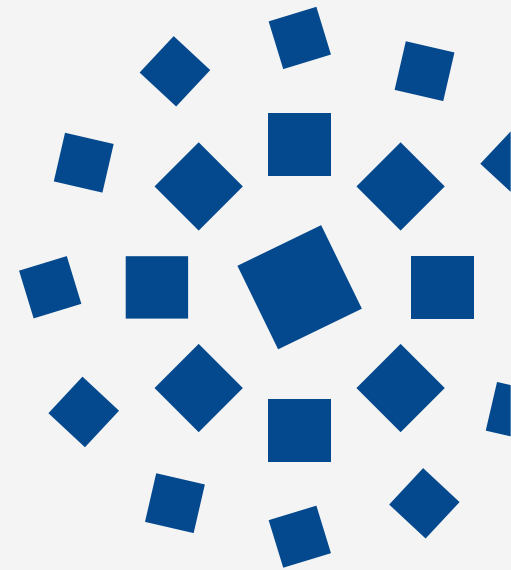




# 111<sup>th</sup> Annual General Meeting

1<sup>st</sup> May 2019



# Agenda

**01** The Chairman, Harry Henderson

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**02** The CEO, Andrew Bell

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**03** Question & answer session

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**04** Formal Business – the 18 resolutions

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**05** Afternoon tea

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Witan investment trust

# Harry Henderson

## Chairman

# 1

# Witan's purpose and objectives

## Purpose

To achieve significant growth in our investor's wealth by

- investing in global equity markets
- using an active multi-manager approach

## Objective

To achieve

- an investment return exceeding that of the Company's benchmark over the long-term
- growth in the dividend ahead of inflation

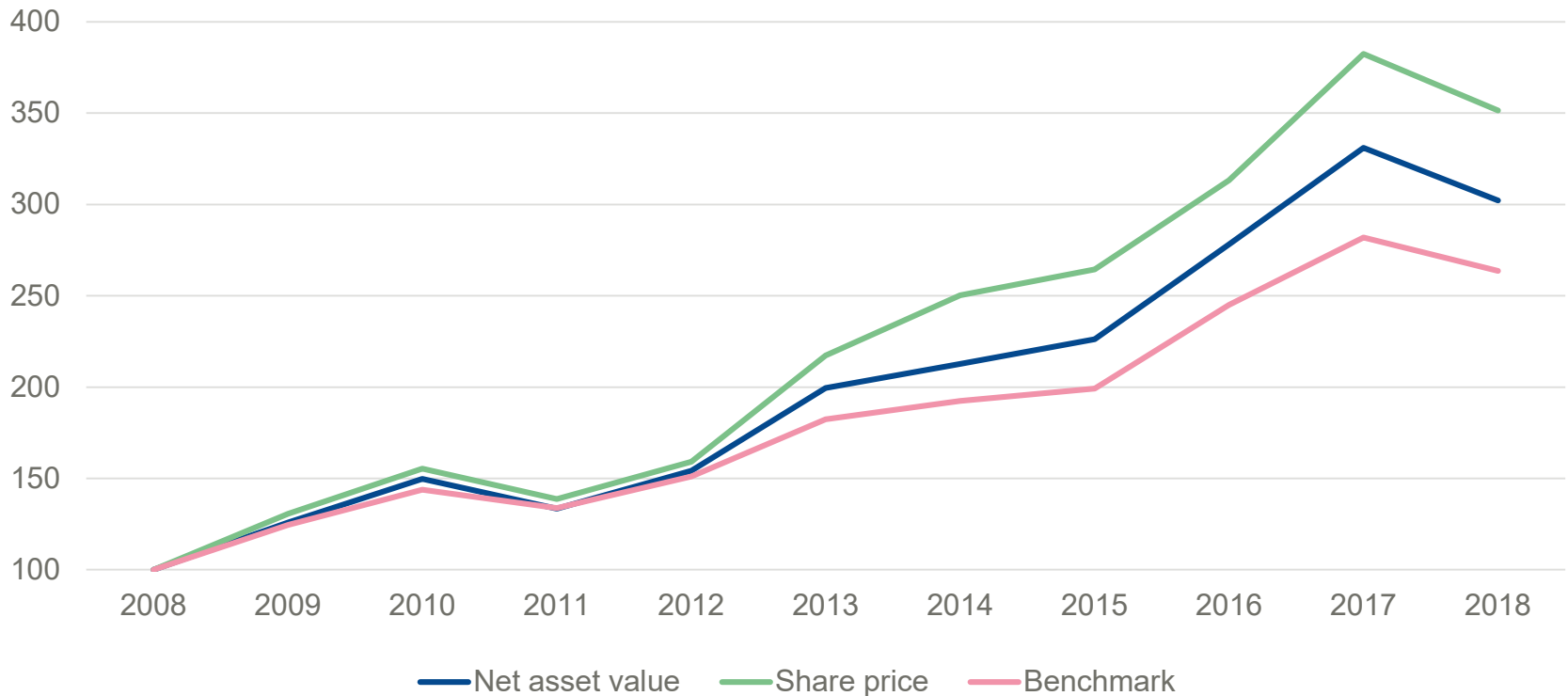
Your capital is at risk and past performance is not a guide to future performance.  
See important note on slide 21

# 2018: a volatile and unrewarding year

- NAV total return of -8.4%, 1.9% behind the benchmark's -6.5%
- 5 year NAV total return of +52%, +7% ahead of the benchmark's +45%
- Dividend increased by 11.9% to 23.5p, more than double the level in 2008 and the 44th consecutive annual rise
- Share price discount to NAV reduced to 1.3% at year-end (2017: 1.6%)
- Proposed 5 for 1 share split to improve liquidity, particularly for regular savers

# Returns since the 2008 financial crisis

Witan – 10 year total returns



Source: Witan Annual Reports

Past performance is not a guide to future performance

# Early growth optimism faded

- Global economic growth slowed in 2018, disappointing hopes at the start of the year
- US trade disputes with China and Europe weighed on confidence
- Higher US interest rates and “QT” squeezed available liquidity
- Europe affected by China’s slowdown, a budget dispute with Italy and the inconclusive Brexit process
- A sharp global equity correction in Q4, on fears of recession, was reversed in early 2019

# Savings Schemes – planned closure

- The reluctant decision to close the Witan Wisdom and Jump Savings Schemes was prompted by
  - the vastly increased range of more flexible accounts available in the market and
  - increased administrative costs which it was not feasible or right to pass on to account holders
- Most accounts have transferred or will shortly move to the Board's recommended option of Hargreaves Lansdown; some have transferred elsewhere or sold their shares
- Witan will continue to be managed as before, with the aim of achieving significant growth in shareholders' wealth, through capital growth and a dividend growing ahead of inflation



Witan investment trust

**Andrew Bell**  
CEO

2

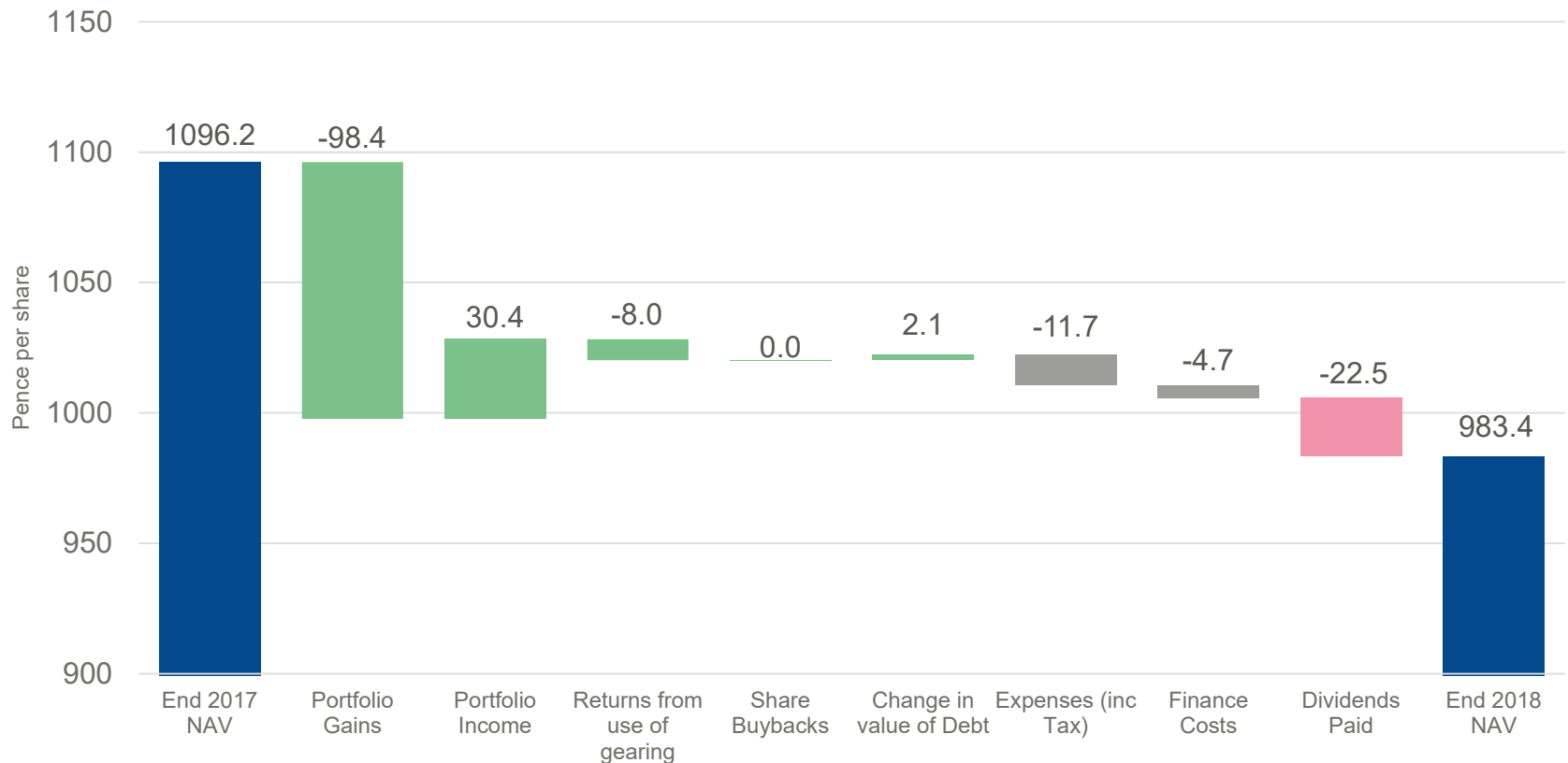
# 2018 Highlights

- Markets succumbed to economic worries in Q4, losing their earlier gains
- NAV total return -8.4%, benchmark -6.5%
- Witan's portfolio slightly outperformed in 2018
- NAV returns underperformed due to operating costs and the drag from gearing in a down year for markets
- Total dividend 23.5p (+11.9%); £4.7m added to reserves
- 0.24m shares bought into Treasury, as the discount narrowed from 1.6% to 1.3%

Source: Morningstar and Witan

Past performance is not a guide to future performance

# NAV per share reconciliation 2018



Source: Witan  
 Past performance is not a guide to future performance

# Individual years' performance

Years to end December	2014	2015	2016	2017	2018
Witan share price total return %	15.1	5.7	18.4	22.1	-8.1
Witan net asset value total return %	6.6	6.4	22.9	19.1	-8.4
Witan benchmark* total return %	5.5	3.5	23.0	15.1	-6.5
Relative performance %	1.1	2.9	-0.1	4.0	-2.0

Source: Morningstar

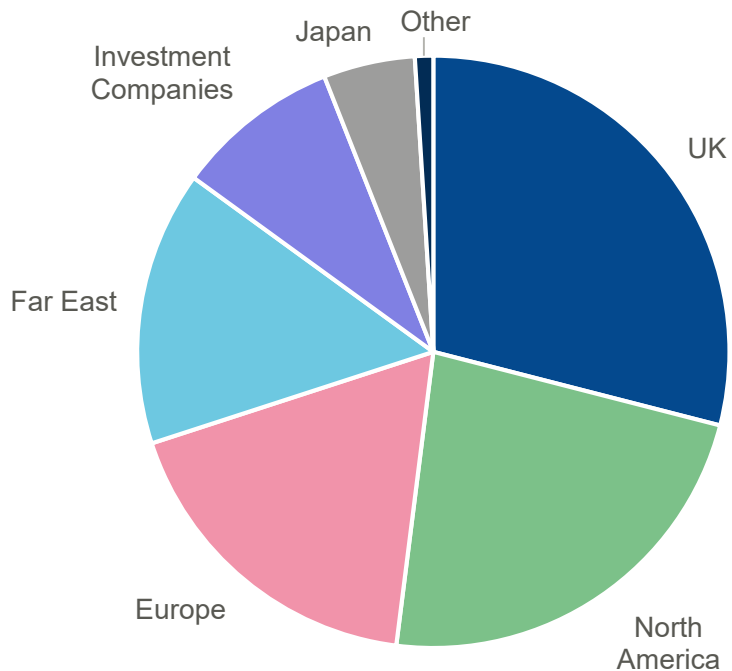
\*See slide 21 for benchmark information

Past performance is not a guide to future performance

# Manager structure

	Equity Mandate	Benchmark	% of FUM	Appointed
<b>Artemis</b>	UK	FTSE All-Share	8	May 2008
<b>Lindsell Train</b>	UK	FTSE All-Share	9	June 2013
<b>Heronbridge</b>	UK	FTSE All-Share	6	Sep 2010
<b>Veritas Asset Management</b>	Global	FTSE All-World	14	Dec 2012
<b>Lansdowne Partners</b>	Global	FTSE All-World	15	Dec 2013
<b>Pzena</b>	Global	FTSE All-World	14	Nov 2010
<b>CRUX Asset Management</b>	Europe ex-UK	FTSE Europe (ex-UK)	4	Oct 2017
<b>SW Mitchell Capital</b>	Europe ex-UK	FTSE Europe (ex-UK)	4	Oct 2017
<b>Matthews Asia</b>	Asia Pacific	MSCI Asia Pacific Free	11	Feb 2013
<b>GQG Partners</b>	Emerging Markets	MSCI Emerging Markets	5	Feb 2017
<b>Witan investment team</b>	Direct Holdings	Witan Benchmark	10	March 2010

# Regional breakdown as at 31.12.18



	%
UK	29
North America	23
Europe	18
Far East	15
Japan	5
Other	1
Investment Companies	9

# Direct holdings portfolio



## Strategy

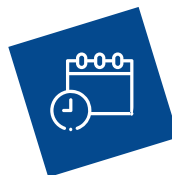
Up to **12.5%** of the portfolio may be invested by the Executive team

Up to **10%** (at the time of investment) in specialist collective funds

Up to **2.5%** allocated to new managers with good potential

Seek undervalued asset categories or funds with **longer-term potential**

**Actively managed** with no fixed allocation



## 2018 Highlights

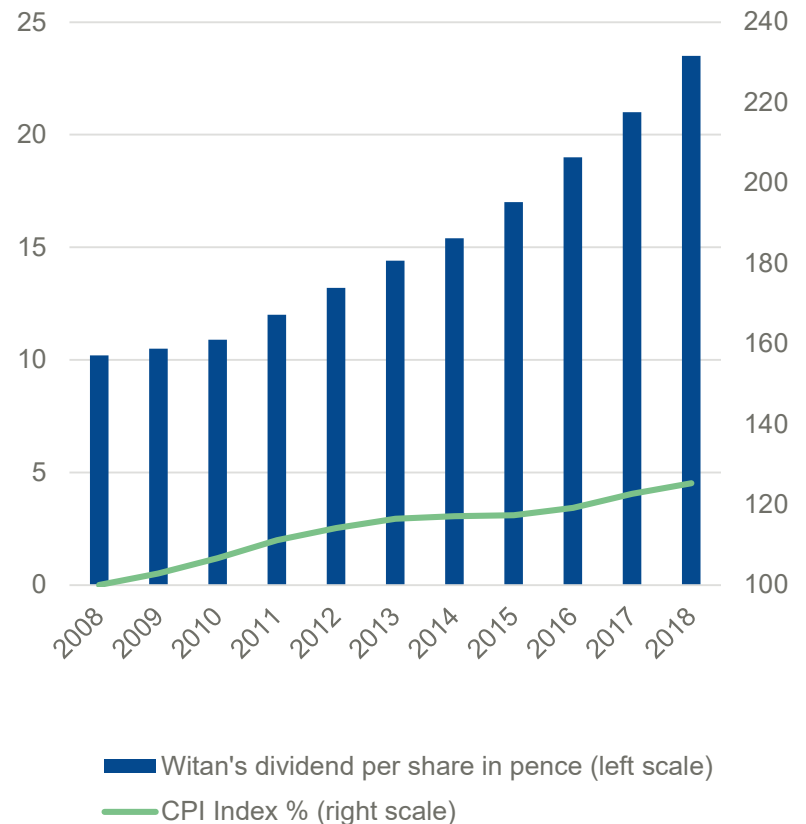
Direct holding portfolio return **-1.4%** in **2018**, 5.1% ahead of the benchmark return of -6.5%

Returns driven by **positive performance** from Syncona (+34%), and NB Distressed Debt Fund (+7.7%) offset by falls in value for other holdings.

Latitude appointed in April 2018 to manage 0.7% of the portfolio. **Outperformed significantly** with a total return of +6.3% compared with benchmark return of +1.0% over the period

# Dividend per share +11.9% in 2018

- 23.5p dividend (2017: 21p)
- 11.9% increase, 9.8% ahead of inflation (2.1%)
- The 44th consecutive rise, 2018's dividend 61 times 1974's
- £4.7m added to revenue reserves (c. 1.5 times the annual dividend)



**Policy: to grow the dividend ahead of inflation**

Source: Witan and Datastream

Past performance is not a guide to future performance



# Discount history



# Costs

<b>Annual as % of average net assets</b>	<b>2018</b>	<b>2017</b>
Ongoing costs	0.75%	0.76%
Including performance fees*	0.83%	0.78%

\* This refers to performance fees payable to two third party managers

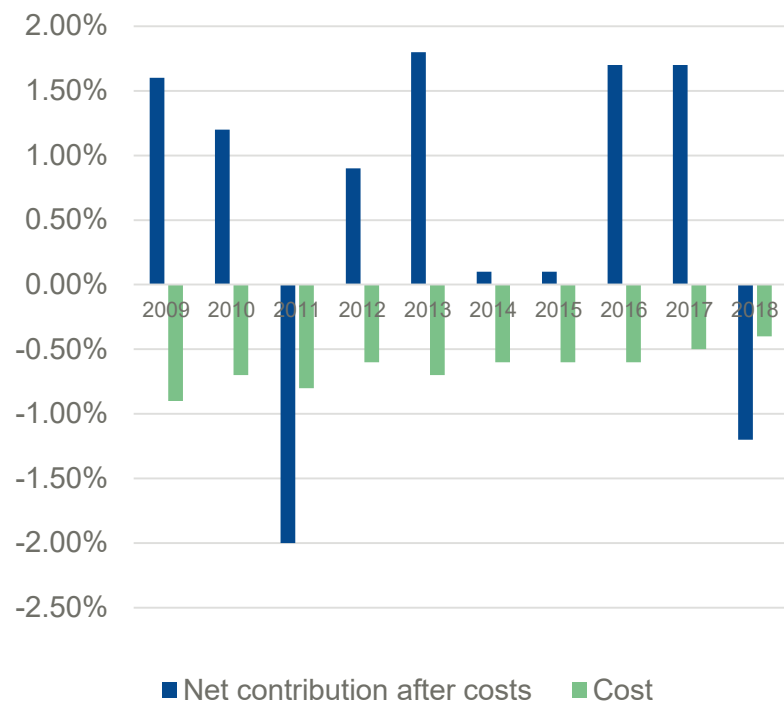
- Including all borrowing and portfolio transaction costs, the cost ratio was 1.40% (2017:1.37%)
- Disciplined on costs, emphasis on achieving good returns after costs

Source Witan:

Past performance is not a guide to future performance. See important note on slide 21

# Debt structure

## Contributions from borrowing (% of net assets)



## Structure of Witan's borrowings

	Issued	Rate %	Maturity	£m
Secured bonds	2000	6.125	2025	64
Secured notes	2015	3.29	2035	21
Secured notes	2015	3.47	2045	54
Secured notes	2017	2.74	2054	30
<b>Aggregate</b>		<b>4.3</b>		<b>170</b>
<b>Including short-term borrowings</b>		<b>3.3</b>		<b>251</b>

Source: Witan  
Past performance is not a guide to future performance

# 2019 – markets have rebounded

- Equity markets have reversed the late 2018 falls. NAV total return (at 26<sup>th</sup> April) +13.9%, 1.1% ahead of the benchmark's + 12.8%
- Share price total return + 12.1%; 1.3m shares bought back at an average discount of c. 2.4%
- Central bank tightening is on hold
- Chinese-US trade deal anticipated
- Signs that global growth is stabilising after 2018's fade
- Provided economic growth is sustained, time should be on the side of the patient, selective investor

Past performance is not a guide to future performance

# Important note

These slides are intended to highlight some key points about Witan Investment Trust plc, for the use of shareholders, analysts and other professional investors.

This material is for informational purposes only and does not constitute a solicitation or a personal recommendation in any jurisdiction. Any reference to individual securities does not constitute a recommendation to purchase, sell or hold the investment. No reliance may be placed for any purpose on the information and opinions contained in this document or their accuracy or completeness. No part of this material may be copied, photocopied or duplicated in any form or distributed to any person that is not an employee, officer, director or authorised agent of the recipient, without Witan Investment Services Limited's prior permission.

**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. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If the value of these investments falls gearing will magnify the negative impact on performance. If an investment trust incorporates a large amount of gearing the value of its shares may be subject to sudden and large falls in value and you could get back nothing at all. The share price may trade above and below the NAV per share representing either a premium or discount to the share price respectively.

Witan's benchmark is a composite of 30% FTSE All-Share, 25% FTSE All-World North America, 20% FTSE All-World Asia Pacific, 20% FTSE All-World Europe (ex UK), 5% FTSE All-World Emerging Markets. From 01.10.2007 to 31.12.2016 the benchmark was 40% FTSE All-Share, 20% FTSE All-World North America, 20% FTSE All-World Europe (ex UK) and 20% FTSE All-World Asia Pacific. FTSE is a trade mark of the London Stock Exchange Group companies and is used by FTSE under license. For more information go to [www.witan.com/support/legal-information](http://www.witan.com/support/legal-information).

**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, Witan continues to calculate the Ongoing Charges Figure for the annual report on a consistent basis with those published in previous years, to facilitate comparison.

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