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RIT Capital had a decent 2019

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RIT Capital Partners finished 2019 with an NAV of 2004p, it generated a return on NAV of 12% over 2019 and a return to shareholders of 12.5%. Dividends totalled 34p and the board says they will be at least 35p in 2020.

The chairman said *“Despite a muted outlook for global growth and earnings, 2019 was one of the best years for financial assets, with many investors prepared to take more risks than we considered warranted as risk-free rates moved lower and central banks eased policy. We maintained our cautious positioning, mindful of the risks inherent in both fully valued equity markets and historically low returns in bond markets. As a result, our returns lagged fully-invested market indices. However, this did not stop our portfolio from generating a healthy absolute return.”*

The bulk of returns were generated by the trust’s allocations to listed equities and private equity. Currency moves took about 3.1% off returns.

The managers say that *“overall, the key performance drivers for 2019 were:*

- *a significant recovery from structural themes including allocations to China, biotech and technology;*
- *the single stocks portfolio delivered strong returns from growth stocks in the first half of the year, then benefitted from a rotation into more value-driven stocks in the second half of the year;*
- *steady returns from private investments following an excellent 2018; and*
- *a healthy contribution from non-equity investments led by real assets.*

The main headwinds were:

- *the broad appreciation of sterling against most major currencies; and*
- *on a relative basis, our cautious net quoted equity exposure, which averaged 43% over the year.”*

[2019 was a good year for RIT Capital. It, like other funds that set out to preserve capital, is being tested by current markets. RIT Capital’s allocation to hedge fund strategies differentiates it from competing funds. It is too early to tell how it will emerge from this period of market volatility. At the end of January, the NAV had fallen to 1987p – it is going to be interesting to see what the end February NAV looks like but we will probably have to wait a couple of weeks for that.]