



Alliance Witan

Investment companies | Update | 14 October 2026

More than meets the eye

Alliance Witan (ALW) has endured a frustrating period of performance as global equity returns have become increasingly concentrated in a narrow group of large US AI-related stocks. Its diversified portfolio has not captured the full extent of the rally, while the combined positioning of its underlying managers arguably left the trust less sensitive to rising markets than WTW intended.

However, ALW's portfolio companies have performed more strongly than its benchmark on a fundamental growth basis (see page 6). Therefore, future returns need not solely rely on a change in market sentiment and therefore valuation multiple expansion, but could come from continued growth in the businesses themselves.

Willis Towers Watson has actively reshaped the portfolio at manager level (see page 9), reducing allocations where defensive positioning had become too pronounced and increasing exposure to managers better placed to participate in stronger markets.

Global stock-picking portfolio

Alliance Witan aims to be a core equity holding for investors that delivers a real return (after adjusting for inflation) over the long term through a combination of capital growth and a rising dividend. It invests primarily in global equities across a range of industries and sectors via a 'manager of managers' approach. This is intended to reduce the risk often taken by investors selecting a single 'star' manager or one particular style that can move in and out of favour.

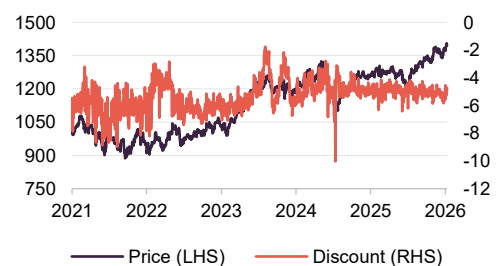
Year ended	Share price total return (%)	NAV total return (%)	MSCI ACWI total return (%)
30/09/22	(7.0)	(7.5)	(4.2)
30/09/23	15.4	16.0	10.5
30/09/24	17.5	17.4	19.9
30/09/25	8.1	7.2	16.8
30/09/26	12.1	11.3	18.3

Source: Bloomberg, Marten & Co

Sector	Global
Ticker	ALW LN
Base currency	GBP
Price	1,408.0p
NAV	1,481.1p
Premium/(discount)	(4.9%)
Yield	2.1%

Share price and discount

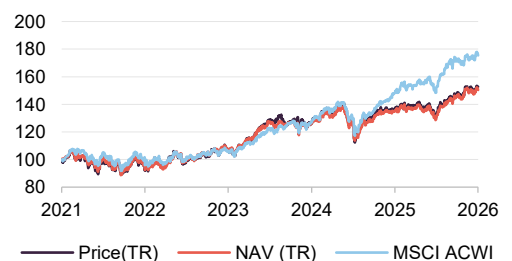
Time period 30/09/2021 to 08/10/2026



Source: Bloomberg, Marten & Co

Performance over five years

Time period 30/09/2021 to 30/09/2026



Source: Bloomberg, Marten & Co



Contents

Fund profile	3
Market backdrop – strong markets, narrow leadership	3
ALW's potential edge: opportunities beyond the market leaders	4
Strategy review	6
Asset allocation	7
The managers	8
Top 10 holdings	10
Performance	11
Dividend	12
Premium/(discount)	13
SWOT analysis	15
Bull vs. bear case	16
Previous publications	17

Domicile	Scotland
Inception date	21 April 1888
Manager	Willis Towers Watson
Market cap	5,109.6m
Shares outstanding (exc. treasury shares)	362.8m
Daily vol. (1-yr. avg.)	681k shares
Net gearing	6.2%

Click for our most recent note



Click for updated ALW factsheet



Click for ALW's peer group analysis



Analysts

David Batchelor
db@quoteddata.com

Matthew Read
mr@quoteddata.com

Click to provide feedback to the company



Click if you are interested in meeting ALW's managers



Click for links to trading platforms



“a core equity holding for investors that delivers a real return over the long term”

alliancewitan.com

Fund profile

Alliance Witan Trust (ALW) aims to be a core investment for retail investors, professionally advised private clients and institutions, delivering a real return over the long term, through a combination of capital growth and a rising dividend.

Manager Willis Towers Watson (WTW) has carefully selected 11 expert stock pickers. Each of these manages a global portfolio of up to 20 of their best ideas. In addition, GQG Partners also manages a more diversified emerging markets portfolio, with up to 60 stocks alongside its global portfolio.

WTW blends these into a portfolio, allocating capital in a way that seeks to balance ALW's exposures across geographies, sectors and styles, while emphasising the impact of stock selection on the trust's returns.

WTW's global chief investment strategist, Craig Baker, chairs ALW's investment committee, which also includes co-portfolio managers Stuart Gray and Mark Davis. They are supported by WTW's specialist portfolio management, equity manager research and operational due diligence teams.

For performance measurement purposes, the trust is benchmarked against the MSCI All Country World Index in sterling terms (MSCI ACWI), but index weightings have no bearing on stock selection decisions.

ALW (as Alliance Trust) has a long history dating back to 1888. The “manager of managers” approach under WTW was adopted with effect from 1 April 2017. ALW is an AIC Dividend Hero, having increased its dividend in each of its last 59 financial years.

Market backdrop – strong markets, narrow leadership

US equities remain close to record highs despite facing a number of headwinds

But returns have been concentrated in a small number of US large cap AI-related names

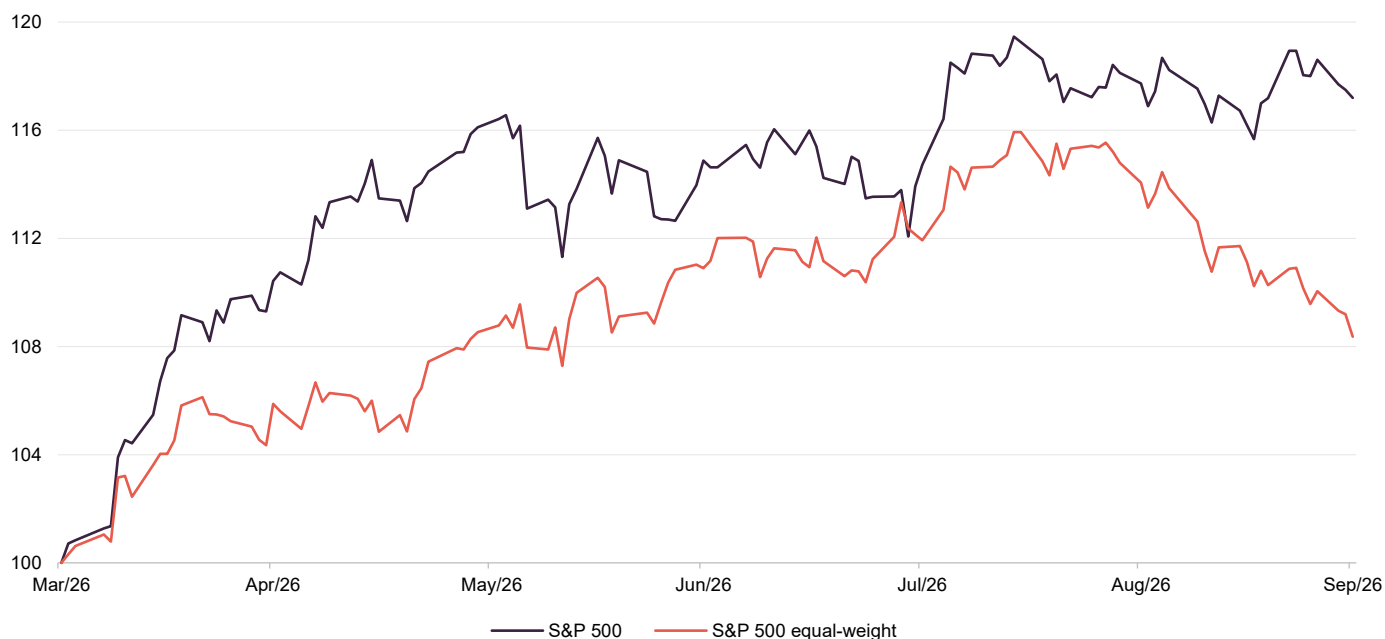
Global equity markets have continued to make progress during 2026, despite investors having to contend with a number of headwinds, notably persistent inflationary pressures, higher bond yields and renewed geopolitical uncertainty. Even with a sharp rise in oil prices due to the war in Iran, and long-dated US Treasury yields climbing to levels not seen for more than two decades, US equities have remained close to record highs.

However, behind the headline strength of markets, returns have often been concentrated in a relatively small number of companies associated with artificial intelligence (AI). This was evident during the first half of the year, when ALW's benchmark, the MSCI ACWI index, returned 12.7%, compared with ALW's NAV total return of 7.0%. The ALW board highlighted the unusually concentrated nature of the market as an important contributor to this underperformance, with ALW's diversified portfolio not participating fully in all areas of AI-related momentum.

Within the US market, information technology's year-to-date return to the end of September was 29.5%, comfortably ahead of most other sectors. September itself provided an especially clear illustration, with technology one of only two US sectors to record a positive return during the month. Indeed, the equal-weighted version of

the S&P 500 fell sharply even as the conventional, technology-heavy index was broadly resilient. This is illustrated in Figure 1, which shows the clear outperformance of the conventional index over the equal-weighted version over the past six months, as markets recovered from their falls in the first quarter of the year.

Figure 1: US market six months to 30 September 2026, indices rebased to 100



Source: Bloomberg, Marten & Co

This enthusiasm is rooted in a genuine structural shift. Spending on AI infrastructure has continued to grow rapidly and companies supplying the computing power, semiconductors and data infrastructure required to support it have enjoyed particularly strong demand. Other areas, such as power, have also benefitted but the effect is less visible than it is for the technology sector.

This has created a somewhat difficult environment for ALW. The trust has meaningful exposure to AI beneficiaries – Microsoft, NVIDIA and Taiwan Semiconductor Manufacturing were all among its largest holdings at the end of August (see page 10) – but it has deliberately not sought to replicate the increasingly concentrated exposure of the index.

ALW's potential edge: opportunities beyond the market leaders

WTW believes the market currently shows unusually wide divergence in valuations

WTW believes that beyond the headline strength of technology, the market is becoming increasingly differentiated, with unusually wide divergence in valuations and expectations creating several distinct sources of potential return. Some of the companies most closely associated with AI may continue to justify their valuations through rapid earnings growth, while others could struggle, with investors already starting to demand evidence that the huge levels of investment are generating an adequate return. At the same time, businesses outside the immediate AI spotlight

ALW managers see three broad areas of AI opportunity

have considerably more scope to surprise positively because expectations are lower.

AI itself could become a broader source of returns, and ALW's managers identify three areas of opportunity. The first relates to the enablers – semiconductors, power generation and data centres – where demand should remain strong if AI adoption continues to spread. Indeed, AI appears to be the next general-purpose technology and, while there may be pauses in demand while businesses assess their AI needs, and the return they are making on those investments, we are still at the early stages of adoption and so these structural trends have a long way to run.

The second is companies that use AI successfully to change their own economics. Adoption remains at a relatively early stage and, as businesses redesign workflows rather than simply bolt AI tools onto existing processes, there is scope for lower costs, higher productivity and wider margins. There will also inevitably be demand generated by things that can't currently be done or even envisaged, but will become possible with developments in AI.

The third opportunity comes from businesses where the market may have been too quick to assume AI disruption. Companies with proprietary datasets, embedded customer relationships, valuable brands or physical networks may be hard to displace in practice, and could themselves use AI to strengthen their businesses. Several ALW managers are looking for businesses where the share prices have derated significantly on the expectation of substantial disruption from AI, but where they believe that the underlying franchise is considerably more resilient than the market currently believes. One example is S&P Global, cited by ALW manager EdgePoint, where proprietary data provides protection that cannot simply be reproduced by an AI model, as it cannot be scraped off the internet.

The attention devoted to a relatively small number of mega-cap stocks has left many smaller and mid-sized businesses comparatively overlooked. Another ALW manager, Vulcan, argues that some high-quality companies in this part of the market are trading at unusually depressed valuations simply because they sit outside the dominant AI narrative. One example is Equifax, a data, analytics and technology company, where concerns about AI disruption have weighed on the shares despite the company's extensive proprietary financial data and strong competitive position. Another is Ryan Specialty, a specialist insurance broker whose shares Vulcan believes have been unfairly penalised by a downturn in commercial property insurance pricing.

Meanwhile, GQG sees investment spending – both related to AI and more generally – broadening into industrials, utilities and financials, with earnings growth beginning to accelerate in areas beyond the technology giants.

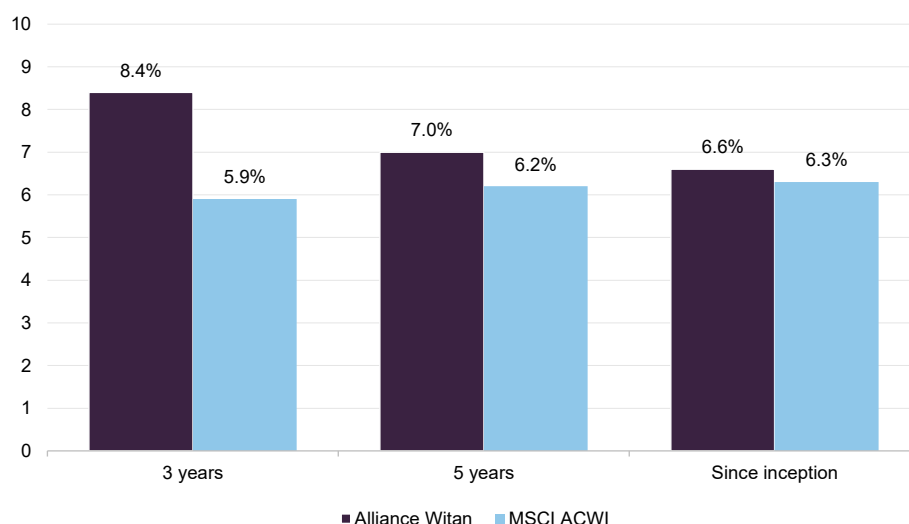
ALW's holdings are cheaper than the index despite having a higher ROE

Earlier this year, WTW calculated that its holdings were around 15% cheaper than the benchmark on conventional valuation measures, despite having a 35% higher return on equity, 15% higher return on invested capital and around 30% less debt.

WTW also showed that the underlying fundamentals of ALW's holdings had grown much faster than those of the index, while their relative valuation multiples had compressed. That is to say, some of the recent relative underperformance reflected the market paying an increasingly high price for the winners in the index rather than this being due to deterioration in the businesses ALW owns. Figure 2 illustrates this using WTW's fundamental return attribution tool, which is its means of breaking

down the portfolio's share price return between fundamental return, i.e. the growth in the underlying businesses, and multiple return, i.e. the change in the valuation.

Figure 2: Fundamental growth return of ALW's companies versus the index, annualised, to 30 June 2026



Source: Willis Towers Watson

This combination of unusually concentrated index leadership and wide dispersion between companies arguably gives active stock selectors more to work with than a market in which everything is being valued similarly. If portfolio companies continue to increase earnings, cash flows and intrinsic value, share prices should ultimately reflect that progress even without a major change in market sentiment.

Further, if market leadership broadens, with investors becoming more discriminating about AI or neglected companies demonstrating that disruption fears were excessive, some of the valuation gap could close as well.

Strategy review

WTW undertook a structured review of its investment approach, due to the underperformance

ALW's continued underperformance prompted WTW, with the board's support, to undertake a structured review of its investment approach. This covered underlying manager selection, their stock choices, portfolio construction and risk management, including the structure of the concentrated mandates given to each manager. The review examined whether the approach could be refined to improve shareholder outcomes in an increasingly concentrated, momentum-driven market.

In September, WTW confirmed that the review was complete. Its conclusion was that ALW's fundamental investment approach remained sound and should add significant value over the long term. However, it also recognised that market conditions had changed, with unusually high concentration in both individual stocks and investment themes becoming a defining feature. It has also cited wider research suggesting that changes in market structure have reduced market efficiency and increased the need for a broader investment toolkit.

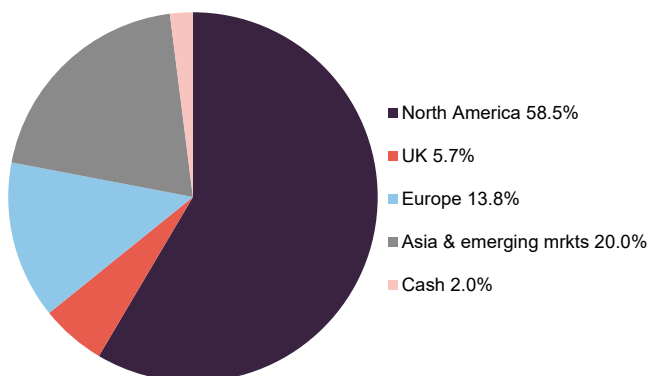
WTW has introduced an additional risk model

One enhancement already introduced is an additional risk model, intended to strengthen WTW's understanding of both absolute and benchmark-relative exposures. However, WTW has yet to specify what other additional tools or freedoms are being considered.

Asset allocation

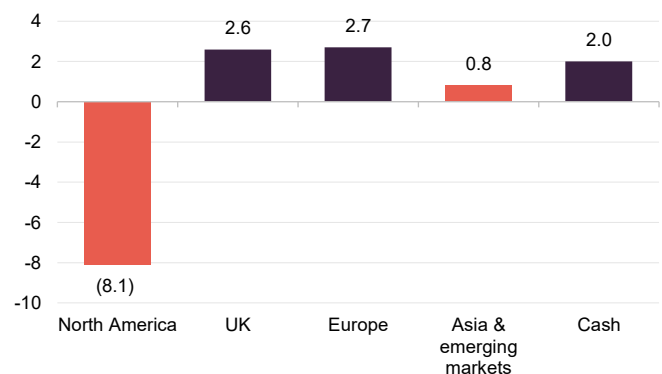
ALW's asset allocation is primarily determined by the stock selection decisions of its underlying managers. However, WTW retains discretion to adjust manager allocations to either enhance alpha generation or improve diversification. Its standard practice is to allocate capital in a way that avoids any dominant stylistic biases within ALW's portfolio, positioning it so that stock selection should remain the principal driver of performance.

Figure 3: ALW asset allocation by region as at 31 August 2026



Source: Alliance Witan

Figure 4: ALW stock portfolio asset allocation relative to benchmark as at 31 August 2026

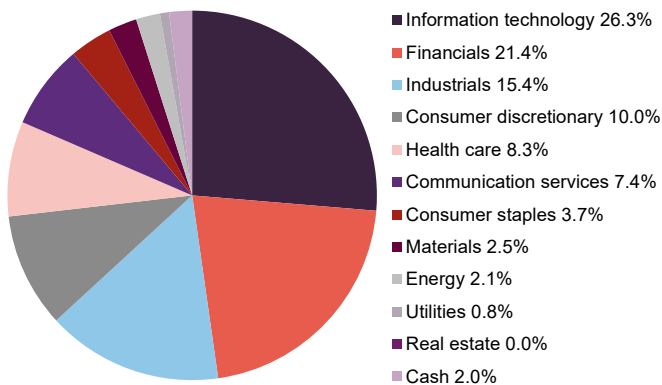


Source: Alliance Witan

Since our last note in March (that used data as at 28 February 2026) the allocation to North America has risen slightly, although it remains a relatively large 8.1% underweight position against the benchmark. UK and Europe remain modest overweight positions, although in both cases by less than in February.

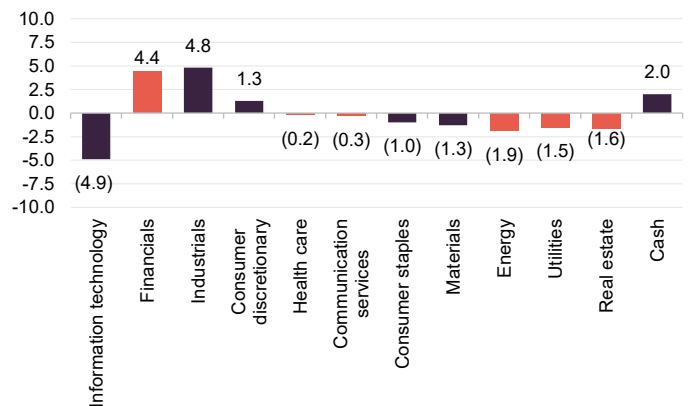
Looking at sector positioning, both the largest absolute weighting and the biggest overweight versus the benchmark remain financials. Information technology remains the largest underweight, and the size of this underweight has increased since the last note. The industrials and consumer discretionary weightings have both increased somewhat.

Figure 5: ALW asset allocation by sector as at 31 August 2026



Source: Alliance Witan

Figure 6: ALW stock portfolio asset allocation by sector relative to benchmark as at 31 August 2026

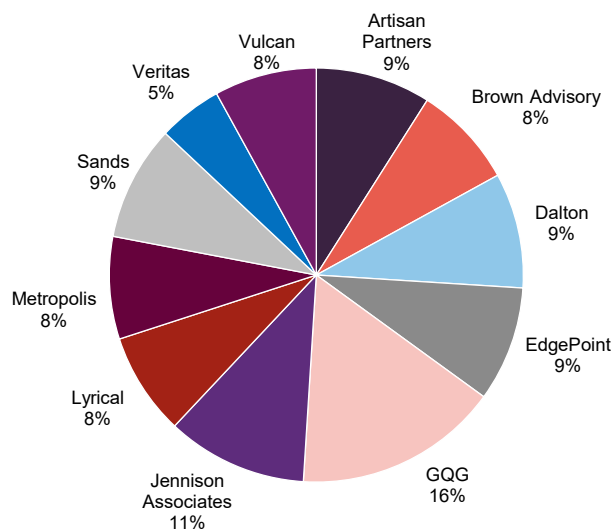


Source: Alliance Witan, MSCI

ALW's portfolio had a 72% active share as of end August 2026 (compared to 73% at end February).

The managers

Figure 7: Portfolio split by underlying manager 31 August 2026



Source: Alliance Witan

WTW looks beyond recent returns when selecting managers, focusing on whether their skill and investment process can deliver sustained results. Its assessment considers how each manager identifies opportunities, constructs portfolios and controls risk.

There have been no sub-managers added or removed so far in 2026. However, WTW has adjusted the allocations to counter the portfolio's tilt towards lower-beta stocks.

Figure 8: Change in quarterly manager allocation to end June 2026

	31 March 2025 (%)	30 June 2025 (%)	30 September 2025 (%)	31 December 2025 (%)	31 March 2026 (%)	30 June 2026 (%)
GQG (combined portfolio)	19	19	17	17	18	16
Sands	5	5	6	6	6	9
Lyrical	6	7	7	7	8	9
SGA	10	11	-	-	-	-
Veritas	15	14	12	11	8	5
Vulcan	7	7	8	8	8	7
Metropolis	10	10	11	11	10	8
Dalton	6	6	6	6	7	8
ARGA	8	8	-	-	-	-
Jennison Associates	6	6	7	7	8	13
EdgePoint	8	7	8	8	9	8
Artisan Partners	-	-	8	9	9	9
Brown Advisory	-	-	10	10	9	8

Source: Alliance Witan

Reducing Veritas, GQG and Metropolis

During 2025, the underlying managers' stock choices – particularly GQG's move towards more defensive companies – had left ALW more underweight US large-cap technology and more exposed to established, lower-risk businesses that the stock pickers considered undervalued. The combined effect was to increase ALW's underweight to US mega-cap technology and tilt the portfolio towards more defensive businesses, leaving it poorly positioned for a market rally driven by the technology giants.

WTW responded by reducing allocations to Veritas, GQG and Metropolis. This illustrates how individual managers' investment decisions can collectively create a portfolio bias that WTW needs to address. By adjusting the capital allocated to each manager, WTW moderated these exposures while leaving individual stock choices in their hands.

Increasing Jennison, Sands, Lyrical and Vulcan

The capital released was used to increase allocations to Jennison, Sands, Lyrical and Vulcan. Although this was done to increase the portfolio's sensitivity to market movements, the four managers offer quite different sources of potential return.

Jennison is the most explicitly growth-orientated of the four. It looks for market-leading companies with distinctive business models, strong competitive positions and growth rates that are accelerating or have reached an inflection point. The team is prepared to pay higher valuations where it believes growth can persist for a long

period, but will sell when the investment case changes or it expects that growth to slow.

Sands is also a growth investor, but its emphasis is more firmly on long-term structural change. It seeks innovative businesses capable of sustaining above-average growth over many years, often because they are disrupting an existing industry, developing new products or expanding into large new markets. Its approach is therefore less dependent on identifying shorter-term changes in growth rates than Jennison's and more focused on the durability of a company's long-term opportunity.

Lyrical provides a very different exposure. Its US-focused value strategy starts by looking among the cheapest stocks in its investable universe, before trying to distinguish genuinely undervalued businesses from companies that are cheap for good reason. It favours companies that combine low valuations with reasonable quality and prospects for earnings growth. This gives ALW exposure to the potential re-rating of overlooked US businesses rather than relying solely on the market's more highly valued growth companies.

Vulcan sits somewhere between traditional value and quality investing. It looks for businesses with durable competitive advantages, dependable free cash flow and relatively stable underlying values, then waits for their shares to trade at a sufficiently attractive discount. Protecting against permanent losses of capital is central to its philosophy. As Vulcan tends to invest heavily in larger US companies, increasing its allocation also gave WTW another way of raising ALW's exposure to the US market without abandoning valuation discipline.

Taken together, the changes illustrate that WTW's response to the performance issue was broader than just adding exposure to growth stocks or the AI theme. It sought to increase the portfolio's sensitivity to a rising market through managers spanning different approaches, while retaining stock selection as the principal driver of returns.

Top 10 holdings

ALW's largest positions are often those that more than one of the underlying managers has picked for the portfolio. Two companies have moved out of the top 10 since we last published: Unilever and Philip Morris, which have been replaced by SAP and HCA Healthcare. The top 10 has become somewhat more concentrated in recent months, now representing just over a quarter of the total.

Figure 9: ALW's 10 largest holdings as at 31 August 2026

Holding	Sector	Country	31 August 2026 (%)	31 January 2026 (%)	Percentage point change
Microsoft	Information technology	United States	4.1	3.4	0.7
Taiwan Semiconductor	Information technology	Taiwan	3.8	2.2	1.6
Alphabet	Communication services	United States	3.3	3.1	0.2
Amazon	Consumer discretionary	United States	3.0	2.3	0.7
NVIDIA	Information technology	United States	2.8	1.3	1.5
Mastercard	Financials	United States	2.6	1.9	0.7
Samsung Electronics	Information technology	South Korea	2.0	1.3	0.7
Visa	Financials	United States	1.6	1.5	0.1
SAP	Information technology	Germany	1.6	0.4	1.2
HCA Healthcare	Health care	United States	1.2	1.0	0.2
Total of top 10			26.0	19.6	

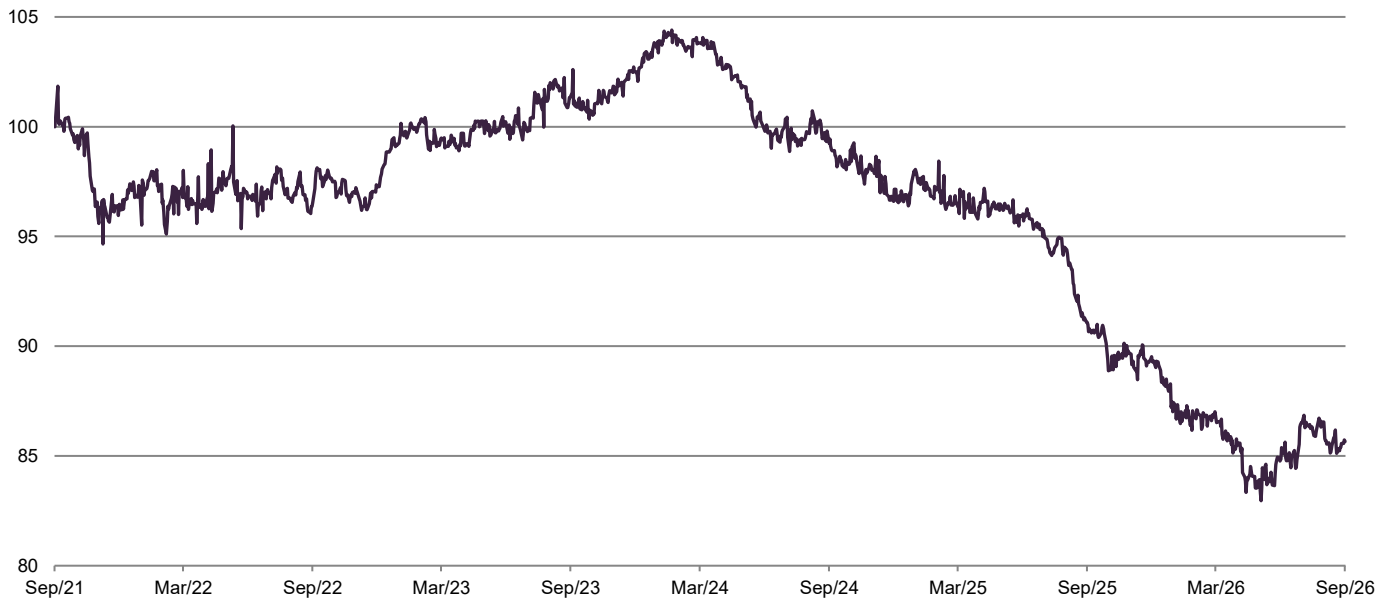
Source: Alliance Witan

Performance

ALW held up well in 2022 and 2023 but then struggled

ALW held up relatively well during the market weakness of 2022 and enjoyed a stronger 2023, but its relative performance has struggled from the beginning of 2024 as the rally in global equities became increasingly concentrated in a handful of US mega-cap technology stocks. This has proved a difficult environment for ALW's diversified, multi-manager approach, with the portfolio unable to keep pace with an index increasingly driven by this relatively narrow group of companies. ALW's short-term performance has improved recently – six-month returns are in the line with the benchmark, with three-month returns ahead.

Figure 10: ALW NAV total return performance relative to benchmark over five years to 30 September 2026



Source: Bloomberg, Marten & Co

The surge in AI mega-cap stocks also largely explains the peer group's substantial underperformance against the MSCI ACWI over five years. Figure 11 shows that ALW has in fact performed ahead of its peers over this period.

Figure 11: Cumulative total return performance over periods ending 30 September 2026

	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)
ALW share price	3.2	17.0	12.1	42.4	52.7
ALW NAV	2.6	16.4	11.3	40.1	50.3
MSCI ACWI	1.5	18.2	18.3	65.7	75.5
Peer group median NAV ¹	2.3	16.1	11.3	48.6	36.9
Peer group median share price	3.2	16.2	11.9	55.5	36.6

Source: Bloomberg, Marten & Co Note 1) In addition to ALW, the peer group is comprised of AVI Global Trust, Bankers, Brunner, F&C, Lindsell Train, Mid Wynd, Monks, and Scottish Mortgage

Dividend

ALW pays quarterly dividends and is an AIC Dividend Hero

ALW's total dividend for 2025 was 28.32p per share, a 6.1% increase on the previous year. The first two quarterly dividends for 2026 have both been set at 7.33p per share, compared with 7.08p for the corresponding payments in 2025, which puts the trust on course for a 60th consecutive annual dividend increase. This gives it one of the strongest dividend records in the investment trust sector, which is recognised by its designation as an AIC Dividend Hero.

ALW is on course for its 60th consecutive annual dividend increase

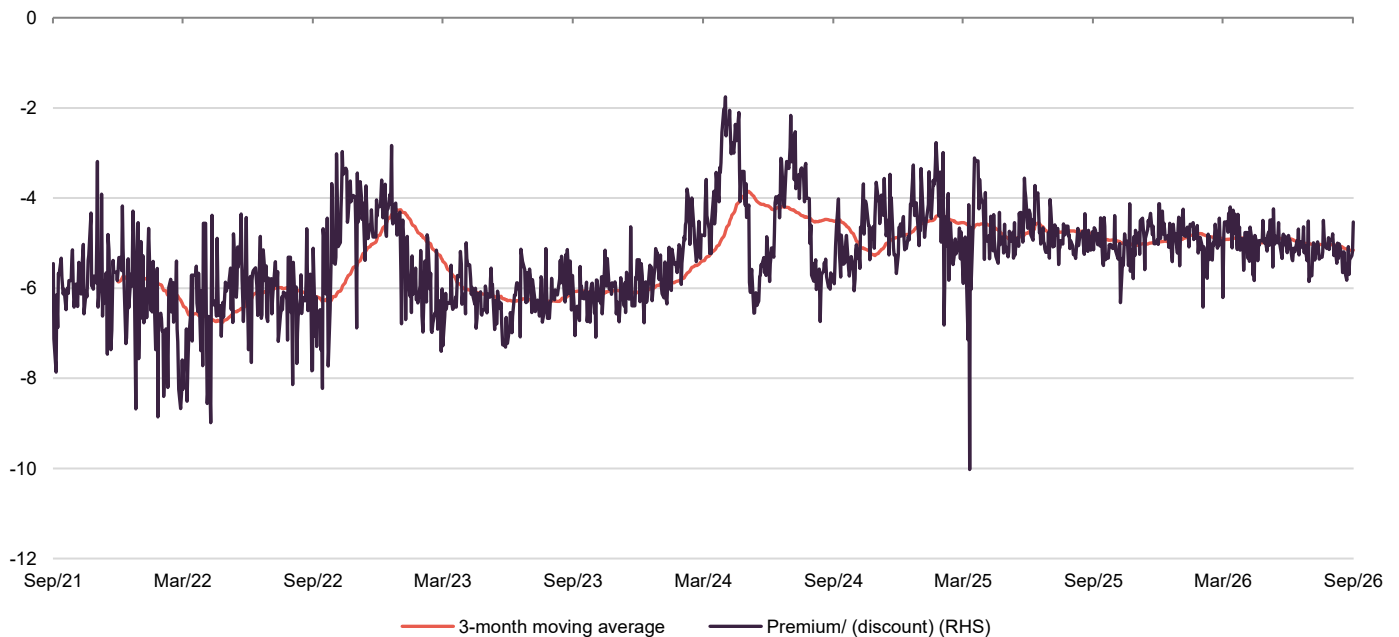
ALW should not, however, be viewed primarily as an income fund. Its objective is to deliver total returns through a combination of capital growth and a rising dividend, and the board expects the yield to remain around the 2% level.

Portfolio income does not currently cover the full distribution: revenue earnings were 18.5p per share in 2025 against the 28.32p dividend, with the difference made up from reserves. ALW had approximately £5.2bn of distributable reserves as at 30 June 2026, and as such the board has said it regards the current dividend policy as sustainable.

Premium/(discount)

Over the 12 months ended 30 September 2026, ALW's discount moved within a very tight range of 6.4% to 4.1% and averaged 5.0%. As at 12 October 2026, ALW was trading at a 4.9% discount.

Figure 12: ALW premium/(discount) over five years to 30 September 2026

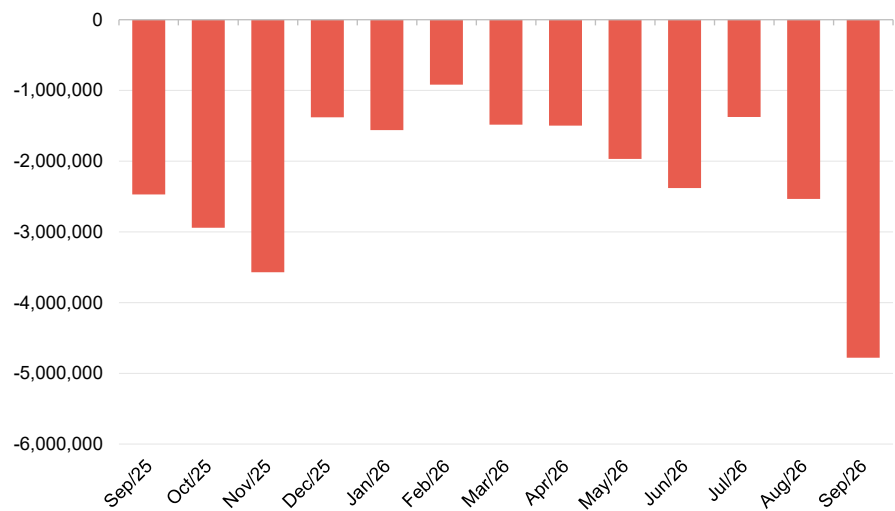


Source: Bloomberg, Marten & Co

ALW's board seeks to maintain a relatively stable discount, with 5% regarded as the level beyond which it would normally intervene through share buybacks. Although the latest annual report describes the objective more broadly as keeping the shares trading close to NAV, chair Dean Buckley reaffirmed the importance of the 5% level at the April 2026 AGM.

Figure 13 shows that buybacks reduced somewhat in December from the levels earlier in 2025, and then remained relatively consistent for some months. The figure for September was markedly higher.

Figure 13: ALW shares repurchased by month to 30 September 2026



Source: Alliance Witan, Marten & Co

Each year, the board asks shareholders for permission to buy back up to 14.99% of ALW’s issued ordinary share capital. Shares that are repurchased are held in treasury.

SWOT analysis

Figure 14: SWOT analysis for ALW

Strengths	Weaknesses
ALW's multi-manager structure provides access to a range of specialist stock pickers and investment styles, reducing dependence on any single manager or approach. WTW can also adjust the amount of capital allocated to each manager as portfolio-level risks develop. Over three years to June 2026, fundamental growth (per ALW's fundamental return attribution tool) was 8.4% p.a. for ALW's holdings versus 5.9% for the MSCI ACWI, while the portfolio also traded on a lower forward valuation despite generating a higher return on invested capital. ALW benefits from considerable scale, competitive costs and a strong shareholder proposition. The board expects the ongoing charges ratio to fall to around 0.51% in 2027, while the trust is on course for its 60th consecutive annual dividend increase.	Recent relative performance has been disappointing. ALW has lagged the MSCI ACWI materially over three and five years, with its diversified portfolio failing to participate fully in the unusually concentrated rally in AI-related mega-cap stocks. Combining independently selected portfolios can create unintended aggregate exposures. During 2026, the combined positioning of several managers left ALW with a lower sensitivity to rising markets and less exposure to some of the stocks and sectors driving index returns, requiring WTW to rebalance manager allocations. The multi-manager structure is more complex than a conventional single-manager fund. WTW must monitor not only the individual stock pickers but how their portfolios interact, and several managers can independently develop similar biases at the same time.
Opportunities	Threats
A broadening of market leadership could be beneficial to ALW's performance. The extreme concentration of returns in a small number of AI-related stocks has been difficult for diversified active managers, but greater differentiation between winners and losers should create a more favourable environment for fundamental stock selection. There appears to be significant latent value in the portfolio. ALW's companies have continued to perform well at an operational level, which has not been reflected in their valuations. A combination of continued earnings growth or a partial closing of the valuation gap could provide two sources of future return. WTW has already adjusted manager weights to address the portfolio's lower-beta bias and is evolving its approach to portfolio construction and risk management. Together with lower fees, this offers scope to improve participation in rising markets without abandoning ALW's underlying stock-picking philosophy.	Market leadership could remain highly concentrated. If the largest AI beneficiaries continue to dominate returns, ALW's more diversified approach and underweights to some index heavyweights could continue to weigh on relative performance. The expectations embedded in parts of the AI market remain high. A slowdown in AI-related investment, disappointing returns on capital or weaker economic growth could affect existing holdings, while persistent inflation and higher interest rates could put pressure on equity valuations more broadly. Individual managers can make mistakes, and diversification between stock pickers does not guarantee that their errors or style biases will offset one another.

Source: Marten & Co

Bull vs. bear case

Figure 15: Bull vs. bear case for ALW

Aspect	Bull case	Bear case
Performance	Recent relative performance has improved, with ALW ahead of the index over the three months to the end of August. More importantly, the underlying companies have continued to grow their perform well at an operational level, providing the foundations for a potential catch-up in share prices.	While absolute returns have been good, in relative performance terms, ALW has lagged the benchmark significantly during the last three years, which has eaten into its longer-term relative performance record. ALW's NAV returned 8.0% p.a. over five years to the end of August versus 11.3% for the benchmark, and there is no guarantee that stronger underlying fundamentals will be rewarded quickly.
Dividends	ALW has increased its dividend for 59 consecutive years, one of the longest records in the investment trust sector. The board says the dividend is sustainable and can continue to grow, supported by portfolio income and substantial distributable capital reserves.	The dividend yield is relatively modest, at around the low-2% level, so ALW is unlikely to appeal to investors primarily seeking high income. The portfolio's income alone does not currently cover the full dividend, meaning continued growth partly relies on the board's ability and willingness to supplement distributions from capital reserves.
Outlook	Market leadership is showing some signs of broadening, while scrutiny of the enormous sums being invested in AI could increase differentiation between companies. This should create a richer environment for ALW's stock pickers, both among genuine AI winners and companies where disruption fears have been overdone.	The current market regime could persist and, if returns continue to be dominated by a handful of mega-cap AI stocks, ALW's diversified and valuation-aware portfolio could continue to lag an increasingly concentrated index.
Discount	The board has demonstrated its willingness to use share buybacks to keep ALW's discount relatively stable and close to NAV.	Despite a clear commitment to using buybacks to manage ALW's discount, the discount could come under pressure if investment performance disappoints or sentiment towards investment trusts weakens.
Other	ALW combines a diversified line-up of specialist stock pickers with WTW's portfolio oversight, while lower fees and a 59-year record of dividend growth strengthen its credentials as a long-term core global equity holding.	The multi-manager model introduces an additional layer of complexity. Recent experience has shown that separately selected managers can develop similar portfolio characteristics, leaving WTW with the task of monitoring and correcting for aggregate biases whilst simultaneously avoiding undermining individual managers' convictions.

Source: Marten & Co

Previous publications

Readers interested in further information about ALW may wish to read our previous notes (details are provided in Figure 16 below). You can read the notes by clicking on them in Figure 16 or by visiting our website.

Figure 16: QuotedData’s previously published notes on ALW

Title	Note type	Published
A trust for all seasons	Initiation	25 November 2020
The fruits of diversification	Update	04 August 2021
Stability in troubled waters	Update	17 November 2022
Coming into its own	Annual overview	16 November 2023
A new powerhouse	Update	19 September 2024
A new giant for a new market reality	Annual overview	12 August 2025
Returns based more in reality than hope	Update	12 March 2026

Source: Marten & Co



IMPORTANT INFORMATION

This marketing communication has been prepared for Alliance Witan Plc by Marten & Co, which is authorised and regulated by the Financial Conduct Authority (FCA). It constitutes non-independent research as defined under the UK MiFID II regime and the onshored Commission Delegated Regulation (EU) 2017/565.

This communication is intended for use by investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Marten & Co is not authorised to provide advice to retail clients. Accordingly, if you are not a professional investor, or are otherwise

restricted from receiving this information, you should disregard it.

Charts and data are sourced from Bloomberg unless otherwise stated. Please read the important information at the back of this document. The note does not have regard to the specific investment objectives, financial situation and needs of any specific person who may receive it.

The note has not been prepared in accordance with legal requirements designed to promote the independence of investment research and as such is considered to be a marketing communication. The analysts who prepared this note are not constrained from

dealing ahead of it, but in practice, and in accordance with our internal code of good conduct, will refrain from doing so for the period from which they first obtained the information necessary to prepare the note until one month after the note's publication. Nevertheless, they may have an interest in any of the securities mentioned within this note.

This note has been compiled from publicly available information. This note is not directed at any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) the publication or availability of this note is prohibited.

Accuracy of Content: Whilst Marten & Co uses reasonable efforts to obtain information from sources which we believe to be reliable and to ensure that the information in this note is up to date and accurate, we make no representation or warranty that the information contained in this note is accurate, reliable or complete. The information contained in this note is provided by Marten & Co for personal use and information purposes generally. You are solely liable for any use you may make of this information. The information is inherently subject to change without notice and may become outdated. You, therefore, should verify any information obtained from this note before you use it.

No Advice: Nothing contained in this note constitutes or should be construed to constitute investment, legal, tax or other advice.

No Representation or Warranty: No representation, warranty or guarantee of any kind, express or implied is given by Marten & Co in respect of any information contained on this note.

Exclusion of Liability: To the fullest extent allowed by law, Marten & Co shall not be liable for any direct or indirect losses, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note. In no circumstance shall Marten & Co and its employees have any liability for consequential or special damages.

Governing Law and Jurisdiction: These terms and conditions and all matters connected with them, are governed by the laws of England and Wales and shall be subject to the exclusive jurisdiction of the English courts. If you access this note from outside the UK, you are responsible for ensuring compliance with any local laws relating to access.

No information contained in this note shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

Investment Performance Information: Please remember that past performance is not necessarily a guide to the future and that the value of shares and the income from them can go down as well as up. Exchange rates may also cause the value of underlying overseas investments to go down as well as up. Marten & Co may write on companies that use gearing in a number of forms that can increase volatility and, in some cases, to a complete loss of an investment.

Authorised and regulated by the Financial Conduct Authority.

50 Gresham Street, London EC2V 7AY
0203 691 9430

www.QuotedData.com

www.martenandco.com

Registered in England & Wales number 07981621,
2nd Floor Heathmans House,
19 Heathmans Road, London SW6 4TJ