

Witan Investment Trust

Increasing exposure to continental Europe

Witan Investment Trust (WTAN) invests globally and is one of the largest investment trusts, with net assets of c £2.0bn. It adopts a primarily multi-manager investment approach, aiming to generate long-term capital growth and real growth in income. The trust has a solid investment track record; it has outperformed its blended composite benchmark over one, three, five and 10 years. Against an improving economic and political backdrop in Europe, WTAN has increased its exposure to the region. It has replaced Marathon's pan-European mandate, appointing two new managers: CRUX Asset Management and S.W. Mitchell Capital. They both run actively managed, concentrated continental European portfolios, using the FTSE Europe ex-UK Index as a benchmark. WTAN has a distinguished dividend history; its annual payout has increased for the last 42 consecutive years.

12 months ending	Share price (%)	NAV (%)	Composite benchmark* (%)	MSCI World (%)	FTSE All-Share (%)	FTSE AW North America (%)
31/10/13	37.0	30.6	24.7	26.8	22.8	26.4
31/10/14	14.1	5.7	4.1	9.7	1.0	16.7
31/10/15	8.7	7.2	4.0	6.0	3.0	7.2
31/10/16	13.2	23.2	22.3	28.8	12.2	32.3
31/10/17	25.9	18.1	15.3	13.5	13.4	13.5

Source: Thomson Datastream. Note: All % on a total return basis in £. *See Fund profile section pages 3 and 4. 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: Primarily external managers

WTAN adopted a multi-manager approach in 2004, aiming to generate the best possible returns, with lower volatility than a single manager. It typically employs between eight and 13 external managers (currently 10), who have regional mandates and growth or value investment styles. The current multi-manager line-up is: three UK, three global, two European, one Asia-Pacific (including Japan) and one emerging markets. WTAN's executive team invests up to 10% of total assets in specialist funds, including private equity. Gearing of up to 20% of net assets is permitted; at end-October it was 11%.

Market outlook: Valuations supported by earnings

As a result of a broad-based improvement in corporate earnings, global equities have experienced a positive valuation rerating; this is in spite of ongoing macro uncertainties, including the potential for higher interest rates. On a forward earnings multiple, world equities are trading at a c 20% premium to their 10-year average, but forecast earnings growth continues to be strong.

Valuation: Discount in a narrowing trend

WTAN's current 2.8% discount to cum-income NAV compares to the averages of the last one, three, five and 10 years (range of 2.7% to 7.8%), and has been in a narrowing trend since mid-2016. The board actively manages the discount via regular share repurchases. WTAN has a progressive dividend policy, and annual dividends have increased in each of the last 42 consecutive years.

Investment trusts

13 November 2017

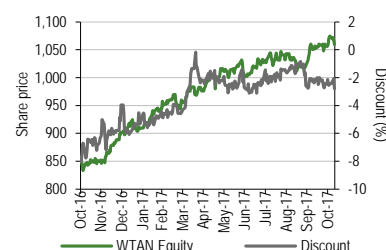
Price 1,059.0p
Market cap £1,890m
AUM £2,145m

NAV* 1,089.1p
Discount to NAV 2.8%
NAV** 1,089.4p
Discount to NAV 2.8%

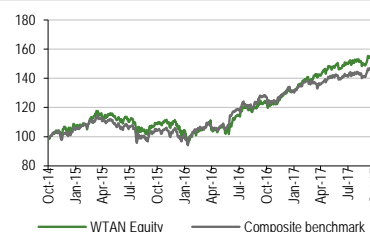
*Excluding income. **Including income.
As at 9 November 2017.

Yield 1.9%
Ordinary shares in issue 178.5m
Code WTAN
Primary exchange LSE
AIC sector Global
Benchmark Composite benchmark

Share price/discount performance



Three-year performance vs index



52-week high/low 1,075.0p 843.0p

NAV* high/low 1,101.8p 896.4p

*Including income.

Gearing

Net* 11%

*As at 31 October 2017.

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

Witan Investment Trust (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 (typically eight to 13) and up to 10% is directly invested in specialist funds. Witan seeks external managers with the conviction to take views that may diverge from benchmark weightings.

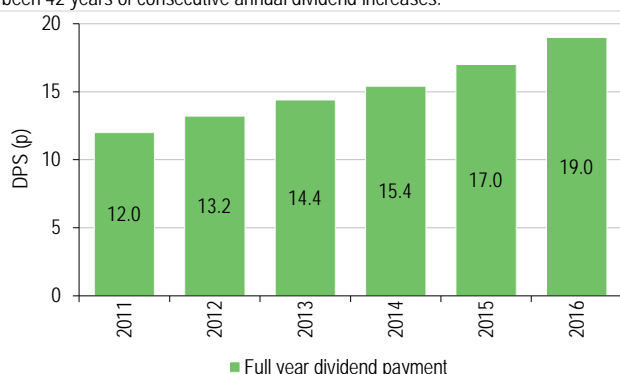
Recent developments

- 8 November 2017: Declaration of 4.75p third interim dividend.
- 27 October 2017: Appointment of two new European equity managers: CRUX Asset Management and S. W. Mitchell Capital.
- 15 August 2017: Agreement to issue £30m fixed rate, 37-year secured private placement note at 2.74%, effective 1 November 2017.
- 10 August 2017: Six-month report ending 30 June 2017. NAV TR +10.8% versus benchmark TR +7.4%. Share price TR +12.2%.

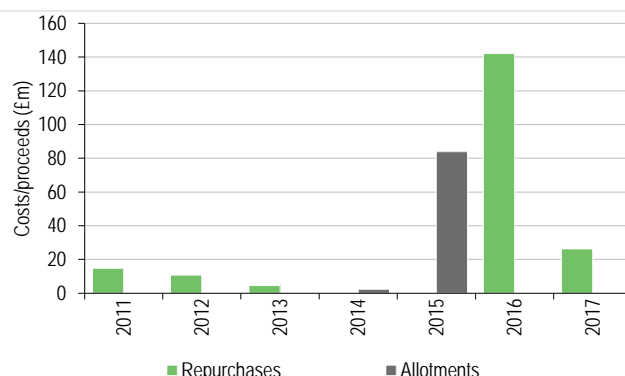
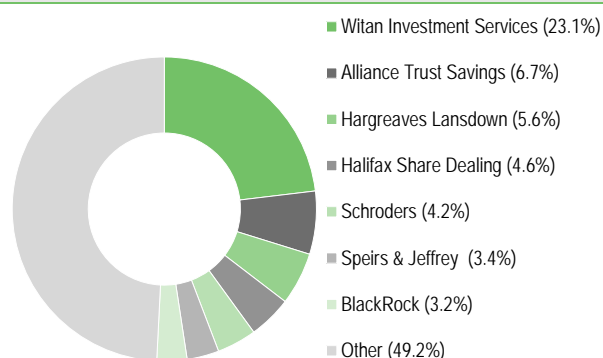
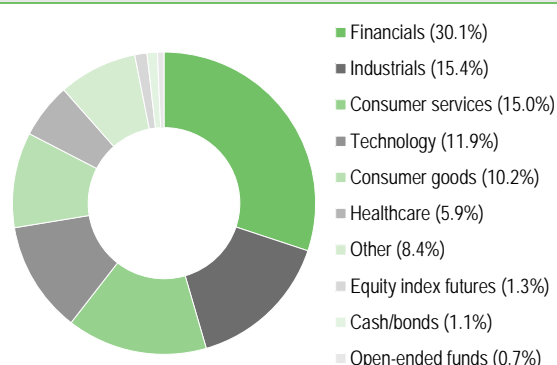
Forthcoming		Capital structure		Fund details	
AGM	April 2018	Ongoing charges	0.75% (0.65% incl. perf. fees)	Group	Self-managed (Witan Inv. Services)
Final results	March 2018	Net gearing	11%	Manager	Andrew Bell (CEO), James Hart (investment director)
Year end	31 December	Annual mgmt fee	Only multi-manager charges	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

Quarterly dividends are paid, with the first three equivalent to a quarter of the previous year total and the final making up the full year payment. There have been 42 years of consecutive annual dividend increases.


Share buyback policy and history

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


Shareholder base (as at 06 November 2017)

Portfolio exposure by sector (as at 31 October 2017)

Top 10 holdings (as at 31 October 2017)

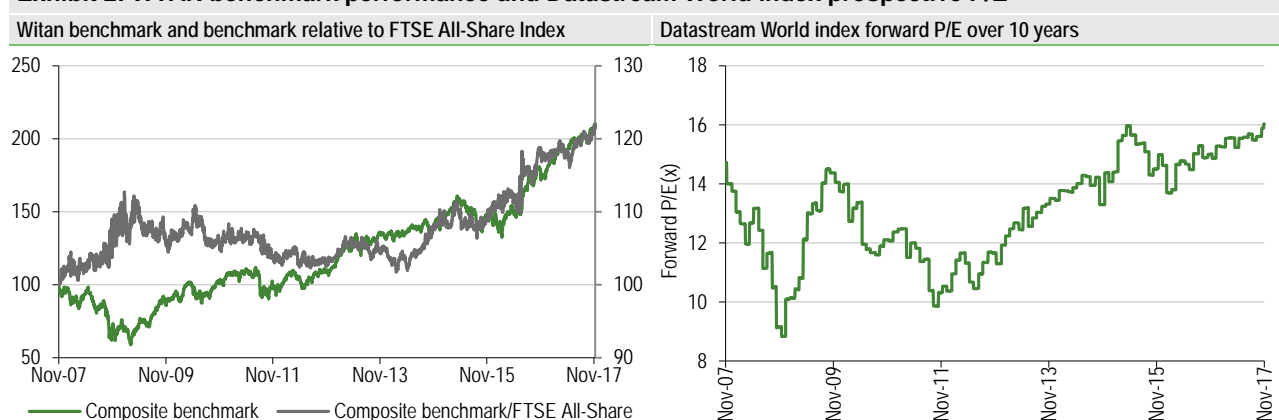
Company	Country	Sector	Portfolio weight %	
			31 October 2017	31 October 2016*
Princess Private Equity	UK	Private equity	1.8	1.7
BlackRock World Mining Trust	UK	Investment company	1.6	1.6
JP Morgan	US	Banks	1.6	1.2
Vonovia	Germany	Real estate	1.6	1.2
Syncona	UK	Investment company	1.6	N/A
Apax Global Alpha	UK	Investment company	1.5	1.5
Taiwan Semiconductor Manufacturing	Taiwan	Technology hardware & equipment	1.5	N/A
Electra Private Equity	UK	Private equity	1.5	N/A
London Stock Exchange	UK	Financial services	1.3	1.5
Lloyds Banking Group	UK	Banks	1.3	N/A
Top 10			15.3	14.5

Source: Witan Investment Trust, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in October 2016 top 10.

Market outlook: Rerating due to higher earnings

As illustrated in Exhibit 2 (right-hand side), since early-2016, there has been a positive rerating of global equities. Investors have been encouraged by a broad-based improvement in corporate earnings, which has outweighed macro concerns such as higher interest rates, political uncertainties in Europe and heightened tensions in the Korean Peninsula. On a forward P/E valuation basis, global equities, as measured by the Datastream World index, are trading on a multiple of 16.0x, which is a c 20% premium to the 13.1x 10-year average. Digging deeper into the analysis shows that emerging markets look relatively attractive. They are trading on a forward P/E multiple of 12.6x, which is a 13% premium to the 10-year average versus 16.7x and a 23% premium for developed market equities. In an environment where equities in aggregate are looking more fully valued, investors may be rewarded by considering a fund that offers broad exposure to focused strategies seeking both growth and value from global equities.

Exhibit 2: WTAN benchmark performance and Datastream World index prospective P/E



Source: Thomson Datastream, Edison Investment Research. Note: Composite benchmark modified from 1 January 2017 (see Fund profile below).

Fund profile: Primarily external multi-managers

WTAN was established in 1909 to manage the estate of Alexander Henderson, the first Lord Faringdon. The trust was listed on the London Stock Exchange in 1924 and has net assets of c £2.0bn. There was a change in strategy in 2004 when WTAN became self-managed, appointed its first CEO and adopted a multi-manager strategy, aiming to reduce performance volatility that can occur with a single manager. The trust seeks long-term capital growth and real (above-inflation) dividend growth. WTAN typically has eight to 13 external managers, investing in both developed and emerging market equities, with both growth and value investment approaches. They are selected for their high-conviction active management styles. Up to 10% of the portfolio can be invested directly by Witan's executive team in specialist funds, which includes private equity and lesser-known or newly established managers. Gearing of up to 20% of net assets is permitted, typically in a range of 5-15% and a small net cash position may be held when considered appropriate. At end-October 2017, gearing was 11%. Derivatives may be used to implement investment policy, for example exchange-traded futures have been employed to quickly gain exposure to a particular market without having to interfere with the external managers' strategies.

WTAN's benchmark has evolved over time to reflect where its internal managers believe the opportunities lie for a global investor. The relatively high UK weighting reflects the global nature of many UK index constituents that derive a large percentage of their earnings overseas. The benchmark comprises FTSE indices: from 1 September 2004 to 30 September 2007, 50% All-

Share and 50% World (ex-UK); from 1 October 2007 to 31 December 2016, 40% All-Share, 20% All-World North America, 20% All-World Asia Pacific and 20% All-World Europe (ex-UK); and 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.

CEO and investment director: Andrew Bell, James Hart

The manager's view: Remains constructive towards equities

Investment director James Hart believes that following a broad-based revaluation of global equities, share prices can continue to move higher, but there is an increased need for corporate earnings to underpin valuations. He says that 2017 is panning out as hoped for; following the global financial crisis, the US dragged the global economy out of recession and then in late-2016 and early 2017 there was confirmation of broader-based economic growth such as in Europe and Japan, where growth is being sustained but at a low level. Hart points to a couple of clouds on the horizon: Brexit and the uncertain outlook for sterling; and increased tensions in the Korean Peninsula. However, he states that over the long term, corporate earnings drive stock prices and there is evidence of an improving global economy, which is supportive for earnings growth.

Regarding the withdrawal of monetary stimulus, Hart believes that central banks will be incredibly conservative, requiring clear signs of economic growth and inflation before they raise interest rates. It has been a long time since developed economies were in an inflationary period, and consumers have become accustomed to declining interest rates. There is a significant amount of debt outstanding, so consumers will be squeezed by a marginal increase in interest rates. Hence, central banks are keen not to increase borrowing costs ahead of consumers' ability to service them.

Asset allocation

Investment process: Multi-manager approach

Since adopting its multi-manager investment approach in 2004, the majority of WTAN's funds are allocated typically between eight and 13 external managers. These asset managers are selected for their active, high-conviction approaches across both growth and value strategies. There are currently 10 external managers with the following mandates: three UK, three global, two European, one Asia Pacific (including Japan) and one emerging markets. Up to 10% of the portfolio is managed by Witan's executive team, who invest in specialist funds, including private equity and small asset managers. External managers are monitored regularly and reviewed at least once every year by the board, which also seeks alternative external managers to replace or supplement the existing line-up. The external asset managers are more likely to be replaced if they deviate from their investment style or for persistent rather than short-term underperformance. WTAN's board and executive team are also responsible for asset allocation and the use of gearing.

Current portfolio positioning

Exhibit 3 shows WTAN's current multi-manager line-up. There have been recent changes to the European exposure to take advantage of the improved political and economic backdrop in the region. The pan-European portfolio managed by Marathon has been liquidated, with the assets reinvested in two portfolios of continental European equities managed by CRUX Asset Management and S.W. Mitchell Capital. Each manager was allocated c 5% (c £100m) of the portfolio, comprising the assets formerly managed by Marathon plus an additional £24m from WTAN's cash resources. The new managers will be benchmarked against the FTSE Europe ex-UK index. Their actively managed, concentrated portfolios will result in higher active share (a measure

of how far a portfolio deviates from a benchmark, with 0% representing full replication and 100% representing no commonality). WTAN's European active share will increase from c 70% to 86%, while the trust's overall active share will rise to over 76% (from c 74% in June 2017). Both new managers are considerably smaller than Marathon; WTAN likes managers with a unique mind-set, where there are principals involved who often have a significant stake in the business.

Exhibit 3: Witan portfolio analysis and performance by investment manager

Equity mandate	Investment manager	Benchmark (total return)	Investment style	% of AUM at 30 Oct 2017*	Inception date	H117 performance (%)		
						Witan	B'mark	Diff.
UK	Artemis	FTSE All-Share	Recovery/special situations	8	06-May-08	2.7	5.5	(2.8)
UK	Heronbridge	FTSE All-Share	Intrinsic value growth	6	17-Jun-13	9.4	5.5	3.9
UK	Lindsell Train	FTSE All-Share	Long-term growth from undervalued brands	8	01-Sep-10	10.8	5.5	5.3
Global	Lansdowne Partners	DJ Global Titans	Concentrated, benchmark-independent investment in developed markets	14	14-Dec-12	7.5	4.3	3.2
Global	Pzena	FTSE All-World	Systematic value	14	02-Dec-13	5.6	6.3	(0.7)
Global	Veritas	FTSE All-World	Fundamental value, real return objective	14	11-Nov-10	15.4	6.3	9.1
Europe	CRUX	FTSE Europe ex-UK	High-quality companies at attractive valuations	5	27-Oct-17	N/A	N/A	N/A
Europe	S W Mitchell	FTSE Europe ex-UK	Unrecognised value with an unconstrained, concentrated and long-term investment approach	5	27-Oct-17	N/A	N/A	N/A
Asia Pacific (incl. Japan)	Matthews Int'l	MSCI Asia Pacific Free	Quality companies with dividend growth	12	20-Feb-13	12.7	10.3	2.4
Emerging Markets	GQG Partners	MSCI Emerging Markets	High-quality companies with attractively priced growth prospects	4	16-Feb-17	N/A	N/A	N/A
Directly held investments	Witan's Executive Team	Witan's composite benchmark	Collective funds invested in mispriced assets, recovery situations or specialist assets	10	19-Mar-10	13.7	7.4	6.3

Source: Witan Investment Trust. Note: *Percentage of Witan's assets managed, excluding central cash balances. Performance data for CRUX, S W Mitchell and GQG Partners is unavailable as the managers were hired during 2017.

WTAN is not looking to increase its UK exposure, which over time has reduced from 60-70% to less than 35% (versus 30% in the benchmark), as the managers believe that there is a broader opportunity set available overseas. Emerging markets now have better legal frameworks and improved corporate governance standards, and while the UK was historically a big dividend provider, there are now better dividend growth opportunities available overseas, such as in Asia. Following the switch from a pan-European mandate to two continental European portfolios highlighted above, WTAN's UK exposure was further reduced.

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

	Portfolio end-October 2017	Portfolio end-October 2016	Change (pp)	FTSE All World end-October 2017	Active weight vs index (pp)	Trust weight/index weight (x)
UK*	35	39	(4)	6	29	5.8
Europe	23	16	7	16	7	1.4
North America	21	26	(5)	54	(33)	0.4
Far East	14	12	2	9	5	1.6
Japan	5	6	(1)	9	(4)	0.6
Other	2	1	1	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.

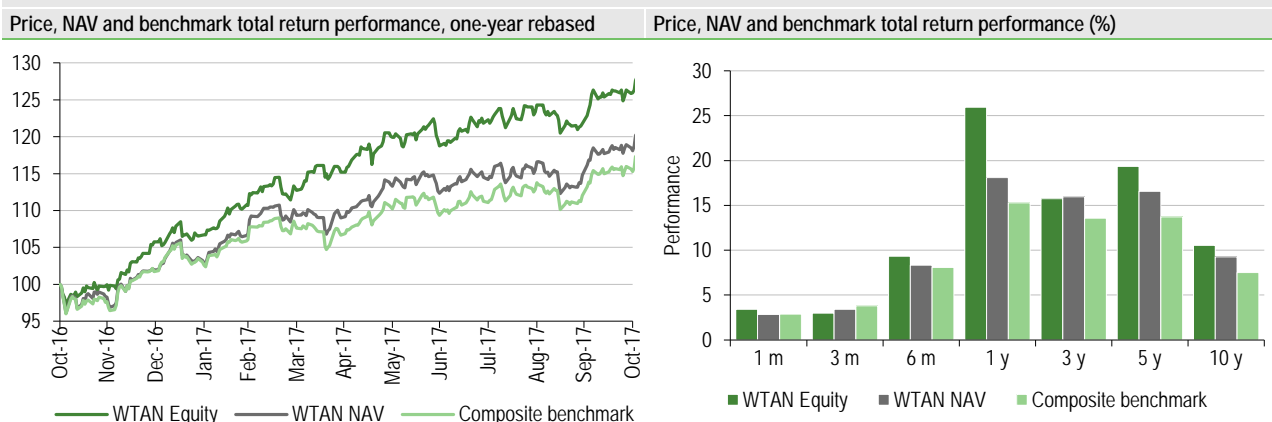
Within the directly held investments, WTAN has re-initiated a position in Electra Private Equity, which, following a series of structural changes, is now much smaller, and Hart sees it as a value opportunity. This trust has a small number of primarily UK private equity assets, which include American-style restaurant chain TGI Fridays, personalised product company Photobox Group and shoe designer, manufacturer and retailer Hotter Shoes.

Performance: Solid outperformance versus benchmark

As shown in Exhibit 3, during H117, the majority of WTAN's multi-managers outperformed their respective indices, led by global manager Veritas (+9.1pp) and UK manager Lindsell Train (+5.3pp).

WTAN's direct investments also outperformed the composite benchmark by 6.3pp. The underperforming funds were UK manager Artemis (-2.8pp) and global manager Pzena (-0.7pp).

Exhibit 5: Investment trust performance to 31 October 2017



Source: Thomson Datastream, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised. The benchmark comprises FTSE indices. 1 Sep 2004 to 30 Sep 2007: 50% All-Share and 50% World (ex-UK). 1 Oct 2007 to 31 Dec 2016: 40% All-Share, 20% All-World North America, 20% All-World Asia Pacific and 20% All-World Europe (ex-UK). Since 1 Jan 2017: 30% All-Share, 25% All-World North America, 20% All-World Asia Pacific, 20% All-World Europe (ex-UK) and 5% Emerging Markets.

Looking at absolute returns over one year (Exhibit 5, RHS), WTAN's NAV and share price returns of 18.1% and 25.9%, respectively, are meaningfully ahead of the composite benchmark's 15.3% total return. On a relative basis, WTAN has outperformed its composite benchmark over one, three, five and 10 years. Of interest to UK shareholders, WTAN has significantly outperformed the FTSE All-Share index over these periods in both NAV and share price terms.

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	0.5	(0.8)	1.1	9.2	5.8	27.4	32.2
NAV relative to composite benchmark	(0.0)	(0.4)	0.2	2.4	6.4	13.2	17.6
Price relative to MSCI World	0.4	(0.7)	2.2	11.0	0.1	12.3	10.2
NAV relative to MSCI World	(0.1)	(0.3)	1.3	4.0	0.6	(0.2)	(2.0)
Price relative to FTSE All-Share	1.5	0.1	3.2	11.1	18.3	49.0	59.4
NAV relative to FTSE All-Share	1.0	0.6	2.3	4.2	19.0	32.4	41.8

Source: Thomson Datastream, Edison Investment Research. Note: Data to end-October 2017. Geometric calculation.

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



Source: Thomson Datastream, Edison Investment Research

Discount: Narrowing trend since mid-2016

WTAN's share price discount to cum-income NAV has been in a narrowing trend since July 2016. The current 2.8% discount is towards the low end of the 0.2% to 8.0% range of the past 12 months.

It compares to the averages of the last one, three, five and 10 years of 3.5%, 2.7%, 4.4% and 7.8% respectively. WTAN actively manages the discount; the board has authority, renewed annually, to repurchase (14.99%) and allot (10%) ordinary shares. In FY16, 18.9m shares (9.4% of the share count at end FY15) were repurchased at a cost of £142.1m. As shown in Exhibit 1, share repurchases are continuing in FY17; year-to-date a further 1.5% of the share base has been bought back at a cost of £26.3m.

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



Source: Thomson Datastream, Edison Investment Research

Capital structure and fees

WTAN currently has 178.5m ordinary shares in issue. On 15 August 2017, it announced an agreement to issue a £30m fixed rate, 37-year secured private placement note at 2.74%, effective 1 November 2017. This is a record low interest rate for this term of debt, and WTAN believes that it represents a great opportunity to lock in long-term funding. Total structural borrowings will increase from £142m to £172m, with the proceeds being used mainly to repay short-term borrowings. At the November 2017 funding date, the weighted average interest payable on WTAN's structural borrowings will decrease from 4.6% to 4.3%. Gearing is managed by WTAN; external managers may hold cash, but are not allowed to employ gearing. At end-October gearing was 11%, which is towards the high end of the 5-15% range of the last five years.

There is no *ad valorem* fee levied by Witan Investment Services as Alternative Investment Fund Manager (AIFM), and so the only management fees incurred are those due to WTAN's external managers; a small minority of which are also entitled to a performance fee, but their base fees are lower than for managers without performance-related fees. In FY16, WTAN's ongoing charges were 0.75%, which is broadly in line with 0.76% in FY15. When performance fees due to external managers are included, ongoing charges in FY16 were 0.65% versus 1.04% in FY15. For FY16, the fees are lower including performance fees because performance fee accruals at end-FY15 were reduced due to the underperformance of some of the external managers during FY16.

Dividend policy and record

WTAN aims to provide real dividend growth as well as long-term capital growth. Dividends are paid quarterly in March, June, September and December. Barring unforeseen circumstances, the dividend policy is that each of the first three interim dividends is equal to a quarter of the prior years' annual dividend, with a balancing, historically higher, fourth interim payment. The trust has a distinguished dividend history; annual dividends have risen for the last 42 consecutive years.

In FY16, the 19.0p dividend was 11.8% higher than the 17.0p FY15 dividend, and the 9.6% compound annual growth rate in dividends over the last five years is meaningfully ahead of the rate of UK inflation over the period. WTAN has significant revenue reserves; at end-FY16 they were equivalent to c 1.5x the annual dividend payment, which will provide a buffer in the event of a period of lower revenue growth.

Peer group comparison

WTAN is a member of the AIC Global sector, which comprises 24 trusts. In Exhibit 9, we highlight the 11 largest, each of which has a market cap in excess of £600m. WTAN's NAV total return is above average over five and 10 years, ranking fourth and third, respectively, while broadly in line over one and three years. Its ongoing charge is higher than average and it is the only trust in the selected peer group to charge a performance fee. WTAN has the highest level of gearing in the selected group and a dividend yield that is 0.3pp above average.

Exhibit 9: Selected peer group as at 7 November 2017*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (ex-par)	Ongoing charge	Perf. fee	Net gearing	Dividend yield (%)
Witan	1,909.7	25.0	58.1	115.3	153.6	(2.4)	0.8	Yes	111	1.9
Alliance Trust	2,597.4	26.5	59.9	99.4	121.6	(5.1)	0.5	No	101	1.8
Bankers	1,060.5	26.2	60.8	110.7	140.3	(1.9)	0.5	No	103	2.1
British Empire	839.0	22.0	51.9	77.2	93.2	(9.7)	0.9	No	106	1.6
Caledonia Investments	1,512.5	18.8	37.5	89.1	90.5	(17.6)	1.1	No	100	2.0
F&C Global Smaller Companies	802.6	23.3	61.0	126.9	217.8	1.1	0.6	No	104	0.9
Foreign & Colonial	3,445.0	22.7	58.2	108.5	130.6	(4.5)	0.5	No	107	1.6
Law Debenture Corporation	723.1	23.6	41.3	87.9	142.0	(10.5)	0.4	No	101	2.8
Monks	1,652.9	36.3	75.4	118.1	117.4	1.0	0.6	No	101	0.2
Scottish Investment Trust	673.0	15.5	49.5	86.2	102.1	(10.4)	0.6	No	106	1.7
Scottish Mortgage	6,367.4	45.4	92.8	202.2	255.8	1.6	0.4	No	105	0.7
Average	1,962.1	25.9	58.8	111.1	142.3	(5.3)	0.6		104	1.6
WTAN rank in group (11 trusts)	4	5	7	4	3	5	3		1	4

Source: Morningstar, Edison Investment Research. Note: *Performance data to 6 November 2017. TR=total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

WTAN has a relatively large board of nine directors, eight of whom are non-executive and independent of the manager. Chairman Harry Henderson was appointed in 1988 and assumed his current role in 2003. The other independent directors and year of appointment are as follows: Tony Watson (2006), Robert Boyle (2007), Catherine Claydon (2009), Richard Oldfield (2011), Suzy Neubert (2012), Ben Rogoff (2016) and Jack Perry (2017). Andrew Bell is considered non-independent as he CEO of WTAN; he was appointed in 2010.

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisers and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting. Edison is authorised and regulated by the Financial Conduct Authority ([Financial Conduct Authority](https://www.fca.org.uk/)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2018 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Witan Investment Trust and prepared and issued by Edison for publication globally. 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. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US 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. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and 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 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. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. 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. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. 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. 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 (ie 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. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. 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.