



RIT Capital Partners - August NAV up 2.7%, 10% discount offers attractive entry point

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RIT Capital Partners' NAV at 31 August was 1,999p per share, up 2.7% over the month, compared with a 4.9% increase for the MSCI AC World Index (50% in Sterling, 50% in local currencies).

Numis Views: We believe this is a solid result for the fund, and is in-line with expectations given that it generally lags in strong equity markets, but outperforms in falling markets. We expect that drivers of returns during the month were exposure to Japan and updated valuations on tech-focused private funds, whilst Sterling strength was a headwind absolute returns. The Topix was up 8.2% on a total return basis in local currency (6.0% in Sterling). RIT Capital Partners has exposure to Japan representing c.6% of NAV through funds including Morant Wright (small/mid-cap value bias), a London based investor in Japanese equities through a value approach and Sumi Trust Japan (small-cap, diversified).

RIT Capital's preferred way to play technology is through venture capital and private equity funds. The tech sector has been performing strongly, as changes in behaviour trends have been accelerated by Covid-19 lockdowns. At 30 June, RIT Capital's fund holdings (16.1% of NAV) were mainly valued at 31 March. As a result, we expect that revaluations for some of the holdings are now being reflected in the NAV, which has provided a positive tailwind.

In 2020 to 31 August, RIT Capital's NAV total returns are 0.6% versus a 3.3% rise for the index and since 31 August, the benchmark is flat. The fund is currently trading at 1,794p, equivalent to a c.10% discount to our estimated NAV. There have been very few opportunities over the last ten years to buy RIT Capital Partners at this discount (the last being in July 2013). We continue to highlight the value that the fund offers for with 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. The management team of Francesco Goedhuis (CEO) and Ron Tabbouche (CIO) has now been together for seven years

and the fund continues to demonstrate the same risk/return profile it has delivered over the long-term.