

5 March 2024

RIT Capital Partners plc
("RIT" or the "Company")

Results for the year ended 31 December 2023

RIT's disciplined, flexible model well placed to deliver long-term capital growth

FINANCIAL HIGHLIGHTS

- Net Asset Value (NAV) per share of 2,426 pence at 31 December 2023.
- NAV per share total return of +3.2% for the year.
- Total net assets stood at £3.6 billion at year end.
- Quoted equities delivered strong performance, returning +18.1% for the year.
- Uncorrelated strategies produced solid returns, led by credit positions returning double digits.
- Private investments declined modestly, partly due to lagged valuations for funds in respect of Q4 2022. Private investments are by their nature long term – over five years, this book has yielded a +145.7% return, enhancing NAV by +28.8%.
- Currencies detracted modestly, due to translation effects from sterling's rise in the year.
- Profit for the year of £66.1 million.
- Balance sheet remained robust. Gearing was 3.5% at year end, versus 6.2% in 2022. Repaid £150 million credit facility and reduced overall debt amid higher interest rates.
- Ongoing Charges Figure (OCF) of 0.77% in 2023, compared to 0.89% in 2022.

CAPITAL ALLOCATION

- Returned £220 million of capital to shareholders through dividends and buybacks.
- Bought back £163 million or 8.6 million RIT shares, adding +1.2% to the NAV per share.
- Board intends to pay a dividend of 39 pence per share in 2024 in two equal instalments, in April and October, a 2.6% increase over the previous year.

GENERAL

- The discount widened to -22%, alongside much of the investment company sector. The Board is intently focused on narrowing this discount over time.
- In the last 10 years, RIT has generated a NAV per share total return of approximately +109%, more than doubling shareholders' capital.
- Since listing, the share price total return has compounded at 10.6% per annum, and the NAV per share total return at 10.5% per annum, compared to the ACWI at 7.3%.
- Over the same period, RIT has participated in 74% of monthly market increases but only 41% of market declines.
- £10,000 invested in RIT at inception in 1988 would be worth £351,000 today compared to the same amount invested in the ACWI which would be worth £123,000.
- Maggie Fanari joined the Manager as its new CEO on 1 March. She brings an exceptional track record and joins an experienced team, including CIO Nick Khuu, who are well placed to continue RIT's long-term track record of success.

FINANCIAL SUMMARY

	2023	2022	Return / Change
NAV per share ¹	2,426 pence	2,388 pence	3.2% ²
Share price	1,882 pence	2,125 pence	-9.6% ²
Premium/(discount)	-22.4%	-11.0%	-11.4% pts
Net assets	£3,573 million	£3,722 million	-4.0%
Gearing	3.5%	6.2%	-2.7% pts
OCF for the year	0.77%	0.89%	-0.12% pts
Total dividend in year	38.0 pence	37.0 pence	2.7%
Total buybacks in year	£163 million	£11 million	1,382%

¹The final audited NAV per share as 31 December 2023 is unchanged from the preliminary unaudited NAV per share published by the Company on 7 February 2024.

²Total return for the year, with dividends reinvested.

PORTFOLIO SUMMARY

A diversified, global portfolio invested for the long term across three key pillars:

Quoted equities: 38.4% of NAV

- Strong performance from the book, returning +18.1%.
- Significant outperformance versus the MSCI ACWI Equal Weighted Index, which rose +9.4%, and the MSCI World excluding the ‘magnificent seven’, which gained +12%.
- Returns driven by strong stock selection, including Builders FirstSource and Talen Energy.
- Solid performance from specialist managers focused on Japan and healthcare.

Private investments: 35.9% of NAV

- Private investments declined -6.0%, partly due to lagged Q4 2022 valuations received for our private funds. This follows exceptional gains for the book in recent years.
- Continued focus on liquidity. Sales from three direct holdings – Infinity (final cash received in early 2024), Paxos and Animoca – all at prices at or above our carrying value.
- We expect allocation to this book to reduce further over time through realisations. Several large holdings are actively exploring IPOs and/or secondary sales.
- Majority of our largest direct holdings are profitable with growing revenues and earnings. Majority also benefit from structural protection for our capital.
- Private investments remain an exceptional contributor. In last 10 years, new direct investments have generated a +29% compound return. Over the same period, new direct investments and fund commitments have delivered a compound return of +20% per annum.

Uncorrelated strategies: 25.6% of NAV

- Uncorrelated strategies delivered healthy performance of +6.8%, led by credit funds returning double digits against a backdrop of significant volatility.
- Absolute return and credit (more than 80% of this book at year end) returned a healthy +9.2%.
- Strong performance of gold, held through derivatives, added +0.4% to NAV, serving as an asymmetric hedge against the increasing probability of broad-based market dislocation.
- New investment in California carbon credits also delivered healthy returns during the year.

OUTLOOK

- In 2024, we are navigating conflicting macro signs. US GDP estimates are rising, but some credit indicators are declining. Geopolitical risks persist and many assets appear fully valued.
- Despite these conditions, we believe numerous individual assets trade at appealing prices.

- In quoted equities, we see numerous areas to deploy long-term capital, such as small to medium-capitalisation stocks that are often overlooked, or in ‘event-driven’ stocks.
- In private investments, we see strong operating performance, and broader tailwinds driven by the digital transition. The reopening of the IPO markets may also serve as a near-term catalyst.
- In uncorrelated strategies, we see opportunities in corporate credit markets, with the potential to generate double-digit returns via quality credits, with limited risk to our capital.
- RIT’s competitive edge, which combines in-house expertise, a flexible capital structure, and access to unique, compelling investment opportunities globally, leaves us well positioned to deliver healthy capital appreciation with attractive risk-reward characteristics.

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

“Our net asset value per share finished the year at 2,426 pence, representing a total return (including dividends) of 3.2%... This brings our 10-year performance to 109%, a more than doubling of shareholders’ capital over the period... Our portfolio is made up of high-conviction investments with differing characteristics and return drivers...”

“While the most important driver of our share price performance over the long term is our NAV, the Board is also intensely focused on the rating of our shares... Discounts for investment trusts widened considerably, and our discount was no exception ending the year at -22%... The Board and our Manager have been, and continue to be, acutely focused on closing the discount...”

“I would like to thank my colleagues on the Board, and our talented and dedicated employees for their hard work and commitment throughout the year. This diverse group shares a single aim – creating long-term value for RIT’s shareholders... We have the flexibility to select the best investments across any asset class, sector or geography, coupled with the strength of our network which opens doors to opportunities that others cannot access. These remain important differentiators on which we will continue to build for the future.”

Nick Khuu, Chief Investment Officer of JRCM, said:

“In the face of challenges posed by rising interest rates early in the year, geopolitical unrest, and bank collapses, major indices recorded robust gains in 2023. A substantial portion of these gains was attributable to a select few mega-cap technology companies, overshadowing more modest returns in other sectors...”

“The positive drivers of our portfolio’s performance in 2023, including high-quality stock picking, strategic geographic exposure, and the agility of our credit managers, is illustrative of how our portfolio can perform. Whatever the market challenges, our proactive approach to navigate these complexities sets the stage for continued thoughtful and resilient portfolio management in the coming period...”

“We believe RIT’s competitive edge is derived from our in-house expertise, our capital structure – enabling a nimble and flexible investment approach – as well as our unique access and ability to foster deep, long-term specialist partnerships. As the market enters a more idiosyncratic phase, we recognise that careful stock picking and asset selection exercised within our robust risk management framework, will be key to delivering performance.”

About RIT Capital Partners plc

RIT’s corporate objective is to deliver long-term capital growth, while preserving shareholders’ capital; to invest without the constraints of a formal benchmark, but to deliver for shareholders increases in capital value in excess of the relevant indices over time.

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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.