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RIT Capital shrugs off effects of virus

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RIT Capital Partners results for the year ended 31 December 2020 show an NAV total return of 16.4% for the year, which compares to 12.7% for the MSCI All Countries World Index and 4.2% for the company's performance objective of inflation (as measured by the RPI) plus 3% per year.

Unfortunately, a widening discount (from a 5.5% premium to a 9.9% discount) left shareholders with a return of -0.4%. The company has been buying back shares recently (116,000 shares over the last three months of 2020). The board intends to pay a dividend of 35.25p in 2021, in two equal instalments, in April and October. This represents an increase of 0.7% over the previous year.

Over the past five years, RIT's net assets have grown by £1.4bn (before dividends) and since inception, RIT has now participated in 73% of market upside but only 38% of market declines. Over the same period, total shareholder return has compounded at 11.7% per year compared to the MSCI All Countries World Index compounding at 7.3% a year.