

Witan Investment Trust plc
Financial Report for the
half year ended 30 June 2010



Directors and other Information

Directors

H M Henderson^{a,c} (Chairman)

A L C Bell (Chief Executive Officer)

R H McGrath^{a,c}

R A Bruce^{a,b}

A Watson^{a,b} (Senior Independent Director)

J E B Bevan^a

R W Boyle^{a,b}

M C Claydon^{a,c}

^a Independent non-executive directors

^b Members of the Audit Committee, which is chaired by Mr Boyle

^c Member of the Remuneration Committee, which is chaired by Mrs Claydon

Secretary

Henderson Secretarial Services Limited, represented by G S Rice ACIS

Registered Office

201 Bishopsgate

London

EC2M 3AE

Telephone: 020 7818 1818

Registered Number

Registered as an investment company in England and Wales No. 101625

Registrar

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol

BS99 7NH

Telephone: 0870 707 1408

Payment of Dividends:

Dividends can be paid directly to a shareholder's bank account by means of BACS. Mandate forms for this purpose are available on request from the Registrar (at the address above). Alternatively, shareholders can write to the Registrar to give their instructions: these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

New Zealand Registrar

Computershare Investor Services Limited

Private Bag 92119

Auckland 1142

New Zealand

Telephone:

(New Zealand) (64) 09 488 8777

Other Points of Contact

If you have any questions or need more information concerning Witan, you may contact us in the following ways:

Freephone:

0800 082 8180

Website:

www.witan.com

Post:

For Witan Wealthbuilder (and

Jump) queries:

Witan Wealthbuilder

PO Box 4605

Worthing

West Sussex

BN99 6QY

Note to those who access this document by electronic means

The financial report for the half year ended 30 June 2010 has been approved by the Board of Witan Investment Trust plc and circulated to the Company's shareholders in hard copy format. It is also made available in electronic format for the convenience of readers. However, the Board cannot accept responsibility for guaranteeing the integrity of the document in electronic format. Printed copies are available from the Company's Registered Office in London.

Readers should note that legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

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The Association of
Investment Companies



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“Only in growth,
reform, and change ... is
true security to be found”.

– Anne Morrow Lindbergh

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ibc Example of a Witan advertisement

Investment trusts are public limited companies, quoted on the London Stock Exchange, which provide shareholders with a professionally managed portfolio of investments. Investment trusts are exempt from tax on the capital gains arising on their investments. Income, net of expenses and tax, is distributed substantially to shareholders. Shareholders elect the directors.

Witan Investment Trust plc

Half Year Report 2010

Objective

To be the first choice for wealth creation through equity investment.

Philosophy

- ◆ Seek returns for our investors across global stockmarkets.
- ◆ Embrace new investment techniques when appropriate.
- ◆ Present ourselves to investors in a clear, no-nonsense way.

Method

- ◆ To maintain at least 80% exposure to equity markets.
- ◆ To offer an independent multi-manager approach, accessing the best available talent within the global marketplace.
- ◆ To use alternative asset classes and investment techniques to improve performance.
- ◆ To grow the dividend at least in line with inflation.
- ◆ To buy back shares to improve net asset value and reduce the discount.
- ◆ To be ready to use borrowing in attractive markets while retaining the ability to convert to cash when prospects are poor.
- ◆ To promote and seek demand for Witan shares.
- ◆ To exercise strict controls on costs and keep expenses competitive.

Financial Highlights

Corporate Key Performance Indicators

| | (Unaudited) 30 June 2010 | Change since 31 December 2009 | (Unaudited) 30 June 2009 | (Audited) 31 December 2009 |
|---|--------------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Share price | 419.5p | -5.6% | 344.5p | 444.6p |
| Net asset value per ordinary share (debt at par value) | 487.3p | -3.1% | 399.9p | 502.7p |
| Net asset value per ordinary share (debt at fair value) | 480.7p | -3.3% | 393.0p | 497.0p |
| Dividends per ordinary share | 4.4p | | 4.3p | 10.5p |
| Discount (debt at par value) | 13.9% | | 13.9% | 11.6% |
| Discount (debt at fair value) | 12.7% | | 12.3% | 10.5% |
| Share buy-backs ^(A) | 3.0% | | 0.5% | 5.1% |
| Total expense ratio including performance fees ^(B) | 0.51% | | 0.62% | 0.98% |
| Total expense ratio excluding performance fees ^(B) | 0.41% | | 0.37% | 0.71% |
| Number of private investors ^(C) | 38,389 | | 40,034 | 39,580 |

(A) The percentage of the ordinary share capital in issue at the previous year end that was bought back during the period.

(B) The total of the management fees and other administrative expenses for the period (excluding the expenses of the subsidiary company) as a percentage of the average of shareholders' funds at the beginning and end of the period.

(C) The sum of the number of accounts on the Company's register of members and the number of accounts in Witan Wealthbuilder and Jump.

Performance

| Total Returns to 30 June 2010 | 6 months % return | 1 year % return | 3 years % return | 5 years % return |
|---|----------------------|--------------------|---------------------|---------------------|
| Total shareholder return ^(D) | -4.4 | 24.8 | -7.9 | 30.1 |
| Net asset value total return ^(E) | -1.9 | 24.4 | -6.4 | 31.8 |
| Benchmark ^(F) | -3.8 | 22.1 | -8.2 | 25.6 |
| FTSE All-Share Index | -6.2 | 21.1 | -16.2 | 18.7 |
| FTSE World (ex UK) Index | -2.0 | 23.2 | -1.3 | 30.4 |

(D) The movement in the ordinary share price adjusted to include the notional reinvestment of dividends.

(E) The movement in the net asset value per share adjusted to include the notional reinvestment of dividends.

(F) Since 1 October 2007 the benchmark has been a composite of four indices: the FTSE All-Share Index 40%, the FTSE All-World North America Index 20%, the FTSE All-World Europe (ex UK) Index 20% and the FTSE All-World Asia Pacific Index 20%. From 1 September 2004 to 30 September 2007 the benchmark comprised the FTSE All-Share Index 50% and the FTSE World (ex UK) Index 50%.

Source: Datastream and Lipper (except the net asset value total return over 6 months and 1 year).

Other Financial Highlights

| | (Unaudited) 30 June 2010 | Change since 31 December 2009 | (Unaudited) 30 June 2009 | (Audited) 31 December 2009 |
|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Net assets | £962m | -5.9% | £853m | £1,023m |
| Number of ordinary shares in issue | 197,385,220 | -3.0% | 213,234,054 | 203,464,280 |
| Revenue return per ordinary share | 6.32p | | 7.10p | 10.63p |
| Gearing* | 6.7% | | 5.2% | 5.0% |

*The total market value of the investments less shareholders' funds as a percentage of shareholders' funds. Taking account of index futures investments, the gearing at 30 June 2010 was 8.8%.

Interim Management Report

Highlights

- During the six month period under review, the Company's Net Asset Value total return was -1.9% compared with a benchmark return of -3.8% for the same period – a relative outperformance of 1.9%.
- Eleven out of thirteen of the Company's manager mandates outperformed their respective benchmarks during the period.
- An interim dividend of 4.4p (2009: 4.3p) per ordinary share (an increase of 2.3%) will be paid on 17 September 2010 to shareholders on the register as at 27 August 2010.
- A new pan-European mandate was awarded to Marathon.
- Gearing (including futures exposure) increased from 5% at the year end to 8.8% at 30 June 2010.

Market Background

The first half of 2010 marked confirmation that most global economies, including the UK, had emerged from 2009's deep recession. Corporate earnings and dividends generally exceeded expectations which helped to underpin equity valuations. This enabled markets to shake off a bout of nerves early in the New Year, sparking a rally that peaked in April.

At this point, sentiment began to turn sour, with concerns initially centring on inflation risks stemming from the strength in commodity prices (driven by rapid growth in emerging economies). In addition, it became clear that markets had lost confidence in the ability of some European countries (such as Greece) to control their budget deficits. This led to significant volatility in bond markets and worries that the resulting fiscal austerity plans would

pitch the region, and possibly the world, back into recession. Questions began to be asked about the future of the Euro currency in its current form, raising the risk of a renewed bout of financial sector turbulence, given that the bonds of the Euro zone countries viewed as at risk are widely held by European banks.

As the second quarter ended, equity markets closed near their 2010 low points, amid concerns about a double-dip recession. Better news from company trading results and economic growth was being ignored. Pessimists would say this was due to the unsustainability of the recovery, putting earnings estimates at risk. Optimists would counter that valuations already discounted a mediocre outlook.

Investment Income

There has been a recovery in dividend payouts this year, as recession-induced cuts dropped out of the picture and companies enjoyed a recovery in profitability. In the UK, overseas-sourced earnings were boosted by the strength of the dollar. An exception to this generally more optimistic picture was BP being forced to suspend its remaining quarterly dividends for 2010, as it grappled with the financial and political costs of the Gulf of Mexico oil spill. This (even if only for one year) took nearly 10% from the UK market's dividend income for 2010. We were partly buffered from this by our underweighting of the UK market, and of BP within our UK portfolio, but it took the gloss off an underlying rise in income in the first half. In the event, our investment income fell by 2.5% in the first half. Expenses were higher (although the total expense ratio fell – see the section headed Expenses on page 6) and the VAT repayments received in 2009 were non-recurring. Accordingly, our revenue earnings per share fell by 11.0%. The underlying position (stripping out the

effect of the VAT repayments received in 2009) was a decline of 3.0%.

Portfolio Changes

Witan's new Chief Executive, Andrew Bell, joined in early February. He and the Board have been reviewing a number of enhancements to the management of the portfolio, against the background of improving relative performance, with the majority of the managers having outperformed so far during 2010.

Witan has had the ability to invest using equity index futures for a number of years but has done so infrequently. Nonetheless, the Board views this as a valuable source of flexibility in a multi-manager portfolio where medium-term stock decisions by the managers are a significant feature and where, as a result, changes in managers' investment allocations are an imperfect way of adjusting shorter term market exposure. The Company has used equity index futures since June, initiating investments in a number of regional indices to take advantage of the correction in markets by edging the gearing higher. These investments (with an underlying value of about 2.0% of assets at the period end) were mainly in UK and European indices, where the greatest relative value was seen. This ability, which operates within policy guidelines set by the Board, also enables Witan to adjust its asset allocation, in the event that stock-driven decisions by managers take the geographical asset allocation outside a desired range.

Subsequent to the period end, Witan awarded a pan-European mandate to Marathon Asset Management, combining their existing UK-only mandate with Witan and the Europe ex-UK mandate previously managed by Wellington Management Company. The Board believes that the unconstrained ability to pick stocks across

the wider pan-European index gives the manager additional scope to add value, as part of the Company's mix of national, regional and global managers.

A number of direct investments have been made in quoted investment companies so as to gain exposure to special opportunities and undervalued assets in areas not covered by the outsourced managers. These areas include private equity (with investments in 3i Group and HarbourVest Global Private Equity) and distressed debt (via the NB Distressed Debt Investment Fund). The Board believes that the ability to take advantage of special situations, such as undervalued assets and areas too specialist to merit a formal segregated mandate, adds a further route for Witan to add value for shareholders.

Investment Performance

The all round performance of the managers has been very good, with 11 out of the 13 managers outperforming relative to their individual benchmarks. In total, these 11 were responsible for management of over 80% of Witan's assets during the period. This fed through to a strong *relative* performance by the portfolio as a whole, although the negative trend of markets in the second quarter meant that this was not enough to deliver a positive *absolute* return in the period. The portfolio total return before costs was -1.2% in the first half of the year (2.8% ahead of the benchmark). Witan's net asset value total return after costs was -1.9%, beating the -3.8% total return of the benchmark by 1.9%.

The two laggards were Wellington in Europe, after a strong performance in 2009, and Comgest in Asia, whose fundamental value based approach delivered a positive return of 3.4% but lagged the 5.2% return from its Asian benchmark.

Interim Management Report *continued*

The UK managers all beat their benchmarks, with the smaller companies mandate managed by Henderson producing a 6.6% total return (for a 5.3% relative return) and the two more active mainstream UK managers also performing strongly, Artemis being 3.7% ahead of its benchmark and Marathon 2.8% ahead. Internationally, Southeastern continued its strong run from 2009, beating its global benchmark by 4.8%. Varenne's concentrated portfolio of pan-European equities performed outstandingly, with a total return of 8.4% in a period when its benchmark delivered minus 9.6%. Japan was also a bright spot, where Brandes delivered a total return of 9.6%, 4% ahead of the Japanese benchmark.

Expenses

Expenses rose in the first half of the year, owing to the effect of investment consultancy fees, higher asset values, the costs associated with the migration of the savings plans to an improved platform and, most important, the non-recurring nature of the VAT refunds received in 2009. Basic investment management fees rose by 43%, owing both to the effect of rising markets and the decline in sterling. Performance fees (at £1.0 million) were lower than in the first half of 2009 (£2.2 million) but higher than those incurred in the second half of 2009 (£0.4 million). Aside from the level of performance, the figures are affected by fluctuations between parts of the portfolio with differing fee structures. The total expense ratio ("TER") for the six months was 0.51%, compared with 0.62% for the first half of 2009. Without performance fees, the TERs were 0.41% for 2010 and 0.37% for 2009.

Gearing

The Company has structural borrowings of about £110 million, amounting to about

11% of net assets. In order to have liquidity for normal corporate expenses and to fund share buy-backs, Witan has typically held corporate cash balances, which (together with any balances held by the managers) has capped the Company's ability to gear at 6% to 7% of assets. There is also a currency difference between the investments (which are substantially non-sterling) and the borrowings (which are all in sterling). Whilst this has worked to the Company's advantage when sterling has been weak, as in recent years, this may not always be so. The use of futures enables the Company to manage its gearing and asset allocation more flexibly.

Gearing rose from 5% at 31 December 2009 to 8.8% at the end of June (taking account of index futures investments), as advantage was taken of the market correction to raise equity exposure towards the end of the half year period.

Dividend

The Company has a 35 year record of dividend increases, including last year when dividend income was under greater pressure than in living memory. The Board believes that the underlying trend of corporate payouts is turning positive (despite the special situation of BP) and has decided to increase the first interim dividend for 2010 by 2.3% to 4.4p per ordinary share. This dividend will be paid on 17 September 2010 to holders on the register on 27 August 2010.

The revenue earnings per share (6.32p) in the first half more than cover the interim dividend proposed. Although there is a possibility that (with the setback from BP) the 2010 revenue profits per share will be lower than last year's 10.63p, the Company has revenue reserves to smooth such events. The Board currently expects that any

drawdown on the accumulated revenue reserves (of £44.7 million after the dividend payment in September – equivalent to about 23p per share) would be modest. Its policy remains to grow the dividend at least in line with inflation over time, subject to market circumstances.

Share Buy-backs

The Company has continued with its established policy of repurchasing shares at a discount, to reduce discount volatility and to be accretive to the net asset value per share. During the period, 3% of the shares were purchased for cancellation, adding 1.8p (approximately 0.36%) to the net asset value per share. Despite this, during the period of global market turbulence and investors selling ahead of expected taxation changes in the UK budget, the discount widened to 11.6% (calculated excluding income and with the debt at fair value) at the period end. During July and August, the discount has steadily improved (to 9.9% as at 13 August 2010).

Jump Savings/Wealthbuilder

The Witan savings plans have seen increased inflows this year, although there have also been more withdrawals than during the depressed period for markets in early 2009. The Coalition Government's decision to stop providing funding for new Child Trust Fund accounts cuts off one route for families to save for children but the Jump savings scheme remains open for both new and existing investors. In addition, existing Child Trust Fund savers within the Jump CTF scheme will be able to add to their investment (within the statutory limits). Witan Investment Services Limited is moving the administration of the schemes to a new platform, to introduce enhancements for savers, and will be in contact with investors shortly to set out the details.

Outlook

The equity markets' recovery in 2009 was fuelled by increasing confidence that the concerted stimulus measures adopted by global governments would spur an economic upturn. Although this has come to pass, the first half of 2010 has seen sharply fluctuating investor sentiment, in response to monetary tightening measures by faster growing economies, such as China, and fiscal tightening by slower growing regions, such as Europe. It is common for the transition from markets driven by interest rate cuts to those dependent on earnings recovery to be awkward and prone to worries that the previous source of fuel will run out before the new one becomes available. These worries are more acute because the debt overhang continues to erode private sector confidence, while national budget deficits constrain governments' ability to support growth. This has given rise to anxiety in some quarters that the world is doomed to slip back into recession, although these fears are probably exaggerated. With the global authorities having been given a severe fright by the volatility in European government debt markets, policy makers face a tricky balance between maintaining credibility with the bond markets and keeping policy sufficiently growth friendly to enable the debt overhang to be worked off in an orderly way.

During July, optimism on corporate earnings began to outweigh worries about renewed recession, spurring a global equity rally. Despite this, sentiment remains fragile and the outlook for equity markets, in the short term at least, is continued volatility. Accordingly, Witan's managers will continue to concentrate on choosing investments whose prospects are not solely dependent on the external environment while the Board will determine asset allocation and use gearing to take advantage of opportunities as they present themselves, while being mindful of the risks.

Interim Management Report *continued*

Regulatory Disclosures

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Company's Annual Report for the year ended 31 December 2009.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company's business can be divided into various areas:

- a fall in equity prices
- the application of investment strategy: country, currency, industrial sector, stock selection, choice of investment manager
- the appropriateness of the corporate objective and strategy
- operational and regulatory risks.

Information on these risks is given in the Business Review and in the Notes to the Financial Statements in the Company's Annual Report for the year ended 31 December 2009.

In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- (c) the interim management report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board

Harry Henderson
Chairman
16 August 2010

Portfolio Information as at 30 June 2010

50 largest equity investments by market value

| Company | £'000 |
|------------------------------------|--------|
| Royal Dutch Shell | 19,089 |
| NKSJ Holdings (Japan) | 15,527 |
| Fairfax Financial (Canada) | 14,471 |
| BP | 13,383 |
| Yum! Brands (United States) | 13,240 |
| DirecTV (United States) | 13,191 |
| GlaxoSmithKline | 12,809 |
| HSBC | 11,823 |
| Walt Disney (United States) | 11,571 |
| 3i Group | 11,555 |
| Vodafone | 11,283 |
| Accor (France) | 11,090 |
| Cheung Kong (Hong Kong) | 10,599 |
| NB Distressed Debt Investment Fund | 10,578 |
| HarbourVest GBL Private Equity | 9,558 |
| ACS Actividades (Spain) | 9,315 |
| Willis (United States) | 9,199 |
| AstraZeneca | 8,985 |
| Chesapeake Energy (United States) | 8,767 |
| Dell (United States) | 8,376 |
| BHP Billiton | 8,237 |
| Rio Tinto | 8,194 |
| Reckitt Benckiser | 7,946 |
| Diageo | 7,491 |
| Carrefour (France) | 7,127 |

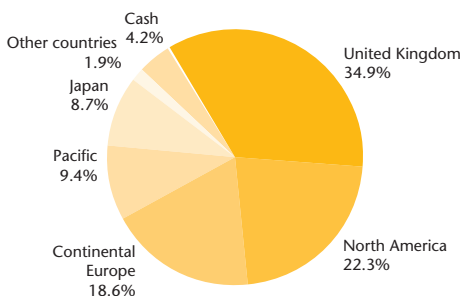
Top 25 **£273.4 million (26.6%)**

Note: Unless stated otherwise, all are listed in the UK. The above listing is of the largest individual equity investments and as such excludes the collective investments used to invest in North America and Australasia. A full list of investments is available at www.witan.com

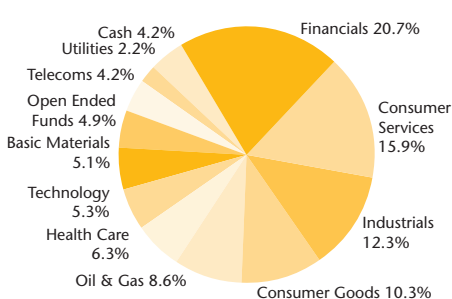
| Company | £'000 |
|--|-------|
| Cemex (Mexico) | 6,560 |
| British American Tobacco | 6,327 |
| Tesco | 6,086 |
| Standard Chartered | 5,960 |
| Japan Petroleum Exploration (Japan) | 5,872 |
| Barclays | 5,660 |
| Roche (Switzerland) | 5,653 |
| Hochtief (Germany) | 5,590 |
| BG | 5,398 |
| Unilever | 5,392 |
| Lloyds Banking Group | 5,212 |
| Taiwan Semiconductor (Taiwan) | 4,814 |
| Smiths Group | 4,610 |
| Norbert Dentressangle (France) | 4,607 |
| Centrica | 4,511 |
| Sligro Foods | 4,449 |
| Marr SPA (Italy) | 4,381 |
| Singapore Telecommunications (Singapore) | 4,421 |
| Aberforth Geared Income Trust | 4,376 |
| Liberty Media (United States) | 4,376 |
| Total (France) | 4,141 |
| Nestlé (Switzerland) | 4,096 |
| Anglo American | 3,953 |
| Greggs | 3,930 |
| Reed Elsevier | 3,632 |

Top 50 **£397.4 million (38.7%)**

Portfolio by geographical classification



Sector breakdown of the portfolio



Investment Managers *Mandates as at 30 June 2010*

| Equity mandate | Investment manager | Benchmark (total return) | Investment style |
|-------------------------|-------------------------------|--|---------------------------------|
| UK mid-large | Henderson Global Investors | FTSE 350 (ex investment companies) | Enhanced index |
| UK | Artemis Investment Management | FTSE All-Share | Recovery/ special situations |
| UK | Marathon Asset Management | FTSE All-Share | Capital cycles |
| UK smaller companies | Henderson Global Investors | Hoare Govett Smaller Companies (ex investment companies) | Growth at an attractive price |
| Global | Southeastern Asset Management | FTSE All-World | Value |
| Global | MFS International | FTSE All-World | Growth at an attractive price |
| Global | Thomas White International | FTSE All-World | Fundamental research |
| Continental Europe | Wellington Management Company | FTSE World Europe (ex UK) | Fundamental research |
| Europe (inc UK) | Varenne Capital | FTSE All-World Developed Europe | Value |
| North America | Henderson Global Investors | FTSE World North America | Enhanced index |
| Japan | Brandes Investment Partners | FTSE Japan | Value |
| Asia Pacific (ex Japan) | Comgest | FTSE All-World Asia Pacific (ex Japan/ Australia/New Zealand) | Fundamental research |
| Australasia | Orbis Investment Management | FTSE Australasia | Value |

Investment Managers Assets under Management and Investment Performance as at 30 June 2010

| Investment Manager | Value of funds under management £m at 30.06.10 | % of Witan's funds under management at 30.06.10* | Performance in the period 01.01.10 to 30.06.10 (%) | Benchmark Performance 01.01.10 to 30.06.10 (%) | Performance in the period since inception to 30.06.10 (%) (annualised) | Benchmark Performance since inception to 30.06.10 (%) (annualised) |
|---|---|---|--|--|--|--|
| Performance for the half year ended 30 June 2010 and from inception to 30 June 2010 | | | | | | |
| Henderson Global Investors (UK mid-large) | 165.6 | 15.9 | -6.0 | -6.4 | 6.1 (B) | 5.6 (B) |
| Artemis Investment Management (UK) | 83.5 | 8.0 | -2.7 | -6.1 | 1.5 (F) | -6.0 (F) |
| Marathon Asset Management (UK) | 75.8 | 7.3 | -3.5 | -6.1 | -3.5 (F) | -6.0 (F) |
| Henderson Global Investors (UK smaller) | 25.9 | 2.5 | 6.6 | 1.2 | 9.1 (A) | 8.7 (A) |
| Southeastern Asset Management (Global) | 148.1 | 14.2 | 2.9 | -1.9 | 6.3 (B) | 7.4 (B) |
| MFS International (Global) | 120.3 | 11.5 | -1.7 | -1.9 | 9.5 (B) | 7.4 (B) |
| Thomas White International (Global) | 104.1 | 10.0 | 1.0 | -1.9 | 0.0 (D) | -1.2 (D) |
| Wellington Management Company (Europe) | 72.7 | 7.0 | -13.9 | -10.5 | 5.9 (B) | 8.2 (B) |
| Varenne Capital (Europe including the UK) | 29.2 | 2.8 | 8.4 | -9.6 | -2.5 (E) | -7.1 (E) |
| Henderson Global Investors (North America) | 36.5 | 3.5 | 1.0 | 0.8 | 5.5 (A) | 5.2 (A) |
| Brandes Investment Partners (Japan) | 59.8 | 5.7 | 9.6 | 5.4 | 6.2 (B) | 4.2 (B) |
| Comgest (Asia Pacific excluding Japan) | 67.5 | 6.5 | 3.4 | 5.2 | 7.4 (C) | 7.9 (C) |
| Orbis Investment Management (Australasia) | 17.0 | 1.6 | -8.8 | -8.9 | 3.5 (C) | 2.1 (C) |
| CEO Growth Opportunities Portfolio (directly held) | 36.2 | 3.5 | not applicable | | -6.0 † | -11.1 † |

Notes:

* The figures exclude the cash balances held centrally by Witan and the unquoted investments.

(A) from 31.08.04

(C) from 31.07.07

(E) from 30.04.08

(B) from 30.09.04

(D) from 28.09.07

(F) from 06.05.08

† The CEO Growth Opportunities Portfolio comprises holdings selected by the CEO; the first investments were made in March 2010.

Source: The WM Company.

Financial Statements

Consolidated Income Statement

for the half year ended 30 June 2010

| | (Unaudited) Half year ended 30 June 2010 | | |
|---|---|----------------------------|-----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Investment income | 17,458 | – | 17,458 |
| Other income | 729 | – | 729 |
| (Losses)/gains on investments held at fair value through profit or loss (Note 2) | – | (28,688) | (28,688) |
| Total income/(loss) | 18,187 | (28,688) | (10,501) |
| Expenses | | | |
| Management and performance fees | (364) | (2,093) | (2,457) |
| Write-back of prior years' VAT | – | – | – |
| Other expenses | (3,004) | (148) | (3,152) |
| Profit/(loss) before finance costs and taxation | 14,819 | (30,929) | (16,110) |
| Finance costs | (1,025) | (2,948) | (3,973) |
| Profit/(loss) before taxation | 13,794 | (33,877) | (20,083) |
| Taxation | (1,163) | – | (1,163) |
| Profit/(loss) attributable to equity holders of the parent company | 12,631 | (33,877) | (21,246) |
| Earnings/(loss) per ordinary share (Note 3) | 6.32p | (16.95)p | (10.63)p |

A Statement of Comprehensive Income has not been prepared as there is no other comprehensive income.

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRSs as adopted by the European Union.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Witan Investment Trust plc, the parent company. There are no minority interests.

| (Unaudited) Half year ended 30 June 2009 | | | (Audited) Year ended 31 December 2009 | | |
|---|----------------------------|----------------|--|----------------------------|----------------|
| Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| 17,891 | – | 17,891 | 29,199 | – | 29,199 |
| 1,598 | – | 1,598 | 2,304 | – | 2,304 |
| – | (19,286) | (19,286) | – | 196,885 | 196,885 |
| 19,489 | (19,286) | 203 | 31,503 | 196,885 | 228,388 |
| (255) | (2,954) | (3,209) | (583) | (4,310) | (4,893) |
| 1,249 | – | 1,249 | 1,249 | – | 1,249 |
| (2,664) | – | (2,664) | (5,172) | (74) | (5,246) |
| 17,819 | (22,240) | (4,421) | 26,997 | 192,501 | 219,498 |
| (1,120) | (3,233) | (4,353) | (2,146) | (6,189) | (8,335) |
| 16,699 | (25,473) | (8,774) | 24,851 | 186,312 | 211,163 |
| (1,539) | 364 | (1,175) | (2,327) | 723 | (1,604) |
| 15,160 | (25,109) | (9,949) | 22,524 | 187,035 | 209,559 |
| 7.10p | (11.76)p | (4.66)p | 10.63p | 88.27p | 98.90p |

Financial Statements

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2010

| | (Unaudited) Half year ended 30 June 2010 | | | | | |
|--|---|--------------------------------------|---|---------------------------------------|-----------------------------|----------------|
| | Ordinary share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 December 2009 | 50,866 | 16,237 | 42,960 | 859,595 | 53,161 | 1,022,819 |
| (Loss)/profit for the period | – | – | – | (33,877) | 12,631 | (21,246) |
| Ordinary dividend paid | – | – | – | – | (12,385) | (12,385) |
| Buy-backs of ordinary shares (Note 5) | (1,520) | – | 1,520 | (27,379) | – | (27,379) |
| At 30 June 2010 | <u>49,346</u> | <u>16,237</u> | <u>44,480</u> | <u>798,339</u> | <u>53,407</u> | <u>961,809</u> |

| | (Unaudited) Half year ended 30 June 2009 | | | | | |
|--|---|--------------------------------------|---|---------------------------------------|-----------------------------|----------------|
| | Ordinary share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 December 2008 | 53,600 | 16,237 | 40,226 | 716,756 | 52,428 | 879,247 |
| (Loss)/profit for the period | – | – | – | (25,109) | 15,160 | (9,949) |
| Ordinary dividend paid | – | – | – | – | (12,629) | (12,629) |
| Buy-backs of ordinary shares (Note 5) | (291) | – | 291 | (3,970) | – | (3,970) |
| At 30 June 2009 | <u>53,309</u> | <u>16,237</u> | <u>40,517</u> | <u>687,677</u> | <u>54,959</u> | <u>852,699</u> |

| | (Audited) Year ended 31 December 2009 | | | | | |
|--|--|--------------------------------------|---|---------------------------------------|-----------------------------|------------------|
| | Ordinary share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 31 December 2008 | 53,600 | 16,237 | 40,226 | 716,756 | 52,428 | 879,247 |
| Profit for the period | – | – | – | 187,035 | 22,524 | 209,559 |
| Ordinary dividends paid | – | – | – | – | (21,791) | (21,791) |
| Buy-backs of ordinary shares (Note 5) | (2,734) | – | 2,734 | (44,196) | – | (44,196) |
| At 31 December 2009 | <u>50,866</u> | <u>16,237</u> | <u>42,960</u> | <u>859,595</u> | <u>53,161</u> | <u>1,022,819</u> |

Financial Statements

Consolidated Balance Sheet

as at 30 June 2010

| | (Unaudited) 30 June 2010 £'000 | (Unaudited) 30 June 2009 £'000 | (Audited) 31 December 2009 £'000 |
|---|---|---|---|
| Non current assets | | | |
| Investments held at fair value through profit or loss | 1,026,577 | 896,927 | 1,074,189 |
| Current assets | | | |
| Other receivables | 7,986 | 12,830 | 5,978 |
| Cash and cash equivalents | 47,087 | 62,995 | 58,638 |
| | <u>55,073</u> | <u>75,825</u> | <u>64,616</u> |
| Total assets | <u>1,081,650</u> | <u>972,752</u> | <u>1,138,805</u> |
| Current liabilities | | | |
| Other payables | (9,635) | (9,927) | (5,820) |
| Total assets less current liabilities | <u>1,072,015</u> | <u>962,825</u> | <u>1,132,985</u> |
| Non current liabilities | | | |
| 8½ per cent. Debenture Stock 2016 | (44,589) | (44,589) | (44,589) |
| 6.125 per cent. Secured Bonds due 2025 | (63,062) | (62,982) | (63,022) |
| 3.4 per cent. cumulative preference shares of £1 | (2,055) | (2,055) | (2,055) |
| 2.7 per cent. cumulative preference shares of £1 | (500) | (500) | (500) |
| | <u>(110,206)</u> | <u>(110,126)</u> | <u>(110,166)</u> |
| Net assets | <u>961,809</u> | <u>852,699</u> | <u>1,022,819</u> |
| Equity attributable to equity holders | | | |
| Ordinary share capital | 49,346 | 53,309 | 50,866 |
| Share premium account | 16,237 | 16,237 | 16,237 |
| Capital redemption reserve | 44,480 | 40,517 | 42,960 |
| Retained earnings: | | | |
| Other capital reserves | 798,339 | 687,677 | 859,595 |
| Revenue reserve | 53,407 | 54,959 | 53,161 |
| Total equity | <u>961,809</u> | <u>852,699</u> | <u>1,022,819</u> |
| Net asset value per ordinary share (Note 6) | <u>487.3p</u> | <u>399.9p</u> | <u>502.7p</u> |

Financial Statements

Consolidated Cash Flow Statement

for the half year ended 30 June 2010

| | (Unaudited) Half Year ended 30 June 2010 £'000 | (Unaudited) Half Year ended 30 June 2009 £'000 | (Audited) Year ended 31 December 2009 £'000 |
|---|---|---|---|
| Operating activities | | | |
| (Loss)/profit before taxation | (20,083) | (8,774) | 211,163 |
| Interest paid | 3,866 | 4,327 | 8,233 |
| Losses/(gains) on investments held at fair value through profit or loss | 28,688 | 19,286 | (196,885) |
| Net sales/(purchases) of investments held at fair value through profit or loss | 19,750 | (32,054) | 17,248 |
| (Increase)/decrease in other receivables | (351) | 6,631 | 1,367 |
| (Decrease)/increase in other payables | (117) | 5,327 | 864 |
| Cash inflow/(outflow) from futures contracts | 758 | (89) | 1,101 |
| Scrip dividends included in investment income | – | – | (94) |
| Net cash inflow/(outflow) from operating activities before interest and taxation | 32,511 | (5,346) | 42,997 |
| Interest paid | (3,866) | (4,327) | (8,233) |
| Amortisation of debt issue costs | 40 | 39 | 79 |
| Tax on overseas income | (1,325) | (1,124) | (1,513) |
| Net cash inflow/(outflow) from operating activities | 27,360 | (10,758) | 33,330 |
| Financing activities | | | |
| Equity dividends paid | (12,385) | (12,629) | (21,791) |
| Buy-backs of ordinary shares | (27,067) | (4,376) | (44,316) |
| Buy-backs of secured bonds and debenture stock | – | (32,039) | (32,038) |
| Net cash outflow from financing activities | (39,452) | (49,044) | (98,145) |
| Decrease in cash and cash equivalents | (12,092) | (59,802) | (64,815) |
| Cash and cash equivalents at the start of the period | 58,638 | 124,383 | 124,383 |
| Effect of foreign exchange rate changes | 541 | (1,586) | (930) |
| Cash and cash equivalents at the end of the period | 47,087 | 62,995 | 58,638 |

Financial Statements

Notes to the Financial Statements

1 Basis of preparation

The condensed set of financial statements for the half year ended 30 June 2010 has been prepared on the basis of the accounting policies set out in the consolidated financial statements for the year ended 31 December 2009.

2 Transaction costs

The (losses)/gains on investments held at fair value through profit or loss include purchase transaction costs of £598,000 (half year ended 30 June 2009: £430,000; year ended 31 December 2009: £962,000) and sale transaction costs of £283,000 (half year ended 30 June 2009: £172,000; year ended 31 December 2009: £444,000). The purchase transaction costs comprise mainly stamp duty and commissions. The sale transaction costs comprise mainly commissions.

3 Earnings/(loss) per ordinary share

The loss per ordinary share figure is based on the net loss for the half year of £21,246,000 (half year ended 30 June 2009: loss of £9,949,000; year ended 31 December 2009: gain of £209,559,000) and on 199,775,901 ordinary shares (half year ended 30 June 2009: 213,663,775; year ended 31 December 2009: 211,898,833), being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

| | (Unaudited) Half year ended 30 June 2010 £'000 | (Unaudited) Half year ended 30 June 2009 £'000 | (Audited) Year ended 31 December 2009 £'000 |
|---------------------------|---|---|--|
| Net revenue profit | 12,631 | 15,160 | 22,524 |
| Net capital (loss)/profit | (33,877) | (25,109) | 187,035 |
| Net total (loss)/profit | <u>(21,246)</u> | <u>(9,949)</u> | <u>209,559</u> |

Weighted average number of ordinary shares in issue during the period

199,775,901 213,663,775 211,898,833

| | Pence | Pence | Pence |
|--|----------------|---------------|--------------|
| Revenue earnings per ordinary share | 6.32 | 7.10 | 10.63 |
| Capital (loss)/earnings per ordinary share | (16.95) | (11.76) | 88.27 |
| Total (loss)/earnings per ordinary share | <u>(10.63)</u> | <u>(4.66)</u> | <u>98.90</u> |

4 Interim dividend

The directors have declared an interim dividend of 4.40p (2009: 4.30p) per ordinary share, payable on Friday 17 September 2010 to shareholders registered on Friday 27 August 2010. The shares will be quoted ex-dividend on 25 August 2010.

5 Ordinary share capital

At 30 June 2010 there were 197,385,220 ordinary shares in issue (30 June 2009: 213,234,054; 31 December 2009: 203,464,280). During the half year ended 30 June 2010 the Company bought 6,079,060 of its own issued ordinary shares in the market for cancellation (half year ended 30 June 2009: 1,164,600; year ended 31 December 2009: 10,934,374). The cost of the share buy-backs, including stamp duty, amounted to £27,379,000 (half year ended 30 June 2009: £3,970,000; year ended 31 December 2009: £44,196,000).

Financial Statements

Notes to the Financial Statements *continued*

6 Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £961,809,000 (30 June 2009: £852,699,000; 31 December 2009: £1,022,819,000) and on 197,385,220 (30 June 2009: 213,234,054; 31 December 2009: 203,464,280) ordinary shares, being the number of ordinary shares in issue at the period end.

7 Subsidiary undertaking

The Company has an investment in the issued ordinary share capital of its wholly owned subsidiary undertaking, Witan Investment Services Limited, which is registered in England and Wales, operates in the United Kingdom and is regulated by the Financial Services Authority.

8 Segment Reporting

As detailed in the Company's Annual Report for the year ended 31 December 2009, geographical segments are considered to be the Group's primary reporting segment and business segments the secondary reporting segment. The Group has two business segments: its activity as an investment trust, which is the business of the parent company, and the business of the subsidiary company, Witan Investment Services Limited, which provides management services within the United Kingdom only. The investment trust is managed by reference to a geographical benchmark, as detailed on page 3; the geographical allocation of the portfolio, as at 30 June 2010, is set out on page 9. The schedule on page 11 summarises the assets under management and investment performance relating to each investment manager. This information is updated and reviewed regularly for internal management purposes and is essential for assessing the structure of the overall portfolio and the performance of each investment manager.

| | Half year ended 30 June 2010 | | Half year ended 30 June 2009 | | Year ended 31 December 2009 | |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|------------------------------|
| | Investment trust £'000 | Management services £'000 | Investment trust £'000 | Management services £'000 | Investment trust £'000 | Management services £'000 |
| Revenue from external customers | 17,754* | 433 | 19,136* | 353 | 30,779* | 724 |
| Carrying amount of assets | 960,796 | 1,013 | 851,714 | 985 | 1,021,803 | 1,016 |

*The investment and other income of the parent company.

9 Half year accounts

The condensed set of financial statements, forming the half year accounts, has been neither audited nor reviewed by the Company's auditors.

10 Comparative information

The financial information contained in this half year financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 June 2010 and 30 June 2009 has been neither audited nor reviewed by the auditors.

The figures and financial information for the year ended 31 December 2009 are extracted from the latest published audited financial statements of the Company and do not constitute the statutory accounts for that year. The audited financial statements for the year ended 31 December 2009 have been filed with the Registrar of Companies. The report of the independent auditors on those accounts contained no qualification or statement under section 498(2) or section 498(3) of the Companies Act 2006.

Investing in Witan

How to Invest

There are a variety of ways to invest in Witan Investment Trust plc. Naturally Witan's shares can be traded through any UK stockbroker. However, Witan is also available for investment through the Witan Wealthbuilder savings platform managed by Witan Investment Services. Witan Wealthbuilder offers different savings wrappers which carry the benefits of income reinvestment, regular saving and tax efficient investment. These savings schemes may be purchased online, by telephone or through the post. Online dealing is fixed at £15 per trade while telephone and postal business is charged at 1% per deal (subject to a minimum of £1.25).

- The Share Plan is a straightforward savings scheme with minimum lump sum investment from £500 and/or regular saving from £50 per month or quarter.
- The ISA enables investors to save tax efficiently up to a limit of £10,200 per annum. Minimum lump sum investment is £2,000 with regular savings from £50 per month.
- The Transfer ISA allows investors to transfer all or any number of their existing ISA holdings to Witan Wealthbuilder. The investments retain their tax free status during and after transfer.
- Jump, Witan's savings scheme for children, comes in two flavours, the Child Trust Fund (CTF) and the Savings Plan. The CTF is for new born children who are entitled to the voucher issued by the Government. The Savings Plan is for older children who don't qualify for the CTF voucher or for investors who would prefer more investment flexibility

than the CTF allows. Both the Jump Savings Plan and the CTF give parents, grandparents and other adults the chance to save effectively for children over the long term. The Jump CTF is subject to a minimum initial investment of £250 whilst the minimum lump-sum investment for the Jump Savings Plan is £50 or £25 a month/quarter for regular investments. Please visit www.jumpsavings.com for more information and application forms.

Further information on all services is available by calling 0800 082 8180 or online via www.witan.com
If you would prefer to write to request further information the address is:

Witan Wealthbuilder
PO Box 4605
Worthing
West Sussex BN99 6QY

Please remember that past performance is not a guide to future performance. Witan Investment Trust plc is an equity investment. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax benefits may change if the law changes and their value will depend upon individual circumstances.

Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited is registered in England no. 5272533 of 201 Bishopsgate, London EC2M 3AE. Witan Investment Services provides investment products and services and is authorised and regulated by the Financial Services Authority. We may record telephone calls for our mutual protection and to improve customer service.

Witan's Sponsorship Partners



The Royal Horticultural Society

Witan has enjoyed a long and fruitful partnership with the Royal Horticultural Society. The Trust is currently sponsoring the building of the Bowes-Lyon Rose Garden at the RHS's flagship centre, Wisley, Surrey.



Tommy's Campaign

Witan, through Jump, the Savings Plan for Children, supports Tommy's campaign which funds a national programme of medical research, education and information into the field of miscarriage, still birth and premature birth.

Warning to Shareholders

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers of shares at a discount or offers of free company reports.

Please note that it is very unlikely that either the Company or the Company's Registrar, Computershare Investor Services PLC, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on the inside front cover.

Witan

“Intelligence without wisdom is a bird without wings.”

Salvador Dali



wisdom

Combine intelligence with wisdom, add a little ambition and you get a dividend that increases for 35 years in succession.*

Here at Witan we know that income and more importantly growth in income are at the heart of equity investment returns.

That's why we don't just focus on capital growth we also aim to grow your dividend every year to match – and even beat – inflation.

How have we done?

Well, our dividend has increased for each of the past 35 years.

And over the last ten years, Witan's dividend has grown at well above the rate of inflation.

So, if you are finding income elusive, take a look at the graph and you'll discover another very good reason to invest with Witan today.

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

Just visit www.witan.com or call **0800 082 81 80** and quote xxxx.



| Year | Witan's Dividends | Consumer Price Index (CPI) |
|------|-------------------|----------------------------|
| 1999 | 100 | 100 |
| 2000 | 102 | 101 |
| 2001 | 105 | 102 |
| 2002 | 108 | 103 |
| 2003 | 110 | 104 |
| 2004 | 115 | 105 |
| 2005 | 118 | 106 |
| 2006 | 122 | 107 |
| 2007 | 130 | 108 |
| 2008 | 135 | 109 |
| 2009 | 140 | 110 |

Source: DataStream as at 31.12.2009

Witan investment trust

Witan Investment Trust is an equity investment. Issued and approved by Witan Investment Services Limited. Witan Investment Services Limited is registered in England no. 5272533 of 201 Bishopsgate, London EC2M 3AE. Witan Investment Services Limited provides investment products and services and is authorised and regulated by the Financial Services Authority. Calls may be recorded for our mutual protection and to improve customer service.

The above represents an example of Witan Investment Trust's advertising.

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