made available to investors in the Company by being available at www.witan.com.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.



INVESTOR DISCLOSURE DOCUMENT

IMPORTANT INFORMATION

Regulatory status of the Company and its Alternative Investment Fund Manager (“AIFM”)

Witan Investment Trust plc is an ‘alternative investment fund’ (‘AIF’) for the purposes of the UK version of the EU Alternative Investment Fund Managers’ Directive (Directive 2011/61/EU) (the ‘AIFMD’) as transposed into UK Law on the UK’s exit from the EU. The Company has appointed its subsidiary, Witan Investment Services Limited (‘WIS’), to act as its AIFM. WIS is authorised and regulated by the United Kingdom Financial Conduct Authority as a ‘full scope UK AIFM’.

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. 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.

The provisions of the Company's Articles of Association are binding on the Company and its shareholders. The Articles of Association set out the respective rights and restrictions attaching to the Company's shares. These rights and restrictions apply equally to all shareholders. All shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the Company's Articles of Association. The Company's articles of association are governed by English law.

Limited purpose of this document

This document is not being issued for any purpose other than to make certain required regulatory disclosures to investors and, to the fullest extent permitted under applicable law and regulations, the Company and WIS, and their directors will not be responsible to persons other than the Company's shareholders for their use of this document, nor will they be responsible to any person (including the Company's shareholders) for any use which they may make of this document other than to inform a decision to invest in shares in the Company.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to buy or sell, or otherwise undertake investment activity in relation to, the Company's shares.

This document is not a prospectus and it is not intended to be an invitation or inducement to any person to engage in any investment activity. This document may not include (and it is not intended to include) all the information which investors and their professional advisers may require for the purpose of making an informed decision in relation to an investment in the Company and its shares.

No advice

The Company and WIS, and their Directors are not advising any person in relation to any investment or other transaction involving shares in the Company. Recipients must not treat the contents of this document or any subsequent communications from the Company, or any of its subsidiaries, affiliates, officers, directors, employees or agents, as advice relating to financial, investment, taxation, accounting, legal, regulatory or any other matters. Prospective investors must rely on their own professional advisers, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment in shares.

Potential investors in the Company's shares should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

PLEASE NOTE: 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.

Overseas investors

The distribution of this document in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required to inform themselves about and to observe such restrictions. The shares of the Company have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company is not registered under the United States Investment Company Act of 1940 (as amended) and investors are not entitled to the benefits of such Act.

Prospective investors must inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of shares.

THE COMPANY

Company Purpose, Objective and Investment Policy

▪ *Overview*

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

The Company's 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.

The Company's investment policy is to invest, primarily in listed companies across global equity markets, using a multi-manager approach. 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.

Under its Articles of Association, the Company may borrow up to 100% of the adjusted total of shareholders' funds. However, the Board's longstanding policy is not to allow gearing to rise to more than 20%, other than temporarily in exceptional circumstances. Where appropriate, the Company may hold a net cash position.

▪ *Third Party Mandates*

The selection of individual investments is largely delegated to third-party managers, who are chosen by the Witan and WIS Boards. The in-house Executive team works closely with the Board to select third-party managers from across the world. The team uses a variety of networks, databases and comprehensive due diligence to identify and interview potential managers. Shortlisted managers present to the Board, which takes the final decision on appointment. 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.

Witan has a diversified but high-conviction portfolio structure, consisting of two distinct but complementary elements: core and specialist. This gives shareholders access to a range of investments with the aim of providing better returns over the long term while short-term performance may be quite different from that of the Company's benchmark.

The core portfolio accounts for 75%. 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 25%. It provides exposure to a range of key investment themes 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
- > Unquoted growth companies
- > Listed private equity
- > Life sciences

These are held either via segregated portfolios, or funds held within the direct holdings' portfolio.

Whilst the third party delegated managers appointed are responsible for stock selection in their individual portfolios, WIS and the Company's Board are responsible for the overall delivery of performance to shareholders through setting an appropriate investment objective, ensuring that proper resources are applied to the management of the Company's portfolio and the monitoring, control and mitigation of the associated risks.

The returns from the third-party investment managers' portfolios are expected to be the principal driver of performance. Aside from its role in selecting and overseeing the managers, the WIS Executive seeks to add to performance by adjusting the level of gearing appropriate for market conditions, borrowing more when it believes markets are attractively valued and less when returns are expected to be poorer, by the selective use of derivatives as transparent, cost effective tools for efficient portfolio management and to help control risk and by the use the Direct Holdings Portfolio whereby up to 15% of Witan's gross assets (at the time of purchase) may be invested in specialist funds with the objective of outperforming Witan's equity benchmark. This portfolio is actively managed with no fixed allocation. In essence, the Company seeks to have sufficient levers to pull to adapt to different conditions and take advantage of a wide range of investment opportunities. The Executive operates within delegated parameters that are periodically reviewed by the Company's Board and its AIFM.

Investment restrictions and guidelines

▪ *Benchmark*

As announced in September 2019, the benchmark from 2020 onwards became:

- Global (MSCI All Country World Index) 85% (previously 70% in fixed percentages of four international indices)
- UK (MSCI UK Index) 15% (previously 30%)

This reflects changes in the location of investment opportunities worldwide and a greater focus on cross-border stock selection rather than geographically based investment.

▪ *Investment Restrictions*

The Company is managed in compliance with the statutory investment restrictions included in sections 1158-59 of the Corporation Tax Act 2010 ensuring that the Company continues to qualify as an investment trust.

The Company and WIS apply investment restrictions at the micro level to the individual external portfolio management firms to ensure that the investment portfolio is appropriately diversified and liquid. The restrictions vary for each portfolio manager but impose controls, inter alia, on the following:

- the percentage of the market value of the Investment Portfolio that may be invested in the shares of any one company;
- the percentage of the issued share capital of an issuer that can be held in the Investment Portfolio;
- the short sales of equity securities (which is not permitted).

Alternative Investment Fund Managers Directive

Remuneration

During the year ended 31 December 2023, WIS had 13 members of staff and directors. The total remuneration paid during this period was:

	Senior Management (10) £000	Staff (2) £000
Fixed remuneration	1,192	136
Variable remuneration	297	28
Total	1,489	164

WIS has only one AIF, the Company. Further details of the Company's Remuneration Policy for its directors are set out in the Directors' Remuneration Report on pages 60 to 72 of the 2023 Annual Report.

Gearing/Leverage

▪ *Circumstances when the Company may use gearing/leverage*

The result of using borrowings (or 'gearing/leverage') is to amplify the effect of portfolio gains or losses on shareholders' returns. Accordingly, the Company seeks to set gearing at levels appropriate for market conditions, borrowing more when markets are attractively valued and less when returns are expected to be poorer. The calculation of gearing takes account of cash balances and the full nominal value of any derivatives held.

A blend of long-term and short-term borrowings is used, to balance the certainty of cost from locking in fixed rates for longer periods with the flexibility of short-term facilities which can be readily repaid.

▪ *Types and sources of leverage permitted*

As at 31 December 2023 the Company had £158 million of long-term debt, consisting of fixed rate loan notes and preference share capital. The Company also has a £125 million one-year facility (plus an accordion facility enabling it to be increased to £150m on the same terms), providing additional flexibility over the level of gearing, as well as enabling the Company to borrow in other currencies than sterling, if deemed appropriate. The Company may either invest its borrowings fully, or neutralise their effect with cash balances (or the sale of equity index futures) according to its assessment of the markets.

▪ *Restrictions on the use of leverage*

The Company's delegated investment managers are not permitted to borrow within their portfolios but may hold cash if deemed appropriate.

▪ *The maximum level of leverage which the AIFM is entitled to employ on behalf of the Company.*

Under its Articles of Association, the Company may borrow up to 100% of the adjusted total of shareholders' funds. However, the Board's longstanding policy is not to allow

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gearing to rise to more than 20%, other than temporarily in exceptional circumstances. Where appropriate, the Company may hold a net cash position.

Under AIFMD the Company is required to calculate leverage under the two methodologies specified by the Directive, the 'Gross Method' and the 'Commitment Method', the difference being that the Commitment Method allows certain exposures to be offset or netted.

The table below sets out the current maximum permitted limit and the actual level of leverage for the Company, as a percentage of adjusted shareholders' funds:

	Gross method %	Commitment method %
Maximum level	100	100
Actual level at 31 December 2023	114.2	115.7

The current difference between the two methods is that the Commitment Method allows certain exposures to be netted off (for example hedging, although currently this is not applicable) and projects what gearing would be if cash held at the year-end were to be invested. The Gross Method produces a level in line with our own calculation, consistent with the actual historical numbers for gearing as defined on page 108 of the 2023 Annual Report.

There have not been any changes to the maximum level of leverage that the AIFM may employ on behalf of the Company or any changes to the right of reuse of collateral or any guarantee granted under the leveraging arrangements.

It is the Company's policy that leveraging arrangements are not collateralised.

The Company communicates leverage levels monthly to the Association of Investment Companies who publish the data via their Monthly Information Statistics reporting.

Additionally, semi-annual reporting of gearing levels is provided via the Half Year Report and Accounts or the Annual Report and Accounts

Changes to the Company's investment policy

As a closed-ended investment fund whose shares are admitted to the Official List under Chapter 15 of the Listing Rules, the Company is required to obtain the prior approval of its shareholders to any material change to its published investment policy. Accordingly, the Company will not make any material change to its published investment policy without the approval of its shareholders by ordinary resolution. The Company will announce any such change through a Regulatory Information Service. The Company's published investment policy is set out in the section entitled 'Investment policy' above. **Please note the earlier reference in this document to the Company's review of its current arrangements for the management of its portfolio.**

Any change in investment strategy or investment policy which does not amount to a material change to its published investment policy may be made by the Company without shareholder approval.

Updates to this document

The information contained within this document will be reviewed and updated (as necessary) at least annually in accordance with updated information in the Company's Annual Report.

Dividend policy

The Company seeks to grow its dividend ahead of the rate of inflation. The Company pays quarterly dividends in March, June, September and December.

ADMINISTRATION AND MANAGEMENT OF THE COMPANY

The AIFM

The AIFM is Witan Investment Services Limited, a private limited company incorporated in England and Wales, having its registered office at 14 Queen Anne's Gate, London, SW1H 9AA. It is authorised and regulated by the Financial Conduct Authority (FCA Firm Reference No.: 446227).

The Company has appointed WIS as its AIFM under AIFMD. WIS is responsible for operating the Company's portfolio and risk management processes. As part of the operation of a multi-manager approach, WIS delegates certain portfolio management responsibilities to third party portfolio managers.

The names of the third-party investment managers are set out in the section on delegated functions later in this document.

Ongoing Charges and Costs

The Key Information Document on the Company's website contains a measure of costs calculated in accordance with EU PRIIPs regulations, which includes average figures over a period. In accordance with AIC guidance, the Company and WIS will continue to calculate the Ongoing Charges Figure ("OCF") on a consistent basis with those published in previous years, to facilitate comparison. It is emphasised that the Company's investment performance is reported after all costs, whichever measure is used.

The OCF (the recurring operating and investment management costs of the Company, as a percentage of average net assets) was 0.76% excluding performance fees. Including performance fees due to third-party managers, the OCF was 0.76%. Further details and commentary regarding the OCF can be found in the Company's 2023 annual report that may be accessed at www.witan.com.

The following fees noted are included within the OCF.

Fees payable to the AIFM

The AIFM receives an annual management fee in respect of the services it provides.

The Depositary

The Depositary is BNP Paribas Securities Services, London Branch, registered at the Companies Register of Paris under number 552 108 011, whose registered office is at 3, rue d'Antin, 75002 Paris, France and acting through its London branch whose office is at 10 Harewood Avenue, London NW1 6AA.

Description of the duties of the Depositary

The Company has appointed the Depositary, under the AIFMD, to undertake various functions including safekeeping of assets and the monitoring of cashflows, changes in issued share capital and the valuation of assets.

Liability of the Depositary

The Depositary has not entered into any arrangement contractually to discharge itself of liability in accordance with Article 21(13) or 21(14). We will notify shareholders of any changes with respect to the discharge by the Depositary of its liability in accordance with Article 21(13) or 21(14) through a Regulatory Information Service.

The Depositary may delegate its safekeeping function in relation to the Company's assets to sub-custodians (predominantly within its own custody network).

Fees of the Depositary

The Depositary receives annual fees, payable quarterly in arrears, equal to approximately 0.01% of the assets under management of the Company.

The Auditor

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales (OC307742) having its registered office at Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Description of the duties of the Auditor

Grant Thornton UK LLP independently reviews and expresses an opinion on the financial statements of the Company.

Fees payable to the Auditor

The fees charged by the Auditor depends on the services provided, computed, inter alia, on the time spent by the Auditors on the affairs of the Company. The Audit fees amounted to £92,000 (plus VAT) in respect of the year ended 31 December 2023.

Other non-audit fees incurred in respect of Client Money and Assets audit (£25,000).

The Registrar

Computershare Investor Services PLC, a public limited company registered in England and Wales (03498808) having its registered office at The Pavillions, Bridgwater Road, Bristol, BS99 6ZZ.

The duties of the Registrar

The Registrar maintains the share register of the Company and is responsible for dividend payments. All administrative enquiries concerning shareholdings, dividend payments, change of address or lost certificates should be addressed to the Company's Registrar.

Fees payable to the Registrar

The fees payable to the Registrar are calculated as, inter alia, a multiple of the number of shareholders admitted to the register each year plus a number of share transfers made each year. For the year end 31 December 2023 these fees amounted to £78,000 (plus VAT).

Delegation of functions by the AIFM

Although WIS manages part of the Company's portfolio internally, in respect of the balance it operates a multi-manager approach and information on each of the delegates is set out below. It is not expected that any conflicts of interest will arise as a result of such delegation. WIS will review and monitor delegates throughout their appointment.

Each of the third-party managers is entitled to a management fee, based on the assets under management. One Manager, responsible for managing 6% of Witan's portfolio, has a performance-related fee, which is subject to capping in any particular year. Further details can be found in the Company's latest annual report that may be accessed at www.witan.com.

Name of Delegate	State in which established	Regulatory Status	Portfolio
Artemis Investment Management LLP	UK	Authorised and regulated by the FCA	UK Equity Portfolio
GQG Partners LLC	USA	Regulated by the SEC	Emerging Markets Portfolio
Jennison Associates LLC	USA	Regulated by the SEC	Global Equity Portfolio
Lansdowne Partners (UK) LLP	UK	Authorised and regulated by the FCA	Global Equity Portfolio
Lindsell Train Limited	UK	Authorised and regulated by the FCA	Global Equity Portfolio

Veritas Asset Management LLP	UK	Authorised and regulated by the FCA	Global Equity Portfolio
WCM Investment Management LLC	USA	Regulated by the SEC	Global Equity Portfolio

The Company Secretary

Frostrow Capital LLP, a limited liability partnership registered in England and Wales (OC323835) having its registered office at 25 Southampton Buildings, London WC2A 1AL.

SHAREHOLDER INFORMATION

Annual Reports and Accounts

Copies of the Company's latest annual and interim reports may be accessed at www.witan.com.

Publication of net asset values

The latest net asset value of the Company is published through an RNS daily and is also readily accessible on the Company's website www.witan.com.

Valuation Policy

The Company's AIFM, WIS, acts as its "own valuer" and valuation is undertaken by the risk committee such that valuation is confirmed independently of the portfolio managers and is conducted with due skill, care and diligence. In so doing, WIS uses information provided by BNP Paribas Securities Services ("BNPSS"), the administrator to the Company, and other independent sources in order to verify the valuations. At least once each year WIS will undertake a full in-depth review of the value of the underlying assets of Witan.

In addition to the formal valuation noted above and annual check by the auditors, WIS, arranges for regular (generally daily) net asset values to be prepared independently by BNPSS (using independent pricing sources and custodian and transaction records) and regularly checks the releases, in addition to the internal checks made by the service provider.

The net asset value is published through an RNS daily announcement and is also readily accessible on the Company's website www.witan.com.

Historical performance of the Company

Details of the Company's historical financial performance are provided in the Company's annual reports and accounts and monthly factsheets, which are available at www.witan.com.

Investors should note that past performance of the Company is not a guide to future performance. Investors may not get back the amount invested.

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Purchases and sales of shares by investors

The Company's shares are admitted to the Official List of the UKLA and to trading on the main market of the London Stock Exchange. Accordingly, the Company's shares may be purchased and sold on the main market of the London Stock Exchange.

There are various ways to invest in Witan Investment Trust plc. Witan's shares can be traded through any UK stockbroker and most share dealing services and platforms that offer investment trusts (including Hargreaves Lansdown, Barclays Smart Investors, Fidelity, Halifax Share Dealing Limited, Interactive Investor and A J Bell), as well as Computershare, the Company's Registrars. Advisers who wish to purchase Witan shares for their clients can do so via a stockbroker or via a growing number of dedicated platforms (including, AJ Bell Investcentre, FundsNetwork, Nucleus, Novio, Transact and Standard Life Wrap). The Company conducts its affairs so that its shares can be recommended by independent financial advisers ('IFAs') to retail private investors. The shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream pooled investment products because they are shares in a UK-listed investment trust.

The Company has shareholder authority to buy back shares, shareholders do not have the right to have their shares purchased by the Company. As well as the option to cancel shares bought back, the Company also has the authority to buy shares into Treasury, for possible reissuance in the event of the shares moving to a premium. Shares will only be resold from Treasury at (or at a premium to) the net asset value per ordinary share. Additionally, the Company has shareholder approval to issue shares, up to 10% of the starting total, provided that such shares are issued at or at a premium to the net asset value per ordinary share.

Fair treatment of investors

The legal and regulatory regime to which the Company, its AIFM, WIS, and their Directors are subject ensures the fair treatment of investors. The Listing Rules require that the Company treats all shareholders of the same class of shares equally.

In particular, as directors of a company incorporated in the United Kingdom, the Directors have certain statutory duties under the Companies Act 2006 with which they must comply. These include a duty upon each Director to act in the way she or he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.

The shares rank *Pari Passu*.

RISK FACTORS

As investment trusts are publicly traded on a regulated market their price is determined by market factors, such as demand and supply between buyers and sellers. That price will not necessarily accurately reflect the underlying value of the fund's portfolio of investments (its 'net asset value' or 'NAV'). The share price may be higher than NAV, at a 'premium', or lower than NAV, at a 'discount'. Discounts and premiums may vary constantly. Although buying at a discount could be seen as value for money, there is no guarantee that the discount will narrow and there is a risk that it may widen further. Many factors influence

the discount or premium and the discount or premium is only one of a number of factors to consider in assessing the merits of a potential investment.

Risks are inherent in investment and corporate management, but it is important that their nature and magnitude is understood, in order that risks, particularly those which the AIFM and Company do not wish to take, can be identified and either avoided or controlled. The AIFM and Company have established a detailed framework of the key risks impinging on the business (principally investment, operational, financial and regulatory), with associated policies and processes devised to mitigate or manage those risks. This Risk Map is reviewed regularly by the Audit Committee along with the Risk Committee and updated as necessary.

The AIFM and Company key risks fall broadly under the following categories:

- Market and Investment portfolio risk:

The Company invests in global equity markets on behalf of its shareholders. Equity exposure is unlikely to drop below 80% of net assets, in normal conditions. A key risk of investing in the Company is a general fall in equity prices and investment income, which could be exacerbated by gearing and the risks associated with the performance of its investment managers and changes in the Company's share price rating. Other risks, as with any international equity portfolio, are the overall investment portfolio's exposure to country, currency, industrial sector, and stock specific factors (including those relating to the sustainability of the business model taking account of environmental, social and governance factors). Macro topics such as Brexit, pandemic outbreaks (e.g. COVID-19), trade wars and regional conflict can all be expected to lead to market volatility.

The AIFM and Company seek to manage these risks through:

- a broadly diversified equity benchmark;
 - appropriate asset allocation decisions;
 - selecting competent managers and regularly monitoring their performance, awareness of emerging risks and the robustness of their processes for taking account of those risks;
 - paying attention to key economic and political events;
 - engagement with shareholders and other stakeholders;
 - active management of risk, whether to preserve capital or capitalise on opportunities;
 - the application of relevant policies on gearing and liquidity; and
 - share buybacks and issuance to respond to market supply and demand.
- Credit risk and Counterparty risk

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. The AIFM and Company manage this risk as follows:

- cash at bank is held only with reputable banks with high quality external credit ratings;

- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, whose credit standard is reviewed periodically by the investment managers, and limits are set on the amount that may be due from any one broker;
- stock lending transactions are carried out with a number of approved counterparties, the credit ratings of which are reviewed periodically, and limits are set on the amount that may be sent to any one counterparty. Other than stock lending, none of the Company's financial assets or liabilities is secured by collateral or other credit enhancements;
- None of the Group's financial liabilities is past its due date or impaired.

- Liquidity risks

This is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities that are readily realisable. Please see the "Liquidity risk management" section below for further details.

- Operational risks

The AIFM and Company delegates to third parties the management of its investments and most of its other operations and employs only a small number of staff. The investment managers and certain other key contractors are subject to external regulation and most have compliance and internal audit functions of their own.

The Company's investments are held on its behalf by a global custodian appointed by the depositary.

A specialist firm of investment accountants and administrators is responsible for investment administration, for maintaining accounting records and for preparing financial accounts, management accounts and other management information. Their work is reviewed by an independent accountant who also carries out some of the work that an internal audit function would cover. In addition, the AIFM and Company receives from the investment administrator an annual report on its internal controls, including a report from its auditor on the control policies and procedures in operation.

The investment performance of the investment managers, both individually and collectively, is measured for Witan by a company that is independent of all the investment managers.

The corporate Company Secretary is a company with well-established experience in servicing investment trusts.

The appointment of these and other professional contractors provides a clear separation of duties and a structure of internal controls that is balanced and robust. The AIFM and Board continue to monitor its system of internal control in order to provide assurance that

it operates as intended and the directors will review at least annually whether a function equivalent to an internal audit is needed.

As at 31 December 2023 the Company had no investments in securitisations. Any such investments in the future would only be made after proper consideration of the risks, including the nature of the assets securitised, the degree of leverage, liquidity and any counterparty risk.

- Compliance and regulatory change

The AIFM and Company take their regulatory responsibilities very seriously and compliance issues and potential regulatory changes are regularly reviewed by the Board and its AIFM.

Details of the Company's corporate governance policies are set out in the Corporate Governance Statement on pages 46 to 56 of the Company's Annual Report. The Board conducts an annual assessment of the effectiveness of its governance processes.

There is also a three-yearly independent external review, the most recent of which was in February 2021.

Following the closure of WIS's savings plans, the risks associated with the holding of and accounting for client assets has been substantially reduced and will be eliminated in the future.

Operational and regulatory risks are regularly reviewed by Witan's Audit Committee and WIS's Risk Committee. WIS is subject to its own operating rules and regulations and is authorised and regulated by the FCA. The Company has established a modus operandi for the effective coordination of its responsibilities and those of WIS, as its AIFM.

Operationally the multi-manager structure is robust, as the investment managers, the custodian and the fund accountants keep their own records which are regularly reconciled. The depositary, the AIFM and the Board provide additional checks and safeguards. Management monitors the activities of all third parties and reports any significant issues to the Board.

Details of the Company's key risks are also set out in the Company's annual report and accounts, which may be accessed at the Company's website (www.witan.com).

RISK MANAGEMENT

Risk profile

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are those highlighted in the section entitled "Risk Factors" above: namely, market risk, currency risk, liquidity risk, credit risk, interest rate risk and regulatory and compliance risk.

The AIFM assesses the sensitivity of the Company's portfolio to the most relevant risks to which the Company is or could be exposed on an ongoing basis.

The Company will periodically disclose the current risk profile of the Company to investors. The Company will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

Risk management systems

The Company's key risks are monitored by the AIFM on an ongoing basis and by the Board on a regular basis. The AIFM's investment review and monitoring process is used to identify and, where possible, reduce risk of loss of value in the Company's investments.

The risk management systems which the AIFM employs to manage the risks which are most relevant to the Company will be disclosed periodically to investors by disclosure in the Company's annual report and accounts or more frequently at the AIFM's discretion.

Liquidity risk management

The AIFM has a liquidity management policy in relation to the Company which is intended to ensure that the Company's investment portfolio maintains a level of liquidity which is appropriate to the Company's obligations. This policy involves an assessment by the AIFM of the prices or values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors.

Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the liquidity management policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the Company's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Company's investments; and
- the possible need to repay borrowings at short notice, which would require to be met by the sale of assets.

The liquidity management policy requires the AIFM to identify and monitor its investment in asset classes which are considered to be relatively illiquid. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities and other quoted securities that are readily realisable. The value of illiquid assets is typically immaterial in the context of the Company's net assets. This equity portfolio is monitored on an ongoing basis to ensure that it is adequately diversified.

The liquidity management policy is reviewed and updated, as required, on at least an annual basis.

Investors will be notified, by way of a disclosure on its website, in the event of any material changes being made to the liquidity management systems and procedures or where any new arrangements for managing the Company's liquidity are introduced.

The Company will periodically disclose to investors the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature. The

Company will make this disclosure on its website at the same time as it makes its annual report and accounts available to investors or more frequently at its discretion.

Professional negligence liability risks

The Company's AIFM, WIS, meets the AIFMD requirements in relation to potential professional liability risk by the retention of additional own funds. As prescribed by the AIFMD WIS retains additional own funds of 0.01% of the value of the Company's funds under management.