Half-Yearly Financial Report
30 June 2021

RIT Capital Partners plc

Contents

Company Highlights 1

Interim Review

Chairman's Statement 3
Manager's Report 5
Investment Portfolio 7
Regulatory Disclosures 11

Condensed Interim Financial Statements

Consolidated Income Statement and Consolidated Statement of Comprehensive Income (unaudited) 13
Consolidated Balance Sheet (unaudited) 14
Consolidated Statement of Changes in Equity (unaudited) 15
Consolidated Cash Flow Statement (unaudited) 16
Notes to the Financial Statements (unaudited) 17

Other Information

Investment Portfolio Reconciliation 23
Glossary and Alternative Performance Measures 24
Investor Information 25
Directory 26

Company Highlights

Corporate Objective

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.

Investment Policy

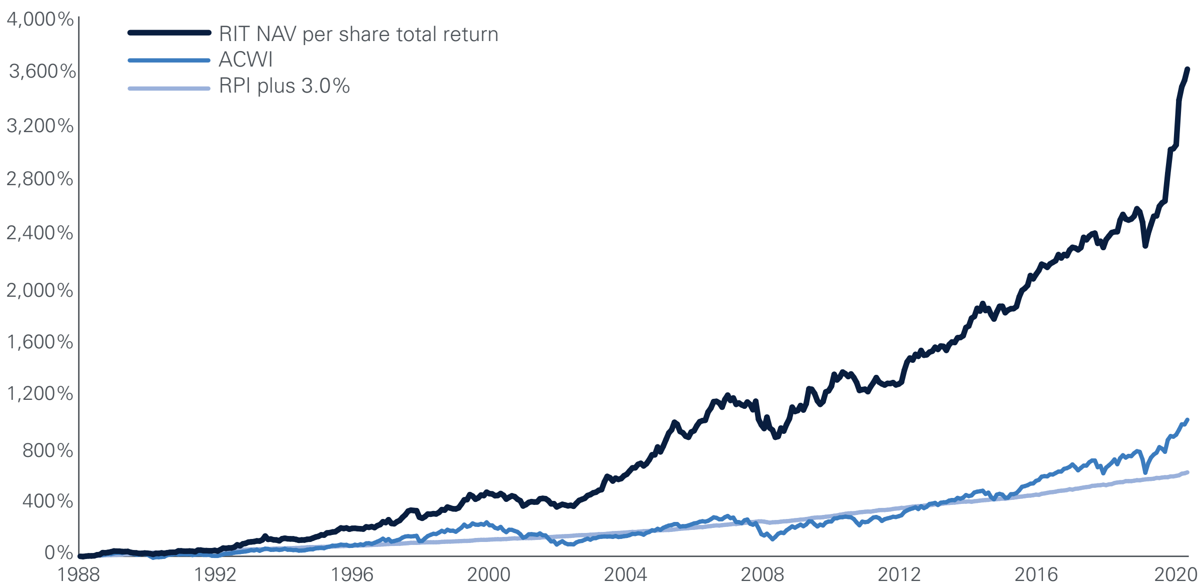
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Performance for the period	30 June 2021
NAV per share total return	19.1%
Share price total return	18.5%
RPI plus 3.0% per annum	3.4%
MSCI All Country World Index (ACWI)	12.2%

Key data	30 June 2021	31 December 2020	Change
NAV per share	2,711 pence	2,292 pence	18.3%
Share price	2,430 pence	2,065 pence	17.7%
Premium/(discount)	-10.4%	-9.9%	-0.5% pts
Net assets	£4,263 million	£3,590 million	18.7%
Gearing	9.8%	4.4%	5.4% pts
Average net quoted equity exposure for the period	46%	43%	3% pts
First interim dividend paid	17.625 pence	17.5 pence	0.7%
Second interim dividend declared/paid	17.625 pence	17.5 pence	0.7%
Total dividend in year	35.250 pence	35.0 pence	0.7%

Performance history	1 Year	3 Years	5 Years	10 Years
NAV per share total return	41.6%	51.7%	83.4%	156.3%
Share price total return	38.4%	23.9%	60.9%	125.8%
RPI plus 3.0% per annum	6.9%	17.7%	33.4%	72.4%
ACWI	30.2%	43.8%	88.2%	184.9%

Performance since inception



A description of the terms used in this report, including further information on the calculation of Alternative Performance Measures (APMs), is set out in the Glossary and APMs section on page 24.

Interim Review

RIT Capital Partners plc

Chairman's Statement

Sir James Leigh-Pemberton

I am pleased to report that your Company's net asset value at the end of June increased to 2,711 pence per share, representing a total return (with dividends reinvested) of 19.1% over the half year. For the same period, the total shareholder return was 18.5%, with the share price on 30 June having increased to 2,430 pence.

The first six months of the year appeared to be a relatively benign time for equity markets, with many developed markets posting low double-digit gains, despite continuing Covid-19 concerns and notably higher inflation figures. However, beneath the surface, the situation was far more volatile, with material rotations between market-leading sectors, regions and themes. Central banks continued to influence market sentiment, as investors sought and reacted to signs of policy initiatives to address higher inflation. The 10-year US treasury yield rose sharply to a peak of 1.77% in March before steadily declining over the remainder of the period. And we saw volatility spike in several well-publicised stocks, driven by the increasing influence of retail shareholders. All this resulted in a wide dispersion of underlying asset returns; the first half of the year reminding us again that decisions over *where* exposure is held, and not just *how much*, is the key to achieving our Corporate Objective. Our focus continued to be on ensuring the investment approach remained disciplined, but with the right amount of agility that these market conditions require.

The two principal KPIs we use for investment performance, the ACWI and RPI+3%, measured 12.2% and 3.4% respectively over the half year, resulting in your Company experiencing healthy outperformance. As the JRCM Manager's Report explains, we saw positive contributions across the majority of your Company's asset categories, with private investments in particular producing strong returns. This asset class has always been a key part of our strategy, with the strength and breadth of JRCM's network providing the ability to source and invest in high-quality deals, which would otherwise be difficult for shareholders to access. Our long-term approach allows us to integrate these private investments with carefully considered allocations to stocks, equity and hedge funds, absolute return and credit, and currencies. These diversified asset categories are combined using sophisticated and dynamic portfolio construction, overlaid with the intelligent use of hedges. We continue to believe this differentiated approach offers something truly distinct from many other offerings in both the investment trust and wider fund universe.

> I am pleased to report ... a total return of 19.1%. … your Company experienced healthy outperformance with positive contributions across the majority of your Company's asset categories, with private investments in particular producing strong returns.

With our Corporate Objective focused on long-term capital growth and preservation, performance over a six-month period, while desirable, is not our main aim. We seek to ensure that our approach produces a high-quality return through market cycles. Looking at recent years, it is gratifying to see continued strong performance, with a three-year NAV return of 51.7%, and five-year of 83.4%. However, it is equally important that we target these equity-type returns with considerably less risk than if we were fully invested in equity markets, aiming for reasonable participation in up markets and to protect shareholders from the worst excesses of market declines. Here, I am therefore also pleased that we compare favourably, with monthly NAV volatility over five years at 8.3% compared to the ACWI of 12.3%.

Share capital and dividend

The NAV performance is what we task our Manager with producing, but we recognise that ultimately the return to shareholders is through share price growth and dividends. As I have commented on previously, the Board monitors the share price closely, with the aim of minimising where possible the volatility for shareholders, allowing the NAV to drive the share price. In this regard, we bought back approximately 59,000 shares over March and June at a cost of £1.4m, when we saw the shares trading on a high single-digit discount. As a result, we now hold some 175,000 shares in treasury, and we intend to continue to selectively purchase shares in the market when we believe that it is beneficial to do so.

We paid a first interim dividend of 17.625 pence per share in April, and, in line with my comments in March, have declared a second interim dividend of the same amount. This will be paid on 29 October to shareholders registered on 1 October, providing shareholders with a total dividend in 2021 of 35.25 pence per share, a modest increase over 2020.

Chairman's Statement

Governance

We remain committed to the highest governance standards and continue to spend time with shareholders, ensuring we understand their views and resolve any concerns. We fully support the moves towards greater diversity on Boards, and I will be outlining our policy in this regard in the next Annual Report. In addition, we are continuing to refine our approach in relation to ESG matters, investing time with employees, managers and advisers to ensure that our policy and our behaviour are consistent. We will also report to shareholders in greater detail on this topic early next year.

I highlighted in March the extraordinary efforts and resilience of our employees and counterparties over recent times. In the UK at least, the relative success of the vaccine programme has meant that things are beginning to ease even as cases rise. However, we have, of course, not yet seen a return to normality in our day-to-day lives, and my Board colleagues and I remain very grateful for the continuing exceptional efforts of our colleagues in JRCM, our suppliers and counterparties, which allow your Company to operate as normal.

Outlook

Stock markets are often characterised as reflecting expectations of the future. And yet, with some countries still experiencing extraordinary challenges from the pandemic, economies impacted by output constraints, and the risk of a sustained resurgence of inflation and higher interest rates, the medium-term outcome could be very different to the relatively benign one suggested by markets. We remain temperamentally disinclined to chase short-term liquidity-fuelled rallies and especially in periods of such uncertainty. However, with the dedicated support of Board colleagues and a highly skilled and effective team in our Manager, I remain confident we have the right approach to continue to deliver attractive returns to our shareholders.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

30 July 2021

JRCM

Manager's Report

Overview

The first half of the year saw the gradual easing of Covid-19 restrictions following the successful deployment of vaccination campaigns. Those nations that fared better in terms of speed and uptake experienced an improvement in growth, but also the highest inflation numbers for decades.

Global equity markets responded positively, as the spectre of short-term interest rate rises was seemingly discounted. The consensus appeared to view the inflation jump as transitory, with central banks comfortable overshooting their targets in the short term. Nonetheless inflation fears and the possibility of an end to the era of cheap money will continue to be a source of concern.

While equity markets were generally positive, there was a wide dispersion across sectors, styles and regions. The rotation from so called 'long-duration' to 'short-duration' stocks, which began in the last quarter of 2020, continued this year with value stocks outperforming growth stocks for much of the period. On a regional basis, many Western markets saw low double-digit returns, with slower vaccination rates weighing on Japanese equities, and the Chinese market under pressure from policy and, more importantly, regulatory tightening.

The fixed income market had a difficult start as yields pushed higher, particularly on long-dated bonds. With a recent more hawkish stance on rates from the US Federal Reserve, there has been a material shift in the shape of the curve with longer-term yields declining, while yields at the shorter end increased. This flattening of the curve dented the positive momentum of many reflationary assets.

> With a strong team around us, we are confident that our dynamic asset allocation and strong security selection skills, together with global deal sourcing and integrated risk management, will provide us with the best platform to continue to deliver equity-type returns with less risk.

Sterling outperformed most major currencies over the last six months, fuelled by a successful vaccination programme and a Bank of England that remains resolute in addressing the potential rise of inflation. The US dollar was on the back foot as US real rates declined meaningfully, although the currency started to gain momentum in the second quarter.

Performance highlights

The portfolio produced a NAV total return of 19.1%, outperforming both our reference hurdles which measured 12.2% for the ACWI and 3.4% for RPI+3%.

Key drivers of performance:

- A strong contribution from the private investment portfolio, underpinned by the successful IPO of Coupang and supported by gains across the direct and fund books;
- Our quoted equity category contributed positively, led by cyclical positions buoyed by increased economic activity as well as some strong single stock picks;

Asset allocation and portfolio contribution

Asset category	30 June 2021 % NAV	Contribution %
Quoted equity	52.1%	6.1%[1]
Private investments	28.9%	13.0%
Absolute return and credit	19.9%	1.6%
Real assets	1.3%	-0.1%
Government bonds and rates	0.1%	0.2%
Currency	-0.8%	-1.2%[2]
Total investments	101.5%	19.6%
Liquidity, borrowings and other	-1.5%	-0.5%[3]
Total	**100.0%**	**19.1%**
Average net quoted equity exposure[1]	46%	

[1] The quoted equity contribution reflects the profits from the net quoted equity exposure held during the period. The exposure can differ from the % NAV as the former reflects notional exposure through derivatives as well as estimated adjustments for derivatives and/or liquidity held by managers.

[2] Currency exposure is managed centrally on an overlay basis, with the translation impact and the results of the currency hedging and overlay activity included in this category's contribution.

[3] This category's contribution includes interest, mark-to-market movements in the fixed interest notes and expenses.

Manager's Report

- The absolute return and credit book continued to provide steady and largely uncorrelated returns, in particular from distressed debt managers; and
- In terms of headwinds, the relative strength of sterling was the main detractor to performance in absolute terms.

In terms of portfolio allocation, our average net quoted equity exposure was 46%, a slight increase over 2020. The exposure continues to be largely dominated by our structural themes and in particular Asian equities where we continue to see a long-term potential for growth and excess returns. Just under a quarter of the quoted book was allocated towards what we characterise as value or cyclical stocks, targeting the gradual re-opening of economies as the vaccine efficacy and rollout continued. Over the first six months, we increased our allocation to quality defensive names such as Unilever and Reckitt Benckiser, which we considered were disproportionately punished by the rise in bond yields. Other themes captured in the quoted equity book include biotech, quality growth and companies benefiting from energy transition trends.

A core feature of our approach to portfolio construction is the use of hedging. Here we focus both on macro positions (such as broad equity market exposures or currencies) as well as individual stocks, funds or themes, where we might decide to moderate the exposure without having to sell the underlying positions. To help protect the portfolio in downturns, we may also deploy various types of 'tail hedges' designed to reduce the impact of such negative volatility.

It was a strong period for our private investments. The successful IPO of Coupang, the South Korean e-commerce giant, contributed 5.5% in our private investments book at the IPO price of $35.00. It was then transferred to the quoted portfolio, and the share price ended June at $41.82. The remainder of the direct book also saw widespread gains, reflecting positive company performance, new investment rounds, as well as interest from special purpose acquisition companies (SPACs).

Several new investments were made in the direct portfolio including £21 million in Epic Systems, the largest healthcare digital record platform in the US. We also invested £50 million in Webull and £29 million in Robinhood, two financial technology platforms disrupting the traditional retail trading ecosystem. As part of a broad strategy seeking targeted exposure to disruptive technologies, we made smaller investments totalling some £54 million, in promising companies.

The private funds book continued to benefit from strong performance, with many of our core partners' funds seeing healthy uplifts, helped by the portfolio tilt towards technology – one of our structural themes. As normal, the valuation lag for this industry means the majority of our funds are included at their 31 March valuations. Since the start of the year, we have made £173 million of commitments to new funds.

A key feature of our differentiated approach to portfolio diversification is the absolute return and credit book. This saw continued steady returns, with the strongest performance from those managers focusing on distressed debt and special situations. Our merger arbitrage funds also delivered pleasing returns. With credit spreads tightening back to pre-pandemic levels, we have adopted a more cautious approach to direct credit investments.

We continue to hold gold as a portfolio diversifier, especially in a low interest rate environment and, viewing the US dollar as again having the potential to provide a safe haven in times of stress, we increased our allocation here.

While the results so far this year, and over recent years, are pleasing, we nevertheless remain vigilant, and will not hesitate to adjust the portfolio should the need arise. Experience suggests that when there is a widespread consensus, investors can often get trapped in a false sense of security and let their guard down. As we emerge from the most serious public health crisis in modern times, with systemic market uncertainties remaining, this is not the time to relax. And rest assured that we will not.

With a strong team around us, we are confident that our dynamic asset allocation and strong security selection skills, together with global deal sourcing and integrated risk management, will provide us with the best platform to continue to deliver equity-type returns with less risk.

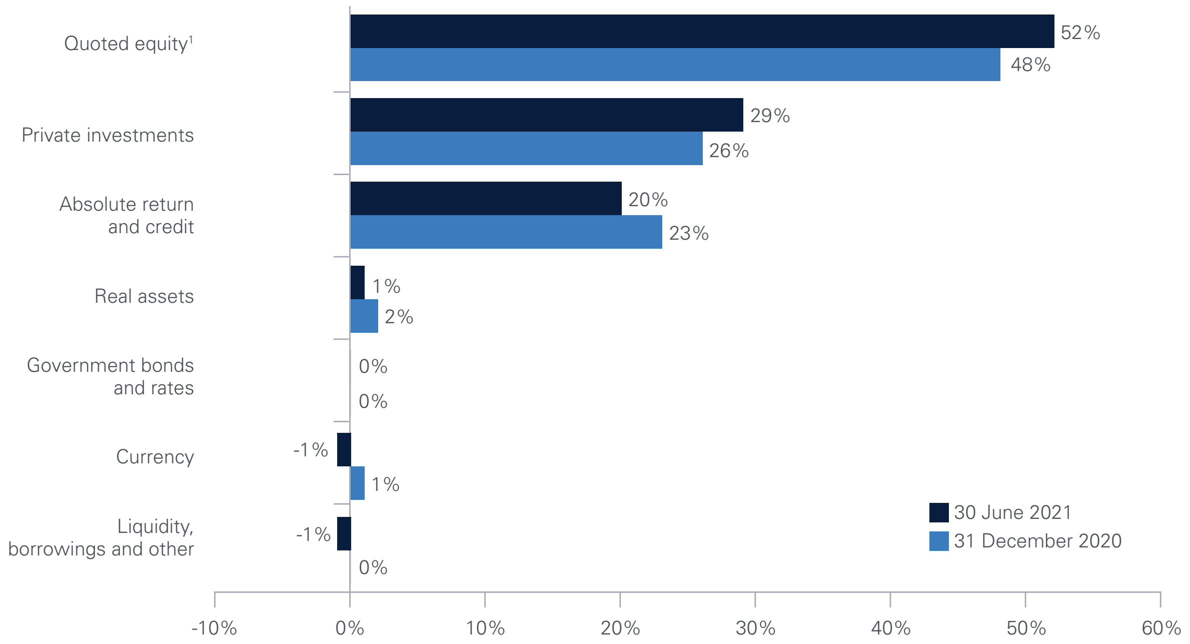
Francesco Goedhuis
Chairman and Chief Executive Officer

Ron Tabbouche
Chief Investment Officer

J. Rothschild Capital Management Limited

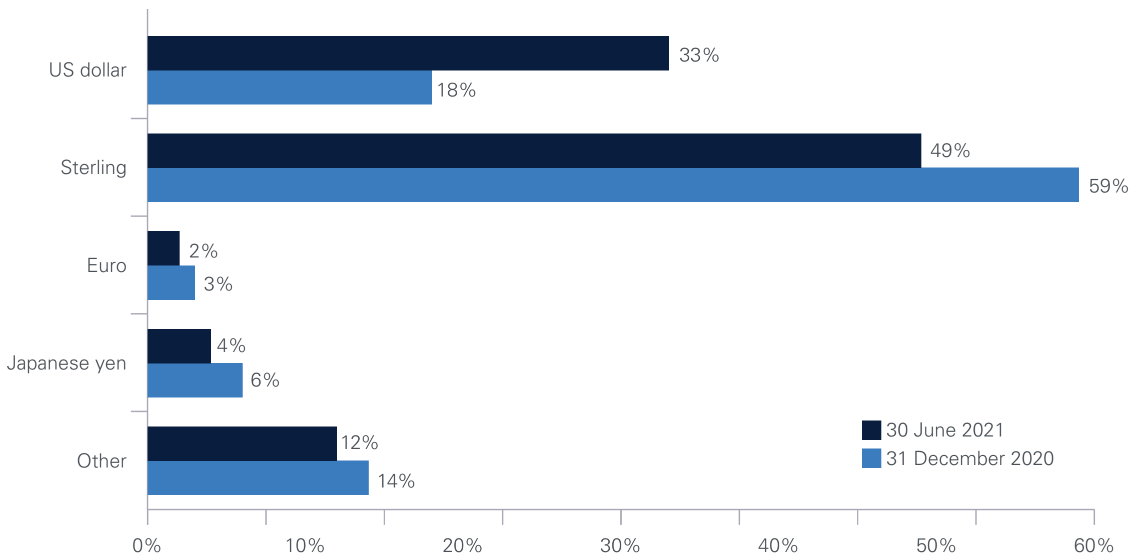
Investment Portfolio

Asset category (% of NAV)



Note: This graph excludes exposure from derivatives.
[1] For the period ending 30 June 2021, the underlying net quoted equity exposure averaged 46% (31 December 2020: 43%).

Currency exposure (% of NAV)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment portfolio as at 30 June 2021

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Quoted equity[1]				
Stocks:				
Coupang[2]	South Korea	Consumer discretionary	382.1	9.0%
Acorn[3]	Global	Consumer staples	68.9	1.6%
Helios Towers	Africa	Communication services	46.9	1.1%
IQVIA Holdings	United States	Healthcare	42.0	1.0%
Visa	United States	Information technology	37.6	0.9%
T-Mobile	United States	Communication services	29.8	0.7%
Coca-Cola	United States	Consumer staples	28.6	0.7%
Astra Space	United States	Industrial	26.3	0.6%
Walt Disney Company	United States	Communication services	21.5	0.5%
CME Group	United States	Financials	18.6	0.4%
Kraft Heinz[2]	United States	Consumer staples	16.1	0.3%
Unilever	United Kingdom	Consumer staples, long 1.2% notional	-0.2	-0.0%
Reckitt Benckiser	Europe	Consumer staples, long 1.1% notional	-0.4	-0.0%
Alphabet	United States	Communication services, long 0.8% notional	-0.4	-0.0%
Facebook	United States	Communication services, long 0.6% notional	0.4	0.0%
Other stocks	–	–	62.6	1.5%
Total stocks:			780.4	18.3%
Long-only funds:				
HCIF Offshore	United States	All-cap, biotechnology	138.1	3.2%
Springs Opportunities	China	All-cap, diversified	137.7	3.2%
Morant Wright[4]	Japan	Small/mid-cap, value bias	121.1	2.8%
Discerene[4]	Global	All-cap, value bias	109.6	2.6%
Ward Ferry Smaller Asian Companies	Asia	Small/mid-cap, diversified	107.2	2.5%
BlackRock Emerging Markets	Emerging Markets	All-cap, value bias	79.0	1.9%
Lansdowne New Energy	Global	All-cap, clean energy	72.7	1.7%
Sand Grove UK	United Kingdom	All-cap, diversified	69.7	1.6%
Emerging India Focus	India	All-cap, diversified	61.7	1.5%
Sumi Trust Japan	Japan	Small-cap, diversified	50.7	1.2%
Other long-only funds	–	–	61.0	1.4%
Total long-only funds:			1,008.5	23.6%
Hedge funds:				
BlackRock Strategic Equity	Global	All-cap, diversified	136.9	3.2%
Gaoling	China	All-cap, diversified	112.8	2.6%
Springs Global Strategic Partners	China	All-cap, diversified	68.7	1.6%
EcoR1 Capital	United States	All-cap, biotechnology	45.6	1.1%
Tribeca	Global	All-cap, commodities	35.3	0.8%
Coreview	China	All-cap, diversified	27.7	0.7%
Other hedge funds	–	–	13.4	0.3%
Total hedge funds:			440.4	10.3%
Derivatives:				
Nikkei 225 futures	Japan	Long, 1.0% notional	-0.3	-0.0%
MS ESG basket	Global	Long, 0.5% notional	1.0	0.0%
MS Tech basket	Global	Short,-5.9% notional	-9.2	-0.2%
NASDAQ 100 futures	United States	Short,-1.3% notional	-2.4	-0.0%
Vaneck Oil Services ETF	United States	Short,-0.5% notional	-0.1	-0.0%
Other derivatives	–	–	4.9	0.1%
Total derivatives:			-6.1	-0.1%
Total quoted equity			**2,223.2**	**52.1%**

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Private investments – direct:				
KeepTruckin[2]	United States	Information technology	50.9	1.2%
Webull	United States	Information technology	50.7	1.2%
Robinhood[2]	United States	Information technology	29.0	0.7%
Age of Learning[2]	United States	Information technology	23.1	0.5%
Epic Systems[2]	United States	Information technology	21.7	0.5%
Hippo Insurance[2]	United States	Information technology	18.6	0.4%
Brex[2]	United States	Information technology	17.5	0.4%
Paxos	United States	Information technology	14.2	0.3%
Airtable	United States	Information technology	13.5	0.3%
Kraken[2]	United States	Information technology	11.0	0.3%
Other private investments - direct	–	–	135.2	3.3%
Total private investments – direct			**385.4**	**9.1%**
Private investments – funds:				
Iconiq funds	United States	Venture capital	190.6	4.5%
Thrive Capital funds	United States	Venture capital	175.4	4.1%
Hillhouse funds	China	Private equity	77.6	1.8%
BDT Capital funds	United States	Private equity	64.8	1.5%
Ribbit Capital funds	United States	Venture capital	44.5	1.0%
Greenoaks Capital Opportunities III	United States	Venture capital	30.0	0.7%
Arch Venture funds	United States	Venture capital	23.1	0.5%
Mithril funds	United States	Venture capital	20.8	0.5%
Biomatics Capital funds	United States	Venture capital	19.3	0.5%
WestCap Strategic	United States	Venture capital	14.2	0.3%
Eight Partner funds	United States	Venture capital	13.3	0.3%
Braemar Energy Ventures III	United States	Venture capital	11.5	0.3%
Blackstone Tactical Opportunities	United States	Private equity	11.4	0.3%
Other private investments - funds	–	–	148.7	3.5%
Total private investments - funds			**845.2**	**19.8%**
Absolute return and credit:				
Eisler Capital	Global	Macro strategy	172.3	4.0%
Attestor Value	Global	Distressed and special situations	123.5	2.9%
Tresidor Credit Opportunities	Global	Distressed and special situations	100.8	2.3%
Sand Grove Tactical	Global	Multi-strategy	76.3	1.8%
RIT US Value Partnership	Global	Multi-strategy	63.5	1.5%
Farmstead	United States	Distressed and special situations	61.9	1.5%
Elliott International	Global	Multi-strategy	58.2	1.4%
Caxton Dynamis	Global	Macro strategy	46.0	1.1%
Woodline	Global	Multi-strategy	39.4	0.9%
Hein Park	Global	Distressed and special situations	37.9	0.9%
LionTree Advisory loan note	Global	Corporate loan	29.1	0.7%
iShares core GBP corporate bond swap	United Kingdom	Long, 1.2% notional	0.4	0.0%
Other absolute return and credit	–	–	39.4	0.9%
Total absolute return and credit			**848.7**	**19.9%**

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Real assets:				
Spencer House	United Kingdom	Investment property	30.5	0.7%
St. James's properties	United Kingdom	Investment property	27.4	0.6%
Gold futures	United States	Long, 3.0% notional	-8.2	-0.2%
Other real assets	–	–	7.2	0.2%
Total real assets			**56.9**	**1.3%**
Government bonds and rates:				
Gilt futures	United Kingdom	Long, 3.6% notional[5]	2.0	0.1%
Interest rate options	Various	Premium	1.0	0.0%
Total government bonds and rates			**3.0**	**0.1%**
Other investments:				
Currency forwards	Various	Forward currency contracts	-33.8	-0.8%
Currency options	Various	Premium	0.2	0.0%
Total other investments			**-33.6**	**-0.8%**
Total investments			**4,328.8**	**101.5%**
Liquidity:				
Liquidity:	–	Cash at bank/margins	293.9	6.9%
Total liquidity			**293.9**	**6.9%**
Borrowings:				
ICBC[6] loan	–	Revolving credit facility	-85.3	-2.0%
National Australia Bank loan	–	Revolving credit facility	-150.7	-3.5%
RIT senior notes	–	Fixed interest loan notes	-172.4	-4.0%
Total borrowings			**-408.4**	**-9.5%**
Other assets/(liabilities)	–	Various	48.9	1.1%
Total net asset value			**4,263.2**	**100%**

Note: where relevant, the portfolio positions are ordered by their notional exposure rather than fair value.

[1] The quoted equity category includes stocks (held directly and via co-investment vehicles), funds and derivatives. As a result, the liquidity of the individual positions may be influenced by market volumes as well as the redemption terms of the specific funds or co-investment vehicles.

[2] These investments are held through co-investment vehicles managed by a general partner (GP).

[3] Acorn is a co-investment vehicle which holds the Group's interest in Keurig Dr Pepper and JDE Peet's.

[4] These funds are segregated accounts, managed externally on behalf of the Group.

[5] In relation to interest rate derivatives, the notional exposure is measured in units of a 10-year equivalent bond.

[6] Industrial and Commercial Bank of China.

Regulatory Disclosures

Statement of Directors' responsibilities
In accordance with the Disclosure and Transparency Rules 4.2.4R, 4.2.7R and 4.2.8R, we confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with IAS 34, Interim Financial Reporting, as contained in UK adopted international accounting standards, as required by the Disclosure and Transparency Rule 4.2.4R;

(b) The Interim Review includes a fair review of the information required to be disclosed under the Disclosure and Transparency Rule 4.2.7R in an interim management report. This includes an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements presented in the Half-Yearly Financial Report. A further description of the principal risks and uncertainties for the remaining six months of the financial year is set out below; and

(c) In addition, in accordance with the disclosures required under the Disclosure and Transparency Rule 4.2.8R, there were no transactions with related parties in the first six months of the current financial year that have had a material effect on the financial position or performance of the Group, or any changes to related party transactions described in the Group's Report and Accounts for the year ended 31 December 2020 that could do so.

Principal risks and uncertainties
The principal risk categories facing the Group for the second half of the financial year are unchanged from those described in the Report and Accounts for the year ended 31 December 2020. While we are seeing some easing of restrictions in the UK, cases remain elevated and the Covid-19 pandemic and the responses to it, are continuing to influence many of the underlying risks. The principal risks we identify comprise:

- Investment strategy risk;
- Market risk;
- Liquidity risk;
- Credit risk;
- Key person dependency;
- Legal and regulatory risk; and
- Operational risk.

As an investment company, the most significant risk is considered to be market risk. Many equity market indices saw positive returns over the period, albeit with significant variations in underlying stock performance. As economies continue to experience differing levels of success with their response to the pandemic, and investors also try to price the risks of a sustained return of higher inflation and higher interest rates, we may well see elevated levels of uncertainty and volatility over the second half of the year.

From an operational risk perspective, the Manager has continued to operate successfully on a predominantly remote basis, and we remain satisfied with the effectiveness of the Group's internal control environment. We have also actively monitored, and are comfortable with, the measures put in place to ensure the health and well-being of our employees, supported by the continuing efforts of our many counterparties.

Going concern
The key factors likely to affect the Group's ability to continue as a going concern were set out in the Report and Accounts for the year ended 31 December 2020. While the pandemic continues to impact daily lives, the Group's NAV has proven to be robust with healthy growth over the period. As a result, the Company remains in a strong position in relation to its ability to continue to operate. At 30 June 2021, Group cash balances totalled £130 million and there were committed but undrawn borrowings available of £150 million. Furthermore, the Directors have considered cash flow forecasts for the period to 31 December 2022 as well as what the Group considers readily realisable securities of £299 million, and the substantial amounts that could be realised from the remainder of the portfolio.

Having considered the above, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed interim financial statements.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

30 July 2021

For and on behalf of the Board, the current members of which are listed on page 26.

Financial Statements

for the six months ended
30 June 2021

RIT Capital Partners plc

Consolidated Income Statement and Consolidated Statement of Comprehensive Income (unaudited)

Consolidated Income Statement

For the six months ended 30 June £ million	Notes	Revenue	Capital	2021 Total	Revenue	Capital	2020 Total
Income and gains							
Investment income		6.2	–	6.2	8.8	–	8.8
Other income		1.9	–	1.9	2.3	–	2.3
Gains/(losses) on fair value investments		–	710.4	710.4	–	(80.2)	(80.2)
Gains/(losses) on monetary items and borrowings		–	10.3	10.3	–	22.3	22.3
		8.1	720.7	728.8	11.1	(57.9)	(46.8)
Expenses							
Operating expenses		(14.0)	(12.2)	(26.2)	(11.1)	(2.5)	(13.6)
Profit/(loss) before finance costs and tax	2	(5.9)	708.5	702.6	–	(60.4)	(60.4)
Finance costs		(1.3)	(5.2)	(6.5)	(1.7)	(6.8)	(8.5)
Profit/(loss) before tax		(7.2)	703.3	696.1	(1.7)	(67.2)	(68.9)
Taxation		(0.2)	(2.5)	(2.7)	–	(0.2)	(0.2)
Profit/(loss) for the period		**(7.4)**	**700.8**	**693.4**	**(1.7)**	**(67.4)**	**(69.1)**
Earnings per ordinary share – basic	3	(4.7)p	449.2p	444.5p	(1.1)p	(43.1)p	(44.2)p
Earnings per ordinary share – diluted	3	(4.7)p	446.4p	441.7p	(1.1)p	(43.1)p	(44.2)p

The total column of this statement represents the Group's consolidated income statement, prepared in accordance with international financial reporting standards (IFRS) as adopted by the United Kingdom. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

Consolidated Statement of Comprehensive Income

£ million	Revenue	Capital	2021 Total	Revenue	Capital	2020 Total
Profit/(loss) for the period	(7.4)	700.8	693.4	(1.7)	(67.4)	(69.1)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	(1.0)	(1.0)
Actuarial gain/(loss) in defined benefit pension plan	3.9	–	3.9	(1.2)	–	(1.2)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	(1.6)	–	(1.6)	0.3	–	0.3
Total comprehensive income/(expense) for the period	**(5.1)**	**700.8**	**695.7**	**(2.6)**	**(68.4)**	**(71.0)**

The notes on pages 17 to 21 are an integral part of these condensed interim financial statements.

Consolidated Balance Sheet (unaudited)

£ million	Notes	30 June 2021	31 December 2020
Non-current assets			
Investments held at fair value		4,360.3	3,520.2
Investment property		38.1	37.8
Property, plant and equipment		23.4	23.6
Deferred tax asset		–	2.5
Retirement benefit asset		5.1	0.7
Derivative financial instruments		5.6	0.3
		4,432.5	3,585.1
Current assets			
Derivative financial instruments		12.2	57.3
Other receivables		236.6	105.3
Cash at bank		130.4	296.8
		379.2	459.4
Total assets		4,811.7	4,044.5
Current liabilities			
Borrowings		(236.0)	(189.0)
Derivative financial instruments		(50.8)	(4.5)
Deferred tax liability		(1.8)	–
Other payables		(62.7)	(63.5)
Amounts owed to group undertakings		(5.1)	(5.3)
		(356.4)	(262.3)
Net current assets/(liabilities)		22.8	197.1
Total assets less current liabilities		4,455.3	3,782.2
Non-current liabilities			
Borrowings		(172.4)	(181.5)
Derivative financial instruments		(15.0)	(5.4)
Provisions		(0.9)	(1.1)
Lease liability		(3.8)	(3.8)
		(192.1)	(191.8)
Net assets		**4,263.2**	**3,590.4**
Equity attributable to owners of the Company			
Share capital		156.8	156.8
Share premium		45.7	45.7
Capital redemption reserve		36.3	36.3
Own shares reserve		(7.9)	(15.3)
Capital reserve		4,020.6	3,350.1
Revenue reserve		–	5.1
Revaluation reserve		11.7	11.7
Total equity		**4,263.2**	**3,590.4**
Net asset value per ordinary share – basic	4	2,728p	2,303p
Net asset value per ordinary share – diluted	4	2,711p	2,292p

The notes on pages 17 to 21 are an integral part of these condensed interim financial statements.

Consolidated Statement of Changes in Equity (unaudited)

Six months ended 30 June 2021 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2021	156.8	45.7	36.3	(15.3)	3,350.1	5.1	11.7	3,590.4
Profit/(loss) for the year	–	–	–	–	700.8	(7.4)	–	693.4
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	–	–
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	3.9	–	3.9
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	(1.6)	–	(1.6)
Total comprehensive income/(expense) for the period	–	–	–	–	700.8	(5.1)	–	695.7
Dividends paid (note 5)	–	–	–	–	(27.5)	–	–	(27.5)
Purchase of treasury shares	–	–	–	–	(1.4)	–	–	(1.4)
Movement in own shares reserve	–	–	–	7.4	–	–	–	7.4
Movement in share–based payments	–	–	–	–	(1.4)	–	–	(1.4)
Balance at 30 June 2021	**156.8**	**45.7**	**36.3**	**(7.9)**	**4,020.6**	**–**	**11.7**	**4,263.2**

Six months ended 30 June 2020 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2020	156.8	45.7	36.3	(7.8)	2,894.1	7.0	13.5	3,145.6
Profit/(loss) for the year	–	–	–	–	(67.4)	(1.7)	–	(69.1)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	(1.0)	(1.0)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	(1.2)	–	(1.2)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	0.3	–	0.3
Total comprehensive income/(expense) for the period	–	–	–	–	(67.4)	(2.6)	(1.0)	(71.0)
Dividends paid (note 5)	–	–	–	–	(27.4)	–	–	(27.4)
Movement in own shares reserve	–	–	–	(3.5)	–	–	–	(3.5)
Movement in share–based payments	–	–	–	–	3.6	–	–	3.6
Balance at 30 June 2020	**156.8**	**45.7**	**36.3**	**(11.3)**	**2,802.9**	**4.4**	**12.5**	**3,047.3**

The notes on pages 17 to 21 are an integral part of these condensed interim financial statements.

Consolidated Cash Flow Statement (unaudited)

Six months ended £ million	30 June 2021	30 June 2020
Cash flows from operating activities:		
Cash inflow/(outflow) before taxation and interest	(173.6)	(53.9)
Interest paid	(6.4)	(8.5)
Net cash inflow/(outflow) from operating activities	(180.0)	(62.4)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(0.1)	(0.2)
Net cash inflow/(outflow) from investing activities	(0.1)	(0.2)
Cash flows from financing activities:		
Repayment of borrowings	(185.0)	–
Proceeds of borrowings	235.0	335.0
Purchase of ordinary shares by employee benefit trust[1]	(5.4)	(6.0)
Purchase of ordinary shares into treasury	(1.4)	–
Equity dividends paid	(27.5)	(27.4)
Net cash inflow/(outflow) from financing activities	15.7	301.6
Increase/(decrease) in cash in the period	(164.4)	239.0
Cash at the start of the period	296.8	61.1
Effect of foreign exchange rate changes on cash	(2.0)	8.0
Cash at the period end	**130.4**	**308.1**

[1] Shares are disclosed in the own shares reserve on the consolidated balance sheet (unaudited).

The notes on pages 17 to 21 are an integral part of these condensed interim financial statements.

Notes to the Financial Statements (unaudited)

1. Basis of accounting

These condensed financial statements are the half-yearly consolidated financial statements of RIT Capital Partners plc (RIT or the Company) and its subsidiaries (together, the Group) for the six months ended 30 June 2021. They are prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, and with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the United Kingdom, and were approved on 30 July 2021. These half-yearly consolidated financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2020, which were prepared in accordance with IFRS, as adopted by the European Union, as they provide an update of previously reported information.

The half-yearly consolidated financial statements have been prepared in accordance with the accounting policies set out in the notes to the consolidated financial statements for the year ended 31 December 2020.

Critical accounting assumptions and judgements

As further described in the Report and Accounts for the year ended 31 December 2020, areas requiring a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the consolidated financial statements, are in relation to the valuation of private investments and property (see pages 19 and 20).

Direct private investments are valued at the Manager's best estimate of fair value in accordance with IFRS, having regard to International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Private Equity & Venture Capital Association. The inputs into the valuation methodologies adopted include observable historical data such as earnings or cash flow as well as more subjective data such as earnings forecasts or discount rates. As a result of this, the determination of fair value requires significant judgement.

2. Business and geographical segments

For both the six months ended 30 June 2021 and the six months ended 30 June 2020, the Group is considered to have three principal operating segments, all based in the UK, as follows:

Segment	Business	AUM[1] £ million	Employees[1]
RIT	Investment trust	–	–
JRCM[2]	Investment manager/ administration	4,263	42
SHL[3]	Events/premises management	–	12

[1] At 30 June 2021.
[2] J. Rothschild Capital Management Limited.
[3] Spencer House Limited.

Key financial information for the six months ending 30 June 2021 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit/ (loss)[2]
RIT	4,152.6	729.2	(37.0)	692.2
JRCM	116.9	34.3	(23.7)	10.6
SHL	0.6	0.9	(1.1)	(0.2)
Adjustments[3]	(6.9)	(35.6)	35.6	–
Total	**4,263.2**	**728.8**	**(26.2)**	**702.6**

Key financial information for the six months ending 30 June 2020 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit/ (loss)[2]
RIT	2,961.0	(46.6)	(21.0)	(67.6)
JRCM	93.0	18.4	(11.0)	7.4
SHL	1.0	0.9	(1.1)	(0.2)
Adjustments[3]	(7.7)	(19.5)	19.5	–
Total	**3,047.3**	**(46.8)**	**(13.6)**	**(60.4)**

[1] Includes intra-group income and expenses.
[2] Profit/(loss) before finance costs and tax.
[3] Consolidation adjustments in accordance with IFRS 10 Consolidated Financial Statements.

3. Earnings/(loss) per ordinary share – basic and diluted

The basic earnings per ordinary share for the six months ended 30 June 2021 is based on the profit of £693.4 million (six months ended 30 June 2020: loss of £69.1 million) and the weighted average number of ordinary shares in issue during the period of 156.8 million (six months ended 30 June 2020: 156.8 million). The weighted average number of shares is adjusted for shares held in the employee benefit trust (EBT) and in treasury in accordance with IAS 33.

£ million	Six months ended 30 June 2021	Six months ended 30 June 2020
Net revenue profit/(loss)	(7.4)	(1.7)
Net capital profit/(loss)	700.8	(67.4)
Total profit/(loss) for the period	**693.4**	**(69.1)**

Pence	Six months ended 30 June 2021	Six months ended 30 June 2020
Revenue profit/(loss) per ordinary share – basic	(4.7)	(1.1)
Capital profit/(loss) per ordinary share – basic	449.2	(43.1)
Total earnings/(loss) per ordinary share-basic	**444.5**	**(44.2)**

The diluted earnings per ordinary share for the period is based on the weighted average number of ordinary shares in issue during the period, adjusted for shares held in the EBT and treasury, and the weighted average dilutive effect of share-based payment awards at the average market price for the period.

Notes to the Financial Statements (unaudited)

3. Earnings per ordinary share – basic and diluted (continued)

The latter adjustment is not required for the period ended 30 June 2020 as an increase in the shares in issue would reduce the basic loss per ordinary share. As a result, there is no difference between the basic and diluted loss per ordinary share.

Weighted average (million)	Six months ended 30 June 2021	Six months ended 30 June 2020
Number of shares in issue	156.8	156.8
RIT shares held in EBT	(0.7)	(0.6)
RIT shares held in treasury	(0.1)	–
Basic shares	156.0	156.2
Effect of share-based payment awards	1.0	–
Diluted shares	**157.0**	**156.2**

Pence	Six months ended 30 June 2021	Six months ended 30 June 2020
Revenue profit/(loss) per ordinary share – diluted	(4.7)	(1.1)
Capital profit/(loss) per ordinary share – diluted	446.4	(43.1)
Total earnings/(loss) per ordinary share-diluted	**441.7**	**(44.2)**

4. Net asset value per ordinary share – basic and diluted

Net asset value per ordinary share is based on the following data:

	30 June 2021	31 Dec 2020
Net assets (£ million)	4,263.2	3,590.4
Number of shares in issue (million)	156.8	156.8
RIT shares held in EBT	(0.3)	(0.9)
RIT shares held in treasury	(0.2)	–
Basic shares (million)	156.3	155.9
Effect of share-based payment awards (million)	1.0	0.8
Diluted shares (million)	**157.3**	**156.7**

Pence per share	30 June 2021	31 Dec 2020
Net asset value per ordinary share – basic	2,728	2,303
Net asset value per ordinary share – diluted	2,711	2,292

5. Dividends

	Six months ended June 2021 Pence per share	Six months ended June 2020 Pence per share	Six months ended June 2021 £ million	Six months ended June 2020 £ million
Dividends paid in period	**17.625**	**17.5**	**27.5**	**27.4**

The Board of Directors declared an interim dividend of 17.625 pence per ordinary share (£27.5 million) on 1 March 2021, which was paid on 30 April 2021. The Board has declared the payment of a second interim dividend of 17.625 pence per ordinary share (£27.5 million) in respect of the year ending 31 December 2021. This will be paid on 29 October 2021, to shareholders on the register on 1 October 2021. Both payments are funded from accumulated capital profits.

Additional commentary may be found in the Report and Accounts for the year ended 31 December 2020.

6. Financial instruments

IFRS 13 requires the Group to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The vast majority of the Group's financial assets and liabilities, investment properties and property, plant and equipment are measured at fair value on a recurring basis.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting year when they are deemed to occur.

A description of the valuation techniques used by the Group with regards to investments categorised in each level of the fair value hierarchy is detailed below. Where the Group invests in a fund or a partnership, which is not itself listed on an active market, the categorisation of such investment between levels 2 and 3 is determined by reference to the nature of the fund or partnership's underlying investments. If such investments are categorised across different levels, the lowest level of the hierarchy that forms a significant proportion of the fund or partnership exposure is used to determine the reporting disclosure.

If the proportion of the underlying investments categorised between levels changes during the period, these will be reclassified to the most appropriate level.

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Where a market price is available, but the market is not considered active, the Group has classified these investments as level 2.

Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximise the use of observable market data where it is available. Specific valuation techniques used to value OTC derivatives include quoted market prices for similar instruments, counterparty quotes and the use of forward exchange rates to estimate the fair value of forward foreign exchange contracts at the balance sheet date. Investments in externally managed funds which themselves invest primarily in listed securities are valued at the price or net asset value released by the investment manager or fund administrator as at the balance sheet date.

Level 3

The Group considers all private investments, whether direct or funds, (as described in the Investment Portfolio on page 9), as level 3 assets, as the valuations of these assets are not typically based on observable market data. Where other funds invest into illiquid stocks, these are also considered by the Group to be level 3 assets.

Private fund investments as well as direct co-investments are held at the most recent fair values provided by the GPs managing those funds/co-investments, and are subject to periodic review by the Manager. The remaining directly-held private investments are valued on a semi-annual basis using techniques including a market approach, income approach and/or cost approach. The valuation process involves the investment functions of the Manager who prepare the proposed valuations, which are then subject to review by the finance function, with the final valuations being presented to the independent Valuations Committee of which the Audit and Risk Committee chair is also a member. The specific techniques used will typically include earnings multiples, discounted cash flow analysis, the value of recent transactions, and, where appropriate, industry specific methodologies. The acquisition cost, if determined to be fair value, may be used to calibrate inputs to the valuation. The valuations will often reflect a synthesis of a number of distinct approaches in determining the final fair value estimate. The individual approach for each investment will vary depending on relevant factors that a market participant would take into account in pricing the asset. These might include the specific industry dynamics, the company's stage of development, profitability, growth prospects or risk as well as the rights associated with the particular security.

Borrowings at 30 June 2021 comprise bank loans and senior loan notes. The bank loans are revolving credit facilities paying floating interest and are typically drawn in tranches with a duration of three or six months. The loans are therefore short-term in nature, and their fair value approximates their nominal value. The loan notes were issued in 2015 with tenors of between 10 and 20 years with a weighted average of 16 years. They are valued on a monthly basis using a discounted cash flow model where the discount rate is derived from the yield of similar tenor UK Government bonds, adjusted for any significant changes in either credit spreads or the perceived credit risk of the Company.

The fair value of investments in non-consolidated subsidiaries is considered to be the net asset value of the individual subsidiary as at the balance sheet date. The net asset value comprises various assets and liabilities which are fair valued on a recurring basis and is considered to be level 3.

On a semi-annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and property, plant and equipment held at fair value.

The following table analyses the Group's assets and liabilities within the fair value hierarchy, at 30 June 2021:

As at 30 June 2021 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL):				
Portfolio investments	551.0	2,283.1	1,439.8	4,273.9
Non-consolidated subsidiaries	–	–	86.4	86.4
Investments held at fair value	551.0	2,283.1	1,526.2	4,360.3
Derivative financial instruments	4.4	13.4	–	17.8
Total financial assets at FVPL	**555.4**	**2,296.5**	**1,526.2**	**4,378.1**
Non-financial assets measured at fair value:				
Investment property	–	–	38.1	38.1
Property, plant and equipment	–	–	23.4	23.4
Total non-financial assets measured at fair value	**–**	**–**	**61.5**	**61.5**
Financial liabilities at FVPL:				
Borrowings	–	–	(408.4)	(408.4)
Derivative financial instruments	(11.9)	(53.9)	–	(65.8)
Total financial liabilities at FVPL	**(11.9)**	**(53.9)**	**(408.4)**	**(474.2)**
Total net assets measured at fair value	**543.5**	**2,242.6**	**1,179.3**	**3,965.4**
Other non-current assets				5.1
Cash at bank				130.4
Other current assets				236.6
Other current liabilities				(69.6)
Other non-current liabilities				(4.7)
Net assets				**4,263.2**

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

Movement in level 3 assets

Period ended 30 June 2021 £ million	Investments held at fair value	Properties	Total
Opening balance	1,232.1	61.4	1,293.5
Purchases	261.9	–	261.9
Sales	(92.3)	–	(92.3)
Realised gains/(losses) through profit or loss	4.5	–	4.5
Unrealised gains/(losses) through profit or loss	479.7	0.3	480.0
Transfer out of level 3	(359.7)	–	(359.7)
Other	–	(0.2)	(0.2)
Closing balance	**1,526.2**	**61.5**	**1,587.7**

During the period, one direct private investment with a fair value of £333.4 million was reclassified from level 3 to level 2. This reflected the fact that, following an IPO, its underlying investment was listed. A second direct private investment with a fair value of £26.3 million was reclassified from level 3 to level 1 following an IPO.

Level 3 assets

Further information in relation to the directly-held private investments is set out in the following table. This summarises the portfolio by the primary method used in fair valuing the asset. As we seek to employ a range of valuation methods and inputs in the valuation process, selection of a primary method is subjective, and designed primarily to assist the subsequent sensitivity analysis.

Primary valuation method/approach £ million	30 June 2021	31 December 2020
Recent financing round[1]	191.5	47.7
Third-party valuations	161.9	202.5
Agreed sale/offer	18.6	–
Discounted cash flow (DCF)	11.3	14.0
Other industry metrics[1]	2.0	1.0
Market multiples	0.1	48.7
Total	**385.4**	**313.9**

[1] Included within these methods are direct private investments held within the non-consolidated subsidiaries with a total of £14.3 million (2020: £4.0 million)

For companies with positive earnings, we seek to utilise an earnings multiple approach, typically using EBITDA or similar. The earnings multiple is assessed by reference to similar listed companies or transactions involving similar companies. When an asset is undergoing a sale and the price has been agreed but not yet completed or an offer has been submitted, we use the agreed or offered price, often with a final discount to reflect the risks associated with the transaction completing or any price adjustments. Where a company has been the subject of a recent financing round which is viewed as representative of fair value, we will use this transaction price. Other methods employed include discounted cash flow analysis and industry metrics such as multiples of assets under management or revenue, where market participants use these approaches in pricing assets. Where we have co-invested alongside a GP, we typically utilise the GP's valuation, consistent with our approach to private funds.

The following table provides a sensitivity analysis of the valuation of directly-held private investments and the impact on net assets:

Valuation method/approach	Sensitivity analysis
Recent financing round	A 5% change in the value of these assets would result in a £9.6 million or 0.22% (2020: £2.4 million, 0.07%) change in net assets.
Third-party valuations	A 5% change in the value of these assets would result in a £8.1 million or 0.19% (2020: £10.1 million, 0.28%) change in net assets.
Agreed sale/offer	A 5% change in the value of these assets would result in a £0.9 million or 0.02% (2020: £nil) change in net assets.
Discounted cash flow	Assets in this category are valued using a weighted average cost of capital range of 8%-20%. A 1% increase/decrease in the underlying discount rate would result in a decrease/increase in the net assets of £2.4 million or 0.06% (2020: £1.4 million, 0.04%)
Other industry metrics	A 5% change in the value of these assets would result in a £0.1 million or 0.002% (2020: £0.1 million, 0.001%) change in net assets.
Market multiples	Assets in this category are valued using an EV/Revenue of 4.5x. If the multiple used for valuation purposes is increased/decreased by 5% then the net assets would increase/decrease by £0.02 million or 0.001% (2020: £0.6 million, 0.02%).

The investment property and property, plant and equipment with an aggregate fair value of £61.5 million (2020: £61.4 million) were valued using a third-party valuation provided by JLL. The properties were valued using weighted average capital values of £1,655 per square foot (2020: £1,652) developed from rental yields and supported by recent market transactions. A £100 per square foot increase/decrease in values would result in a £3.3 million or 0.08% increase/decrease (2020: £3.3 million, 0.09%) in net assets.

The non-consolidated subsidiaries are held at their fair value of £86.4 million (2020: £69.5 million) representing £80.7 million of portfolio investments (2020: £63.4 million) and £5.7 million of remaining assets and liabilities (2020: £6.1 million). A 5% change in the value of assets would result in £4.3 million or 0.1% (2020: £3.5 million, 0.1%) change in net assets.

The remaining investments held at fair value and classified as level 3 were valued using third-party valuations from a GP, administrator, or fund manager totalling £1,068.7 million (2020: £852.7 million). A 5% change in the value of these assets would result in a £53.4 million or 1.25% (2020: £42.6 million, 1.19%) change in net assets.

In aggregate, the sum of the direct private investments, investment property, property, plant and equipment, non-consolidated subsidiaries and the remaining fund investments represents the total level 3 assets of £1,587.7 million (2020: £1,293.5 million).

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

The following table analyses the Group's assets and liabilities within the fair value hierarchy, at 31 December 2020:

As at 31 December 2020 £ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL:				
Portfolio investments	538.7	1,749.4	1,162.6	3,450.7
Non-consolidated subsidiaries	–	–	69.5	69.5
Investments held at fair value	538.7	1,749.4	1,232.1	3,520.2
Derivative financial instruments	5.8	51.8	–	57.6
Total financial assets at FVPL	**544.5**	**1,801.2**	**1,232.1**	**3,577.8**
Non-financial assets measured at fair value:				
Investment property	–	–	37.8	37.8
Property, plant and equipment	–	–	23.6	23.6
Total non-financial assets measured at fair value	**–**	**–**	**61.4**	**61.4**
Financial liabilities at FVPL:				
Borrowings	–	–	(370.5)	(370.5)
Derivative financial instruments	(0.3)	(9.6)	–	(9.9)
Total financial liabilities at FVPL	**(0.3)**	**(9.6)**	**(370.5)**	**(380.4)**
Total net assets measured at fair value	**544.2**	**1,791.6**	**923.0**	**3,258.8**
Other non-current assets				3.2
Cash at bank				296.8
Other current assets				105.3
Other current liabilities				(68.8)
Other non-current liabilities				(4.9)
Net assets				**3,590.4**

Movements in level 3 assets

Year ended 31 December 2020 £ million	Investments held at fair value	Properties	Total
Opening balance	1,132.6	60.3	1,192.9
Purchases	279.3	3.2	282.5
Sales	(347.4)	–	(347.4)
Realised gains/(losses) through profit or loss	48.9	–	48.9
Unrealised gains/(losses) through profit or loss	250.6	0.1	250.7
Unrealised gains/(losses) through other comprehensive income	–	(1.8)	(1.8)
Transfer out of level 3	(131.9)	–	(131.9)
Other	–	(0.4)	(0.4)
Closing balance	**1,232.1**	**61.4**	**1,293.5**

During the year, a direct private investment with a fair value of £91.5 million was reclassified from level 3 to level 2. This reflected the fact that, following an IPO, its main underlying investments were listed. Investments in funds with a fair value of £40.4 million were transferred from level 3 to level 2 as a result of new financial information received during the year in respect of the underlying investments of the funds.

7. Comparative information

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 30 June 2021 and 30 June 2020 has been neither reviewed nor audited.

The information for the year ended 31 December 2020 has been extracted from the latest published audited financial statements.

The audited financial statements for the year ended 31 December 2020 have been filed with the Registrar of Companies and the report of the auditors on those accounts contained no qualification or statement under section 498(2) or (3) of the Companies Act 2006.

Other Information

30 June 2021

Investment Portfolio Reconciliation

The following table shows a summary reconciliation between the amounts reported in the Investment Portfolio, as shown on pages 8 to 10 and the 30 June 2021 consolidated balance sheet, as shown on page 14:

£ million	Quoted equity	Private investments	Absolute return and credit	Real assets	Government bonds and rates/Other investments	Net liquidity/ borrowing/ other	30 June 2021 consolidated balance sheet
Non-current assets							
Portfolio investments at fair value	2,265.2	1,213.5	788.0	7.2	–	–	4,273.9
Non-consolidated subsidiaries	0.1	17.1	63.5	–	–	5.7	86.4
Investments held at fair value	2,265.3	1,230.6	851.5	7.2	–	5.7	4,360.3
Investment property	–	–	–	38.1	–	–	38.1
Property, plant and equipment	–	–	–	23.2	–	0.2	23.4
Retirement benefit asset	–	–	–	–	–	5.1	5.1
Derivative financial instruments	4.7	–	–	–	0.9	–	5.6
	2,270.0	**1,230.6**	**851.5**	**68.5**	**0.9**	**11.0**	**4,432.5**
Current assets							
Derivative financial instruments	5.0	–	0.4	–	6.8	–	12.2
Other receivables	0.1	–	–	–	–	236.5	236.6
Cash at bank	3.1	–	–	–	–	127.3	130.4
	8.2	**–**	**0.4**	**–**	**6.8**	**363.8**	**379.2**
Total assets	**2,278.2**	**1,230.6**	**851.9**	**68.5**	**7.7**	**374.8**	**4,811.7**
Current liabilities							
Borrowings	–	–	–	–	–	(236.0)	(236.0)
Derivative financial instruments	(4.3)	–	–	(8.2)	(38.3)	–	(50.8)
Deferred tax liability	–	–	–	–	–	(1.8)	(1.8)
Other payables	(38.9)	–	–	–	–	(23.8)	(62.7)
Amounts owed to group undertakings	–	–	–	–	–	(5.1)	(5.1)
	(43.2)	–	–	(8.2)	(38.3)	(266.7)	(356.4)
Net current assets/(liabilities)	**(35.0)**	**–**	**0.4**	**(8.2)**	**(31.5)**	**97.1**	**22.8**
Total assets less current liabilities	**2,235.0**	**1,230.6**	**851.9**	**60.3**	**(30.6)**	**108.1**	**4,455.3**
Non-current liabilities							
Borrowings	–	–	–	–	–	(172.4)	(172.4)
Derivative financial instruments	(11.8)	–	(3.2)	–	–	–	(15.0)
Provisions	–	–	–	–	–	(0.9)	(0.9)
Finance lease liability	–	–	–	(3.4)	–	(0.4)	(3.8)
	(11.8)	–	(3.2)	(3.4)	–	(173.7)	(192.1)
Net assets	**2,223.2**	**1,230.6**	**848.7**	**56.9**	**(30.6)**	**(65.6)**	**4,263.2**

Glossary and Alternative Performance Measures

Glossary

Within this Half-Yearly Financial Report, we publish certain financial measures common to investment trusts. Where relevant, these are prepared in accordance with guidance from the AIC, and this glossary provides additional information in relation to them.

Alternative performance measures (APMs): APMs are numerical measures of the Company's current, historical or future financial performance, financial position or cash flows, other than financial measures defined or specified in the Company's applicable financial framework – namely IFRS and the AIC SORP. They are denoted with an * in this section.

Gearing*: Gearing is a measure of the level of debt deployed within the portfolio. The ratio is calculated in accordance with AIC guidance as total assets, net of cash, divided by net assets and expressed as a 'net' percentage, e.g. 110% would be shown as 10%.

£ million	30 June 2021	31 December 2020
Total assets	4,811.7	4,044.5
Less: cash	(130.4)	(296.8)
Sub total	4,681.3	3,747.7
Net assets	4,263.2	3,590.4
Gearing	**9.8%**	**4.4%**

Leverage: Leverage, as defined by the Alternative Investment Fund Managers Directive (AIFMD), is any method which increases the exposure of the portfolio, whether through borrowings or leverage embedded in derivative positions or by any other means.

MSCI All Country World Index: The MSCI All Country World Index is a total return, market capitalisation-weighted equity index covering major developed and emerging markets. Described in this report as the ACWI or the ACWI (50% £), this is one of the Company's KPIs or reference hurdles and, since its introduction in 2013, has incorporated a 50% sterling measure. This is calculated using 50% of the ACWI measured in sterling and therefore exposed to translation risk from the underlying foreign currencies. The remaining 50% uses a sterling hedged ACWI from 1 January 2015 (from when this is readily available). This incorporates hedging costs, which the portfolio also incurs, to protect against currency risk and is an investable index. Prior to this date it uses the index measured in local currencies. Before December 1998, when total return indices were introduced, the index is measured using a capital-only version.

Net asset value (NAV) per share: The NAV per share is calculated by dividing the total value of all the assets of the trust less its liabilities (net assets) by the number of shares outstanding. Unless otherwise stated, this refers to the diluted NAV per share, with debt held at fair value.

NAV total return*: The NAV total return for a period represents the change in NAV per share, adjusted to reflect dividends paid during the period. The calculation assumes that dividends are reinvested in the NAV at the month end following the NAV going ex-dividend. The NAV per share at 30 June 2021 was 2,711 pence, an increase of 419 pence, or 18.3%, from 2,292 pence at the previous year end. As dividends totalling 17.625 pence per share were paid during the period, the effect of reinvesting the dividends in the NAV is 0.8%, which results in a NAV total return of 19.1%.

Net quoted equity exposure: This is the estimated level of exposure that the trust has to listed equity markets. It includes the assets held in the quoted equity category of the portfolio adjusted for the notional exposure from quoted equity derivatives, as well as estimated cash balances held by externally-managed funds and estimated exposure levels from hedge fund managers.

Notional: In relation to derivatives, this represents the estimated exposure that is equivalent to holding the same underlying position through a cash security.

Premium/discount: The premium or discount (or rating) is calculated by taking the closing share price on 30 June 2021 and dividing it by the NAV per share at 30 June 2021, expressed as a net percentage. If the share price is above/below the NAV per share, the shares are said to be trading at a premium/discount.

RPI: The RPI refers to the United Kingdom Retail Price Index as calculated by the Office for National Statistics and published monthly. It is used as a measure of inflation in one of the Company's KPIs RPI + 3.0% per annum.

Share price total return or total shareholder return (TSR)*: The TSR for a period represents the change in the share price adjusted to reflect dividends paid during the period. Similar to calculating a NAV total return, the calculation assumes the dividends are notionally reinvested at the daily closing share price following the shares going ex-dividend. The share price on 30 June 2021 closed at 2,430 pence, an increase of 365 pence, or 17.7%, from 2,065 pence at the previous year end. Dividends totalling 17.625 pence per share were paid during the period, and the effect of reinvesting the dividends in the share price is 0.8% which results in a TSR of 18.5%. The TSR is one of the Company's KPIs.

Investor Information

Share price information
The Company's £1 ordinary shares are listed on the London Stock Exchange and may be identified using the following codes:

TIDM:	RCP LN
SEDOL:	0736639 GB
ISIN:	GB0007366395

The closing price of the shares is published in the Financial Times and The Daily Telegraph. Daily and 15 minute delay share price information is displayed on the Company's website: www.ritcap.com, as well as numerous online platforms.

Registrar
The Company's registrar may be contacted as follows:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 703 6307
Overseas: +44 370 703 6307

Shareholders may contact the registrar should they need to notify a change of name or address, or have a query regarding the registration of their holding or the payment of a dividend. Shareholders who wish to have dividends credited directly to their bank account rather than paid by cheque may do so by arrangement with the registrar. Shareholders may also arrange with the registrar to have their dividend payment invested in additional RIT Capital Partners plc ordinary shares purchased in the market.

Registered holders of ordinary shares of RIT Capital Partners plc may elect to receive communications from the Company electronically as an alternative to receiving hard copy accounts and circulars. This facility is provided by the registrar and shareholders will need to go online at www.investorcentre.co.uk and select the 'eComms' signup section to participate. To complete the registration process shareholders will need their postcode or country of residence, along with their shareholder reference number (as shown on their share certificates or dividend advices). Shareholders will also be asked to agree to the terms and conditions for electronic communication.

Registered shareholders also have the facility to check their shareholding, change their address or update their bank mandate instruction by registering to become a member of 'Investorcentre'.

Regardless of whether shareholders sign up for 'eComms' or become a member of 'Investorcentre', they are able to cast proxy votes in respect of general meetings electronically if they wish by using the link provided on their proxy form or in their email notification.

Directory

DIRECTORS
Sir James Leigh-Pemberton (Chairman)
Philippe Costeletos
Maggie Fanari
Maxim Parr
André Perold
Mike Power
Hannah Rothschild
Jeremy Sillem
Jonathan Sorrell
Amy Stirling

MANAGER, ADMINISTRATOR, COMPANY SECRETARY AND REGISTERED OFFICE
J. Rothschild Capital Management Limited
27 St James's Place
London SW1A 1NR

INDEPENDENT AUDITOR
Ernst & Young LLP
25 Churchill Place
London E14 5EY

SOLICITOR
Linklaters LLP
One Silk Street
London EC2Y 8HQ

BROKERS
JP Morgan Cazenove Limited
25 Bank Street
London E14 5JP

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

ADVISER TO THE REMUNERATION COMMITTEE
Alvarez & Marsal
Park House
16-18 Finsbury Circus
London EC2M 7EB

CUSTODIAN AND DEPOSITARY
BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

AIC
The Company is a member of the Association of Investment Companies
www.theaic.co.uk

FOR INFORMATION
27 St James's Place
London SW1A 1NR
Tel: 020 7647 8565
Fax: 020 7493 5765
Email: investorrelations@ritcap.co.uk
Website: www.ritcap.com

Warning to Shareholders

From time to time investment companies and their shareholders can be the subject of investment scams. The perpetrators obtain lists of shareholders and make unsolicited phone calls or correspondence concerning investment matters. They may offer to sell worthless or high risk shares or, in the case of your RIT Capital Partners plc stock, may offer to buy your current shareholdings at an unrealistic price. They will often also inform you of untrue scenarios to make you think that you need to sell your shares or to justify an offer that seems too good to be true.

To find out more about share fraud or 'boiler room' scams please visit the website of the Financial Conduct Authority, https://www.fca.org.uk/scamsmart.

Please note that you cannot buy or sell the shares of RIT Capital Partners plc directly with us, and we will never contact you with offers to buy or sell shares, nor will our registrar, Computershare. In the event that you are contacted we strongly recommend that you review the FCA website above and follow the necessary steps. Please do report any company making unsolicited calls to the FCA using the form that can be found using the above link.

27 St. James's Place London SW1A 1NR

RIT Capital Partners plc