

RIT Capital Partners plc

Results for the year ended 31 December 2017

RIT Capital Partners plc today published its results for the year ended 31 December 2017.

Financial Highlights:

- Growth in net assets in 2017 of £216m (before dividends)
- Total net assets stood at £2.9 billion, a new all-time high
- Net Asset Value (NAV) total return of 8.2% for the year
- NAV per share of 1,839 pence at 31 December 2017
- Total shareholder return over the year of 5.8%
- During the course of the year, the market capitalisation exceeded £3 billion for the first time

Performance Highlights:

- Defensive portfolio positioning with an emphasis on capital preservation
- Positive returns achieved with prudent net quoted equity exposure averaging 44% over the year
- Diversified approach successfully produced distinctive sources of return
- A good year for long-only and equity hedge funds, with the latter outperforming rising markets despite having moderate net equity exposure
- Strong contribution to overall returns from direct private investments
- Healthy contribution from increased allocation to Absolute Return & Credit
- Returns impacted by currency translation
- Profited from increased portfolio exposure to Asia

Dividends:

- Dividends paid in April and October 2017 totalling 32 pence per share
- The Board intends to pay a dividend of 33 pence per share in 2018, comprising 16.5 pence per share in April and 16.5 pence per share in October. This represents an increase of 3.1% over the previous year

Summary:

- Over the past three years, net assets have grown by £702 million (before dividends)
- Over the same three-year period, share price total return was 48.3%
- Over the past five years, net assets have grown by £1.24 billion (before dividends)
- Over the same five-year period, share price total return was 91.5%
- Since inception, RIT has now participated in 75% of market upside but only 39% of market declines
- Over the same period, total shareholder return has compounded at 12.6% per annum compared to the ACWI of 7.1%
- £10,000 invested in RIT at inception in 1988 would be worth ~£330,000 today (with dividends reinvested) compared to the same amount invested in the ACWI which would be worth ~£75,000

Commenting, Lord Rothschild, Chairman of RIT Capital Partners plc, said:

"... the geo-political situation remains a cause of concern: the risk of war, terrorism and cyber attacks, come at a time when American policies are highly unpredictable. Europe is enjoying a cyclical recovery but political conditions remain unsettled. Rising populist nationalism may well affect future elections.

... Reflecting these concerns, your Company's net quoted equity exposure averaged around 44%, including significant investments in technology in the USA and Asia ... This 'risk averse' approach produced steady progress in your Company's net asset value per share, which increased over the year to 1,839 pence per share, a total return of 8.2%. Over the last three years the NAV total return stands at 31.2%, with shareholder returns of some 48.3%. Our performance reflects diversified sources of return, from the quoted equity portfolio through external managers in addition to individual stocks.

... As I write this, stock markets have experienced a resurgence in volatility and we ask ourselves whether current valuations remain excessive, adequately reflecting the risks which lie ahead. Are we in the last chapter of a bull market, and one which is already the second longest in the post-World War II era? We remain an atypical investment trust in that there are times when our exposure to listed equities will be relatively low, reflecting your Company's priority of preserving shareholders' capital... We seek to identify - through stock selection, talented external managers and special situations - opportunities at attractive levels with a margin of safety. Over time this cautious policy of diversification has rewarded shareholders who have participated in 75% of up-markets and 39% of down-markets, since your Company's inception in 1988."

Commenting, Francesco Goedhuis, Chief Executive of J. Rothschild Capital Management Limited, said:

"The essence of our investing DNA is about protecting and enhancing shareholders' wealth ... the long-term success of your Company has been drawn from a distinctive blend of stocks, private investments, equity funds, absolute return and credit, all overlaid with currency positioning and macro exposure management. We believe the extent of our global reach and unique network allows us to maximise our ability to deploy capital effectively. We seek to capitalise on an in-house investment team working closely with our core external managers investing in funds which are largely closed to new investors, and cannot be accessed by a retail investor. Above all, our approach is long term.

... While there was a sense of complacency in many areas of the market, we remained resolutely long term, consistent with our target of multi-generational wealth creation. Where we deemed the risks too great, we used our flexibility to tilt the portfolio to emphasise capital preservation over and above the pursuit of short-term growth."

ENQUIRIES:

Brunswick Group LLP:

Tom Burns / Patrick Rutherford 020 7404 5959

About RIT Capital Partners plc:

RIT Capital Partners plc is an investment company listed on the London Stock Exchange. Its net assets have grown from £280 million on listing in 1988 to almost £2.9 billion today. RIT is chaired by Lord Rothschild, whose family interests retain a significant holding. www.ritcap.com