



RIT CP completes first share buyback since 2013

Numis declares 'attractive buying opportunity'

30 October 2020

RIT Capital Partners investment trust completed its first share buyback since 2013 yesterday (29 October), purchasing 20,500 ordinary shares at a price of £18.19 each.

The repurchase of the shares, which amount to 0.01% of the company's 156,848,065 issued share capital and will be held in treasury, will leave the number of shares with voting rights in issue at 156,827,565, the company confirmed this morning (30 October).

In an investor note, analysts from Numis noted that RIT's discount has "noticeably widened this year" and the trust has previously indicated it would consider buybacks when its discount was approaching double-digits.

RIT is currently trading on a 9.1% discount to NAV of £2bn, according to Association of Investment Company data. Its share price has fallen 13.1% and its NAV is up 5% over one year, compared to its benchmark FTSE All World's return of 6% over the same period.

Sitting within the Flexible Investment AIC sector, RIT invests in a widely diversified, international portfolio across a range of asset classes, with both quoted and unquoted holdings. It also allocates part of the portfolio to external fund managers.

Numis said the share buyback is a "show of intent from the fund and provides shareholders with some comfort over discount volatility going forward and that the shares offer attractive value to access a company with an excellent long-term track record and a high quality management team".

Numis added: "RIT's NAV performance during 2020 has been as we would expect, providing some insulation against falling markets, whilst generally lagging in strong equity markets.

"We believe the fund offers a risk/return profile that should be attractive to a wide range of investors although the discount volatility this year has been a concern for some.

"Therefore we believe it is significant that RIT has engaged in a share buyback which should provide some comfort to shareholders that the downside from the discount is limited."

Numis pointed to RIT's 1,816p share price and its discount as an indicator representing of "an attractive buying opportunity".

It said: "RIT Capital has an exceptional long term track record through an unconstrained investment approach seeking to deliver long-term capital growth, whilst preserving shareholders' capital.

"The management team of Francesco Goedhuis (CEO) and Ron Tabbouche (CIO) has now been together for seven years and the fund continues to demonstrate the same risk/return profile it has delivered over the long-term."