



## **We almost ditched this investment trust from our model portfolio. We're glad we didn't**

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*We were worried that Lord Rothschild's departure from RIT Capital Partners would mean it turning into a bog standard multi-asset fund. Thankfully, says Merryn Somerset Webb, that's not the case at all.*

We recently updated the Moneyweek investment trust portfolio. The key subject of the discussion was RIT Capital Partners – it hasn't been the best of performers and there is some worry among our panel members that without Lord Rothschild at the helm we are effectively overpaying for a bog standard multi-asset fund.

We decided to keep it (lethargy is often the investor's best friend) for two main reasons. First, it was trading on a 7% discount to net asset value, which seemed undeserved. And second, we had high hopes that some of its private equity investments would turn out to be worth rather more than their book value suggested. Good news: one has done just that.

Later last week, South Korean e-commerce business Coupang listed in New York at \$35. It ended the day at \$49.25. RIT had an investment in the firm valued at £140m (around 4% of RIT's net assets) in December. Thanks to the IPO, the value of that stake is up over 220% – making it worth more like £440m or 8% of the trust's NAV.

That valuation won't be reflected in the official NAV until 31 March but, as Numis points out, this is clearly "a fantastic result for RIT". The shares are up 7% in the last week and the discount (based on the pre IPO NAV) is down to a mere 0.26%. We're happy with that – and so are the analysts at Numis. RIT has, they say, "effectively transitioned to the next generation of its management team" whilst retaining a strong record of both providing downside protection and participating in market downside. All good.