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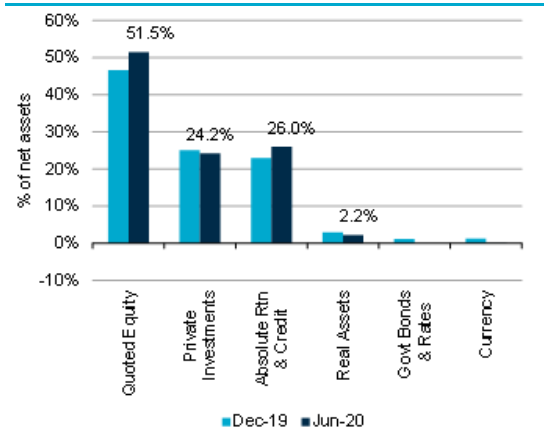
RIT Capital Partners – Interim Results: Discount presents attractive buying opportunity

04 August 2020

Performance: RIT Capital Partners delivered an NAV total return of -2.1% in the six months to 30 June versus -2.8% for the MSCI AC World Index (50% in Sterling, 50% in local currencies) and 2.0% for the fund’s absolute return target of RPI plus 3%. The NAV of 1,944p at 30 June had already been reported, but the results provide colour on the fund’s performance and portfolio. The shares are currently trading at 1,774p which is down 15.2% on a total return basis in 2020 ytd versus a rise of 0.2% in the benchmark equity index, and represents a discount of c.10% to our estimated NAV.

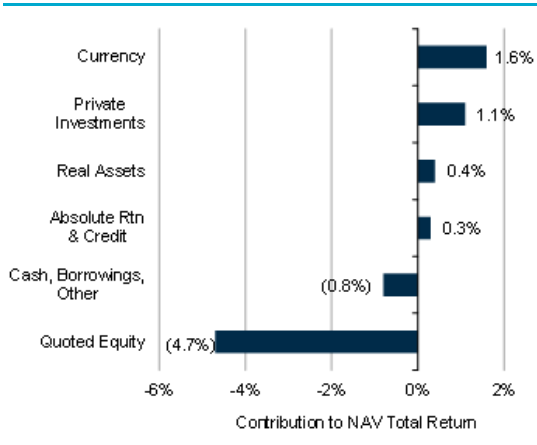
Attribution: During a volatile six months for markets, RIT Capital maintained its cautious approach, with a net quoted equity exposure averaging 42%. Core structural themes in the portfolio remain domestic China, biotech, and technology and quoted and private assets in these areas made good absolute and relative contributions. The Quoted Portfolio (51.5% of net assets at 30 June, -4.7% contribution in H1) was the largest detractor from absolute performance, particularly from funds and stocks that were more sensitive to the economic cycle across developed and emerging markets. The fund’s fixed rate debt also experienced a mark-to-market loss as interest rates declined.

RIT Capital - Exposure by Strategy



Source: Company data

RIT Capital - Contribution by Strategy in H1 2020



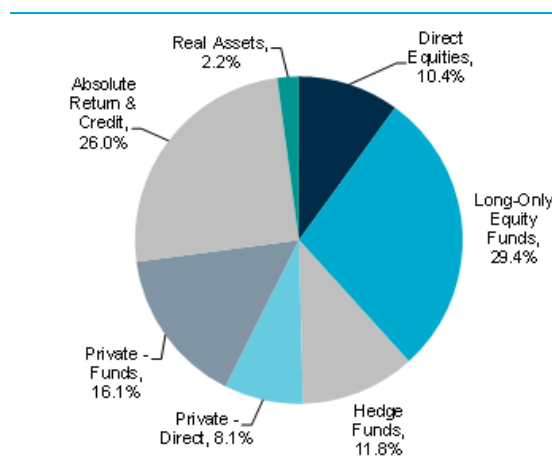
Source: Company data

The fund's Private Investments (24.2%, +1.1% contribution) were reasonably well insulated, with both the direct, and fund holdings contributing positively to absolute performance. The direct holdings (8.1%) have been revalued to 30 June, whilst the fund holdings (16.1%) are valued at 31 March, and we would expect revaluations to be reflected in September/October NAVs. In part performance reflects a degree of embedded structural protection in some of the direct investments as well as the sizable exposure to technology. Absolute Return & Credit (26.0%, 0.3%) contributed, helped by targeted additions to credit exposure as markets sold off in Q1, as did Real Assets (2.2%, 0.4%), predominantly driven by gold and gold-related exposure.

In contrast to 2019, currency movements made a positive contribution (+1.6%), reflecting Sterling weakness. RIT Capital's US\$ exposure rose to 17% at 30 June from 9% at the start of the period and Yen from 6% to 9%. Sterling exposure was reduced to 56% from 69% with the possibility of negative rates in the UK and Brexit risk re-emerging. Euro exposure was flat at 4%. RIT Capital is differentiated from most investment trusts by its active, unconstrained management of currency exposure.

Quoted Equities: Exposure to equities is through a combination of long-only funds 29.4% of net assets, direct equities/co-investment 10.4%, and hedge funds 11.8%. The managers remain cautious about the equity exposure given an anticipation of more macro volatility and are being patient with re-engaging with quality stocks.

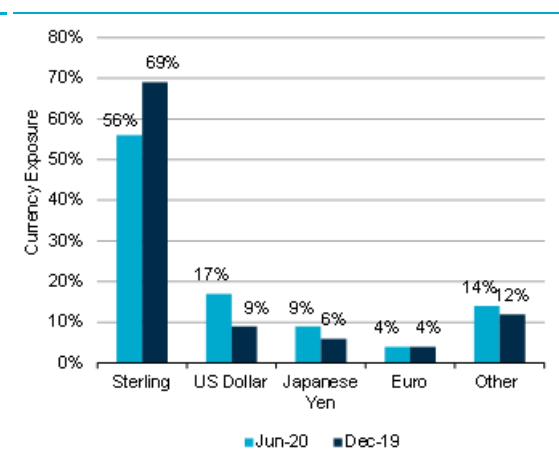
RIT Capital - Portfolio by Asset Type



At 30 June 2020. Note: based on % of net assets (total exposure adds to 104.0%)

Source: Company data

RIT Capital - Currency Exposure



Source: Company data

Private Investments: represent 24.2% of net assets, with 16.1% invested in third-party funds and 8.1% in direct holdings. The largest direct position, Acorn, saw a partial realisation earlier in the year and the successful IPO of its investment in JDE Peet's in June. As a result, Acorn has been transferred to the quoted portfolio. Including the remaining investment, Acorn has now generated a 2.1x return since RIT Capital invested in 2016. The managers continue to identify and diligence a number of private investment opportunities, which offer attractive entry valuations and a degree of structural protection.

RIT Capital - Direct Private Investments

Investment	Country	Business	Date	Value £m		% Net Assets	Comment
				Dec-19	Jun-20		
Acorn	Global	Coffee	2016	117.1	-	-	Now quoted
Coupang	Korea	Online consumer	2018	56.4	72.9	2.4%	
KeepTruckin	US	Logistics	2019	38.3	44.3	1.5%	
CSL	UK	Security alarms	2016	28.3	31.7	1.0%	
Infinity Data Systems	UK	Data centres	2011	12.0	-		
Age of Learning	US	Education	n/a	9.8	11.6	0.4%	
Other Direct				69.8	85.2	2.8%	
Total Direct				331.7	245.7		

Valuations for 2019/2020 H1 do not adjust for any investment or distributions. Source: Company data

CSL: We understand that since 30 June, RIT Capital has sold its stake in CSL. RIT invested in the UK-based alarm signalling company via a co-investment alongside Iconiq Capital as part of a management buyout, also backed by Norland Capital. CSL (is a provider of critical connectivity solutions for machine-to-machine ("M2M") communications. The company pioneered dual signalling technology in the alarm security industry, whereby signals are transmitted over both a fixed telephone line and a wireless network. It manages the communications for over 400,000 commercial, retail and residential premises globally, with a market leading position in the Fire, Security and Telecare Sectors. RIT's stake in CSL was valued at £31.7m at 30 June (1.0% of net assets). No details of the terms of the deal have been released but we understand the impact will be reflected in the July NAV. Iconiq Capital is a multifamily office that manages money for Mark Zuckerberg amongst others. We believe the investment will be a demonstration of the ability of RIT Capital's management team, led by Francesco Goedhuis, to see investments through the full cycle of sourcing, execution and disposal in the post-Lord (Jacob) Rothschild era. The business is reflective of the approach of investing alongside a strong lead partner and focusing on defensive businesses asymmetric risk/return profiles. CSL has defensive characteristics, including a strong competitive position and high (c.90%) recurring revenues and an average customer life of c.10 years.

Absolute Return and Credit: represent 26.0% of net assets, up from 22.9% at 31 December. The managers made targeted additions to credit exposure during volatile markets which contributed to performance during the period. New fund investments included Tresidor Credit Opportunities and Farmstead in the distressed debt/special situations.

Manager Outlook and Strategy: In the Interim Report, Francesco Goedhuis (CEO) and Ron Tabbouche (CIO) comment: *“In our view the current level of market optimism, buoyed by the scale of policy response and benign views on the pandemic’s future impact leaves investors with little margin of safety. To justify the current backdrop of record debt levels and valuations there needs to be a sustained period of economic growth. There are many reasons to doubt that this will occur, not least a frugal private sector, uncertainty around inflation and rising geopolitical and societal tensions”*. Therefore, the portfolio remains cautiously positioned. They expect volatility over the rest of the year, and are being proactive in identifying opportunities across asset classes and capital structures.

Dividend: The Board has declared a second interim dividend of 17.5p to be paid on 30 October (ex-date 1 October), taking total dividends for the financial year to 35p, an increase of 2.9% over the previous year. This represents a prospective yield of 2.0%.

Discount: RIT Capital’s share price has been volatile, and it has moved to a discount for the first time since 2015. The Chairman, Sir James Leigh-Pemberton notes that the Board monitors the share price carefully and *“will act, as we have done in the past, if we see opportunities to acquire the company’s shares accretively”*. The fund last bought back shares in 2013 (0.02% of share capital), and 2009 prior to that (0.62%).

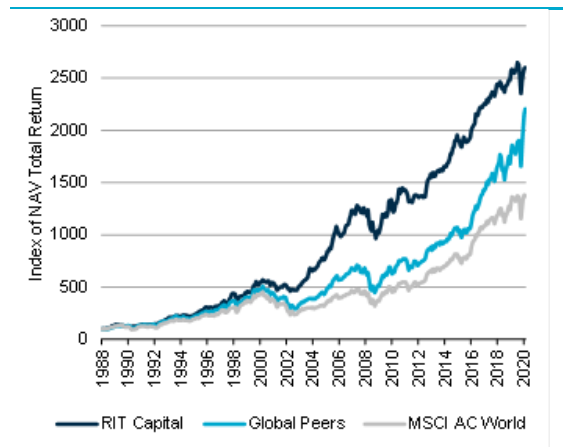
Numis Views: RIT Capital has been one of our core long term recommendations within the Global Investment Companies sector for a number of years. The shares are currently trading at 1,774p, down 15.2% on a total return basis in 2020 ytd versus a rise of 0.2% in the benchmark equity index, despite solid NAV performance. The fund has historically trading on a premium, but has moved to a c.10% discount for the first time since 2015, which we believe provides a unique buying opportunity for a fund that offers a risk/return profile that should be attractive to a wide range of investors.

RIT Capital has an exceptional long term track record through an unconstrained investment approach seeking to deliver long-term capital growth, whilst preserving shareholders’ capital. It is differentiated from most Investment Companies by being self-managed, but also by its active management of both

equity and currency exposure. Since inception in 1988, it has delivered an attractive return profile, participating in 72% of market upside, but only 38% of market declines. This has resulted in the NAV total return compounding at 11.1% pa, significantly ahead of global equity markets - the MSCI AC World and FTSE All Share have delivered annualised Sterling total returns of 8.5% and 7.8%, respectively.

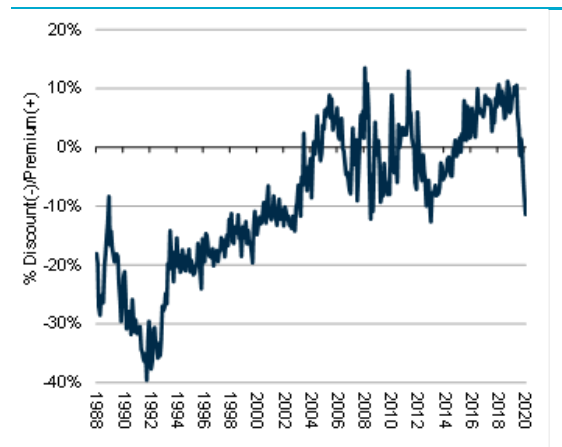
In recent years, RIT Capital has effectively managed a changing of the guard, with Lord Rothschild stepping down as Chairman in September 2019. Lord Rothschild founded RIT and drove its investment strategy for over 30 years. However, he stepped back from day-to-day management over a number of years, having found a team in which he has faith. The Executive team, led by Francesco Goedhuis (CEO) and Ron Tabbouche (CIO), has now been together for seven years. During this period they have refined RIT’s strategy, adopting a more disciplined, higher conviction approach. They seek to find attractive opportunities across a range of asset classes, leveraging off an extensive global network of contacts, investing alongside managers with specialist industry/country expertise. It is interesting to see the disposal of CSL which demonstrates the full cycle from sourcing to realisation of an investment sourced from the next-generation network. In addition, the NAV continues to behave in the fashion investors have come to expect from RIT Capital, providing some insulation from falling markets, whilst participating in the upside.

RIT Capital - NAV Total Returns since Listing



Source: Datastream

RIT Capital - Long Term Discount History



Source: Datastream