



RIT Capital Partners update: private companies boost returns

RIT Capital Partners one of the components of the MoneyWeek investment trust portfolio, has seen strong performance in the year to 30 November, with private investments playing a big part.

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RIT Capital Partners (LSE: RCP), one of the components of the MoneyWeek investment trust portfolio, has risen in the year to 30 November, with private investments playing a big part, analysis by investment platform firm Hargreaves Lansdown says.

“RIT Capital Partners has a strong long-term track record. It's outperformed both its benchmarks over the long run, though over the past ten years it has returned 160.27% versus 278.40% for the FTSE World and 74.06% for RPI+3%,” Hargreaves Lansdown’s investment analyst Tom Mills wrote in its December investment trust update.

However, the trust has had healthy gains in the year to 30 November and has outperformed both of its benchmarks, rising 38.6% compared to the FTSE World Index’s gain of 22.32%; RPI +3% rose by 9.06% in the same period.

The trust’s strategy is typically a long-term one, and it does not aim to beat its benchmarks over short-term periods. “Instead it tries to show strength when stock markets are weaker and provide modest growth over the long term,” Mills said.

Stockmarkets have had robust performances over the past decade, so RCP has tended to not rise as quickly over the past few years.

Mills said private companies were a key factor to strong performance, including both direct and fund investments. “South Korean e-commerce company Coupang was a particularly large contributor to the private investments cylinder. It became a public company in March 2021 and was transferred to the listed individual companies part of the portfolio.”

RIT Capital Partners, which was formerly known as Rothschild Investment Trust, is a UK-based investment trust that specialises in investing in quoted securities and quoted special situations.

The trust listed on the London Stock Exchange in 1988, and the trust is managed by J.Rothschild Capital Management. The fund's managers invest in a wide range of different securities, equity and bonds funds, real estate, currencies, precious metals, to name a few.

As of 1 December, when Hargreaves wrote its report, the trust traded at a 1.3% discount relative to its NAV (NAV – the value of the underlying portfolio).