

## Monthly commentary

“ **Witan’s NAV total return was 2.5% while its benchmark total return was 2.8%. The share price total of +0.2% lagged the NAV return as discounts widened across the Investment Company sector.** ”

Equity markets ended the first half of 2023 in fine fettle, despite ongoing inflationary concerns and uncertainty around the ultimate peak for interest rates. Global equities gained 3.2% in June with the US (+3.9%) leading the way despite a weaker US\$. Recession fears eased, so economically sensitive sectors such as Consumer Discretionary (+7.2%), Industrials (+5.9%), Materials (+4.3%) and Energy (4.0%) outperformed. Witan’s NAV total return was 2.5% while its benchmark total return was 2.8%. The share price total of +0.2% lagged the NAV return as discounts widened across the Investment Company sector. Over the year to date, Witan’s NAV total return of 8.8% is 1.6% ahead of the benchmark’s 7.2% return.

Whilst it appears that we are past the inflationary apex, especially in the US, central banks may yet deliver final rate rises to complete the task they embarked on in 2022. Notwithstanding this, we remain of the opinion that the interest rate peak will resemble Table Mountain rather than the Matterhorn, especially if central bankers want to avoid crashing the economy and having to cut rates aggressively in 2024. The UK continues to be an outlier, as inflation remains stubbornly high. This, combined with anaemic growth and a restive political climate, has led the UK market to become something of an investment backwater in recent years. As with any investment, past performance tends to colour investor’s future expectations, and this is not good news for sentiment towards the UK. £100 invested in the UK stock market ten years ago would today be worth £170 (with dividends reinvested) which equates to an annual return of just under 6%. This is an adequate return, ahead of UK house price growth and significantly ahead of inflation, but far less than was delivered by European equities (£240 or 9% p.a.) and leagues behind the US (£400 or 15% p.a.). The figures for the first six months of 2023 even more stark, with the US and Europe both gaining circa 10% and the UK up just 2%.

Does the foregoing mean that the UK equity market should be avoided? We believe quite the opposite to be true, with many high-quality UK companies now available at highly attractive valuations relative to global peers. Perhaps therefore, it may pay to heed regulatory advice that ‘past performance is no guide to future returns’ as any reversal in this negative sentiment could lead to the UK delivering outsized returns, as the fear of looking foolish (holding an underperforming market) is replaced by the fear of missing out. Witan currently has circa 20% of its portfolio invested in UK companies as our managers are excited by the quality and value on offer in companies which often operate globally. Of course, we continue to hold the majority of our portfolio in overseas equities (with the US and Europe accounting for nearly 60% of our portfolio).

Last month’s investment activity is highlighted overleaf. Taiwan Semiconductor was among the largest purchases for a second month in a row, while other technology names including Nvidia, Amazon and Tencent also feature. The largest single purchase was in Arista Networks, a cloud networking solutions company.

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

30 June 2023



48 years of consecutive dividend growth

Share price 226.50p	NAV per Share† 251.65p	Premium (Discount) (10.0%)
Gross assets £1.7bn	Yield 2.56%	Gearing 15.3%

Source: BNP Paribas as at 30.06.23.

† NAV is cum income with debt at fair value.

### Investment objective

Achieve an investment total return exceeding that of the Company’s benchmark over the long term, together with growth in the dividend ahead of inflation.

### Our investment approach

#### A one-stop shop for global equity investment, offering growth in capital and income.

We search for the best managers around the world to create a portfolio diversified by region, investment sector and individual company level. Our multi-manager approach also reduces the potential risks arising from reliance on a single manager. Our highly experienced Board of directors and Executive have many years’ collective experience of both managing assets, selecting managers and of delivering sound, independent governance.

### Investment team



**ANDREW BELL**  
CEO



**JAMES HART**  
Investment Director

### Manager breakdown

Manager	Strategy	%
<b>Core</b>		
Veritas	Global	18
Lansdowne Partners	Global	17
Lindsell Train	Global	16
WCM	Global	11
Jennison	Global	7
Artemis	UK	5
<b>Specialist</b>		
Direct holdings	Specialist Funds	12
GMO	Climate Change	6
GQG Partners	Emerging	5
Unquoted funds	Specialist Funds	2

**\*Please remember, past performance is not a guide to future performance, and the value of shares and the income from them can rise and fall, so investors may not get back the amount originally invested.**

## Portfolio overview

### Top 20 holdings (%)

GMO Climate Change Fund	6.2
Apax Global Alpha	2.8
Princess Private Equity	2.1
Unilever	1.7
Microsoft	1.7
Diageo	1.6
NatWest	1.6
BP	1.6
VH Global Sustainable Energy	1.4
Amazon	1.3
Mastercard	1.3
AIB	1.3
World Wrestling	1.3
RELX	1.2
London Stock Exchange	1.2
Canadian Pacific Kansas City	1.2
Nintendo	1.2
Alphabet	1.1
Syncona	1.1
Nvidia	1.1

**Top 10 Holdings** **22.0**

**Top 20 Holdings** **34.0**

### Regional breakdown (%)

North America	38
Europe	21
UK	18
Asia	6
Japan	3
Other	2
Investment Companies	12

### Sector breakdown (%)

Industrials	16
Financials	15
Information Technology	12
Consumer Staples	10
Health Care	10
Consumer Discretionary	8
Materials	6
Communication Services	6
Energy	3
Utilities	1
Investment Companies	12

### Portfolio characteristics

Active share (%)	79
Number of holdings	248

### Portfolio changes

<b>Top Purchases</b>	<b>£'000</b>
Arista Networks	6,128
Taiwan Semiconductor	6,122
Nvidia	4,900
Mastercard	4,454
Amazon	2,073
Tencent	1,918
<b>Top Sales</b>	
MSCI	4,881
TotalEnergies	2,461
Ferrari	2,108
Lam Research	2,019
LVMH	1,822
ArcelorMittal	1,536

Tables in this document may not sum to 100% due to rounding.  
Source: BNP Paribas, data as at 30.06.23.

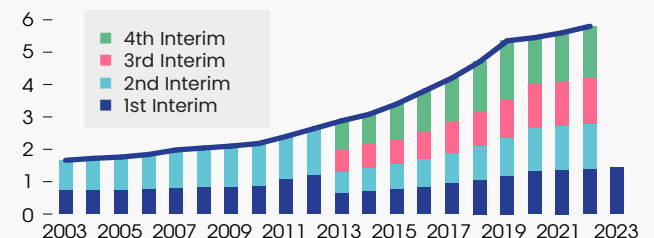
## Performance and dividends\*

**Value of £10,000 invested over 10 years is £24,315<sup>†</sup>**



### Dividend history (pence per share)

48 years of consecutive dividend growth



Changed to quarterly dividend payments in 2013.

### Total performance (%)<sup>†</sup>

Growth to 30.06.2023	3m	6m	1yr	3yrs	5yrs	10yrs
■ Share Price	2.7	3.6	12.8	32.8	18.2	143.2
■ Net Asset Value <sup>‡</sup>	2.3	8.8	13.9	38.0	29.3	140.8
■ Benchmark <sup>#</sup>	2.8	7.2	11.2	34.8	46.3	147.9
NAV-Benchmark Relative	-0.5	1.6	2.7	3.2	-17.0	-7.1

Relative numbers may not add up due to rounding.

<sup>†</sup> Source: Morningstar / Witan, total return includes the notional reinvestment of dividends.

<sup>‡</sup> The Net Asset Value figures value debt at fair value.

<sup>#</sup> 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.

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

### Discrete performance (%)<sup>†</sup>

Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022
Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
0.6	-11.6	34.7	-12.6	12.8
2.8	-8.9	37.4	-11.8	13.9
6.1	2.3	24.5	-2.6	11.2
-3.3	-11.1	12.9	-9.2	2.7

**\*Please remember, past performance is not a guide to future performance, and the value of shares and the income from them can rise and fall, so investors may not get back the amount originally invested.**

## Trust information

Epic Code	WTAN
AIC Sector	Global
Launch Date	1909
Financial Year End	31 December
Dividend Frequency	Quarterly
Last Ex Dividend Date	18 May 2023
AGM	4 May 2023
Shares in Issue (ex treasury)	651,268,977
Ongoing Charges <sup>†</sup>	
Excluding performance fee	0.77%
Including performance fee	0.77%

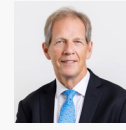
Source: BNP Paribas as at 30.06.23.

<sup>†</sup>Ongoing charges as disclosed in the Annual Report for the year ended 31.12.22. Information about other costs is also included in the Company's Key Information Document (KID) and disclosed in the table on page 43 of the 2022 Annual Report, both of which may be found on the Company's website.

## Board of Directors



**ANDREW ROSS**  
Chairman



**ANDREW BELL**  
CEO



**RACHEL BEAGLES**  
Senior Independent Director



**SHAUNA BEVAN**  
Non-Executive Director



**GABRIELLE BOYLE**  
Non-Executive Director



**JACK PERRY**  
Non-Executive Director



**BEN ROGOFF**  
Non-Executive Director



**PAUL YATES**  
Non-Executive Director



**SHEFALY YOGENDRA**  
Non-Executive Director

## How to invest

Witan's shares can be traded through any UK stockbroker and most share dealing services, including online platforms that offer investment trusts.

### Online platforms

A growing number of platforms offer investment trusts directly to investors including AJ Bell Youinvest, Barclays Smart Investor, Fidelity, Hargreaves Lansdown, Halifax Share Dealing Limited and Interactive Investor.

### Advisers

Advisers who wish to purchase Witan shares for their clients can do so via a stockbroker or via a growing number of dedicated platforms. These include AJ Bell Investcentre, FundsNetwork, Nucleus, Novio, Transact and Standard Life Wrap.

For more information on the online platforms and how you can invest, click [here](#).

**Please read the most recent Witan Key Information Document (KID) before placing an investment in Witan Investment Trust, which is available on the website [www.witan.com](http://www.witan.com).**

## Important information

This marketing communication is provided for informational purposes only and should not be construed as constituting an offer or a solicitation to buy or sell interests or investments in Witan Investment Trust plc. Any reference to individual securities does not constitute a recommendation to purchase, sell or hold the investment.

Please remember that past performance is not a guide to future performance. Witan Investment Trust is an equity investment. The value of an investment and the income from it can fall as well as rise as a result of currency and market fluctuations and you may not get back the amount originally invested. Investment trusts can borrow money to make additional investments on top of shareholders' funds (gearing). If the value of these investments falls gearing will magnify the negative impact on performance. If an investment trust incorporates a large amount of gearing the value of its shares may be subject to sudden and large falls in value and you could get back nothing at all. The share price may trade above and below the NAV per share representing either a premium or discount to the share price respectively.

[www.witan.com](http://www.witan.com)

This marketing communication is issued and approved by Witan Investment Services Limited FRN: 446227 on 10th July 2023. Witan Investment Services Limited is registered in England no. 5272533 of 14 Queen Anne's Gate, London, SW1H 9AA. Witan Investment Services Limited provides investment services and is authorised and regulated by the Financial Conduct Authority. Calls may be recorded for our mutual protection and to improve customer service.