

**RIT Capital Partners plc**

**Results for the half year ended 30 June 2020**

RIT Capital Partners plc today published its results for the half year ended 30 June 2020.

**Financial Highlights:**

- Total net assets in excess of £3 billion as at 30 June 2020
- Net Asset Value per share (NAV) of 1,944 pence as at 30 June 2020
- NAV total return of -2.1% for the period; representing an outperformance of global equity markets

**Performance Highlights:**

- Cautious positioning with an emphasis on shielding the portfolio from the full extent of market drawdowns
- Good absolute and relative performance from assets across RIT's core structural themes, including domestic China, biotech as well as technology more broadly
- Private investments (both the direct and fund holdings) contributed positively to the NAV; the private investment portfolio was reasonably well insulated over the period from the volatility experienced by quoted markets
- Absolute return and credit portfolio contributed positively to returns
- Real assets were also additive, predominantly driven by gold and gold-related exposures
- Over the period, exposure to credit markets was increased to take advantage of dislocations in the asset class; equally there has been further identification and diligence of private investment opportunities emerging from the current turbulence
- Headwinds were largely concentrated in quoted equity funds and stocks that were more sensitive to unprecedented economic trauma across both developed and emerging markets

**Dividends:**

- Dividend paid in April of 17.5 pence per share
- The Board has declared a dividend of 17.5 pence per share for October
- This represents an increase of almost 3.0% over the previous year's dividend

**Summary:**

- Over the last five years, net assets have grown by ~£875 million (before dividends)
- Since inception, RIT has now participated in 72% of market upside but only 38% of market declines
- Over the same period, the total shareholder return has compounded at 11.4% per annum compared to the MSCI ACWI of 7.0%
- £10,000 invested in RIT at inception in 1988 would be worth ~£313,000 today (with dividends reinvested) compared to the same amount invested in the MSCI ACWI which would be worth ~£85,000

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

*"The first six months of this year have witnessed exceptional economic, societal and market turbulence. In order to deal with the pandemic, governments have imposed restrictions which have led to one of the most rapid and severe contractions of economic activity in living memory. At the same time, together with monetary authorities, they have implemented programmes of fiscal and monetary stimulus on an extraordinary scale to cushion this shock. In the face of these two powerful forces, markets have exhibited extreme levels of volatility. The S&P 500 reached an all-time high on 19 February, then fell 31% over only five weeks, before recovering 39% to end the period down 4% overall.*

*Other markets have seen similar volatility...the FTSE All Share see-sawed before ending the period down 19%. Nor was this unprecedented volatility confined to equities; credit, commodity and currency markets all experienced wide swings.*

*Against this particularly challenging background, RIT's NAV has shown a modest decline, ending June at 1,944 pence per share, representing a –2.1% return over the period. During the period of extreme market weakness in mid-March, our NAV was, of course, not immune from the declines, though our cautious stance and diversified approach provided some protection from the full extent of the falls...*

*Our focus remains on preserving shareholders' wealth, which means that we will maintain our discipline at times like these when many asset prices do not reflect the risks which we can observe, even if we miss out on the full extent of market exuberance. However, this does not mean that we have stayed dormant. Market conditions have presented opportunities across a range of asset classes, and as the Manager's Report sets out, we have been deploying capital in areas which meet stringent risk/return objectives in order to sow the seeds of future capital growth. Over the long term and through the cycles, we believe this is the right approach to deliver returns while protecting shareholders' capital from the full impact of falling markets...*

*At the AGM in May, and as I had outlined in my previous statement, a number of Board changes were approved by shareholders. Maxim Parr and Jonathan Sorrell joined as non-Executive Directors; Jonathan has joined the Audit and Risk Committee, and Maxim the Valuation and Conflicts Committees...*

*I would also like to record on behalf of the Board and our shareholders, my gratitude to the team at JRCM, who have coped with the investment and operational challenges of the past few months with the equanimity, resilience and professionalism we have come to expect."*

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

*"In our view the current level of market optimism, buoyed by the scale of policy response and benign views on the pandemic's future impact leaves investors with little margin of safety. To justify the current backdrop of record debt levels and valuations there needs to be a sustained period of economic growth. There are many reasons to doubt that this will occur, not least a frugal private sector, uncertainty around inflation and rising geopolitical and societal tensions. We are therefore retaining our cautious portfolio stance, with moderate quoted equity exposure complemented by other diversified and often uncorrelated sources of return. This has been a feature of our approach over many years, and one which has produced the equity-type returns with less risk that shareholders associate with RIT...*

*We remain comfortable with the portfolio's core investments and our underlying structural themes, which we believe are largely supported by favourable secular trends – and which the current environment may well serve to reinforce. We have no doubt that the second half of the year will continue to be volatile, but our focus is resolutely on the task at hand – carefully managing the portfolio positions, while being proactive in identifying opportunities across asset classes and capital structures to support long-term capital appreciation. An approach which has served shareholders well through the cycles and which we believe is particularly well-suited to these challenging times."*

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 as at 30 June 2020. Lord Rothschild and his immediate family interests retain a significant holding.

[www.ritcap.com](http://www.ritcap.com)

A description of all terms used above, including further information on the calculation of Alternative Performance Measures (APMs) is set out in the Glossary and APMs section at the end of this RNS.