

**Alliance Witan PLC**
**Questions and answers from the AGM held on 1 May 2025**

	Question	Answer
1	As only a very small proportion of the shareholders live in or near Dundee and the investment managers are no longer based there, could the next AGM be held in London?	<p>The 2026 AGM will be held in London. Thereafter, the location will alternate between Dundee and London.</p> <p>In making its decision, the Board sought to balance its respect for the long-term home of the Company and its historic shareholder base against today's shareholder base which was much more London-centric. The Board believes that alternating the AGM between London and Dundee is a balanced and pragmatic solution.</p>
2	What funds are in your comparative peer group?	<p>Alliance Witan has two main peer groups against which performance is judged:</p> <ol style="list-style-type: none"> <li>1. AIC Global Equity Sector</li> <li>2. Morningstar universe of UK retail global equity funds (open-ended and closed-ended).</li> </ol>
3.	Who is your marketing aimed at? Is aimed at younger people and what is shareholder age profile?	<p>Marketing efforts are directed across the Company's wide shareholder base (retail and intermediary), with the marketing budget used to cover all market demand opportunities.</p> <p>Overall, marketing efforts have been successful as demonstrated by the Company's narrow discount (with the discount reflecting the supply and demand for shares in the Company). The discount has been managed well with relatively few buybacks and so the strong demand for the Company's shares reflects the quality of the investment strategy, delivery of investment performance and a strong marketing message across the market.</p>
4.	At one time the Company operated Alliance Trust Savings with many investors favouring the scheme/platform – have you considered reintroducing something similar?	<p>In 2017, Alliance Trust Savings was restructured out of the Company and sold to Interactive Investor. The simplification ensured that the Company could focus solely on running the portfolio.</p> <p>There are now many investment platforms available which have the scale and services to develop an investment wrapper business while Alliance Witan focuses on delivering investment performance in the global equity space.</p>

5.	Please can the Board comment on the Ongoing Charges Ratio	<p>The Board is very focussed on expenses and looks for value for money from all its service providers. Jo Dixon and other Board colleagues have been tasked with taking an even closer look at what the Company is spending to ensure best possible value for shareholders. The Board recognises that the Company operates in a very competitive industry where excellent investment performance is the key differentiator followed closely by delivering solutions at a low cost.</p>
6.	<p>There is a relatively small investment in the portfolio in tobacco. Why do the Board see this as acceptable in such a widely held trust and why tarnish the trust in this way for the sake of such a small holding when there are more ethical high yield possibilities such as real estate?</p>	<p>The Company has placed restrictions on a small number of types of companies in which the stock pickers are prohibited from investing. These are companies involved in controversial weapons, companies that derive more than 25% of revenues from thermal coal mining or sales to third parties; derive more than 50% of revenues from thermal coal power generation; or derive more than 25% of revenues from oil sands extraction.</p> <p>Other than the types of companies listed above, the Company's policy towards its stock pickers is to restrict them as little as possible.</p> <p>In terms of the tobacco companies, the Company believes that engagement is better than exclusion in terms of managing capital.</p>
7.	On tobacco, you mentioned engagement was better than exclusion. What engagement is taking place with tobacco companies?	<p>Given that it is not practical to engage tobacco companies to encourage them to reduce or cease core operations, the focus of engagement is on implementation of responsible sales policies and efforts to mitigate the risk from the most dangerous features of the product to the extent practicable.</p>
8.	Earnings per share for 2024 were 17p and the total dividend per share 27p – how long can that go on?	<p>The Company aims to deliver a total return for shareholders where shareholders may expect approximately 20-25% of that return to come through the dividend and 75-80% through capital appreciation. That is what the Board aims for when setting the dividend strategy.</p> <p>One advantage of a closed ended investment trust structure is the ability use reserves to make up a dividend cash payment in years where the earnings of the Company do not fully satisfy the dividend.</p> <p>When the Board sets the dividend, it looks at what investors may be able to achieve from alternative</p>

		<p>investment structures, both peers and passive funds, and sets the dividend at a slightly higher level than might be achieved from peers and, certainly, from passive funds.</p> <p>The dividend is sustainable as the Company has got significant reserves. It is important for the Board to strike an appropriate balance when determining the level of the dividend to appeal to as broad a range of investor as possible.</p>
9.	<p>Please comment on the status of the Witan "legacy assets".</p>	<p>The Company inherited six investment trusts and two private market vehicles from Witan that make up just under 3% of the Company's assets.</p> <p>These assets could have been sold immediately upon transfer but would likely have been sold at a significant discount to NAV. The Investment Manager believes there to be latent value in those investments and so the investments will be held until it is in shareholders' best interests to sell them.</p>
10.	<p>To what extent has the portfolio, or will it be in the near future, pivoted away from the US in light of tariff and related issues happening at the moment?</p> <p>Do the managers envisage challenges for US companies arising from customers and consumers around the world choosing to 'boycott' US brands, products and services in light of what is happening in the US at the moment? If so, what is being done to mitigate the impact of this on the trust?</p>	<p>Portfolio construction is driven by stock selection and not macro factors. However, no company operates in a vacuum, and tariffs will impact companies in different ways. The Investment Manager challenges stock pickers to explain the impact that various economic and political scenarios will have on their portfolios on a company-by-company basis and what that then means for their portfolios in aggregate.</p> <p>To be able to do this, the stock pickers must understand complex supply chains and the location of end market demand in each of their invested companies in order to navigate through the volatility and political instability in the belief that their companies will lead the recovery.</p> <p>As a result of this continual process, the Investment Manager is confident that the stocks in the portfolio are priced with a margin of safety which may not be true of all stocks in the Index.</p>
11.	<p>Why does UK have the smallest investment in the portfolio? Are British companies not valued?</p>	<p>The Company's benchmark Index is the MSCI All Country World Index. The UK's weighting in the Index is approximately 5% and so, relative to that, the portfolio is currently overweight exposure to the UK.</p>

		The stock pickers have found a few more attractive opportunities in the UK today than on average which is why the portfolio currently has an overweight position.
<b>12.</b>	The level of portfolio turnover appears to be high at 98.5%. Can you explain why this is?	Of the 98% turnover, 32% occurred in October when the Witan assets transferred to the Company. In addition, there was a change in stock picker in May when ARGGA replaced Jupiter resulting in a 14% turnover in that month. The remainder reflects the more typical levels of turnover.
<b>13.</b>	Infrastructure has been promoted over shares. What do you think of this idea?	The portfolio only invests in equities, so would not invest directly in infrastructure. However, there are some infrastructure stocks in the portfolio, such as Vinci in France, which is a global leader in building, operating and maintaining infrastructure.
<b>14.</b>	What are your thoughts on Rachel Reeves' plans for pension schemes?	The plans could lower fees by consolidating small pension pots and lead to greater investment in the UK. But they might increase risk if they lead to investment decisions being taken for political rather than for financial reasons.
<b>15.</b>	You have underperformed the benchmark at a time when the trust has gone through a huge transition. How disruptive was the merger to your performance and are we through this now?	The underlying stock pickers were not involved in the transition and so there was no disruption to their investment activities during this period. The Board and its advisers performed the work required to complete the transaction. The transaction was therefore not a factor at all in last year's performance.
<b>16.</b>	Around fifteen or more years ago, some listed companies offered an income or capital option via corporate actions and a new class of C shares etc. Is it feasible to give shareholders a choice by doing that for Alliance Witan, or does that complicate things too much, if some people don't understand the options?	While there are instances of a listed investment company offering its shareholders differing investment profiles through multiple share classes, this is very much the exception rather than the rule. Alliance Witan offers investors a balanced and diversified blend of best ideas to act as the foundation for their portfolios, with a view to long-term capital growth and a rising dividend; a structure seeking to compartmentalise returns would run counter to that approach and would make for a less accessible investment proposition.
<b>17.</b>	Do you weed out overlap between your different portfolio managers? For example, if two or three of them have the same company on their top 20 ideas do you intervene?	The overlap between managers is very low with around 180 unique companies out of approximately 200 held in the portfolio. The limited number of overlaps reflects the very different styles of the stock pickers. The Investment Manager does not ordinarily intervene where there are overlaps but

		could do so in extreme circumstances or as deemed necessary.
<b>18.</b>	As I understand it AW only invests in publicly quoted companies. Other trusts are moving to invest more in private companies to capture growth. Will AW change and if not, will we forego some of the most exciting opportunities?	<p>The objective of the Company is set by the Board and is to invest in global equities across a wide range of different sectors and industries.</p> <p>Alliance Trust, as it was, did have some private holdings but this was restructured in 2017 following a strategic decision. The Investment Manager believes that it can get access to great companies that go down the capital spectrum and so, for now, is comfortable with the investment objective of the Company.</p>
<b>19.</b>	Are you long only investors?	The Company can use derivative instruments to hedge, enhance and protect positions, including currency exposures. While the primary focus of the Company is investment in global equities, the Company may also invest from time to time in fixed interest securities, convertible securities and other assets.
<b>20.</b>	President Trump's withdrawal from NATO stimulated countries in Europe and elsewhere to increase the percentage of GDP spent on defence. Will ALW considered investment in defence companies?	The Company does have some exposure to defence stocks. For example, the portfolio has indirect exposure through the company Ametek, a US Based company that sells aircraft components.
<b>21.</b>	How are stock pickers selected, and their ongoing performance monitored?	<p>Around 80 researchers are employed at the Investment Manager to research stock pickers around the world to identify those that are well disposed to running highly concentrated portfolios.</p> <p>Once potential stock pickers are identified they go through numerous rounds of meetings with the research team over several years before selection.</p> <p>Following the appointment of a stock picker, the Investment Manager continually judges not only its investment performance but also assesses whether the investment philosophy and approach are consistent over time. The Investment Manager monitors the buy and sell discipline, and portfolio construction skills, judging stock pickers across multiple metrics including an assessment of behavioural bias.</p> <p>A stock picker can be replaced at any time.</p>