

05 March 2019

RIT Capital Partners plc

Results for the year ended 31 December 2018

RIT Capital Partners plc today published its results for the year ended 31 December 2018.

Financial Highlights:

- Net Asset Value (NAV) per share total return of 0.8% for the year, a meaningful outperformance of equity markets
- Investment outperformance of RIT's equity index (ACWI)¹ by almost 7%
- NAV per share² of 1,821 pence at 31 December 2018
- Total net assets stood at £2.8 billion
- Premium averaged 7% over the year

Performance Highlights:

- Positive performance achieved in a year when the majority of indices across all asset classes were negative
- Defensive portfolio positioning with an emphasis on capital preservation
- Returns achieved with prudent net quoted equity exposure averaging 47% over the year
- Diversified approach successfully produced distinctive sources of return
- Strong contribution to overall returns from private investments
- Positive contribution from all non-equity allocations – including Absolute Return & Credit and currencies
- Long position in US Government bonds made a useful contribution in the last quarter of the year
- A more challenging year for the long-term structural allocation to Asia

Dividends:

- Dividends paid in April and October 2018 totalling 33 pence per share
- The Board intends to pay a dividend of 34 pence per share in 2019, comprising 17 pence per share in April and 17 pence per share in October. This represents an increase of 3% over the previous year

Summary:

- Over the past five years, share price total return was 66% versus 47% for our equity index (ACWI)
- Over the same five-year period, net assets have grown by £924 million (before dividends)
- Since inception, RIT has now participated in 74% of market upside but only 39% of market declines
- Over the same period, total shareholder return has compounded at 12.1% per annum compared to the ACWI of 6.7%
- £10,000 invested in RIT at inception in 1988 would be worth ~£326,000 today (with dividends reinvested) compared to the same amount invested in the ACWI which would be worth ~£73,000

Commenting, Lord Rothschild, Chairman of RIT Capital Partners plc, said:

“2018 was the most difficult and treacherous year for investors since 2008, with negative returns in all major asset classes. In this context, we are pleased to be able to report that we delivered on our primary long-term aim of preserving shareholders’ capital, with an increase of 0.8% in your Company’s net asset value per share (including dividends). We were able to deliver this return in part by having reduced quoted equity exposure in advance of a fourth quarter which saw global equity indices fall by 13%.

...The dangers of holding assets inflated by low interest rates and quantitative easing are now visible to all. Throughout the year therefore we managed our asset allocation to keep net quoted exposure towards the lower levels of our historical ranges with higher levels of cash than usual.

...In the current year stock markets have, so far, shown significant gains. We remain however cautious about future prospects for markets, concerned over the accumulation of downside risks. Global growth is declining, with the IMF having further reduced its forecasts. The weakest Chinese GDP growth in nearly three decades is clearly having an impact on other regions, while German manufacturing output has contracted for the first time in four years. The most recent retail figures in the US lead one to believe that the economy will find it difficult to repeat last year's fiscal-fuelled results. Against this weakening backdrop, geopolitical risks have not subsided. We are surely witnessing the worst political situation in the United Kingdom since the Suez crisis, while social unrest and populism in a number of European countries cloud the future.

...We therefore anticipate a continuation of heightened market volatility. In these circumstances, capital preservation will remain as high a priority as any in the management of your Company's interest.

...I am delighted to announce two new non-executive Directors who will join the Board at the AGM, subject to shareholder approval – Maggie Fanari and Sir James Leigh-Pemberton. Maggie is the Director of Relationship Investing in London for Ontario Teachers' Pension Plan, one of Canada's largest pension plans and a major global investor. James was CEO of Credit Suisse UK, before leaving to chair UK Financial Investments. He also served as a non-executive Director here, from 2004 until 2013. I believe James and Maggie will be excellent additions to our Board.

...We have an impressive senior team at your Company's wholly-owned manager, J. Rothschild Capital Management Limited (JRCM). Led by Francesco Goedhuis (CEO) and Ron Tabbouche (CIO), JRCM has been instrumental in steering our business through some of the most difficult times in recent market history. Ably supported by Andrew Jones (CFO) and Jonathan Kestenbaum (COO), I believe the way forward for JRCM is in good hands and secure."

Commenting, Francesco Goedhuis, Chief Executive of J. Rothschild Capital Management Ltd, said:

"...Over the last five years, RIT's shareholders have seen a total return of 66% compared to 47% from the market.

...We believe the extent of our global reach and unique network allows us to maximise our ability to deploy capital effectively... our strong relationships with many of our managers provides co-investment opportunities in addition to our core fund holdings.

...The portfolio delivered a positive return of 0.8% in 2018, a pleasing performance against the broad declines in global equity markets and other asset classes. With a return in volatility and many investors struggling to navigate the markets, our cautious positioning was clearly helpful. Perhaps even more importantly was where we deployed our exposure – with our private investments and non-equity positions in particular providing a helpful offset to our equity book..."

ENQUIRIES:

Brunswick Group LLP:

Tom Burns / Sharan Kaur: 020 7404 5959

About RIT Capital Partners plc:

RIT Capital Partners plc is an investment company listed on the London Stock Exchange. Its net assets have grown from £280 million on listing in 1988 to ~£2.9 billion today. RIT is chaired by Lord Rothschild, whose family interests retain a significant holding. www.ritcap.com

¹ This is the total return index based on 50% of the MSCI All Country World Index (ACWI) measured in Sterling and 50% measured in local currencies.

² Diluted NAV per share with debt at fair value.