

Numis

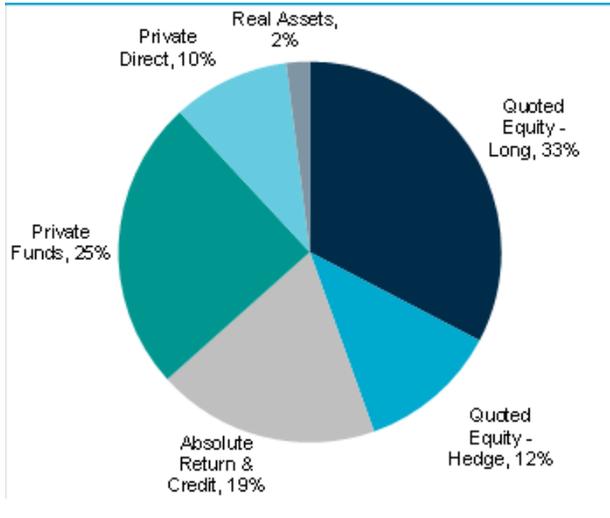
RIT Capital – NAV up 3.4% in December, outstanding returns in 2021

28 January 2022

By Priyesh Parmar

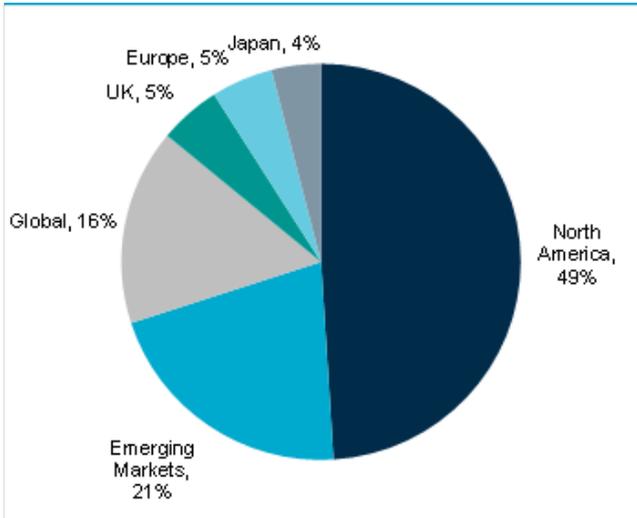
RIT Capital Partners’ NAV at 31 December was 2,794p, up 3.4% over the month, compared with a 2.8% rise for the MSCI ACWI (50% in Sterling, 50% in local currencies). As a result, the fund delivered NAV total returns of 23.6% in 2021, exceeding both of its comparator indices: 10.5% for the inflation measure RPI plus 3% pa, and 20.0% for the equity index MSCI AC World (50% in Sterling, 50% in local currencies). The company comments that in volatile global equity markets, and US and UK government bonds delivering negative returns, the portfolio saw strong outperformance with positive contributions across all of its main asset classes. In particular, there was “very strong” performance from RIT’s private investments both within the direct and funds portfolios, and helpful contributions from its quoted equities and absolute return and credit portfolios.

RIT Capital Partners - Portfolio by Asset Class



At 30 November 2021 Source: Company data

RIT Capital Partners - Portfolio by Geography

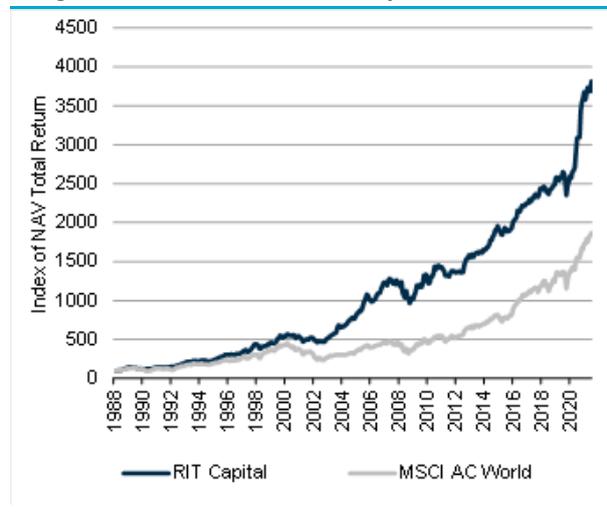


At 30 November 2021. Source: Company data

Numis Views: 2021 was an outstanding year for RIT Capital Partners. As was the case last year, the company has helpfully provided some colour on key performance drivers. We would add that March 2021 was a strong month (the NAV was up 10.6%) as Coupang (South Korea, e-commerce) listed.

Significantly more detail will be provided in the final results which are expected to be published in March and will be closely watched by investors. YtD RIT's share price has fallen 9.3%, compared with a 7.2% fall for the MSCI ACWI Index (50% in Sterling, 50% in local currencies), which is unwarranted in our view, given the risk/return profile of the fund which typically insulates against market falls with healthy participation during rising equity markets. We believe the discount of c.8% to our estimated NAV presents an attractive buying opportunity. RIT Capital Partners is our core long-term recommendation and we believe the emphasis on capital preservation fits well with the risk tolerance of many private investors, which is especially relevant in the current market environment.

Long Term Performance History



10 Year Discount History

