Half-Yearly Financial Report
30 June 2022

RIT Capital Partners plc

Contents

Notes

Nothing in this Half-Yearly Financial Report should be construed as advice to buy or sell a particular investment.

RIT Capital Partners plc (RIT or the Company) is a UK public listed company, and as such complies with the rules of the UK Listing Authority. The Company conducts its affairs so as to qualify for approval as an investment trust, and has been accepted as an approved investment trust by HM Revenue & Customs (HMRC), subject to continuing to meet the eligibility conditions. As an investment trust, it is not authorised or regulated by the Financial Conduct Authority (FCA). RIT is classified as an Alternative Investment Fund (AIF) in accordance with the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (UK AIFMD).

The investment manager, administrator, and company secretary (the Manager) is J. Rothschild Capital Management Limited (JRCM), a subsidiary of RIT. JRCM is authorised and regulated by the FCA and is classified as an Alternative Investment Fund Manager (AIFM) in accordance with UK AIFMD.

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 send correspondence concerning investment matters. They may offer to sell worthless or high risk shares or, in the case of your RIT 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 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 via the above link.

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.

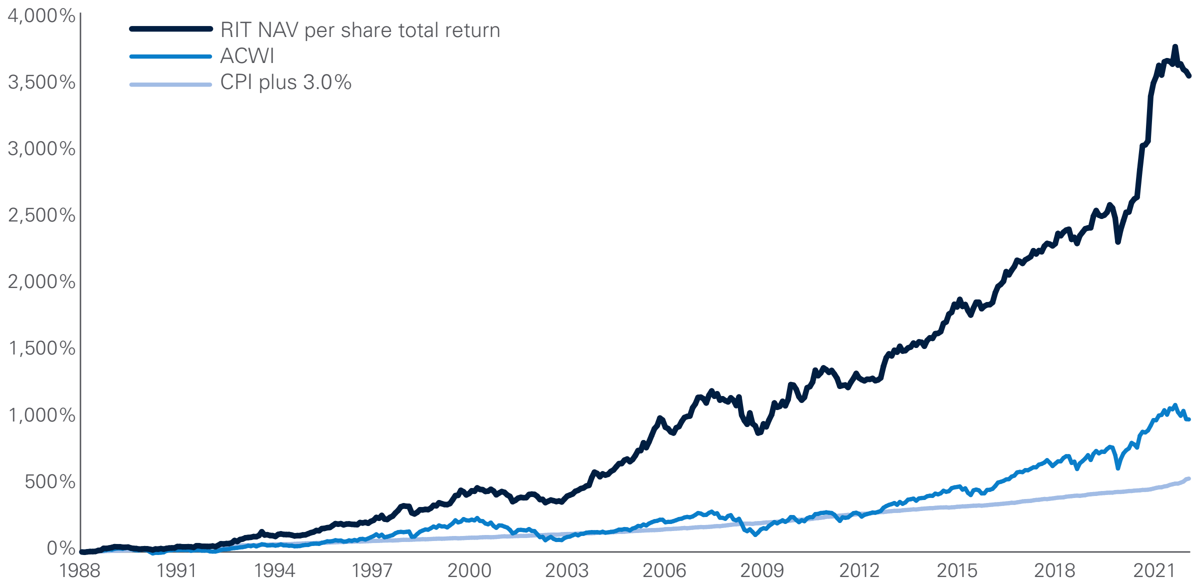
Investment Policy
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Performance for the period	30 June 2022
NAV per share total return*	-8.8%
Share price total return*	-12.1%
CPI plus 3.0% per annum	6.2%
MSCI All Country World Index (ACWI)	-14.7%

Key data	30 June 2022	31 December 2021	Change
NAV per share	2,530 pence	2,794 pence	-9.4%
Share price	2,400 pence	2,750 pence	-12.7%
Premium/(discount)	-5.1%	-1.6%	-3.5% pts
Net assets	£3,974 million	£4,390 million	-9.5%
Gearing*	10.5%	6.1%	4.4% pts
Average net quoted equity exposure for the period	38%	43%	-5% pts
Ongoing charges figure*	n/a	0.72%	n/a
First interim dividend paid	18.5 pence	17.625 pence	5.0%
Second interim dividend declared/paid	18.5 pence	17.625 pence	5.0%
Total dividend in year	37.0 pence	35.250 pence	5.0%

Performance history	1 Year	3 Years	5 Years	10 Years
NAV per share total return*	-5.4%	35.4%	54.0%	156.4%
Share price total return*	0.2%	20.9%	37.1%	129.5%
CPI plus 3.0% per annum	12.4%	22.9%	36.1%	70.1%
MSCI All Country World Index (ACWI)	-8.8%	22.4%	43.4%	170.1%

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. The Group's designated APMs (denoted above with an *) include the NAV per share total return, share price total return, gearing and the ongoing charges figure.

Interim Review

RIT Capital Partners plc

Chairman's Statement

Sir James Leigh-Pemberton

Performance

In the short, six-month period from our year end to 30 June 2022, we have witnessed a combination of geopolitical instability, macro-economic shifts and market volatility in all asset classes at a level which rivals the most challenging periods in recent history. There is little to suggest that this period of uncertainty will end soon. The risks of recession, elevated inflation, supply side shocks and significant changes in monetary policy are clear and present dangers for investors.

By the end of June, equity markets had suffered substantial losses. The S&P 500 was down -20%, with the FTSE 250 and key European indices in similar territory. There were pockets of relatively stronger performance with single digit declines in Japan and China, the latter recovering from April lows as the government's more constructive policies started to have an effect. Bond markets also suffered, with the yield on 10-year US treasuries rising from 1.5% at the end of 2021 to a 10-year peak of 3.5% in mid-June, with corresponding sizeable losses for investors. These developments made the last six months the most treacherous start to a year for traditional balanced portfolios on record.

Keeping our quoted equity exposure towards the lower end of our historical ranges helped us to protect shareholders from the worst of these market declines. The NAV per share ended the period at 2,530 pence, representing a total return (including dividends) of -8.8%, as compared to the ACWI which lost -14.7%, and CPI+3% which was up 6.2%. This means that over the last three years, RIT's NAV per share has seen a healthy cumulative return of 35.4%, compared to 22.4% for the market and 22.9% for our inflation measure.

Active portfolio management has been essential in the first half of the year. With neither government bonds nor gold acting as effective portfolio diversifiers, a more sophisticated approach to portfolio construction is required. The Manager's Report from JRCM provides more details on the asset allocation and contribution to returns. In summary, the key detractors for the half year were our quoted equities and private investments. As we reviewed our portfolio composition in this difficult period, our approach has remained resolutely long term. When we saw significant headwinds in the early months for some of our thematic exposures such as China and biotech, we invested time to reassess the validity of

Over the last three years, RIT's NAV per share has seen a healthy cumulative return of 35.4%, compared to 22.4% for the market and 22.9% for our inflation measure.

the underlying investment theses and concluded that we remained supportive of the long-term prospects here. It was pleasing to see the market taking a more constructive view of both these areas in June. In relation to the private investments, after the very strong performance of recent years, we saw some pullback, and took write-downs where necessary in our direct positions to reflect the significant changes in public market valuations of technology stocks in particular. Outside of equity exposures, the absolute return and credit portfolio was broadly flat for the period, and the NAV benefited from currency translation as sterling weakened.

Share capital and dividend

As I have highlighted before, the nature of our portfolio necessitates a monthly NAV. At times of heightened market stress, this can feed through into our share price, notwithstanding that our underlying portfolio is significantly less volatile than equity markets. We therefore continued our approach of seeking to minimise the impact on shareholders by buying back shares accretively as the discount to NAV reached high single digits. During the six months to June, we bought back 65,000 shares at a cost of £1.5 million to leave us with circa 240,000 shares in treasury.

We paid a first interim dividend of 18.5 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 28 October to shareholders registered on 7 October, providing shareholders with a total dividend in 2022 of 37 pence per share, a 5.0% increase over 2021.

Governance

We remain committed to following best practice in relation to diversity, and published our own Diversity and Inclusion Policy in May of this year. Following Amy Stirling's retirement from the Board at our AGM, I was delighted to announce the appointment of Jutta af Rosenborg in May. At 30 June, your Board comprised eight Directors, of whom three were female. We are continuing our recruitment efforts to ensure that we are

Chairman's Statement

fully compliant with both the Parker recommendations and the Financial Conduct Authority's new requirements for at least 40% of our Board to be women by 2023.

When markets are fast moving and volatile, the intensity of effort required from colleagues to maintain performance and operational resilience is particularly high, and I must thank my colleagues on the Board, our employees, and the many suppliers and counterparties who together enable us to do this, whatever challenges we face.

Outlook
The risks associated with the fundamental shift in central bank policies towards higher interest rates and balance sheet shrinking, to which I referred earlier this year, are by no means behind us. Central banks are faced with the difficult and delicate task of arresting the recent surge in inflation, without causing a recession. The outlook for corporate earnings is challenging, as costs rise and economic activity slows, and there remains a risk of further exogenous shocks, particularly in energy supply and pricing.

Nevertheless, as the market adjusts to these new norms, the resulting disruptions will continue to present opportunities. A flexible mandate and a Manager with the ability to undertake deep research across asset classes is a powerful combination, enabling us to take advantage of opportunities to deploy funds, while also seeking to protect the value of our shareholders' capital over the long term.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

1 August 2022

JRCM

Manager's Report

Overview

The backdrop to the reporting period was overwhelmingly negative, with soaring inflation, recessionary fears and ongoing geopolitical turmoil. If that was not enough, Covid-19 continued to disrupt economies. Firms struggled on multiple fronts, with the 'great resignation', a sharp rise in the cost of capital and the extent to which they needed to secure more resilient and expensive supplies through 'reshoring' or 'nearshoring'. Governments faced increasing unrest as individuals tried to deal with increased living costs. And central banks, led by the Fed, have tried to balance the need to tame multi-decade highs in realised inflation through aggressive tightening, without causing a collapse in economic growth.

Unsurprisingly, global equities saw their worst performance in decades, with the S&P 500 down -20%, its biggest H1 decline in 60 years. Not a single major market ended in positive territory, with most Asian markets showing single-digit declines, while nearly all Western markets experienced double-digit losses. The hawkish stance of central banks also caused significant disruption to bond markets. The US yield curve has priced for interest rates to reach as high as 4% in the near future, a radical shift from the 'zero forever' world that dominated markets in the last decade. This resulted in sizeable losses for US bond investors in what was the worst start to a year since 1973. Currency markets equally saw widespread volatility, as the markets reacted to the different quantum and tempos of relative interest rate policies. The US dollar was the best performing G10 currency, aided by the increase in real rates and the United States' relative immunity to the energy crisis in Europe.

Our five-year NAV total return of 54.0% outperformed the ACWI, which was up 43.4%, and CPI+3% at 36.1%. And in line with our approach, these equity-type returns were delivered with less risk than the market.

Performance commentary

Against this challenging landscape, the NAV total return for the first half of the year was -8.8%, compared to the ACWI (50% £) which was down -14.7% and CPI+3% at 6.2% for the half year. If we consider performance over recent years, our five-year NAV total return of 54.0% outperformed the ACWI, which was up 43.4%, and CPI+3% at 36.1%. And in line with our approach, these equity-type returns were delivered with less risk than the market. For example, our annualised NAV volatility over the five years was 8.9% compared to 13.5% for the market, and we also experienced significantly lower drawdowns. Since inception, we have participated in 76% of the monthly market increases but only 40% of the market declines.

Turning back to the half year, key drivers of performance included:

- Maintaining one of our lowest net quoted equity exposures in a decade (averaging 38% over the period), helped mitigate the losses;
- The quoted equity book performing broadly in line with markets. Growth assets and exposure to Chinese markets were the main detractors, while Japanese and reflationary exposures outperformed;

Asset allocation and portfolio contribution

Asset category	30 June 2022 % NAV	Contribution %
Quoted equity	35.5%	-7.8%[1]
Private investments	43.0%	-1.7%
Absolute return and credit	21.6%	-0.3%
Real assets	1.4%	-0.1%
Government bonds and rates	0.0%	-0.9%
Currency	-1.3%	2.4%[2]
Total investments	100.2%	-8.4%
Liquidity, borrowings and other	-0.2%	-0.4%[3]
Total	**100.0%**	**-8.8%**
Average net quoted equity exposure[1]	38.0%	

[1] The quoted equity contribution reflects the profits from the net quoted equity exposure held during the period as well as the costs of portfolio hedges. 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.

JRCM

Manager's Report

- After exceptional performance in the past few years, our private investments gave back some of their gains, impacted by the market disruption, in particular in US technology markets;
- The absolute return and credit book was broadly flat, reinforcing its low correlation to equity markets; and
- The portfolio's exposure to non-sterling currencies was the main positive contributor to performance.

In terms of portfolio activity, we continued this year to adjust our quoted equity allocation, shifting from a growth stance to a mix of more reflationary and defensive assets, which proved helpful. We remain committed to our long-term structural themes, such as China and biotech, and despite weakness earlier in the year, these started to see good outperformance in June.

Having seen strong outperformance over recent years, the private investment book experienced some reversals. Within the direct book, many of our underlying companies continued to generate robust operating performance. In addition, we saw fundraisings at higher valuations resulting in gains for a number of companies, including Motive (previously called KeepTruckin') and OneFootball. While these factors helped provide a degree of resilience to the book, the portfolio overall ended down for the period, reflecting the broad malaise and multiple compression seen in listed markets.

The private fund portfolio ended slightly down over the period, although as normal, this is not a direct comparison as it reflects the industry lag in producing quarterly valuations, with the majority of the H1 performance reflecting a mix of Q4 and Q1 valuations. At the time of finalising our June NAV, 95% of the portfolio was valued at 31 March external manager (or GP) valuations, with the largest detractors being funds with Chinese and technology exposures.

Despite these recent headwinds in private markets, the associated levels of disruption can also provide opportunities for us and our GPs to deploy capital at attractive valuations – part of our resolutely long-term approach.

The allocation to absolute return and credit remains a key feature of our differentiated approach to portfolio diversification. This portfolio proved resilient to the equity market downturns, despite the widening in credit spreads, as we had deliberately reduced the credit sensitivity of this book.

Additionally, currency translation has been helpful given the broad strengthening of the US dollar and associated currencies, and commensurate weakness of the pound.

While we tilted the quoted equity portfolio towards more reflationary assets, we are reluctant at this stage of the cycle to move further in that direction. As we saw in June, when recession risks increase, this disproportionately impacts more cyclically-oriented, reflationary assets. Furthermore, if inflation does take hold for longer, this will not necessarily be detrimental to our growth-oriented positions. Notwithstanding an initial derating, over time, these companies' cash flows should grow with inflation, providing natural protection to long-term investors. Therefore, as long as there is a reasonable probability of a recession, and we think there is, we believe it is important to maintain a healthy balance across our best 'value' and 'growth' ideas.

Indeed, the last few months have reinforced the importance of not being swayed by market sentiment. We remain confident that our disciplined approach and diverse portfolio construction, guided by the talent and networks we have available both internally and externally, will enable us to continue to deliver long-term equity-type returns with less risk.

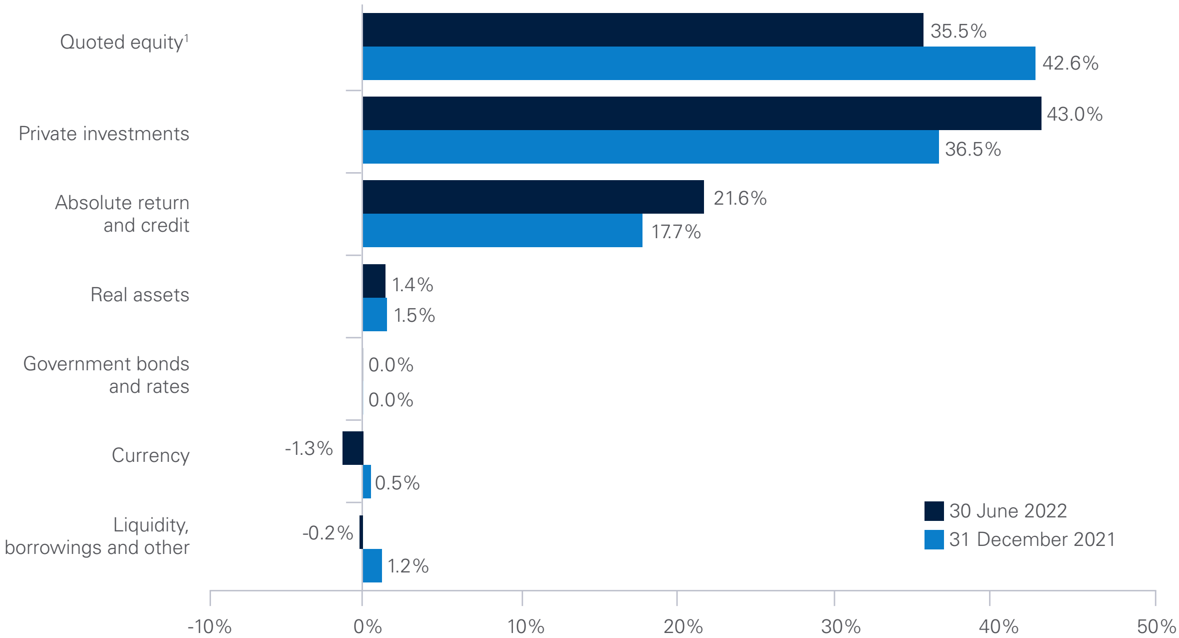
Francesco Goedhuis
Chairman and
Chief Executive Officer

Ron Tabbouche
Chief Investment Officer

J. Rothschild Capital Management Limited

Investment Portfolio

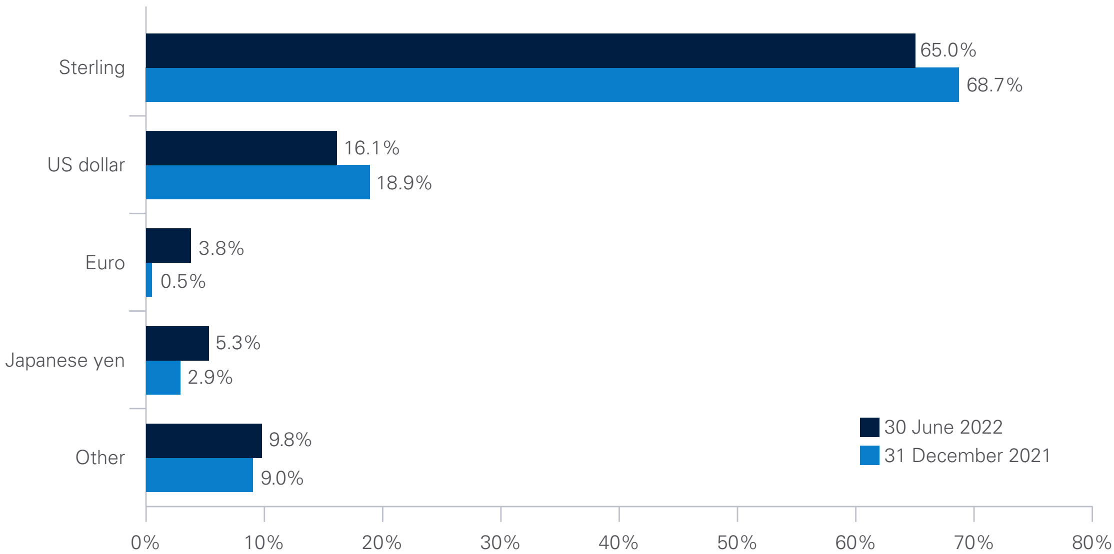
Asset category (% of NAV)



Note: This graph excludes exposure from derivatives.

[1] For the period ending 30 June 2022, the underlying net quoted equity exposure averaged 38% (31 December 2021: 43%).

Currency exposure (% of NAV)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment portfolio as at 30 June 2022

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Quoted equity[1]				
Stocks:				
Coupang[2]	South Korea	Consumer discretionary	66.8	1.7%
Helios Towers	Africa	Communication services	34.8	0.9%
Diageo	United Kingdom	Consumer staples	19.1	0.5%
Ribbit LEAP	United States	Financials	12.3	0.3%
Disruptive Capital Acquisition	Guernsey	Financials	11.4	0.3%
Kraft Heinz	United States	Consumer staples	11.3	0.3%
Mastercard	United States	IT, long 0.6% notional	0.4	0.0%
Marsh & McLennan	United States	Financials, long 0.5% notional	0.0	0.0%
Salesforce	United States	IT, long 0.5% notional	0.0	0.0%
Other stocks	–	–	49.7	1.3%
Total stock:			205.8	5.3%
Long-only funds:				
HCIF Offshore	United States	All-cap, biotechnology	128.9	3.2%
Discerene[3]	Global	All-cap, value bias	115.1	2.9%
Springs Opportunities	China	All-cap, diversified	113.3	2.9%
Morant Wright[3]	Japan	Small/mid-cap, value bias	105.7	2.7%
Lansdowne New Energy	Global	All-cap, clean energy	83.5	2.1%
Ward Ferry Asian Smaller Companies	Asia	Small/mid-cap, diversified	67.6	1.7%
Sand Grove UK	United Kingdom	All-cap, diversified	45.3	1.1%
BlackRock Emerging Markets	Emerging Markets	All-cap, value bias	42.5	1.1%
Tenere Capital	Global	All-cap, technology	17.8	0.4%
Other long-only funds	–	–	25.4	0.6%
Total long-only funds:			745.1	18.7%
Hedge funds:				
BlackRock Strategic Equity	Global	All-cap, diversified	130.2	3.3%
3D Opportunity	Japan	All-cap, diversified	120.1	3.0%
HHLR	China	All-cap, diversified	67.5	1.7%
Springs Global Strategic Partners	China	All-cap, diversified	54.8	1.4%
EcoR1 Capital	Global	All-cap, biotechnology	41.1	1.0%
Coreview	China	All-cap, diversified	30.1	0.8%
Other hedge funds	–	–	15.9	0.4%
Total hedge funds:			459.7	11.6%
Derivatives:				
Quality basket	Global	Long, 2.2% notional	0.0	0.0%
European basket	Europe	Long, 0.7% notional	(5.8)	(0.1%)
Biotech basket	Global	Long, 0.7% notional	(0.5)	(0.0%)
MS tech basket	Global	Short, 0.8% notional	(1.4)	(0.0%)
Equity options	United States	Premium	8.7	0.2%
Other derivatives	–	–	(1.7)	(0.2%)
Total derivatives:			(0.7)	(0.1%)
Total quoted equity			**1,409.9**	**35.5%**

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Private investments – direct:				
Motive (previously called KeepTruckin')[2]	United States	IT, industrials	74.5	1.9%
Webull	United States	IT, financials	49.2	1.2%
Animoca	Global	IT, consumer discretionary	29.9	0.8%
Epic Systems[2]	United States	IT, healthcare	24.6	0.6%
Paxos	United States	IT, financials	23.2	0.6%
Brex[2]	United States	IT, financials	21.8	0.5%
Kraken[2]	United States	IT, financials	20.1	0.5%
OneFootball[2]	United States	IT, consumer discretionary	18.2	0.5%
Papaya[2]	United States	IT, financials	16.2	0.4%
Airtable[2]	United States	IT, communication services	14.9	0.4%
Level Home[2]	United States	IT, consumer discretionary	11.7	0.3%
Other private investments – direct	–	–	200.3	5.0%
Total private investments – direct			**504.6**	**12.7%**
Private investments – funds:				
Thrive funds	United States	Venture capital	201.5	5.1%
Iconiq funds	United States	Venture capital	175.5	4.4%
Ribbit Capital funds	United States	Venture capital	76.2	1.9%
BDT Capital funds	United States	Private equity	74.2	1.9%
Greenoaks Capital funds	United States	Venture capital	73.7	1.9%
Hillhouse funds	China	Private equity	69.4	1.7%
Arch Venture funds	United States	Venture capital	45.2	1.1%
Lindenwood	United States	Venture capital	36.5	0.9%
Eight Partner funds	United States	Venture capital	24.5	0.6%
WestCap Strategic funds	United States	Venture capital	21.1	0.5%
Mithril funds	United States	Venture capital	20.1	0.5%
Biomatics Capital funds	United States	Venture capital	18.9	0.5%
Sound Ventures funds	United States	Venture capital	16.0	0.4%
Expa Capital	United States	Venture capital	15.1	0.4%
Braemar Energy Ventures	United States	Venture capital	11.6	0.3%
Blackstone Tactical Opportunities	United States	Private equity	11.4	0.3%
Other private investments – funds	–	–	313.5	7.9%
Total private investments – funds			**1,204.4**	**30.3%**
Absolute return and credit:				
Attestor Value	Global	Distressed and special situations	143.4	3.6%
Eisler Capital	Global	Macro strategy	137.2	3.5%
ARCM	Asia	Multi-strategy	88.9	2.2%
Sand Grove Tactical	Global	Multi-strategy	77.2	1.9%
RIT US Value Partnership	Global	Multi-strategy	69.0	1.7%
Caxton Dynamis	Global	Macro strategy	65.8	1.7%
Tresidor Credit Opportunities	Global	Distressed and special situations	57.6	1.4%
Woodline	Global	Multi-strategy	52.1	1.3%
Hein Park	Global	Distressed and special situations	46.2	1.2%
Liontree Advisory loan note	Global	Corporate loan	34.5	0.9%
Tresidor Europe Credit	Europe	Distressed and special situations	29.5	0.7%
Farmstead	United States	Distressed and special situations	25.0	0.6%
Other absolute return and credit	–	–	32.8	0.9%
Total absolute return and credit			**859.2**	**21.6%**

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Real assets:				
Spencer House	United Kingdom	Investment property	29.7	0.7%
St. James's properties	United Kingdom	Investment property	28.0	0.7%
Gold futures	United States	Long, 4.2% notional	(5.5)	(0.1%)
Other real assets	–	–	5.0	0.1%
Total real assets			**57.2**	**1.4%**
Government bonds and rates:				
Eurodollar futures	United States	Long, 9.8% notional[4]	(7.2)	(0.2%)
Gilt futures	United Kingdom	Long, 2.8% notional[4]	(3.4)	(0.1%)
Other derivatives	–	–	10.6	0.3%
Total government bonds and rates			**0.0**	**0.0%**
Other investments:				
Currency forwards	Various	Forward currency contracts	(50.2)	(1.3%)
Currency options	Various	Premium	0.2	0.0%
Total other investments			**(50.0)**	**(1.3%)**
Total investments			**3,985.3**	**100.2%**
Liquidity:				
Liquidity	–	Cash at bank	225.1	5.7%
Total liquidity			**225.1**	**5.7%**
Borrowings:				
Short-term bank borrowings[5]	–	Revolving credit facilities	(326.2)	(8.2%)
RIT senior loan notes	–	Fixed interest loan notes	(151.0)	(3.8%)
Total borrowings			**(477.2)**	**(12.0%)**
Other assets/(liabilities)				
Margin	–	–	183.7	4.6%
Other assets/(liabilities)	–	Various	57.4	1.5%
Total other assets/(liabilities)			**241.1**	**6.1%**
Total net asset value			**3,974.3**	**100.0%**

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 or partly held through co-investment vehicles managed by a general partner (GP).

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

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

[5] The Group has three revolving credit facilities with Industrial and Commercial Bank of China, Commonwealth Bank of Australia and National Australia Bank.

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 (UK adopted IAS), 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 2021 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 2021. The principal risks we identify comprise:

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

As an investment company, the most significant risk is considered to be market risk. As described in the Chairman's Statement and Manager's Report, markets have experienced some of the most challenging shocks in recent history. In view of the geopolitical tensions stemming from the war in Ukraine, rising inflation and recessionary fears, the elevated levels of volatility and uncertainty in markets may well continue throughout 2022.

From an operational risk perspective, the Manager has successfully introduced a hybrid working policy, recognising the ongoing benefits that a mixture of office and home-based working can bring. We continue to keep our internal controls under close scrutiny and remain satisfied that the environment is effective.

A key consequence of the ending of Covid-19 restrictions has been a tight and rapidly changing labour market. We recognise the risks this brings and are monitoring our overall employment offering accordingly.

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 2021. As at 30 June 2022 there have been no significant changes to these factors. Having reviewed the Company's forecasts and other relevant evidence, 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

1 August 2022

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 2022

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	2022 Total	Revenue	Capital	2021 Total
Income and gains							
Investment income		5.2	–	5.2	6.2	–	6.2
Other income		0.9	–	0.9	1.9	–	1.9
Gains/(losses) on fair value investments		–	(370.8)	(370.8)	–	710.4	710.4
Gains/(losses) on monetary items and borrowings		–	16.1	16.1	–	10.3	10.3
		6.1	(354.7)	(348.6)	8.1	720.7	728.8
Expenses							
Operating expenses		(15.9)	(8.4)	(24.3)	(14.0)	(12.2)	(26.2)
Profit/(loss) before finance costs and tax	2	(9.8)	(363.1)	(372.9)	(5.9)	708.5	702.6
Finance costs		(2.0)	(8.0)	(10.0)	(1.3)	(5.2)	(6.5)
Profit/(loss) before tax		(11.8)	(371.1)	(382.9)	(7.2)	703.3	696.1
Taxation		–	–	–	(0.2)	(2.5)	(2.7)
Profit/(loss) for the period		**(11.8)**	**(371.1)**	**(382.9)**	**(7.4)**	**700.8**	**693.4**
Earnings per ordinary share – basic	3	(7.6)p	(238.0)p	(245.6)p	(4.7)p	449.2p	444.5p
Earnings per ordinary share – diluted	3	(7.6)p	(238.0)p	(245.6)p	(4.7)p	446.4p	441.7p

The total column of this statement represents the Group's consolidated income statement, prepared in accordance with UK adopted international accounting standards (UK adopted IAS). The supplementary revenue and capital 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

For the six months ended 30 June £ million	Revenue	Capital	2022 Total	Revenue	Capital	2021 Total
Profit/(loss) for the period	(11.8)	(371.1)	(382.9)	(7.4)	700.8	693.4
Revaluation gain/(loss) on property, plant and equipment	–	(0.3)	(0.3)	–	–	–
Actuarial gain/(loss) in defined benefit pension plan	(0.4)	–	(0.4)	3.9	–	3.9
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	(0.1)	–	(0.1)	(1.6)	–	(1.6)
Total comprehensive income/(expense) for the period	**(12.3)**	**(371.4)**	**(383.7)**	**(5.1)**	**700.8**	**695.7**

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 2022	31 December 2021
Non-current assets			
Investments held at fair value		4,007.1	4,291.8
Investment property		38.5	38.3
Property, plant and equipment		22.7	23.1
Retirement benefit asset		4.0	3.8
Derivative financial instruments		1.8	2.9
		4,074.1	4,359.9
Current assets			
Derivative financial instruments		30.0	32.7
Other receivables		285.2	262.8
Amounts owed by group undertakings		4.1	3.7
Cash at bank		220.4	325.9
		539.7	625.1
Total assets		4,613.8	4,985.0
Current liabilities			
Borrowings		(326.2)	(240.0)
Derivative financial instruments		(88.5)	(8.2)
Other payables		(67.4)	(168.8)
		(482.1)	(417.0)
Net current assets/(liabilities)		57.6	208.1
Total assets less current liabilities		4,131.7	4,568.0
Non-current liabilities			
Borrowings		(151.0)	(168.9)
Derivative financial instruments		(0.5)	(2.9)
Deferred tax liability		(1.4)	(1.3)
Provisions		(1.1)	(1.0)
Lease liability		(3.4)	(3.6)
		(157.4)	(177.7)
Net assets		**3,974.3**	**4,390.3**
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		(20.8)	(23.0)
Capital reserve		3,768.8	4,174.4
Revenue reserve		(23.7)	(11.4)
Revaluation reserve		11.2	11.5
Total equity		**3,974.3**	**4,390.3**
Net asset value per ordinary share – basic	4	2,551p	2,819p
Net asset value per ordinary share – diluted	4	2,530p	2,794p

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 2022 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2022	156.8	45.7	36.3	(23.0)	4,174.4	(11.4)	11.5	4,390.3
Profit/(loss) for the period	–	–	–	–	(371.1)	(11.8)	–	(382.9)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	(0.3)	(0.3)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	(0.4)	–	(0.4)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	(0.1)	–	(0.1)
Total comprehensive income/(expense) for the period	–	–	–	–	(371.1)	(12.3)	(0.3)	(383.7)
Dividends paid (note 5)	–	–	–	–	(28.9)	–	–	(28.9)
Purchase of treasury shares	–	–	–	–	(1.5)	–	–	(1.5)
Movement in own shares reserve	–	–	–	2.2	–	–	–	2.2
Movement in share–based payments	–	–	–	–	(4.1)	–	–	(4.1)
Balance at 30 June 2022	**156.8**	**45.7**	**36.3**	**(20.8)**	**3,768.8**	**(23.7)**	**11.2**	**3,974.3**

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 period	–	–	–	–	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**

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 2022	30 June 2021
Cash flows from operating activities:		
Cash inflow/(outflow) before taxation and interest	(122.8)	(173.6)
Interest paid	(10.0)	(6.4)
Net cash inflow/(outflow) from operating activities	(132.8)	(180.0)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(0.1)	(0.1)
Net cash inflow/(outflow) from investing activities	(0.1)	(0.1)
Cash flows from financing activities:		
Repayment of borrowings	(251.7)	(185.0)
Proceeds of borrowings	310.0	235.0
Purchase of ordinary shares by employee benefit trust[1]	(14.9)	(5.4)
Purchase of ordinary shares into treasury	(1.5)	(1.4)
Equity dividends paid	(28.9)	(27.5)
Net cash inflow/(outflow) from financing activities	13.0	15.7
Increase/(decrease) in cash in the period	(119.9)	(164.4)
Cash at the start of the period	325.9	296.8
Effect of foreign exchange rate changes on cash	14.4	(2.0)
Cash at the period end	**220.4**	**130.4**

[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 2022. 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 1 August 2022. These half-yearly consolidated financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2021, which were prepared in accordance with UK adopted IAS.

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 2021.

Critical accounting assumptions and judgements

As further described in the Report and Accounts for the year ended 31 December 2021, 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).

2. Business and geographical segments

For both the six months ended 30 June 2022 and the six months ended 30 June 2021, 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	3,974.3	46
SHL[3]	Events/premises management	–	12

[1] At 30 June 2022.
[2] J. Rothschild Capital Management Limited.
[3] Spencer House Limited.

Key financial information for the six months ending 30 June 2022 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit/ (loss)[2]
RIT	3,860.3	(349.3)	(27.0)	(376.3)
JRCM	120.1	25.4	(22.1)	3.3
SHL	0.6	1.7	(1.6)	0.1
Adjustments[3]	(6.7)	(26.4)	26.4	–
Total	**3,974.3**	**(348.6)**	**(24.3)**	**(372.9)**

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**

[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 per ordinary share – basic and diluted

The basic earnings per ordinary share for the six months ended 30 June 2022 is based on the loss of £382.9 million (six months ended 30 June 2021: profit of £693.4 million) and the weighted average number of ordinary shares in issue during the period of 156.8 million (six months ended 30 June 2021: 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 2022	Six months ended 30 June 2021
Net revenue profit/(loss)	(11.8)	(7.4)
Net capital profit/(loss)	(371.1)	700.8
Total profit/(loss) for the period	**(382.9)**	**693.4**

Weighted average (million)	Six months ended 30 June 2022	Six months ended 30 June 2021
Number of shares in issue	156.8	156.8
Shares held in EBT	(0.7)	(0.7)
Shares held in treasury	(0.2)	(0.1)
Basic shares	**155.9**	**156.0**

Pence	Six months ended 30 June 2022	Six months ended 30 June 2021
Revenue earnings/(loss) per ordinary share – basic	(7.6)	(4.7)
Capital earnings/(loss) per ordinary share – basic	(238.0)	449.2
Total earnings per share – basic	**(245.6)**	**444.5**

The diluted earnings per ordinary share for the period is based on basic shares (above) adjusted for the effect of dilutive share-based payment awards for the period.

Notes to the Financial Statements (unaudited)

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

This adjustment is not required for the period ended 30 June 2022 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 2022	Six months ended 30 June 2021
Basic shares	155.9	156.0
Effect of share-based payment awards	–	1.0
Diluted shares	**155.9**	**157.0**

Pence	Six months ended 30 June 2022	Six months ended 30 June 2021
Revenue earnings/(loss) per ordinary share – diluted	(7.6)	(4.7)
Capital earnings/(loss) per ordinary share – diluted	(238.0)	446.4
Total earnings/(loss) per ordinary share – diluted	**(245.6)**	**441.7**

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

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

	30 June 2022	31 December 2021
Net assets (£ million)	3,974.3	4,390.3
Number of shares in issue (million)	156.8	156.8
Shares held in EBT	(0.8)	(0.9)
Shares held in treasury	(0.2)	(0.2)
Basic shares (million)	155.8	155.7
Effect of share-based payment awards (million)	1.3	1.4
Diluted shares (million)	**157.1**	**157.1**

Pence per share	30 June 2022	31 December 2021
Net asset value per ordinary share – basic	2,551	2,819
Net asset value per ordinary share – diluted	2,530	2,794

5. Dividends

	Six months ended June 2022 Pence per share	Six months ended June 2021 Pence per share	Six months ended June 2022 £ million	Six months ended June 2021 £ million
Dividends paid in period	**18.5**	**17.625**	**28.9**	**27.5**

The Board of Directors declared an interim dividend of 18.5 pence per ordinary share (£28.9 million) on 28 February 2022, which was paid on 29 April 2022. The Board has declared the payment of a second interim dividend of 18.5 pence per ordinary share (£28.9 million) in respect of the year ending 31 December 2022. This will be paid on 28 October 2022 to shareholders on the register on 7 October 2022. Both payments are funded from accumulated capital profits.

Additional commentary may be found in the Report and Accounts for the year ended 31 December 2021.

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 period 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.

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.

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

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 are held at the most recent fair values provided by the GPs managing those funds, adjusted for subsequent investments, distributions, and currency movements up to the period end, and are subject to periodic review by the Manager.

Direct co-investments are also held at the most recent fair values provided by the GPs managing those co-investments, adjusted for subsequent investments, distributions, currency moves, as well as pricing events or material changes in public market valuations, where the Manager has sufficient information to suggest the period-end valuation is likely to be adjusted when finalised by the GP. 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 Valuation Committee, comprised entirely of independent non-executive Directors, and chaired by the chairman of the Audit and Risk Committee.

Specific valuation techniques used will typically include the value of recent transactions, earnings multiples, discounted cash flow (DCF) analysis, 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 2022 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 DCF 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 2022:

As at 30 June 2022 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL):				
Portfolio investments	416.0	1,516.8	1,970.7	3,903.5
Non-consolidated subsidiaries	–	–	103.6	103.6
Investments held at fair value	416.0	1,516.8	2,074.3	4,007.1
Derivative financial instruments	8.1	23.7	–	31.8
Total financial assets at FVPL:	**424.1**	**1,540.5**	**2,074.3**	**4,038.9**
Non-financial assets measured at fair value:				
Investment property	–	–	38.5	38.5
Property, plant and equipment	–	–	22.7	22.7
Total non-financial assets measured at fair value	**–**	**–**	**61.2**	**61.2**
Financial liabilities at FVPL:				
Borrowings	–	–	(477.2)	(477.2)
Derivative financial instruments	(10.0)	(79.0)	–	(89.0)
Total financial liabilities at FVPL:	**(10.0)**	**(79.0)**	**(477.2)**	**(566.2)**
Total net assets measured at fair value	**414.1**	**1,461.5**	**1,658.3**	**3,533.9**
Other non-current assets				4.0
Cash at bank				220.4
Other current assets				289.3
Other current liabilities				(67.4)
Other non-current liabilities				(5.9)
Net assets				**3,974.3**

6. Financial instruments (continued)

Movement in level 3 assets

Six months ended 30 June 2022 £ million	Investments held at fair value	Properties	Total
Opening balance	1,914.3	61.4	1,975.7
Purchases	173.0	–	173.0
Sales	(149.0)	–	(149.0)
Realised gains/(losses) through profit or loss	3.3	–	3.3
Unrealised gains/(losses) through profit or loss	132.7	0.1	132.8
Unrealised gains/(losses) through other comprehensive income	–	(0.3)	(0.3)
Transfer into/out of level 3	–	–	–
Other	–	–	–
Closing balance	**2,074.3**	**61.2**	**2,135.5**

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 estimating the fair value of the investments. 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 – direct private investments £ million	30 June 2022	31 December 2021
Recent financing round[1]	209.2	140.0
Third-party valuations	143.3	361.1
Listed comparables	82.0	–
Market multiples	53.8	–
Other industry metrics	14.5	1.1
Discounted cash flow (DCF)	1.8	11.2
Total	**504.6**	**513.4**

1 Included within these methods are direct private investments held within the non-consolidated subsidiaries with a total of £31.5 million (2021: £29.7 million).

The majority of the direct private investments are structured as co-investments, managed by a GP. For these investments, we typically use the latest quarterly fair valuations provided by the GP, adjusted for any subsequent investments/distributions and currency moves as well as pricing events or material changes in public market valuations, where there is sufficient information to suggest the period-end valuation is likely to be adjusted when finalised by the GP.

Where the Manager has sufficient information to undertake its own valuation, a range of methods will typically be used. 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. 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 DCF analysis and industry metrics such as multiples of assets under management or revenue, where market participants use these approaches in pricing assets.

Level 3 assets – sensitivity analysis

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 £10.5 million or 0.26% (2021: £7.0 million, 0.16%) change in net assets.
Third-party valuations	A 5% change in the value of these assets would result in a £7.2 million or 0.18% (2021: £18.1 million, 0.41%) change in net assets.
Listed comparables	A 5% change in the value of these assets would result in a £4.1 million or 0.10% (2021: £nil) change in net assets.
Market multiples	Assets in this category are valued using EV/sales multiples in the range 7x-23x. A 5% change in the multiple would result in a £2.7 million or 0.07% (2021: £nil) change in net assets.
Other industry metrics	A 5% change in the value of these assets would result in a £0.2 million or 0.01% (2021: £0.1 million, 0.001%) change in net assets.
Discounted cash flow (DCF)	Assets in this category are valued using weighted average costs of capital in the range of 10-20%. A 1% point increase/decrease in the underlying discount rate would result in a decrease/increase in the net assets of £0.02 million or 0.001% (2021: £2.4 million, 0.06%).

The investment property and property, plant and equipment with an aggregate fair value of £61.2 million (2021: £61.4 million) were valued using a third-party valuation provided by Jones Lang LaSalle. The properties were valued using weighted average capital values of £1,651 per square foot (2021: £1,658) developed from rental yields and supported by recent market transactions. A £100 per square foot increase/decrease in capital values would result in a £3.3 million increase/decrease in fair value (2021: £3.3 million increase/decrease).

The non-consolidated subsidiaries are held at their fair value of £103.6 million (2021: £101.4 million) representing £107.0 million of portfolio investments (2021: £104.3 million) and £3.4 million of remaining liabilities (2021: £2.9 million). A 5% change in the value of these assets would result in £5.2 million or 0.1% (2021: £5.1 million, 0.1%) change in total 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 £1,497.6 million (2021: £1,329.2 million). A 5% change in the value of these assets would result in a £74.9 million or 1.88% (2021: £66.5 million, 1.51%) 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 £2,135.5 million (2021: £1,975.7 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 2021:

As at 31 December 2021 £ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL:				
Portfolio investments	579.6	1,797.9	1,813.0	4,190.5
Non-consolidated subsidiaries	–	–	101.3	101.3
Investments held at fair value	579.6	1,797.9	1,914.3	4,291.8
Derivative financial instruments	2.9	32.7	–	35.6
Total financial assets at FVPL	**582.5**	**1,830.6**	**1,914.3**	**4,327.4**
Non-financial assets measured at fair value:				
Investment property	–	–	38.3	38.3
Property, plant and equipment	–	–	23.1	23.1
Total non-financial assets measured at fair value	**–**	**–**	**61.4**	**61.4**
Financial liabilities at FVPL:				
Borrowings	–	–	(408.9)	(408.9)
Derivative financial instruments	–	(11.1)	–	(11.1)
Total financial liabilities at FVPL	**–**	**(11.1)**	**(408.9)**	**(420.0)**
Total net assets measured at fair value	**582.5**	**1,819.5**	**1,566.8**	**3,968.8**
Other non-current assets				3.8
Cash at bank				325.9
Other current assets				266.5
Other current liabilities				(168.8)
Other non-current liabilities				(5.9)
Net assets				**4,390.3**

Movements in level 3 assets

Year ended 31 December 2021 £ million	Investments held at fair value	Properties	Total
Opening balance	1,232.1	61.4	1,293.5
Purchases	857.6	0.1	857.7
Sales	(882.1)	–	(882.1)
Realised gains/(losses) through profit or loss	37.5	–	37.5
Unrealised gains/(losses) through profit or loss	767.5	0.6	768.1
Unrealised gains/(losses) through other comprehensive income	–	(0.2)	(0.2)
Transfer into level 3	40.9	–	40.9
Transfer out of level 3	(139.2)	–	(139.2)
Other	–	(0.5)	(0.5)
Closing balance	**1,914.3**	**61.4**	**1,975.7**

During the year, direct private investments with a fair value of £139.2 million were reclassified from level 3 to level 2. This reflected the fact that their main underlying investments are now listed and disclosed in the Investment Portfolio within quoted equity. Investments in funds with a fair value of £40.9 million were transferred from level 2 to 3. This is as a result of new financial information received during the period 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 2022 and 30 June 2021 has been neither reviewed nor audited.

The information for the year ended 31 December 2021 has been extracted from the latest published audited financial statements.

The audited financial statements for the year ended 31 December 2021 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 2022

RIT Capital Partners plc

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 2022 consolidated balance sheet, as shown on page 14:

£ million	Quoted equity	Private investments	Absolute return and credit	Real assets	Other investments	Net liquidity/ borrowings/ other	Consolidated balance sheet
Non-current assets							
Portfolio investments at fair value	1,437.4	1,671.0	790.1	5.0	–	–	3,903.5
Non-consolidated subsidiaries	0.1	38.0	69.1	–	–	(3.6)	103.6
Investments held at fair value	1,437.5	1,709.0	859.2	5.0	–	(3.6)	4,007.1
Investment property	–	–	–	38.5	–	–	38.5
Property, plant and equipment	–	–	–	22.6	–	0.1	22.7
Retirement benefit asset	–	–	–	–	–	4.0	4.0
Derivative financial instruments	1.8	–	–	–	–	–	1.8
	1,439.3	**1,709.0**	**859.2**	**66.1**	**–**	**0.5**	**4,074.1**
Current assets							
Derivative financial instruments	16.2	–	–	–	13.8	–	30.0
Other receivables	0.1	–	–	–	–	285.1	285.2
Amounts owed by group undertakings	–	–	–	–	–	4.1	4.1
Cash at bank	3.0	–	–	–	–	217.4	220.4
	19.3	–	–	–	13.8	506.6	539.7
Total assets	**1,458.6**	**1,709.0**	**859.2**	**66.1**	**13.8**	**507.1**	**4,613.8**
Current liabilities							
Borrowings	–	–	–	–	–	(326.2)	(326.2)
Derivative financial instruments	(19.2)	–	–	(5.5)	(63.8)	–	(88.5)
Other payables	(29.0)	–	–	–	–	(38.4)	(67.4)
	(48.2)	–	–	(5.5)	(63.8)	(364.6)	(482.1)
Net current assets/(liabilities)	**(28.9)**	**–**	**–**	**(5.5)**	**(50.0)**	**142.0**	**57.6**
Total assets less current liabilities	**1,410.4**	**1,709.0**	**859.2**	**60.6**	**(50.0)**	**142.5**	**4,131.7**
Non-current liabilities							
Borrowings	–	–	–	–	–	(151.0)	(151.0)
Derivative financial instruments	(0.5)	–	–	–	–	–	(0.5)
Deferred tax liability	–	–	–	–	–	(1.4)	(1.4)
Provisions	–	–	–	–	–	(1.1)	(1.1)
Finance lease liability	–	–	–	(3.4)	–	–	(3.4)
	(0.5)	–	–	(3.4)	–	(153.5)	(157.4)
Net assets	**1,409.9**	**1,709.0**	**859.2**	**57.2**	**(50.0)**	**(11.0)**	**3,974.3**

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 UK adopted IAS and the AIC SORP. The APMs reflect disclosure expectations from the Financial Reporting Council and are denoted with an * in this section.

CPI: The CPI refers to the United Kingdom Consumer Price Index as calculated by the Office for National Statistics and published monthly. It is the UK Government's target measure of inflation and is used as a measure of inflation in one of the Company's key performance indicators (KPIs), CPI+3.0% per annum.

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 2022	31 December 2021
Total assets	4,613.8	4,985.0
Less: cash	(220.4)	(325.9)
Sub total	4,393.4	4,659.1
Net assets	3,974.3	4,390.3
Gearing	**10.5%**	**6.1%**

Leverage: Leverage, as defined by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (UK 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 2022 was 2,530 pence, a decrease of 264 pence, or -9.4%, from 2,794 pence at the previous year end. As dividends totalling 18.5 pence per share were paid during the period, the effect of reinvesting the dividends in the NAV is 0.6%, which results in a NAV total return of -8.8%.

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.

Ongoing charges figure (OCF)*: As a self-managed investment trust with operating subsidiaries, the calculation of the Company's OCF requires adjustments to the total operating expenses. In accordance with AIC guidance, the main adjustments are to remove JRCM compensation which is linked directly to investment performance, as this is analogous to a performance fee for an externally-managed trust. This calculation is performed annually with further information in the 2021 Report & Accounts.

	2021	% Average net assets
Average net assets	4,085	100.00%
Operating expenses	54.4	1.33%
JRCM performance-related compensation	(24.8)	(0.61%)
Other adjustments	(0.1)	(0.00%)
Ongoing charges	29.5	0.72%
OCF	**0.72%**	

In addition to the above, managers charge fees within the external funds (and in a few instances directly to RIT in relation to segregated accounts). We have estimated that, based on average net assets across the year and annual management fee rates per fund (excluding performance fees), these represented an additional 0.87% of average net assets for 2021.

Premium/discount: The premium or discount (or rating) is calculated by taking the closing share price on 30 June 2022 and dividing it by the NAV per share at 30 June 2022, 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.

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 2022 closed at 2,400 pence, a decrease of 350 pence, or -12.7%, from 2,750 pence at the previous year end. Dividends totalling 18.5 pence per share were paid during the period, and the effect of reinvesting the dividends in the share price is 0.6% which results in a TSR of -12.1%. 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
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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.

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