Alliance Witan

Half-year Financial Report

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Alliance Witan PLC
31 July 2026

Alliance Witan PLC ('the Company')
LEI: 213800SZZD4E2IOZ9W55

31 July 2026

Results for the six months ended 30 June 2026

	Six months to 30 June 2026	Year to 31 December 2025	Change
Share Price	1,344.0p	1,282.0p	4.8%
Net Asset Value (NAV) per Share	1,416.5p	1,337.2p	5.9%
NAV Total Return	7.0%	4.7%	
Share Price Total Return	6.0%	5.4%	
MSCI ACWI	12.7%	13.9%	
Discount to NAV at period end	-5.1%	-4.1%	

Key Points

- NAV Total Return of 7.0% and Total Shareholder Return of 6.0% vs 12.7% for MSCI ACWI.
- Technology underweights and stock selection in technology/financials were key detractors from relative returns.
- Discount widened to 5.1% at the end of the reporting period versus 4.1% at end of 2025.
- Second interim dividend of 7.33p declared, the total of the first two interim dividends declared for 2026 is 14.66p (2025: 14.16p), representing an increase of 3.5% on the same payments for 2025.
- Barring any unforeseen circumstances, it is anticipated that the Company's third and fourth interim dividends will be at least equal to the first and second interim dividends, meaning that the annual dividend for 2026 will increase for the 60th consecutive year.

Dean Buckley, Chair of Alliance Witan PLC, commented:

"Although the Company delivered a positive NAV total return of 7.0% in the first half, this was behind the MSCI ACWI return of 12.7%, and relative performance was below the Board's expectations. The shortfall reflected a market in which returns were unusually concentrated in AI-related stocks, where our deliberately diversified portfolio did not participate in every area of momentum.

The Board has continued to challenge WTW and engage with the Stock Pickers to understand the drivers of performance and to assess whether the portfolio remains well positioned to deliver strong returns for shareholders. With the Board's support, WTW is conducting a structured review of the investment strategy including Stock Picker selection, stock selection, portfolio construction, and risk management. While no major change is expected to the Company's diversified, high-conviction approach, the review will guide any future enhancements to our investment process as we endeavour to improve shareholder outcomes."

About Alliance Witan PLC

Alliance Witan aims to be a core investment that beats inflation over the long term through a combination of capital growth and a rising dividend. The Company invests in listed, global equities across a wide range of different sectors and industries to achieve its objective. Our investment manager, WTW, blends the top stock selections of some of the world's best active managers into a single diversified portfolio designed to outperform the market while carefully managing risk and volatility. Alliance Witan is an AIC Dividend Hero with 59 consecutive years of rising dividends.

https://www.alliancewitan.com/

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Interim Report for the six months ended 30 June 2026 (unaudited)

Our Performance - Financial Highlights as at 30 June 2026

Share Price	Net Asset Value ('NAV') Per Share
1,344.0p	1,416.5p
Share Price Total Return[1,3]	**NAV Total Return[1,3]**
6.0%	7.0%
Discount to NAV[1]	**First Two Interim Dividends for 2026[2]**
5.1%	14.66p

1. Alternative Performance Measure.

2. Total dividends declared in the period.

3. for the six months ending 30 June 2026

Notes:

NAV Per Share including income with debt at fair value.

NAV Total Return based on NAV including income with debt at fair value and after all costs.

Source: Morningstar and Juniper Partners Limited ('Juniper').

Chair's Statement

Equity markets performed strongly in the first half of the year despite persistent macroeconomic headwinds, not least inflationary pressure stemming from restricted oil supplies from the Middle East. These fears had eased somewhat by the end of the period, but the conflict between the US and Iran persisted and caused significant volatility, as did the high valuations and crowded positioning of investors in Artificial Intelligence ('AI') related stocks.

Although the Company delivered a positive NAV total return of 7.0% in the first half and a share price total return of 6.0%, this was behind the MSCI ACWI return of 12.7%, and relative performance was below the Board's expectations. The shortfall reflected a market in which returns were unusually concentrated in AI-related stocks, where our deliberately diversified portfolio did not fully participate in every area of momentum.

The Board has continued to challenge WTW and engage with the Stock Pickers to understand the drivers of performance and to assess whether the portfolio remains well positioned to deliver strong returns for shareholders. With the Board's support, WTW is conducting a structured review of the investment strategy including Stock Picker selection, stock selection, portfolio construction, and risk management. While no major change is expected to the Company's diversified, high-conviction approach, the review will guide any future enhancements to our investment process as we endeavour to improve shareholder outcomes.

Stable discount

Despite disappointing relative performance, our discount has remained stable, averaging 4.9% from 1 January 2026 to 30 June 2026. We attribute this to investors seeing that our returns are more grounded in actual business performance than those of the broader market, the continued strength of our marketing and communications, and the Company's use of buybacks. The Company bought back 9.8m shares in the first half of 2026, up from 4.9m in the first half of 2025, equivalent to approximately 2.6% of the average market capitalisation. Our dividend track record also remains supportive of the share price.

On course for 60 years of rising dividends

We have announced a second interim dividend for 2026 of 7.33p per share (2025: 7.08p). The total of the first two interim dividends declared for 2026 is 14.66p (2025 14.16p). This level of dividend is well supported by the Company's investment strategy and its significant distributable reserves, which stood at £5.2 billion, as of 30 June 2026.

Barring any unforeseen circumstances, it is anticipated that the Company's third and fourth interim dividends will be at least equal to the first and second interim dividends. This would result in a total dividend for the 2026 financial year of at least 29.32p per share which, based on the Company's share price of 1,344p as at 30 June 2026, would represent an annual dividend yield of 2.2% and a 3.5% increase over dividends paid for the financial year ended 31 December 2025. The Company is, therefore, on track to deliver its 60th consecutive annual dividend increase.

Fees reduced to enhance competitiveness

As announced on 25 March 2026, after a review of the Company's operating costs, your Board has agreed revised fee terms with WTW. The previously tiered investment management and distribution fee has been replaced with a lower flat fee, reducing it to 0.46% in 2026 and 0.41% from 2027. All other things being equal, this should reduce the ongoing charges ratio from 0.59% as at 31 December 2025, adding back WTW's temporary fee waiver from the combination with Witan, to 0.57% in 2026 and 0.51% in 2027. This fee reduction should enhance the Company's competitiveness and ensure that it remains attractively priced for investors.

Board changes

As announced to the market on 12 May 2026, I was delighted to welcome Robert Talbut to the Board on 1 June 2026. Robert was formerly a director and Chief Investment Officer at Royal London Asset Management. He also has extensive investment company experience and will bring wide-ranging knowledge of the asset management industry to your board. His appointment is part of long-term succession planning.

Shareholder forum in Edinburgh

I am pleased to inform you that we will be holding an investor forum on Tuesday 22 September 2026 at the Edinburgh International Conference & Exhibition Centre ("EICC"). The forum will feature presentations by WTW and two Stock Pickers. Further details can be found on our website, and shareholders who are on our email distribution list will receive invites shortly. If you have not yet done so, I would encourage you to subscribe to receive the quarterly newsletter, monthly factsheet and other news and events. Shareholders unable to attend the forum will be able to view a recording on our website afterwards.

Attractive outlook for active management

The outlook for equities remains mixed, with solid earnings and continuing innovation in AI balanced by high valuations, concentrated market leadership and the risk that inflation remains disruptive. This is an environment that calls for discipline rather than extrapolation.

We believe it also strengthens the case for active management. When markets become highly concentrated, passive investors are forced to own more of what has already risen. Alliance Witan takes a different approach: shareholders gain access to a diversified group of expert Stock Pickers, each focused on identifying attractive long-term businesses, while WTW manages the overall balance of exposures. For investors seeking a core global equity holding with long-term growth and a rising dividend, we believe that remains a compelling proposition.

Dean Buckley
Chair
30 July 2026

Investment Manager's Report

Equity markets: resilient but not stable

Equity markets continued to post gains in the first half of 2026 despite the outbreak of the Israel/US - Iran conflict, buoyed by resilient corporate earnings and investor enthusiasm for AI stocks, especially semiconductor manufacturers in Asia. AI optimism went stratospheric, literally, in mid-June with SpaceX's record-breaking IPO. The Nasdaq flotation of Elon Musk's chatbots-to-rockets company, valued at close to $1.8 trillion, was the largest in US history and may soon be followed by the listing of large language model makers OpenAI and Anthropic. It is an open question whether investors will have the appetite to swallow more AI stocks with demanding valuations and uncertain cashflow outlooks.

Our portfolio's NAV increased by 7.0% versus 12.7% for the index, while the share price total return was 6.0%, due to a widening of the discount. We are not satisfied with the relative outcome for the period. The Company's NAV total return was positive, but it lagged a benchmark in which gains were unusually concentrated in AI-related stocks and associated supply-chain beneficiaries. In that environment, a diversified portfolio drawing on multiple investment styles was at a short-term disadvantage.

However, we remain confident that the portfolio is well placed to navigate a range of market environments and to build wealth for shareholders over the long term. The portfolio has meaningful exposure to attractive AI-related businesses, while also owning many companies with strong fundamentals whose value we believe has yet to be fully recognised by the market.

The biggest drag on relative returns in the first half of the year was our underweight in the booming technology sector, although stock selection in the sector was also negative. Stock selection in financials was the other main detractor from relative performance.

Market returns driven by AI

Lyrical, which in its own words seeks out "gems in the junk" of cheap value stocks, and Japan/South Korean experts Dalton both added significant value; Jennison and Artisan were mildly positive, too. But the other seven Stock Pickers, especially Brown, Vulcan and Veritas, detracted from relative performance. These results highlight the difficulty faced by a diverse line-up of active managers, each with distinct investment styles, outperforming a momentum driven market. Market leadership is no longer confined to the "Magnificent Seven". It is spreading through supply chains both geographically and by sector into power, infrastructure, construction and industrial business, but the unifying theme across countries and industries is AI. So, thematically, the driver of returns remains quite narrow, even if a greater number of stocks are benefitting.

Top ten stock contributors to performance

Name	Sector	Country	Average Active Weight (%)[1]	Total Return (%)[2]	Attribution Effect (%)[3]
Flex	Information Technology	United States	0.7	171.8	0.8
Murata Manufacturing	Information Technology	Japan	0.3	245.8	0.6
TD Synnex	Information Technology	United States	0.8	81.0	0.5
Samsung Electronics	Information Technology	South Korea	0.5	159.1	0.4
Taiwan Semiconductor	Information Technology	Taiwan	0.8	56.1	0.3
Bloom Energy	Industrials	United States	0.3	253.0	0.2
Texas Instruments	Information Technology	United States	0.3	75.5	0.2
Tesla	Consumer	United States	-1.2	-5.2	0.2

	Discretionary				
Apple	Information Technology	United States	-4.2	8.0	0.2
Arrow Electronics	Information Technology	United States	0.4	96.3	0.2

Bottom ten stock detractors to performance

Name	Sector	Country	Average Active Weight (%)[1]	Total Return (%)[2]	Attribution Effect (%)[3]
Micron Technology	Information Technology	United States	-0.6	310.0	-1.0
Advanced Micro Devices	Information Technology	United States	-0.4	174.9	-0.5
Intel	Information Technology	United States	-0.3	283.5	-0.5
Salesforce	Information Technology	United States	0.4	-39.9	-0.5
SAP	Information Technology	Germany	0.8	-35.8	-0.4
Mastercard	Financials	United States	1.8	-8.6	-0.4
KLA Corporation	Information Technology	United States	-0.2	152.1	-0.2
Caterpillar	Industrials	United States	-0.4	88.9	-0.2
ExxonMobil	Energy	United States	-0.4	16.2	-0.2
Ares Management	Financials	United States	0.4	-29.1	-0.2

Source: WTW

While we had overweight exposure to some of the biggest winners at the heart of AI, for example, Murata Manufacturing, Samsung Electronics, Taiwan Semiconductor, Flex and Bloom Energy, this was more than offset by being underweight or not owning shares in several other beneficiaries of the boom.

These included Micron Technology, the share price of which rose 310%, Advanced Micro Devices (+175%), and Intel (+ 283%). Relative performance in technology was also impacted by owning software stocks, such as Salesforce and SAP, businesses which are perceived, wrongly in the view of some of our Stock Pickers, as being disrupted by AI.

The biggest negatives in financials included our overweight positions in Mastercard and the London Stock Exchange Group, which, again, are wrongly perceived, according to our Stock Pickers, as victims of AI. The alternatives investment manager Ares Management was another negative in financials. Its share price fall was driven by a mix of sector-wide private credit concerns, earnings disappointment and broader macro risks.

Contribution to Return six months to 30 June 2026	**%**
Benchmark Total Return	12.7
Asset Allocation	-1.1
Stock Selection	-4.8
Gearing and Cash	0.4
Investment Manager Impact	-5.5
Portfolio Total Return	7.2
Share Buybacks	0.1
Fees/Expenses	-0.3
NAV including Income, Debt at Par	7.0
Change in Fair Value of Debt	0.0
NAV including Income, Debt at Fair Value	7.0
Change in Discount	-1.0
Share Price Total Return	6.0

Source: Performance and attribution data sourced from WTW, Juniper, MSCI Inc., FactSet and Morningstar as at 30 June 2026. Percentages may not add due to rounding.

Positioning: reaffirming conviction, refining implementation

As a general-purpose technology, AI will clearly be transformational. We can already see it impacting many businesses, including advertising, software coding and customer services, for example. Companies that fail to embrace it could be facing existential risks. But the adoption of AI is still in its infancy, and the full extent of its impact is unclear, even as valuations soar.

As one of our Stock Pickers, Tye Bousada of EdgePoint, has put it in a recent video on AI on the Alliance Witan website: "Good investors have a well calibrated sense of future regret … we believe crowds may be putting too much of their money into a single idea today. Having a well calibrated sense of future regret means understanding that the world is an uncertain place. History has taught us that no one knows exactly how the future is going to play out."

We agree and believe that maintaining a diversified stance, including selectively investing in AI-related businesses, is still the right positioning over the long term, despite recent underperformance versus the index being driven largely by our relative lack of exposure to the AI theme. Our Stock Pickers believe there are many attractive companies with strong fundamentals in the portfolio that are being overlooked due to the market's fixation with AI. We believe this gives our portfolio latent value that has yet to be recognised.

We retain strong conviction in our Stock Pickers individually, while monitoring them all carefully and keeping the combination under constant scrutiny. Our oversight of the portfolio is deliberately continuous and evidence led. During the period, we began a structured review of our Stock Picker selection, their underlying selection of stocks, portfolio construction and structural features of the concentrated mandate approach. We continue to test whether implementation can be sharpened in light of the market's increased concentration and momentum-led leadership.

We have already taken the opportunity to add a second risk model to our arsenal to ensure we are even more cogniscent of all the absolute and relative risks we are running. And of course, as always, we continue to debate if the current line up combination of Stock Pickers and weightings to each of them is optimal as markets gyrate.

Maintaining conviction in the long-term strategy does not mean being passive about portfolio construction. As market concentration has increased, we have ensured we understand all the risks we are running.

We made an initial, measured adjustment to Stock Picker allocations as a result. During the second quarter, 5% of portfolio capital was reallocated from a combination of Veritas, Metropolis and Brown to Jennison, Sands and Dalton. The objective was to improve the balance of overall portfolio exposures.

This was a portfolio-construction decision, not a change in investment philosophy: we continue to back skilled Stock Pickers to identify attractive businesses, while actively managing the blend of exposures on behalf of shareholders.

The Stock Pickers themselves have also been shifting their exposures to take advantage of the volatility in shares prices and the opportunities this presents to make investments in good, mispriced businesses.

Although turnover remains elevated, this can be a valuable attribute in periods of heightened volatility, enabling active managers to reposition portfolios swiftly as risks and opportunities emerge. This is particularly important in concentrated portfolios of around 20 holdings, where competition for capital is acute and every position must continually justify its place in the portfolio. Managers can cut losses, take profits and reallocate capital to more attractively valued companies as market conditions evolve. With trading costs now significantly lower than in the past, higher turnover is not necessarily a drag on returns. Indeed, the cost of not trading can sometimes exceed the cost of trading.

Top 10 largest net purchases - Six months to 30 June 2026	**Net value of stock purchased (£m)**
SAP	73.3

SK Hynix	51.5
Exxon Mobil	45.3
Marsh	39.2
Mastercard	33.4
General Electric	32.4
S&P Global	31.5
Carpenter Technology	28.4
Banco Santander	28.1
Bloom Energy	27.3

Top 10 largest net sales - Six months to 30 June 2026	**Net value of stock sold (£m)**
UnitedHealth Group	67.1
Texas Instruments	55.7
Unilever	52.9
Salesforce	50.6
Samsung Electronics	46.8
Enbridge	45.5
Microsoft	40.5
ICICI Bank	39.5
Philip Morris	36.3
Murata Manufacturing	34.3

Source: Juniper

Outlook for second half of year

As we enter the second half of the year, we are keeping the Stock Picker line-up under review, as we always do, and monitoring market concentration risks, which are likely to be exacerbated by the runway of giant technology-related IPOs. The unprecedented wave of fresh equity issuance could have sweeping implications across the financial system.

For example, mega-cap IPOs joining indices can become significant index constituents over time, raising concentration considerations for diversified portfolios like Alliance Witan's. If the SpaceX free float rises to c.15% of its value (≥$250 billion), it will rank among the top 100 companies in a global index like the MSCI ACWI. Multiple new mega-caps listing in close succession (SpaceX, plus OpenAI and Anthropic) could, along with a continuation of the AI theme that has been dominating indices, lead to further concentration in indices, from a sector/thematic perspective. This scenario would concentrate indices further in the technology and innovation sectors, strengthening the case for diversified, active management. Index-tracking funds don't evaluate a company's fundamental value; they operate mechanically, buying more of what has already gone up and selling what has fallen out of favour, often throwing the baby out with the bathwater.

In the meantime, we believe equity markets should continue to deliver positive returns in the second half of the year, but against a backdrop of domestic political uncertainty as a new Prime Minister settles into Downing Street, heightened global uncertainty and weakness in many areas of the economy outside of AI. The ongoing conflict between the US and Iran shows that there's no guarantee of a lasting agreement and inflationary pressures from the oil supply shock remain. Apple's recent price hikes for iPads and desk top computers, in response to the soaring cost of memory and storage chips, point to further inflationary impulses. Speculative behaviour in financial markets might change if major central banks start raising interest rates again to combat higher inflation.

Although AI is changing the world, it is still not clear what the ultimate profitability or free cash flow of specific companies will be over the next 20 years, or even the next few years. Yet market valuations are beginning to price this in with higher degrees of certainty, while being overly pessimistic about less speculative opportunities in traditional industries. As a result, the dispersion of returns between stocks is now quite elevated, presenting an ideal opportunity for skilled active managers to add value by picking long-term winners and avoiding losers.

As with the internet, it's possible that the public reaps the biggest benefits from cheap and widespread access, while the largest AI companies earn only modest returns on their massive investments. The very recent underperformance of the so-called "Magnificent Seven" as a group - NVIDIA, Apple, Meta, Alphabet, Amazon, Microsoft, and Tesla - in which we are underweight, certainly points to investor doubts, underlined by the rising costs of long-term debt for these companies. Amid euphoric investor sentiment in technology and with the market so concentrated, history suggests there will be a reckoning at some point, though who knows when. Ultimately, long-term outcomes will be driven by the ability to identify and back high-quality, attractively valued companies, on a case-by-case basis. In our view, this reinforces the need to adopt a diversified, disciplined approach to investing that focuses on stock selection based on underlying business values rather than placing unquestioning belief in a binary market narrative.

Craig Baker, Stuart Gray, Mark Davis
WTW
Investment Manager

Responsible Investment

WTW believes that environmental, social and governance ('ESG') factors have the potential to impact financial risk and return. As long-term investors, WTW aims to incorporate these factors into its investment process, including assessing how Stock Pickers evaluate ESG risk in their decisions over what stocks to purchase. Climate change poses potential significant risks to investment returns from many companies, which is why both WTW and the Company have stated an intention to manage the assets with a goal of achieving Net Zero greenhouse gas emissions from the portfolio by 2050. Further information can be found in our 2025 Annual Report and our Responsible Investment Report both of which are available on the website.

How We Manage Our Risks

In order to monitor and manage risks facing the Company, the Board maintains and regularly reviews a risk register and heat map. The risk register details all principal and emerging risks thought to face the Company at any given time. The principal risks facing the Company, as determined by the Board, are Investment, Operational and Legal and Regulatory Non-Compliance.

As part of its review process, the Board considers input on the principal and emerging risks facing the Company from its key service providers, WTW and Juniper. Any risks and their associated risk ratings are then discussed, and the risk register and heat map updated accordingly, with additional measures put in place to monitor, manage and mitigate risks as required.

Principal risks

The principal risks facing the Company, how they have changed during the period and how the Board aims to monitor and manage these risks are detailed on the following pages. The judgments made on risk ratings relate to whether the situation has worsened or improved relative to where it was at the previous review.

Risk and potential impact	Risk rating	How we monitor and manage the risk
Market risk: is the risk of absolute (and potentially permanent) loss, however triggered, but exacerbated by excessive leverage and/or equity valuations.	Stable	• The Board sets investment guidelines and the Investment Manager selects Stock Pickers and styles to provide diversification within the portfolio. • The Board receives regular updates from the Investment Manager and monitors adverse movements and impacts on the portfolio. • The Board communicates effectively to shareholders on market outlook and performance so that the risks of investing in the Company are understood.
Investment performance: relative underperformance makes the Company an unattractive investment proposition.	Increasing	• The Company's investment performance against its investment objective, relevant benchmark and closed and open ended peer group is reviewed and challenged where appropriate by the Board at every Board meeting. The challenge process can lead to additional meetings to discuss in more detail. Details explaining the relative underperformance for the period can be found in the Investment Manager's Report.

		• The Board receives regular reporting from the Investment Manager to allow it to review the approach to ESG and climate risk factors embedded within the investment process from the Company's perspective. • The Board has continued to challenge WTW and engage with the Stock Pickers to understand the drivers of performance and to assess whether the portfolio remains well positioned to deliver strong returns for shareholders. With the Board's support, WTW is conducting a structured review of the investment strategy including Stock Picker selection, stock selection, portfolio construction, and risk management. While no major change is expected to the Company's diversified, high-conviction approach, the review will guide any future enhancements to our investment process as we endeavour to improve shareholder outcomes.
Strategy and market rating: demand for the Company's shares decreases due to changes in demand for the Company's strategy or secular changes in investor demand.	Stable	• The Board regularly reviews the share register and receives feedback from the Investment Manager and broker on all marketing and investor relations and shareholder meetings, to keep informed of investor sentiment and how the Company is perceived in the market. • The Board monitors the Company's share price discount and, working with the broker undertakes periodic share buybacks as appropriate to meet its strategic objective of maintaining a stable discount. • The Marketing Committee plays an important role in overseeing the Company's marketing activities undertaken by WTW to promote demand for the Company's shares, including overall strategy, content, channels and initiatives.
Capital structure and financial risk: inappropriate capital or gearing structure may result in losses for the Company.	Stable	• The Board receives regular updates on the capital structure of the Company including share capital, borrowings, structure of reserves, compliance with ongoing covenants and shareholder authorities, to allow ongoing monitoring of the appropriate structure. • The Board reviews and manages the borrowing limits under which the Investment Manager operates. • Shareholder authority is sought annually in relation to share issuance and buybacks to facilitate ongoing management of the share capital.
Operational		
All of the Company's operations are outsourced to third party service providers. Any failure in the operational controls of the Company's service providers could result in financial, legal or regulatory and reputational damage for the Company. Operational risks include cyber security, IT systems failure, inadequacy of oversight and control, climate risk and ineffective disaster recovery planning.	Stable	• The Board monitors the services provided by the key services suppliers and formally reviews the performance of each on an annual basis, including the review of audited internal control reports where appropriate. No material issues were raised during the first six months of 2026. • Cyber security continues to be a key focus for the Board. Reports on the internal controls of each key service provider (the AIFM, Investment Manager, Registrar and Company Secretary and Administrator) are reviewed by the Board annually. • Any breaches in controls which have resulted in errors or incidents are required to be immediately notified to the Board along with proposed remediation actions.
Legal and regulatory		
Failure to adhere to all legal and regulatory requirements could lead to financial and legal penalties, reputational damage and potential loss of investment trust status.	Stable	• The Board has contracted with its key service suppliers, including the Investment Manager and Juniper, in relation to its ongoing legal and regulatory compliance. The Board receives quarterly reports from each supplier to monitor ongoing compliance. The Company has complied with all legal and regulatory requirements during the first six-month period to 30 June 2026.

- Any breaches in controls which have resulted in errors or incidents are required to be immediately notified to the Board, along with proposed remediation actions.

Emerging risks

Emerging risks are typified by having a high degree of uncertainty and may result from sudden events, new potential trends or changing specific risks where the impact and probable effect is hard to assess. As the assessment becomes clearer, the risk may be added to the risk matrix of 'known' risks. The Board continues to monitor a range of emerging risks characterised by a high degree of uncertainty and the potential to develop into more material risks as their impacts become clearer. Key areas of focus include ongoing geopolitical tensions, where increasing nationalism and populism, global supply chain disruption, commodity price volatility and inflationary pressures could adversely affect markets and economic stability.

In addition, the Board continues to monitor closely the potential impacts of AI across the investment landscape. Significant disruption could be caused to the investment company and wealth management sectors through rapid changes to distribution channels and products.

Related party transactions

There were no transactions with related parties during the six months ended 30 June 2026.

Going concern statement

Having considered the resources of the Company over the next 12 months and beyond, the Directors believe that the Company has adequate financial resources to continue in existence for the foreseeable future. Therefore, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The factors impacting on going concern are set out in detail in the Company's viability statement on pages 65 to 67 of the Annual Report for the year ended 31 December 2025. Factors considered included financial strength, investment, liquidity, dividends, reserves, discount, significant risks, borrowings, security and operations.

Responsibility Statement

We confirm to the best of our knowledge that:

- The condensed set of financial statements which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4 of the Disclosure Guidance and Transparency Rules;

- The interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the Annual Report for the year ended 31 December 2025 that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

Signed on behalf of the Board

Dean Buckley
Chair
30 July 2026

Financial Statements

Condensed Income Statement (unaudited) for the period ended 30 June 2026

£000	6 months to 30 June 2026 Revenue	Capital	Total	6 months to 30 June 2025 Revenue	Capital	Total	Year to 31 December 2025 (audited) Revenue	Capital	Total
Income	**55,172**	**-**	**55,172**	51,960	-	51,960	97,891	227	98,118
Gains/(losses) on investments held at fair value through profit or loss	**-**	**316,421**	**316,421**	-	(49,125)	(49,125)	-	192,053	192,053
Gains on derivatives	**-**	**-**	**-**	-	-	-	-	11,225	11,225
Gains/(losses) on fair value of debt	**-**	**3,976**	**3,976**	-	(7,579)	(7,579)	-	(8,821)	(8,821)
Total	**55,172**	**320,397**	**375,569**	51,960	(56,704)	(4,744)	97,891	194,684	292,575
Investment management fees	**(2,792)**	**(8,377)**	**(11,169)**	(2,029)	(6,087)	(8,116)	(4,616)	(13,847)	(18,463)
Administrative expenses	**(3,421)**	**(134)**	**(3,555)**	(2,891)	(188)	(3,079)	(5,737)	(359)	(6,096)
Finance costs	**(2,092)**	**(6,280)**	**(8,372)**	(2,123)	(6,369)	(8,492)	(4,177)	(12,532)	(16,709)
Foreign exchange losses	**-**	**(1,708)**	**(1,708)**	-	(11,130)	(11,130)	-	(16,250)	(16,250)
Profit before tax	**46,867**	**303,898**	**350,765**	44,917	(80,478)	(35,561)	83,361	151,696	235,057
Taxation	**(5,694)**	**13**	**(5,681)**	(5,571)	(247)	(5,818)	(10,374)	(219)	(10,593)
Profit for the period/year	**41,173**	**303,911**	**345,084**	39,346	(80,725)	(41,379)	72,987	151,477	224,464

All profit for the period/year is attributable to equity holders.

Earnings per share (pence per share)	**10.90**	**80.43**	**91.33**	9.87	(20.25)	(10.38)	18.52	38.45	56.97

The Company does not have any other comprehensive income and hence profit for the period/year, as disclosed above, is the same as the Company's total comprehensive income.

Condensed Statement of Changes in Equity (unaudited) for the period ended 30 June 2026

£000	Share capital	Share premium account	Capital redemption reserve	Special Reserve*	Capital Reserve*^	Revenue Reserve*	Total
Balance at 1 January 2025	10,130	1,530,930	11,892	-	3,613,433	55,568	5,221,953
Total Comprehensive income:							
Profit for the year	-	-	-	-	151,477	72,987	224,464
Transactions with owners, recorded directly to equity:							
Reduction and reclassification of share premium account[(1)]	-	(1,530,930)	-	1,530,930	-	-	-
Ordinary dividends paid	7	-	-	-	-	(110,029)	(110,029)
Unclaimed dividends returned	-	-	-	-	-	19	19
Cost of reduction and reclassification of share premium account	-	-	-	(63)	-	-	(63)
Own shares purchased	-	-	-	(147,779)	(75,822)	-	(223,601)
Balance at 31 December 2025 (audited)	10,130	-	11,892	1,383,088	3,689,088	18,545	5,112,743
Balance at 1 January 2025	10,130	1,530,930	11,892	-	3,613,433	55,568	5,221,953
Total Comprehensive income:							
Loss for the period	-	-	-	-	(80,725)	39,346	(41,379)
Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	-	-	-	-	-	(55,020)	(55,020)
Unclaimed dividends returned	-	-	-	-	-	19	19
Own shares purchased	-	-	-	-	(58,009)	-	(58,009)
Balance at 30 June 2025	10,130	1,530,930	11,892	-	3,474,699	39,913	5,067,564
Balance at 1 January 2026	**10,130**	**-**	**11,892**	**1,383,088**	**3,689,088**	**18,545**	**5,112,743**
Total Comprehensive income:							
Profit for the period	**-**	**-**	**-**	**-**	**303,911**	**41,173**	**345,084**

Transactions with owners, recorded directly to equity:							
Ordinary dividends paid	-	-	-	(8,350)	-	(46,030)	(54,380)
Unclaimed dividends returned	-	-	-	-	-	31	31
Own shares purchased	-	-	-	(126,511)	-	-	(126,511)
Balance at 30 June 2026	**10,130**		**11,892**	**1,248,227**	**3,992,999**	**13,719**	**5,276,967**

* The special reserve, capital reserve and the revenue reserve are distributable reserves.

^ The capital reserve includes unrealised gains of £687.0m (30 June 2025: £525.4m; 31 December 2025: £542.1m) comprising £673.5m unrealised gains on investments; £16.8m unrealised gains on borrowings; and £3.3m unrealised currency losses is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The unrealised gains on borrowings of £16.8m (30 June 2025: £14.4m; 31 December 2025: £12.7m) and gains on Level 3 investments of £16.4m (30 June 2025: £2.4m; 31 December 2025: £6.8m) are not distributable.

(1) On 5 August 2025 the Court of Session in Scotland (the 'Court') approved the reduction of the Company's share premium account and the crediting of an equivalent amount to the Company's distributable reserves. The Order of the Court approving the reduction became effective on 14 August 2025 when it was registered with the Registrar of Companies.

Condensed Balance Sheet (unaudited) as at 30 June 2026

£000	30 June 2026	30 June 2025	31 December 2025 (audited)
Non-current assets			
Investments held at fair value through profit or loss	**5,483,155**	5,321,019	5,358,871
	5,483,155	5,321,019	5,358,871
Current assets			
Outstanding settlements and other receivables	**76,802**	32,056	10,106
Cash and cash equivalents	**139,809**	116,782	121,165
	216,611	148,838	131,271
Total assets	**5,699,766**	5,469,857	5,490,142
Current liabilities			
Outstanding settlements and other payables	**(18,452)**	(32,194)	(5,722)
Bank loans	**(99,602)**	(46,180)	(61,901)
	(118,054)	(78,374)	(67,623)
Total assets less current liabilities	**5,581,712**	5,391,483	5,422,519
Non-current liabilities			
Fixed rate loan notes held at fair value	**(304,121)**	(306,855)	(308,097)
Bank loans	**-**	(15,000)	-
Deferred tax provision	**(624)**	(2,064)	(1,679)
	(304,745)	(323,919)	(309,776)
Net assets	**5,276,967**	5,067,564	5,112,743
Equity			
Share capital	**10,130**	10,130	10,130
Share premium account	**-**	1,530,930	-
Capital redemption reserve	**11,892**	11,892	11,892
Special reserve	**1,248,227**	-	1,383,088
Capital reserve	**3,992,999**	3,474,699	3,689,088
Revenue reserve	**13,719**	39,913	18,545
Total equity	**5,276,967**	5,067,564	5,112,743

All net assets are attributable to equity holders.

Net asset value per ordinary share attributable to equity holders (£)	**14.16**	12.82	13.37

Condensed Cash Flow Statement (unaudited) for the period ended 30 June 2026

£000	6 months to 30 June 2026	6 months to 30 June 2025	Year to 31 December 2025 (audited)
Cash flows from operating activities			
Profit/(loss) before tax	**350,765**	(35,561)	235,057

Adjustments for:			
(Gains)/losses on investments	**(316,421)**	49,125	(192,053)
Losses on derivatives	**-**	-	(11,225)
(Gains)/losses on fair value of debt	**(3,976)**	7,579	8,821
Foreign exchange losses	**1,708**	11,130	16,250
Dividend income	**(52,639)**	(51,419)	(95,125)
Other income	**(2,533)**	(541)	(2,993)
Dividend income received	**52,364**	52,489	95,639
Other income received	**2,461**	541	2,620
Finance costs	**8,372**	8,492	16,709
Operating cash flows before movements in working capital	**40,101**	41,835	73,700
(Increase)/decrease in receivables	**(214)**	486	341
Decrease in payables	**(194)**	(353)	(699)
Net cash inflow from operating activities before tax	**39,693**	41,968	73,342
Taxes paid	**(7,389)**	(5,651)	(9,991)
Net cash inflow from operating activities	**32,304**	36,317	63,351
Cash flows from investing activities			
Proceeds on disposal of investments	**2,586,377**	2,384,346	5,153,245
Purchases of investments	**(2,447,871)**	(2,355,043)	(4,937,901)
Settlement of derivative financial instruments	**-**	-	11,225
Net cash inflow from investing activities	**138,506**	29,303	226,569
Net cash inflow before financing	**170,810**	65,620	289,920
Cash flows from financing activities			
Dividends paid - equity	**(54,380)**	(55,020)	(110,029)
Unclaimed dividends returned	**31**	19	19
Costs of share premium account cancellation	**-**	-	(63)
Purchase of own shares	**(125,294)**	(58,009)	(223,508)
Repayment of bank debt	**(15,738)**	-	(46,000)
Drawdown of bank debt	**53,470**	-	46,000
Finance costs paid	**(8,337)**	(8,257)	(16,506)
Net cash outflow from financing activities	**(150,248)**	(121,267)	(350,087)
Net increase/(decrease) in cash and cash equivalents	**20,562**	(55,647)	(60,167)
Cash and cash equivalents at beginning of period/year	**121,165**	182,725	182,725
Effect of foreign exchange rate changes	**(1,918)**	(10,296)	(1,393)
Cash and cash equivalents at the end of period/year	**139,809**	116,782	121,165

Notes to the Financial Statements

1. General information

The information contained in this Interim Report for the period ended 30 June 2026 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2025 has been delivered to the Registrar of Companies. The auditor's report on those financial statements was prepared under s495 and s496 of the Companies Act 2006. The report was not qualified, did not contain an emphasis of matter paragraph and did not contain statements under section 498(2) or (3) of the Companies Act. The interim financial results are unaudited and have not been reviewed by the Company's auditors. They should not be taken as a guide to the full year.

2. Accounting policies

Basis of preparation

These condensed interim financial statements for the six months to 30 June 2026 have been prepared in accordance with IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards ('IASs') but are not the Company's statutory accounts. They include comparators extracted from the Company's statutory accounts but do not include all of the information required for full annual financial statements and should be read in conjunction with the 2025 Annual Report and Accounts, which were prepared in accordance with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Association of Investment Companies ('AIC') issued a Statement of Recommended Practice: Financial Statements of Investment Companies ('SORP') in July 2022. The Directors have sought to prepare the financial statements in accordance with the AIC SORP where the recommendations are consistent with IFRS. The Company qualifies as an investment entity.

Going concern

The Directors having assessed the principal and emerging risks of the Company have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from date of approval. The Company's assets, the majority of which are investments in quoted equity securities and are readily realisable, significantly exceed its liabilities. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements. The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report of the Annual Report for the financial year ended 31 December 2025.

Segmental reporting

The Company has identified a single operating segment, the investment trust, which aims to maximise shareholders returns. As such no segmental information has been included in these financial statements.

Application of accounting policies

The same accounting policies, presentations and methods of computation are followed in these financial statements as were applied in the Company's annual audited financial statements for the financial year ended 31 December 2025.

3. Income

£000	6 months to 30 June 2026	6 months to 30 June 2025	Year to 31 December 2025
Revenue:			
Income from investments			
Listed dividends - UK	7,434	8,228	16,663
Listed dividends - Overseas	45,205	43,191	78,235
	52,639	51,419	94,898
Other income			
Bank interest	2,531	532	2,278
Interest from liquidity funds	-	-	627
Other income	2	9	88
	2,533	541	2,993
Total allocated to revenue	55,172	51,960	97,891
Capital:			
Income from investments			
Listed dividends - UK		-	-
Listed dividends - Overseas	-	-	227
Total allocated to capital	-	-	227
Total income	55,172	51,960	98,118

4. Investment management fees

Up to 31 March 2026 the investment management fee was calculated as 0.52% per annum on such part of the Company's market capitalisation that is less than or equal to £2.5 billion; 0.49% per annum on such part of the Company's market capitalisation that exceeds £2.5 billion but is less than or equal to £5.0 billion; and 0.46% per annum on such part of the Company's market capitalisation that is in excess of £5.0 billion. From 1 April 2026 the investment management fee was reduced to 0.46% on the Company's entire market capitalisation. No investment management fee waiver was applied in the six months to 30 June 2026 (six months to 30 June 2025: £3,997,000; year to 31 December 2025: £6,205,000). The Company attributes investment management fees, 25% to revenue and 75% to capital profits.

5. Dividends paid

£000	6 months to 30 June 2026	6 months to 30 June 2025	Year to 31 December 2025
2024 fourth interim dividend of 6.73p per share	-	26,933	26,933
2025 first interim dividend of 7.08p per share	-	28,087	28,087
2025 second interim dividend of 7.08p per share	-	-	27,814
2025 third interim dividend of 7.08p per share	-	-	27,195

2025 fourth interim dividend of 7.08p per share	**26,895**	-	-
2026 first interim dividend of 7.33p per share	**27,485**	-	-
Total	**54,380**	55,020	110,029

The Articles of Association of the Company permit dividends to be paid out of capital. £8,350,000 of the fourth interim dividend for the year ended 31 December 2025 was paid from the special reserve.

Availability of Interim Report

The Interim Report will shortly be available to view on the Company's website at www.alliancewitan.com

A copy of the Interim Report will shortly be submitted to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism