

**RIT Capital Partners plc**

**Total net assets exceeded £3 billion at year end; a new all-time high**

RIT Capital Partners plc today published its results for the year ended 31 December 2019.

**Financial Highlights:**

- Growth in net assets in 2019 of £368 million (before dividends)
- Total net assets exceeded £3 billion at year end; a new all-time high
- Net Asset Value per share<sup>1</sup> (NAV) total return of 12.0% for the period
- NAV of 2,004 pence at 31 December 2019
- Share price total return over the year of 12.5%

**Performance Highlights:**

- The portfolio generated healthy double-digit returns in 2019, following the successful preservation of capital during the global market declines of 2018
- Defensive portfolio positioning over the year with an emphasis on capital preservation
- Healthy double-digit returns achieved with prudent net quoted equity exposure averaging 43% over the year
- Diversified approach successfully produced distinctive sources of return
- Strong contribution to overall returns from the single stocks portfolio which generated meaningful outperformance of global markets
- Continued steady returns from the absolute return and credit portfolio
- Useful contribution from the real assets portfolio driven by gold-related assets
- Private investments delivered positive returns and we deployed capital into several new investment opportunities
- Moderate net quoted equity exposure meant the NAV lagged a fully invested equity portfolio

**Dividends:**

- Dividends paid in April and October 2019 totalling 34 pence per share
- The Board intends to pay a dividend of 35 pence per share in 2020, comprising 17.5 pence per share in April and 17.5 pence per share in October. This represents an increase of 2.9% over the previous year

**Summary:**

- Over the past five years, the share price total return was 65.2%, an outperformance of the equity index (ACWI)<sup>2</sup> over that period
- Over the same five-year period, the net assets have grown by ~£1 billion (before dividends)
- Since inception, RIT has now participated in 73% of market upside but only 38% of market declines
- Over the same period, total shareholder return has compounded at 12.2% per annum compared to the ACWI of 7.3%
- £10,000 invested in RIT at inception in 1988 would be worth ~£367,000 today (with dividends reinvested) compared to the same amount invested in the ACWI which would be worth ~£90,000

<sup>1</sup> Diluted NAV per share with debt at fair value.

<sup>2</sup> This is the total return index based on 50% of the MSCI All Country World Index (ACWI) measured in sterling and 50% measured in local currencies.

Commenting, Sir James Leigh-Pemberton, Chairman of RIT Capital Partners plc, said:

*“During 2019, I am pleased to report that your Company’s net asset value per share (NAV) increased to 2,004 pence, representing a total return (including dividends) of 12.0%. The share price total return was 12.5%..*

*We maintained our cautious positioning, mindful of the risks inherent in both fully valued equity markets and historically low returns in bond markets...*

*Considered allocations to a number of key themes, in particular where we saw opportunities to benefit from long-term structural trends, together with rigorous security selection and careful portfolio construction, allowed us to meet our objective of capital growth. This builds on the 2018 results, where we were able to protect capital when global markets suffered a marked correction and many in the industry lost money. As we have explained in previous years, when we choose to emphasise caution in such a way, we do so to remain consistent with our strategy of protecting capital and delivering superior risk-adjusted returns over the long term...*

*While we are comfortable with our core positions, and continue to uncover areas of opportunity, the environment necessitates an even greater focus on maintaining our disciplined investment approach and rigorous portfolio construction. More than ever, we remain convinced of the relevance of RIT’s differentiated approach, and believe we are well positioned for the inevitable challenges and opportunities that the markets will provide.”*

Commenting, Francesco Goedhuis, Chief Executive Officer of the Company’s Manager, J. Rothschild Capital Management Limited (JRCM), and Ron Tabbouche, Chief Investment Officer of JRCM, said:

*“Following 2018’s broad equity market declines, 2019 saw resurgent markets. Having produced a positive NAV return in 2018, we are satisfied to have generated healthy double-digit performance in 2019...*

*In light of the clear risks and our overriding capital preservation focus, we retained a cautious stance in the portfolio, with modest quoted equity exposure complemented by carefully structured allocations to other asset classes. We adjusted the portfolio positioning during the year where we saw opportunities or clear risks...*

*As we enter 2020, we are cognisant that interest rates remain very low, which for some investors, makes equities the ‘only show in town’. Our view is that a significant amount of good news is already priced in, and the market is unlikely to show resilience against any sustained macro or geopolitical volatility. Furthermore, after such a strong run in many of our structural themes we are, if anything, more focused on managing risk rather than adding exposure. This backdrop means that incremental equity additions are likely to be more selective than ever.”*

**ENQUIRIES:**

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**About RIT Capital Partners plc:**

RIT Capital Partners plc is an investment company listed on the London Stock Exchange. Its net assets have grown from £280 million on listing in 1988 to over £3 billion at year end. Lord Rothschild and his immediate family interests retain a significant holding.

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