

J.P.Morgan CAZENOVE

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RIT Capital Partners (RCP) – NAV: RCP has this morning reported an unaudited, diluted NAV at its 31/12/20 year end of 2,292p (debt at fair), up 6.2% since 30/11/20. This concludes the year with an NAVTR of 16.4%. This has exceeded both RCP's investment KPIs of RPI+3.0% of 4.2% and the MSCI ACWI Index (50% Sterling) of 12.7%. RCP said that there were strong results across the portfolio, with contributions from the core asset categories and themes. They single out strong performance from quoted equities exposed to long-term structural themes (such as China and healthcare) and helpful contributions from its non-equity 'diversifiers' including absolute return and credit, as well as real assets. The year-end NAV also includes a revaluation of the direct unquoteds which we infer was also a helpful contributor – generally, the PE investments were well-positioned to benefit from technology trends in the US and Asia, within both the direct and fund portfolios (though these will still be valued at 30/9/20 marks). The full results are expected to be released in early March.

J.P.Morgan View: This was a very good performance, though we will have to wait until March to find out what the main contributors were, but it appears to be widely spread though we suspect there has been some good performance from the direct PE holdings, such as Coupang, which would have been subject to a year-end valuation. The shares have responded strongly to the NAV, rising 3.4% today to 2120pps (@11.30) and implying a discount of around 7.6%. We are **Neutral**.