

Witan Investment Trust

Global equity exposure via specialist managers

Witan Investment Trust (WTAN) offers investors broad exposure to global equities via a multi-manager strategy. The trust's investment director, James Hart, believes that the global economy, led by the US, is still growing at a healthy but moderate pace, even though there are regions that are growing more slowly, and equity valuations are reasonable. He says this provides opportunities for long-term investors. While recent performance has been affected by higher stock market volatility, WTAN's longer-term record of outperformance versus its composite benchmark remains intact. Given the trust's robust level of income so far in FY18, the board is confident of another year of dividend growth, which would represent the 44th consecutive annual increase.

12 months ending	Share price (%)	NAV (%)	Composite benchmark* (%)	MSCI World (%)	FTSE All-Share (%)	FTSE AW North America (%)
30/11/14	18.4	9.9	8.5	14.5	4.7	21.4
30/11/15	6.7	4.9	1.6	3.9	0.6	5.2
30/11/16	10.7	19.0	18.1	25.0	9.8	30.3
30/11/17	26.5	20.3	17.3	14.8	13.4	13.1
30/11/18	(0.1)	0.0	1.2	6.8	(1.5)	12.0

Source: Thomson Datastream. Note: all % on a total return basis in £. *See fund profile section on page 3. Since 1 January 2017, 30% All-Share, 25% All-World North America, 20% All-World Asia Pacific, 20% All-World Europe (ex-UK) and 5% Emerging Markets.

Investment strategy: Bottom-up stock selection

The majority of WTAN's assets are run by specialist external managers, who are selected for their high-conviction, unconstrained approaches to stock selection. There are currently 10 managers employed: three investing in the UK, three globally, two in continental Europe, one in Asia Pacific, and one in emerging markets. Up to 12.5% of WTAN's portfolio may be invested directly in specialist funds and niche/newly established managers. Gearing is undertaken at the corporate level up to a maximum 20% of NAV; at end-October 2018, WTAN's net gearing was 11%.

Market outlook: A more volatile environment

Share price volatility has increased in 2018, following a particularly benign period in 2017. As an example, the key US stock market has experienced two corrections so far this year – investor concerns include rising interest rates and escalating trade tensions. However, corporate earnings growth remains robust, meaning lower valuations may provide an opportunity for patient, long-term equity investors.

Valuation: Regularly trading close to NAV

WTAN's discount has ranged from 0.3% to 2.8% over the past 12 months, in line with the board's objective for the trust's shares to trade at a sustainable low discount (or premium) to NAV. Its current 1.7% share price discount to cum-income NAV compares with the 1.6%, 3.3%, 2.7% and 7.0% average discounts over the past one, three, five and 10 years, respectively. The board aims to grow the dividend at a rate higher than UK inflation; the annual distribution has increased for 43 consecutive years (WTAN's current yield is 2.2%).

Investment trusts

6 December 2018

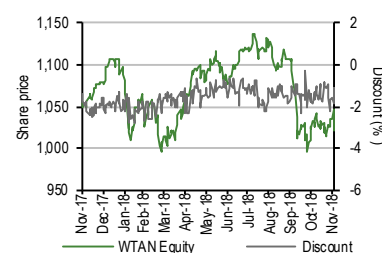
Price 1,022p
Market cap £1,822m
AUM £2,100m

NAV* 1,031.0p
Discount to NAV 0.9%
NAV** 1,039.7p
Discount to NAV 1.7%

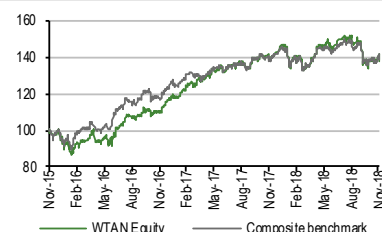
*Excluding income. **Including income. As at 5 December 2018.

Yield 2.2%
Ordinary shares in issue 178.2m
Code WTAN
Primary exchange LSE
AIC sector Global
Benchmark Composite benchmark

Share price/discount performance



Three-year performance vs index



52-week high/low 1,138.0p 995.0p
NAV** high/low 1,155.8p 1,016.1p

**Including income.

Gearing

Net* 11%

*As at 31 October 2018.

Analysts

Mel Jenner +44 (0)20 3077 5720
Gavin Wood +44 (0)20 3681 2503

investmenttrusts@edisongroup.com

[Edison profile page](#)

Witan Investment Trust is a research client of Edison Investment Research Limited

Exhibit 1: Trust at a glance

Investment objective and fund background

WTAN aims to deliver long-term growth in income and capital through active multi-manager investment in global equities. Funds are currently allocated to 10 external managers and up to 12.5% is directly invested in specialist funds and smaller, niche managers. Witan seeks external managers with the conviction to take views that may diverge from benchmark weightings.

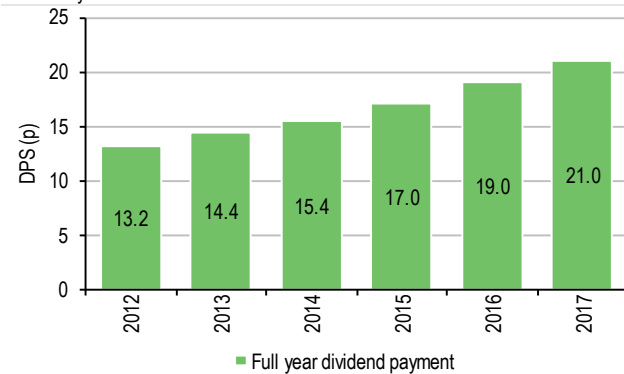
Recent developments

- 5 December 2018: announcement that chairman Harry Henderson will retire at the May 2020 AGM.
- 13 November 2018: declaration of 5.25p third interim dividend (+10.5% year-on-year).
- 14 August 2018: six-month report ending 30 June 2018. NAV TR +1.1% versus benchmark TR +1.1%. Share price TR +2.0%. Declaration of 5.25p second interim dividend (+10.5% year-on-year).

Forthcoming		Capital structure		Fund details	
AGM	May 2019	Ongoing charges	0.76% (0.78% incl. perf. fees)	Group	Self-managed (Witan Inv. Services)
Final results	March 2019	Net gearing	11%	Manager	Andrew Bell (CEO), James Hart (investment director)
Year end	31 December	Annual mgmt fee	See page 7	Address	14, Queen Anne's Gate, London, SW1H 9AA
Dividend paid	Mar, Jun, Sep, Dec	Performance fee	Yes (see page 7)	Phone	0800 082 8180
Launch date	February 1909	Trust life	Indefinite	Website	www.witan.com
Continuation vote	No	Loan facilities	See page 7		

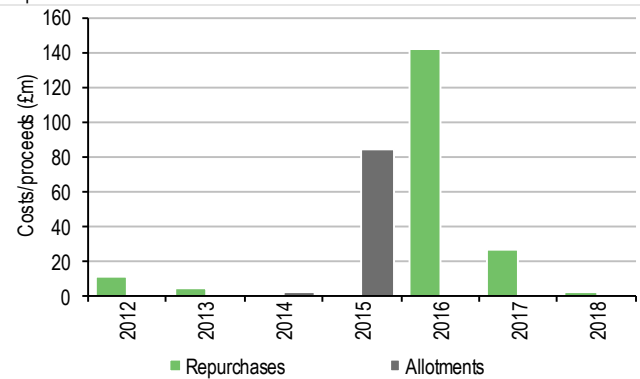
Dividend policy and history (financial years)

Quarterly dividends are paid, with the first three equivalent to a quarter of the previous year's total and the final making up the full-year payment. There have been 43 years of consecutive annual dividend increases.

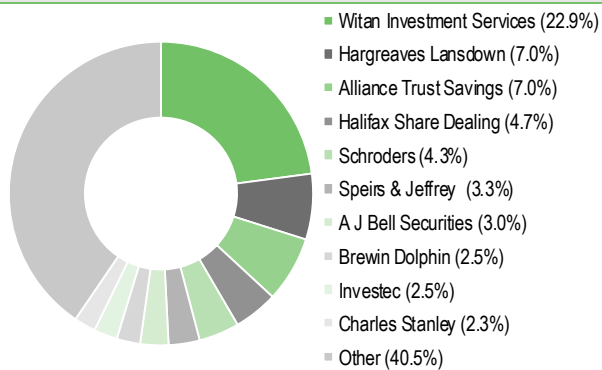


Share buyback policy and history (financial years)

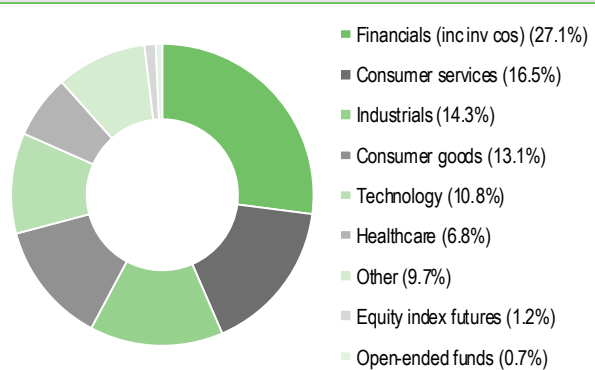
Renewed annually, the board has authority both to repurchase at a discount (14.99%) and allot at a premium (10%) ordinary shares. 2016 includes repurchase from Aviva.



Shareholder base (as at 30 November 2018)



Portfolio exposure by sector (as at 31 October 2018)



Top 10 holdings (as at 31 October 2018)

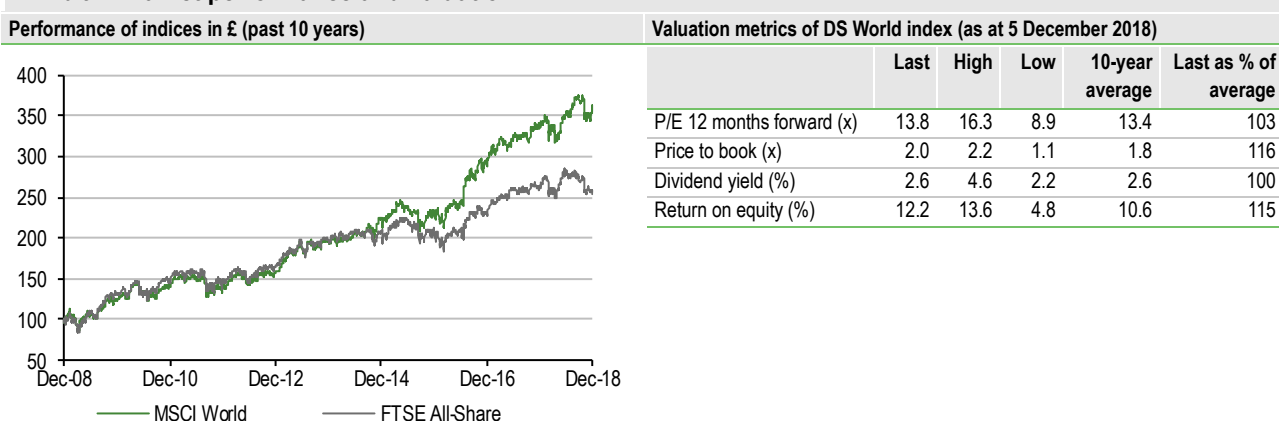
Company	Country	Sector	Portfolio weight %	
			31 October 2018	31 October 2017*
Syncona**	UK	Investment company	2.2	1.6
Apax Global Alpha**	UK	Investment company	1.9	1.5
Vonovia	Germany	Real estate	1.9	1.6
Unilever	UK	Personal goods	1.6	N/A
Taiwan Semiconductor Manufacturing	Taiwan	Technology hardware & equipment	1.5	1.5
Electra Private Equity**	UK	Investment company	1.4	1.5
Delta Air Lines	US	Airlines	1.4	N/A
BlackRock World Mining Trust**	UK	Investment company	1.3	1.6
Lloyds Banking Group	UK	Banks	1.2	1.3
Diageo	UK	Beverages	1.2	N/A
Top 10 (% of holdings)			15.6	15.3

Source: Witan Investment Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-October 2017 top 10. **Direct fund investments.

Market outlook: Opportunities from higher volatility

Exhibit 2 (LHS) shows the performance of global and UK equities in sterling terms over the past 10 years. UK shares kept pace with global stocks for more than half of the decade, but since late-2014, overseas equities have performed considerably better, led by the US, which makes up more than 60% of the MSCI World index. Global stock markets have experienced increased volatility in 2018, as investors have focused on a series of macro issues including rising US interest rates, the US/China trade dispute and Brexit uncertainties, which has bought equity P/E valuation multiples back down to a level more in line with longer-term historical averages. Corporate earnings generally remain robust across a variety of sectors, so unless there is a significant slowdown in economic activity, more attractive valuations could provide an opportunity for equity investors, particularly those with a long-term, patient approach to stock selection.

Exhibit 2: Market performance and valuation



Source: Thomson Datastream, Edison Investment Research

Fund profile: Multi-manager strategy

Launched in 1909, WTAN is one of the oldest investment trusts; it has been listed on the London Stock Exchange since 1924. It is also one of the largest, with more than £2bn in assets under management. The trust has employed a multi-manager strategy since 2004, aiming to maximise returns while reducing performance volatility that may arise from a single manager. At that time, WTAN also became self-managed and appointed its first CEO. The trust seeks to generate long-term growth in capital and income, and to grow the annual dividend at a rate higher than UK CPI (the trust's yearly distribution has increased in each of the past 43 consecutive years). WTAN typically employs around 10 specialist external managers, which are selected for their unconstrained, high-conviction approaches, and up to 12.5% of the portfolio may be invested directly by the trust's executive team – up to 10.0% in specialist funds and up to 2.5% in niche or newly established managers. Gearing of up to 20% of net assets is permitted, typically in a range of 5–15% (although a cash position may be held when considered appropriate); at end-October 2018, net gearing was 11%. Derivatives may be used, such as exchange-traded futures, to quickly adjust exposure to a particular region without interfering with the strategies of the external managers. Over time, WTAN's benchmark has evolved to reflect where the board and executive team believe the best opportunities lie for a global investor. The benchmark is a composite of indices: 1 September 2004 to 30 September 2007 – 50% FTSE All-Share and 50% FTSE World (ex-UK); 1 October 2007 to 31 December 2016 – 40% FTSE All Share and 20% in each of FTSE All-World North America, FTSE All-World Asia Pacific and FTSE All-World Europe (ex-UK); and since 1 January 2017 – 30% FTSE All-Share, 25% FTSE All-World North America, 20% FTSE All-World Asia Pacific, 20% FTSE All-World Europe (ex-UK) and 5% FTSE Emerging Markets.

CEO and investment director: Andrew Bell, James Hart

The director's view: Retaining a constructive outlook

WTAN's investment director James Hart says that there are macro issues for investors to consider, such as escalating trade tensions and the normalisation of interest rates in response to rising inflation. However, with inflation under control, he remains constructive on the outlook for global equities as the world economy is still growing at a healthy pace and corporate earnings remain positive, if less robust, than in recent years.

The director comments that in Europe, concerns about the Italian budget have created headwinds, especially for active stock pickers in terms of increased share price volatility. However, WTAN's European managers remain sanguine on the outlook for equities in the region. While there has been a rise in nationalism in Europe, Hart says that so far, recent elections have 'gone the right way' and he believes that events in Italy will not structurally destabilise Europe, as the country has shown strong support for the region and the euro.

Turning his attention to the US, Hart says that President Trump has achieved some of his stock market-friendly ambitions, such as lowering corporate tax rates. However, following the outcome of the mid-term elections, where the Democrats gained control of the House of Representatives, it will be more difficult for Trump to get his policies enacted. The director believes this should alleviate investor concerns about more draconian tariffs, and he says that the imposition of Iranian sanctions has been a bit of a 'fudge' as some countries have been granted waivers, such as China and India. These exemptions have contributed to a lower oil price, by alleviating fears about a global economic slowdown due to higher commodity costs, which is positive for equity markets. Hart also believes that if there are signs of weakness in the US economy, the Federal Reserve will be less likely to raise interest rates.

For the UK, the director says that Brexit is a big uncertainty. WTAN has a relatively high UK weighting, but Hart observes that many UK stocks within the portfolio have a high degree of foreign earnings. He says that UK equities are pricing in Brexit risks, so are very attractively valued if there is a positive resolution to the negotiations, particularly those companies with domestic operations.

In terms of regional preferences, the director says that the outlook for equities in the rest of the world is better than for those in the US, unless there is a return to a narrow market led by technology, which is heavily represented in US indices. Hart is positive on the outlook for emerging market equities (especially in Asia), along with those in Europe and the UK, which are trading on more attractive valuations than US shares. One of WTAN's external managers has commented that there is a complete disconnect between valuations and company earnings, especially outside of developed markets. Hart says that, in aggregate, equities are inexpensive, although there are some pockets of overvaluation where companies will have to beat consensus expectations to support their current valuations, especially as many of these firms are already generating peak earnings. WTAN's portfolio has forecast earnings and dividend growth of c 10% and 7%, respectively, with a c 3% dividend yield, and is trading on a forward P/E multiple below 13x. Hence, the director believes that, barring a global recession, the outlook for the portfolio remains positive.

Asset allocation

Investment process: Portfolio of active managers

WTAN adopted its multi-manager approach in 2004, aiming to maximise total returns and reduce performance volatility. It currently has 10 external managers: three investing in the UK, three running global portfolios, two investing in continental Europe, one focusing on Asia Pacific and one

emerging markets specialist (Exhibit 3). They are all selected for their high-conviction, unconstrained approach to stock picking. WTAN's board actively manages the line-up of external managers; the fund with the longest tenure is UK manager Artemis (appointed in May 2008), while the newest managers are European managers, CRUX and S W Mitchell (both appointed in October 2017). Reasons for a variation in the multi-manager line-up include a change in key personnel or ownership, style drift, if an investment style is 'long in the tooth' or for asset allocation reasons. The external managers each hold between 15 and 65 positions, and, in aggregate, WTAN has c 380, an increase in recent months from c 350, due to several of the managers finding new investment opportunities in 2018. Witan's executive team invests up to 10.0% of the portfolio (at the time of investment) in specialist funds, including private equity, and up to 2.5% in newly established managers or those running niche investment strategies. The trust's board and executive team are also responsible for asset allocation and the use of gearing.

Current portfolio positioning

WTAN's portfolio breakdown is shown in Exhibit 3. As at end-H118, all managers have outperformed their respective benchmarks since their appointment, with the exception of Pzena (-1.4pp pa relative), which is the only firm that has a structural bias towards deep-value stocks. The three best-performing managers are Lindsell Train (+7.1pp pa), Lansdowne Partners (+5.0pp pa) and Artemis (+3.4pp pa). Hart says that the managers have struggled somewhat in the 'risk-off' environment prevalent in H218, given WTAN's relatively low exposure to more defensive sectors, such as large pharma, telecoms and utilities, which have outperformed.

Exhibit 3: Witan portfolio analysis and performance by investment manager

Equity mandate	Investment manager	Benchmark (total return)	Investment style	% of AUM at 30 June 2018*	Inception date	H118 performance (%)		
						Witan	B'mark	Diff.
UK	Artemis	FTSE All-Share	Recovery/special situations	8.3	06-May-08	4.3	1.7	2.6
UK	Heronbridge	FTSE All-Share	Intrinsic value growth	6.5	17-Jun-13	4.9	1.7	3.2
UK	Lindsell Train	FTSE All-Share	Long-term growth from undervalued brands	8.4	01-Sep-10	7.2	1.7	5.5
Global	Lansdowne Partners	DJ Global Titans	Concentrated, benchmark-independent investment in developed markets	14.5	14-Dec-12	0.0	4.5	(4.5)
Global	Pzena	FTSE All-World	Systematic value	13.6	02-Dec-13	(1.6)	2.1	(3.7)
Global	Veritas	FTSE All-World	Fundamental value, real return objective	13.8	11-Nov-10	3.3	2.1	1.2
Europe	CRUX	FTSE Europe ex-UK	Sound businesses with quality management and attractive valuations	4.7	27-Oct-17	(1.1)	(1.4)	0.3
Europe	S W Mitchell	FTSE Europe ex-UK	High-conviction portfolio of companies that offer unrecognised value	4.9	27-Oct-17	1.4	(1.4)	2.8
Asia Pacific (incl. Japan)	Matthews Int'l	MSCI Asia Pacific Free	Quality companies with dividend growth	11.5	20-Feb-13	(0.5)	(0.8)	0.3
Emerging Markets	GQG Partners	MSCI Emerging Markets	High-quality companies with attractively priced growth prospects	4.0	16-Feb-17	(3.8)	(4.2)	0.4
Directly held investments	Witan's Executive Team	Witan's composite benchmark	Undervalued specialist collective funds and smaller manager mandates	9.8	19-Mar-10	3.0	1.1	1.9

Source: Witan Investment Trust. Note: *percentage of Witan's assets managed, excluding central cash balances.

Exhibit 4: Portfolio geographical exposure vs FTSE All-World Index (% unless stated)

	Portfolio end-October 2018	Portfolio end-October 2017	Change (pp)	FTSE All World end-October 2017	Active weight vs index (pp)	Trust weight/index weight (x)
UK	35	35	0	6	29	6.2
North America	25	21	4	57	(32)	0.4
Europe	20	23	(3)	15	5	1.4
Far East	13	14	(1)	8	5	1.6
Japan	5	5	0	8	(3)	0.6
Other	2	2	0	6	(4)	0.3
	100	100		100		

Source: Witan Investment Trust, Edison Investment Research, FTSE Russell. Note: excluding cash, rebased to 100. *Includes funds listed in the UK but invested internationally.

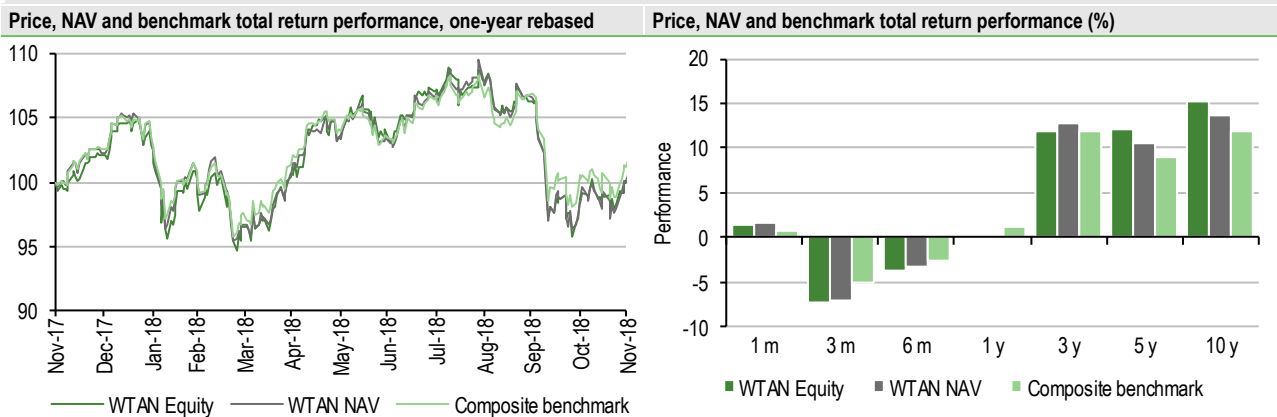
Hart says that there have been no changes to WTAN's direct fund holdings, although the position sizes have been adjusted when appropriate. The trust's largest holding is in healthcare specialist Syncona, which invests in early-stage businesses offering transformational treatments to patients,

while generating superior returns for investors. The portfolio, which was initiated in late 2016, is maturing over time. In June 2018, one of its portfolio companies Autolus Therapeutics floated on NASDAQ, and is one of four 'established or maturing' companies which make up the majority of Syncona's life sciences portfolio. A pipeline of developing technologies, together with significant capital resources held in funds, makes up the balance. Hart says that Syncona is a good example to illustrate how WTAN can access opportunities that are complementary to those available via its multi-manager strategy.

Performance: Solid over the medium and long term

In H118 (ending 30 June), WTAN's NAV total return of +1.1% was in line with the benchmark's, while its share price total return was modestly higher (+2.0%). During the period, all external managers, with the exception of Lansdowne Partners and Pzena, outperformed their respective benchmarks. WTAN's directly held investments also outperformed the trust's composite benchmark (by 1.9pp – see Exhibit 3).

Exhibit 5: Investment trust performance to 30 November 2018



Source: Thomson Datastream, Edison Investment Research. Note: three, five and 10-year performance figures annualised.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to composite benchmark	0.6	(2.4)	(1.1)	(1.3)	(0.2)	14.5	36.5
NAV relative to composite benchmark	0.8	(2.0)	(0.6)	(1.2)	2.1	6.9	18.3
Price relative to MSCI World	(0.0)	(3.6)	(6.3)	(6.5)	(8.7)	(3.0)	16.3
NAV relative to MSCI World	0.2	(3.2)	(5.8)	(6.3)	(6.6)	(9.5)	0.9
Price relative to FTSE All-Share	3.0	(1.3)	4.3	1.4	14.1	36.8	62.0
NAV relative to FTSE All-Share	3.2	(0.9)	4.8	1.5	16.8	27.8	40.5

Source: Thomson Datastream, Edison Investment Research. Note: data to end-November 2018. Geometric calculation.

Exhibit 7: NAV total return performance relative to benchmark over three years



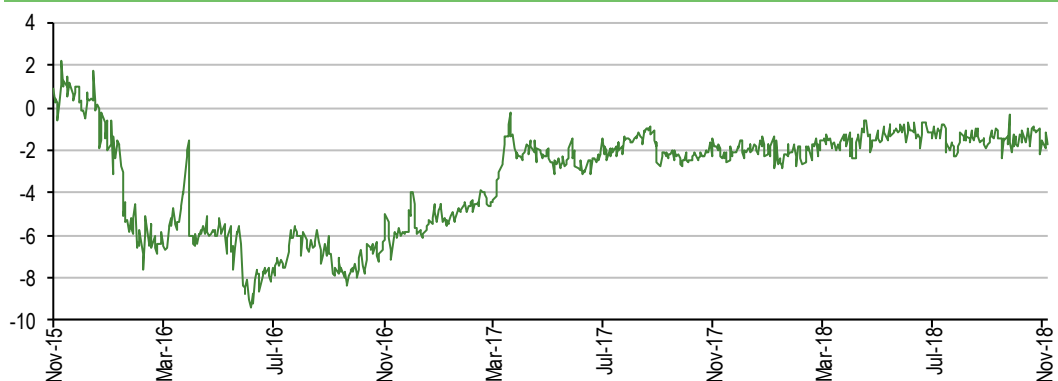
Source: Thomson Datastream, Edison Investment Research

Exhibit 6 shows WTAN's relative performance. A tougher period over the short term means that the trust is now modestly behind the benchmark over one year, modestly ahead over three years (in NAV terms), while clearly outperforming in both NAV and share price terms over five and 10 years.

Discount: Trading close to NAV

WTAN is currently trading at a 1.7% discount to cum-income NAV, which compares with the 1.6% to 7.0% range of its averages over the past one, three, five and 10 years. The board actively manages the discount, aiming to ensure that WTAN's shares trade close to NAV. Renewed annually, the trust has the authority to repurchase up to 14.99% and allot up to 10% of shares in issue. So far in FY18, there have been minimal shares repurchases (0.2m at a cost of c £2.3m).

Exhibit 8: Share price premium/discount to NAV (including income) over three years (%)



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

WTAN is a conventional investment trust, with one class of share. There are currently 178.2m ordinary shares in issue. The trust has structural gearing of £170m with an average rate of interest of 4.3% (reduced from 4.6% following the issuance of a £30m, 2.74%, 37-year private placement note in August 2017). It also has a £125m short-term, variable-rate borrowing facility. Gearing is managed at the corporate level and the external managers may hold cash, but are not allowed to employ gearing. At end-October 2018, WTAN's net gearing was 11%. At end-FY17, base fees levied by the external managers ranged from 0.25% to 0.80% pa, with a weighted average of 0.52% (0.49% at end-FY16). Two managers are entitled to a performance fee (four at end-FY16), but they charge lower base fees than the other eight managers. The majority of base fees incorporate a taper, so the percentage fee is reduced as the size of the managers' portfolios increases. Ongoing charges in FY17 were 0.76% (1bp higher than in FY16), and 0.78% including performance fees (0.65% in FY16 – lower than the ongoing charge excluding performance fees due to the underperformance of some of the external managers).

Dividend policy and record

The board seeks to increase WTAN's dividend at a rate higher than UK inflation, as well as delivering long-term growth in capital. Dividends are paid in March, June, September and December. Barring unforeseen circumstances, the board's policy is to pay three interim dividends equivalent to a quarter of the prior years' annual distribution, and a fourth, historically higher variable, interim dividend. The 19.0p per share dividend paid for FY17 was 10.5% higher year-on-

year and, over the past five years, the dividend has grown at an average rate of 9.7% pa, which is considerably higher than the rate of UK inflation over the period. WTAN has significant revenue reserves; at end-FY17 (after allowing for the fourth interim payment) they were equivalent to more 1.5x the annual dividend, which will provide a buffer for years where revenue growth is lower. The trust has a distinguished distribution history; annual dividends have risen for the past 43 consecutive years, and WTAN currently offers a yield of 2.2%. Having already declared the third interim dividend, the board is confident that it can grow the total dividend again in FY18, fully funded by current year revenue earnings, while also adding to revenue reserves. Hart says that the dividend growth rate may moderate slightly in coming years, as there have been a few years of very strong dividend growth, as a result of solid corporate earnings, while a trend towards international companies increasing their distributions reduces WTAN's historical reliance on UK equities to generate the trust's income.

Peer group comparison

WTAN is a member of the AIC Global sector, which comprises 21 trusts. Exhibit 9 shows the 11 largest (with market caps above £600m). In terms of performance, WTAN ranks fourth out of 11 funds over 10 years. Its NAV total returns are below average over the periods shown; however the averages are skewed by the significant outperformance of Scottish Mortgage. WTAN's ongoing charge is higher than average and it is the only trust in the selected peer group with a performance fee, although this was negative in FY16. It has a higher-than-average level of gearing and its dividend yield is 0.5pp above the mean. The trust trades on a narrower discount than Alliance Trust (the only other trust in the sector with a fully multi-manager investment strategy).

Exhibit 9: Selected peer group as at 5 December 2018*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee**	Net gearing	Dividend yield
Witan	1,821.5	(0.5)	43.3	66.4	263.6	(1.5)	0.8	Yes	111	2.2
Alliance Trust	2,449.7	2.9	48.8	73.5	212.8	(6.2)	0.6	No	105	1.8
Bankers	1,016.4	1.6	46.8	69.2	241.5	(2.8)	0.4	No	103	2.4
BMO Global Smaller Companies	803.4	1.1	41.7	73.3	399.9	(1.2)	0.6	No	104	1.1
British Empire	797.7	2.0	54.7	58.6	190.5	(9.6)	0.9	No	110	1.8
Caledonia Investments	1,540.5	8.0	36.9	70.6	187.3	(19.5)	1.2	No	100	2.1
F&C Investment Trust	3,703.8	5.1	50.0	80.3	258.7	0.5	0.5	No	108	1.6
Law Debenture Corporation	669.0	(2.0)	30.3	44.3	234.0	(11.2)	0.4	No	101	3.1
Monks	1,706.7	4.7	65.5	81.7	274.3	2.0	0.5	No	106	0.2
Scottish Investment Trust	619.7	(0.9)	44.7	55.2	191.5	(9.0)	0.5	No	107	1.9
Scottish Mortgage	7,143.6	15.1	83.3	153.7	677.3	1.3	0.4	No	107	0.6
Average	2,024.7	3.4	49.7	75.2	284.7	(5.2)	0.6		106	1.7
WTAN rank in group (11 trusts)	4	9	8	8	4	5	3		1	3

Source: Morningstar, Edison Investment Research. Note: *Performance data to 4 December 2018. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets. **Two of WTAN's managers are eligible for performance fees.

The board

Following the retirement of Robert Boyle and Catherine Claydon, and the appointment of Paul Yates in May 2018, there are eight directors on the board at WTAN; seven of whom are non-executive and independent of the manager. The chairman is Harry Henderson, who was appointed to the board in 1988 and assumed his current role in 2003. The other six independent directors and their years of appointment are: Tony Watson (2006), Richard Oldfield (2011), Suzy Neubert (2012), Ben Rogoff (2016), Jack Perry (2017) and Paul Yates (2018). The non-independent director is Andrew Bell, CEO of WTAN, who joined the board in 2010. On 5 December 2018, the board announced that Harry Henderson will be retiring at the May 2020 AGM. A committee, under the leadership of senior independent director Tony Watson, will commence a search for a chairman designate, who will be appointed in 2019.

General disclaimer and copyright

This report has been commissioned by Witan Investment Trust and prepared and issued by Edison, in consideration of a fee payable by Witan Investment Trust. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the Edison analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2018 Edison Investment Research Limited (Edison). All rights reserved FTSE International Limited ("FTSE") © FTSE 2018. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd who holds an Australian Financial Services Licence (Number: 427484). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

Neither this document and associated email (together, the "Communication") constitutes or form part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to purchase shares in the Company in the proposed placing should be made solely on the basis of the information to be contained in the admission document to be published in connection therewith.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

The Investment Research is a publication distributed in the United States by Edison Investment Research, Inc. Edison Investment Research, Inc. is registered as an investment adviser with the Securities and Exchange Commission. Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a) (11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.