

## RIT Capital Partners (RCP) – Feb NAV/IPO update

12 March 2021

RCP has reported a February NAV of 2316pps, which is up 0.9% over the month. We calculate that the company's equity benchmark was up 1.5% and thus given the equity exposure this is not out of line with expectations. RCP also provided an update on a recent portfolio company IPO on the NYSE, which is held through a co-investment fund managed by an external GP. The most recent valuation was \$192.2m (£140.8m) which represented 3.9% of NAV at 31/12/20. RCP estimates that at the closing price of the IPO yesterday (\$49.25) the valuation increase would be 222%, adding 195pps to the NAV, or 8.4%.

**J.P. Morgan View:** Assuming the same beta to the equity benchmark (0.60) since the end of February, and adding on the uplift from the IPO per the above statement, the current NAV is likely to be around 2550pps, which at the current price of 2370pps (@9.00) implies a discount of 7.1%. This remains excellent value, in our view, and we see no reason why the shares cannot trade at NAV or better. We remain Overweight.