



## Why we're keeping RIT Capital Partners in our portfolio

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By Merryn Somerset Webb

*The RIT Capital Partners investment trust has lost 10% so far this year. But its longer term record is exceptional, says Merryn Somerset Webb.*

One of the core components of the Moneyweek Investment Trust Portfolio is RIT Capital Partners (LSE: RCP). We hold it for its generally cautious approach and long-term record of capital preservation.

There's an update on the portfolio as a whole in this week's Isa supplement in the magazine (RIT stays in it!) but we were pleased to see that RIT's just released final results back up the case for continuing to hold it.

It saw a total net asset value (NAV) return last year of 23.6% against 20% for the MSCI AC World Index – not bad given that the trust has relatively low overall equity exposure. This year hasn't gone so well (for anyone).

The shares are currently off 10% in the year to date and trading on an 8% discount to their NAV. However the trust remains nicely defensive – only 35% in equities with hedges in place in the more expensive software stocks alongside a rising exposure to European value and to commodity sensitive positions, for example.

The managers note that they expect 2022 to be a tricky year, but also that, while “volatility can often feel uncomfortable... the flipside is that if markets react indiscriminately this can also provide opportunities”.

The analysts at Numis remain fans. They approve of the firm's high level of exposure to unlisted investments (now well over 30% of the portfolio) and its careful approach to new positions.

The result of this has been a long term NAV total return of 11.3% a year, something that is “significantly ahead” of global equity markets, as well a tendency to participate in most of the market upside (74% of the tie since launch in 1988) and not much of the downside (38%).

It is an exceptional long term record – and the reason why it is staying in our portfolio, and staying as the “core long term recommendation in the Global Investment Companies sector” from Numis.