

# Witan Investment Trust

## Investors to benefit from deal with Alliance Trust

Following a review of Witan Investment Trust's (WTAN's) investment management arrangements, the boards of WTAN and Alliance Trust (ATST) have announced a combination of the two companies to create Alliance Witan PLC. Witan's board unanimously recommended the deal, which ensures the continuation of its active multi-manager approach and a broadly similar investment strategy. With combined net assets of c £5bn, significant liquidity, economies of scale and eligibility for UK 100 index inclusion, Alliance Witan will aim to deliver a real-term return over the long term through a combination of capital growth and a rising dividend. It aspires to be the UK's leading 'one-stop shop' for global equity investment, at the core of retail investors' portfolios. The combination is expected to be finalised in September or October this year, subject to shareholder approval, and should deliver what the announcement deemed 'substantial benefits' for shareholders of WTAN, ATST and the new Alliance Witan trust.

For WTAN shareholders, the benefits will include an increased dividend. The second interim dividend for the financial year to 31 December 2024 (FY24) will be 1.75p (versus 1.51p previously indicated by WTAN's board, in line with the first interim payment). The third and fourth interim dividends (payable to Alliance Witan shareholders) for FY24 are anticipated to be equivalent to 1.51p per Witan share. This represents a full year dividend of 6.28p, a 4% increase over the 6.04p WTAN paid in respect of 2023, representing a prospective yield of 2.4% based on the current share price. This would mark the 50th consecutive increase for WTAN shareholders, and the 57th for ATST investors.

WTAN investors may also benefit from the investment expertise evidenced by ATST's strong investment performance track record: over the seven years since the appointment of Willis Towers Watson (WTW) as ATST's investment manager in April 2017 to 31 March 2024, its NAV total return was 104.2%, versus 95.7% for its benchmark, the MSCI All Country World Index. Over the three years to end March 2024, ATST's NAV total return was 39.7%, against a benchmark return of 33.6%. WTAN shareholders also have the option of a partial cash exit at a 2.5% discount to NAV, versus the current discount of 7.9%.

The deal also includes a new, more competitive management fee structure amounting to 0.52% on the first £2.5bn of Alliance Witan's market capitalisation, 0.49% between £2.5bn and £5.0bn, and 0.46% on market cap above this level. The greater economies of scale derived from the larger investment vehicle will lead to lower ongoing charges, especially for WTAN's shareholders.

The board of the new vehicle will initially comprise 10 members, include four members of WTAN's board, and will be chaired by ATST's chairman, Dean Buckley. WTAN's chair, Andrew Ross, will be deputy chair. The number of Alliance Witan board members will be reduced to eight in spring 2025 at new trust's first AGM.

Combination announcement

Investment trusts  
Global equities

27 June 2024

<b>Price</b>	<b>261p</b>
<b>Market cap</b>	<b>£1,569.9m</b>
<b>AUM</b>	<b>£2,011.6m</b>
NAV/share*	283.5p
Discount to NAV*	7.9%
*At 25 June 2024.	
Shares in issue	601.5m
Yield (based on forecast FY24 total dividend)	2.4%
Code/ISIN	WTAN/GB00BJTRSD38
Primary exchange	LSE
AIC sector	Global equities

### Fund objective

Witan Investment Trust aims to achieve an investment total return exceeding that of its benchmark over the long term together with growth in the dividend ahead of inflation. The trust's composite benchmark with effect from 1 January 2020 is 15% UK and 85% world (including the UK).

### Analyst

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