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NAV growth of over 19% in H1 2021

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RIT Capital (£4.15bn market cap) released its Interims last week. RIT generated NAV returns of 19.1% in H1 2021.

Numis analyst Priyesh Parmar has already provided a comprehensive review of the Interims, but I wanted to pick out a few investments that were disclosed in the portfolio breakdown.

Robinhood, which doesn't really need any explanation. Anyone who has read anything that Numis has written on RIT Capital over the years will see the highlighting of the RIT Capital network. The RIT Capital network is unique and is leveraged off to make some exclusive and exciting investments.

Robinhood is a prime example of this network. One of the most significant fintech investors is Micky Malka and his Ribbit Capital. Earlier in the year, Robinhood ran into difficulties and needed cash quickly as stock-trading clearinghouses demanded additional regulatory capital. It didn't turn to its oldest or largest financial backer. It called on Micky Malka! Within hours, Ribbit Capital agreed to lead a new round of convertible debt financing, wiring its investment that same day. Other investors piled in, giving Robinhood more than \$1bn in funding commitments by the next morning. I suspect that RIT Capital was involved in this transaction given Ribbit's involvement as well as Iconiq which RIT is also an investor in. At the end of June, Robinhood was a £29m investment being 0.7% of RIT Capital net assets.

The debt accrued interest at a rate of 6% and converted to equity at a 30% discount to the IPO price, which was set at \$38 at the end of July.....being \$26.6 per share.

Since floating the shares have been a bit of a rollercoaster...trading over \$80 before several investors including Ribbit filed to sell 100m shares but the SEC has said this will have to wait until Robinhood

releases its first set of results scheduled for the 18th August. Robinhood shares closed on Friday at \$55.

Continuing the theme of fintech platforms disrupting the traditional retail trading ecosystem, RIT Capital invested £50m (1.2% of net assets) in Webull. Like Robinhood, Webull offers free stock trades with a slick online interface. The Chinese-owned firm has tried to differentiate itself with more sophisticated investment tools and more responsive customer service. Webull was founded by Wang Anquan. He left Alibaba to help run the finance unit at Chinese tech giant Xiaomi before setting up Webull's parent company, Fumi Technology, in 2016. In February of this year, Webull raised \$150m at a rumoured valuation of \$1bn. Recent media reports have suggested that Webull is considering a public float.

It is also worth just referencing the valuation lag on the third party funds within the RIT portfolio too being the likes of Iconiq and Ribbit. These represent 20% of RIT's net assets and will be marked at March 2021. The majority of these funds are growth/venture and so worth highlighting that Nasdaq was up over 11% in Q2 2021 in US Dollar terms.

Elsewhere, Astra Space now features within RIT's quoted holdings (0.6% of net assets). It began trading in the US at the beginning of July via a SPAC merger. Astra is a rocket builder and will make its first launch of the year later this month, aiming to carry a Pentagon payload to orbit. Astra's Rocket 3 vehicle will liftoff from the Pacific Spaceport Complex on Kodiak Island in Alaska. The stock climbed above \$15 a share in the days following its listing debut, but slipped in recent weeks to trade near \$8 a share. It closed over \$10 a share last week.

More recently, Aspen Digital Raises \$8.8m in Pre-A Funding Led by RIT Capital Partners and Liberty City Ventures. Aspen Digital is an all-in-one digital asset management platform which aggregates key offerings from dozens of leading digital assets service providers to empower traditional financial institutions and asset managers with crypto investment capabilities. Other investors include Cherubic Ventures, Token Bay Capital, Somerley Capital, and Thai businessmen Chatchaval Jiaravanon & Chaval Jiaravanon.