

Lord Rothschild to become President of RIT Capital Partners plc

RIT Capital Partners plc (“RIT” or “the Company”) announced today at its AGM, that following several years of succession planning, Lord Rothschild will step down as Chairman and Director of the Company on 30 September 2019, and will take up the role of President of RIT. At that time, Sir James Leigh-Pemberton will become Non-Executive Chairman of RIT.

Lord Rothschild first informed shareholders several years ago that he was stepping back from day-to-day activity at RIT. Since that time, the Board has been implementing a succession plan and gradual transition of responsibilities. This has included the establishment of the Executive Committee at RIT’s investment manager J. Rothschild Capital Management (“JRCM”) to run the day-to-day business of the Company and manage the investment portfolio; the appointment of Ron Tabbouche as CIO of JRCM; the strengthening of the RIT Board with several new Directors; the appointment of Hannah Rothschild (Lord Rothschild’s daughter) to the Board in 2013; the appointment of Lord Rothschild’s colleague, Francesco Goedhuis, as Chief Executive of JRCM in 2014; and the announcement that the Board of Directors have this morning appointed Sir James Leigh-Pemberton to become Chairman of RIT as of 30 September 2019.

Sir James previously served as a Director of RIT between 2004 and 2013. He began his career at Warburgs and thereafter moved to Credit Suisse, where he became Head of European Investment Banking, Head of European Equity Markets, then Chairman of UK Investment Banking and finally Chief Executive of Credit Suisse in the UK. In 2013, Sir James stepped down from the Board of RIT and left Credit Suisse in order to become Chief Executive of UK Financial Investments (“UKFI”). Following the merger of UKFI and UK Government Investments, he became the Deputy Chairman of the combined entity. He was knighted in the 2019 New Year Honours.

Lord Rothschild commented: *“RIT’s succession arrangements have been progressing smoothly over several years. During this time, we strengthened the Board, empowered the Executive Committee and deepened the team. Francesco Goedhuis has proven to be an exemplary CEO of the Company’s investment manager, JRCM, and the appointment of Sir James Leigh-Pemberton as Chairman of RIT is the final piece of the plan. I am delighted to accept the Board’s invitation to become President of the Company and thereby maintain my ongoing and active involvement with RIT.*

Today I reaffirm my family ties with RIT – we shall remain committed, engaged and significant RIT shareholders in the years ahead.

I have known James for two decades and more – in that time he has shown himself to be a man of integrity, decency and vision. All attributes which, together with his extensive experience of financial markets and outstanding reputation, will serve him well as Chairman of RIT. I couldn’t wish for a better person to Chair our Company. As I have told shareholders often in recent years, the JRCM management team are settled and skilled. We are fortunate to have such a talented, dedicated and focused management team to take us forward.”

Sir James Leigh-Pemberton said: *“It is a great honour to be invited by the Board to serve as Chairman of RIT Capital Partners. I came to know the Company well during my previous service as a Director and I am delighted to return. On behalf of everyone associated with RIT, I would like to pay tribute to Lord Rothchild’s exceptional and dedicated leadership over many decades. His drive, vision and strong values have helped make RIT one of this country’s most admired investment companies and seen its net assets grow from £280 million at listing in 1988 to around £3 billion today. I am delighted that we will continue to benefit from Lord Rothchild’s experience and advice in his new role as President of RIT.*

I am committed to maintaining the distinctive way of doing things at RIT, in particular our focus on prudent investment management for the long term and placing shareholder value at the heart of all we do. I have greatly admired the achievements of the JRCM management team in recent years and look forward to working with them to create further sustainable returns for RIT shareholders in the years ahead”.

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This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No 596/2014.

Notes to Editors:

1. RIT has been one of the UK’s best performing investment companies since inception. At its listing in 1988, RIT had net assets of ~£280 million. Its assets have since risen to around £3 billion (as at 31 December 2018). £10,000 invested in RIT at inception would be worth ~£326,000 (with dividends reinvested) today compared to the same amount invested in the market, which would be worth ~£73,000 (as at 31 December 2018). In the last five years, since the Executive Committee of JRCM came together, the share price total return has been 66% versus 47% for RIT’s equity index. This represents a total increase in shareholder value (adding back dividends) of £1.25 billion (as at 31 December 2018).
2. Sir James Leigh-Pemberton served in a variety of senior roles at Credit Suisse for almost 20 years, rising to Managing Director and Chief Executive Officer of Credit Suisse in the UK. In October 2013 he joined UK Financial Investments (UKFI) as Chief Executive and in January 2014 was appointed Executive Chairman. On 1 April 2016, Sir James became Executive Chairman of UKFI and following the merger with UK Government investments (UKGI), he became Deputy Chairman of UKGI.

3. Sir James joined the Board of RIT at the AGM (25 April 2019) as a non-Executive Director and will serve on the Nominations Committee and Valuations Committee. On 30 September 2019, he will become Non-Executive Chairman of RIT.
4. Hannah Rothschild has been a Non-Executive Director of RIT since August 2013. She is also a Non-Executive Director of Windmill Hill Asset Management Limited, which manages the philanthropic foundations connected with the Rothschild family, and is a Trustee of the Rothschild Foundation.
5. JRCM is the wholly-owned subsidiary and investment manager of RIT. It is responsible for the management of RIT's investment portfolio and day-to-day business of the Group. JRCM's Executive Committee is led by Francesco Goedhuis (Chairman and CEO) and also consists of Ron Tabbouche (CIO), Andrew Jones (CFO) and Jonathan Kestenbaum (COO). They have been together as the management team for almost seven years.

Text of Lord Rothchild's Concluding Remarks at RIT AGM; 25 April 2019

"Several years ago, I informed shareholders that we had started preparing RIT for its future. In particular, putting in place leadership and management for the long-term.

As you know, the Executive Committee of your manager JRCM, came together seven years ago. Soon after the Executive Committee assumed their responsibilities, Francesco Goedhuis, who had joined the Company in 2010, became JRCM's Chief Executive. Since then we have continued to strengthen the Board, deepen the team and expand our networks.

Over this period, the team has significantly enhanced shareholder value. In the past five years (to December 2018), total shareholder return was 66% compared to 47% for our equity index. All this has allowed me to take further steps back and together with the Board, to put the finishing touches to the succession planning.

As a result, and in discussion with the Board, I intend to retire as Chairman and Director of RIT Capital Partners on 30th September of this year. Thereafter, your Board have invited me to become President of the Company. I am delighted to accept this role and will continue to be actively involved in RIT.

I am also happy to say that the Board has appointed Sir James Leigh-Pemberton to become Non-Executive Chairman of RIT Capital Partners as of that date, 30th September 2019. James knows RIT well and served as a Director between 2004 and 2013. James began his career at Warburgs. Thereafter, he moved to Credit Suisse and rose through the ranks to first become Head of European Investment Banking, Head of European Equity Markets, then Chairman of UK Investment Banking and finally Chief Executive of Credit Suisse in the UK. In 2013, James became Chief Executive of UK Financial Investments. Following the merger of UKFI and UK Government Investments, he became the Deputy Chairman of the combined entity. James' accomplishments over those years were considerable and were appropriately recognised with his knighthood in the 2019 New Year Honours.

I have known James for two decades and more – throughout this time he has shown himself to be a man of integrity, of decency and of vision; all attributes which, together with his extensive experience of financial markets, will serve him well as Chairman of RIT. I couldn't wish for a better person to chair our Company.

I shall work closely with James in the coming months to ensure that this stage of the transition is efficient and effective, before I take up my role as President of the Company.

Ladies and Gentlemen, this is my 31st and last AGM as Chairman of RIT Capital Partners, therefore, please allow me a moment of reflection.

I find it hard to believe that I became Chairman of Rothschild Investment Trust almost fifty years ago. At the time, we had a net asset value of some £5 million. In 1988, the business demerged into what became RIT Capital Partners and St James's Place plc, originally incorporated as J. Rothschild Assurance. RIT, your Company, listed in that year with net assets of £281 million and a share price of 81.5 pence. Today we have a market cap in excess of £3 billion and a share price above £20, a total return in excess of 12% per annum – compared to 7% per annum for global markets over this period.

But today is about your Company's future, for which I remain optimistic. Let me tell you why. Today, the challenges are different from those we faced when the Company was founded. Firstly, we ask ourselves how to invest in the enormous economic potential of Asia, notably in China, and secondly how to invest in the dramatic developments of new technologies.

The Chinese economy has grown from less than 2% of gross world product in 1978 to over 15% today and is likely to overtake the United States in overall size well before the middle of the century. 10 years ago, China accounted for less than 1% of the global e-commerce market; today its share is 42%. One-third of the world's privately held start-up companies valued at over \$1 billion are Chinese.

I reported to shareholders 18 months ago that as the "fourth industrial revolution" advanced, your Company developed a particular interest in investments which will benefit from the impact of this technological revolution.

As you have heard this morning, we have successfully positioned the portfolio to take advantage of these factors. Our unconstrained investment approach and the relationships which we have established can only be of advantage to management in building value for shareholders. Much of this is attributable to JRCM's CEO, Francesco Goedhuis and the CIO Ron Tabbouche. The reach of Francesco's global networks and his deep ties across the New Economy, both in Silicon Valley and in Asia, have and will bring opportunities to RIT. Together with him, Ron's careful portfolio construction has brought discipline and resilience to our investment holdings.

Ladies and Gentlemen, let me conclude with what I regard as the core commitments of RIT. The Company's three enduring features:

- *The first is the strength of our management team: There is much that I am proud of during my tenure as Chairman of RIT. Our outperformance of equity markets since inception, our superior Total Shareholder Return, our reputation for doing things the right way. The Executive Committee, Francesco Goedhuis, Ron Tabbouche, Andrew Jones and Jonathan Kestenbaum, have been entrusted over the last seven years with managing your Company's assets. We couldn't wish for a more talented, dedicated and focused management team to take us forward.*

Five years ago, I wrote the following in the Half Yearly Report to shareholders: "Francesco Goedhuis has demonstrated exceptional skills and leadership qualities. His colleagues and I welcome his appointment as Chief Executive of J. Rothschild Capital Management. Your Board is confident that he and the team around him have the talent, determination and skills to create value for our shareholders in the years ahead". Over that time, our belief in this team has been more than justified. Under their stewardship in the last five years, RIT's net assets have increased by almost £1 billion. And notably last year, when tested by negative indices, universal declines in asset classes and the wholesale destruction of capital across most funds, they protected shareholder capital in an exemplary fashion.

- *The second feature is the enduring nature of my family's ties with RIT: Today I reaffirm our family ties with the Company. Together with the Rothschild Foundation which I chair, we will continue as significant investors in RIT. On a personal front, I'm particularly pleased that my two grandsons, Ferdinand and Edoardo, are also present at the AGM today. I am also delighted that my daughter Hannah has taken her place on the Board over recent years and has become such an effective representative of the Rothschild family with RIT.*
- *And the third feature is caution alongside our commitment to create long-term shareholder value: RIT's principle has been to exercise caution in all things whilst remaining agile when opportunities present themselves. During precarious times for investors – unprecedented global risks, unpredictable global growth and unhealthy market structures – our management team has remained vigilant in pursuit of the primary objective of capital preservation and long-term capital growth. The advantage of permanent capital and a clear corporate objective has allowed us to create meaningful shareholder value for many years, it is this that has allowed RIT to secure your loyalty and support as shareholders.*

Ladies and Gentleman, thank you for your continuing support and friendship. Thank you also to the Board of Directors. I approach my new role as President of the Company with optimism. In the meantime, I fully expect to remain as a committed, engaged and proud shareholder and I greatly look forward to taking my seat amongst you all at next year's AGM."