

RIT Capital Partners plc

RIT Assets Hit an All-Time Record High

RIT Capital Partners plc today published its results for the half year ended 30 June 2019.

Financial Highlights:

- Total net assets in excess of £3 billion as at 30 June 2019; a new all-time high
- Growth in net assets of £241 million (before distributions) for the period
- Net asset value (NAV) total return of 8.5% for the period
- NAV per share 1,958 pence at 30 June 2019
- Share price increased by 10.1% on a total return basis over the period
- Average premium over the period was 7.1%

Performance Highlights:

- Cautious portfolio positioning with an emphasis on capital preservation
- Returns achieved with prudent net quoted equity exposure, averaging 45% over the period
- Diversified approach successfully produced distinctive sources of return
- Strong contribution from the single stocks portfolio
- Continued steady returns from the Absolute Return and Credit portfolio
- Useful contribution from gold-related investments
- Capital deployed into several new private investments

Dividends:

- Dividend paid in April of 17 pence per share
- The Board has declared a dividend of 17 pence per share for October
- This represents an increase of 3.0% over the previous year's dividend

Summary:

- Following RIT's success in preserving capital during a turbulent 2018, the portfolio generated healthy returns over the first six months of 2019
- Over the last five years, net assets have grown by over £1.1 billion (before dividends)
- Over the same five-year period, the share price total return was 73.3% versus 64.2% for our equity index (MSCI ACWI¹)
- Since inception, RIT has now participated in 73% of market upside but only 38% of market declines
- Over the same period, the total shareholder return has compounded at 12.3% per annum compared to the MSCI ACWI of 7.2%
- £10,000 invested in RIT at inception in 1988 would be worth c.£360,000 today (with dividends reinvested) compared to the same amount invested in the MSCI ACWI which would be worth c.£85,000

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

"Total returns for the six-month period under review amounted to 8.5%, with your Company's net asset value per share increasing to 1,958 pence. Net assets reached an all-time high of over £3 billion and your Company's share price increased by 10.1% on a total return basis.

...The last decade has seen a confluence of factors which have benefitted companies' earnings to an unprecedented extent. Lower cost of capital, reduced taxes, stagnant wages and the influence of globalisation contributed to record profit margins. These positive factors are, however, unlikely to be sustained. Trade wars, the weakening of economic growth and the risk of recession are of concern, particularly at a time when stock markets have reached all-time highs.

Against this backdrop we are seeking to invest in situations that either give us a degree of protection in potentially deteriorating conditions or in areas where structural growth rates are sufficiently high for valuations

to hold their own or indeed prosper. This approach shapes our asset allocation and security selection. We seek to identify and to invest in companies with strong balance sheets, attractively low valuations and which are likely to exceed GDP growth rates. Many of our recent private investments are designed to benefit from some structural protection. Outside of equities, we look for uncorrelated strategies which are not dependent on economic growth and which we expect to produce positive returns.

...At our AGM, we welcomed Maggie Fanari and Sir James Leigh-Pemberton to our Board as non-executive Directors. James will be taking over as Chairman from 30 September 2019. Our family ties and investments will be represented through my daughter Hannah, who will continue to serve on the Company's Board. Our management company, JRCM, is secure in the hands of its Executive Committee, led by Francesco Goedhuis (CEO) and Ron Tabbouche (CIO), together with Andrew Jones (CFO) and Jonathan Kestenbaum (COO)..."

ENQUIRIES:

Brunswick Group LLP

Tom Burns: +44 (0) 207 404 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 to over £3.0 billion today. It is chaired by Lord Rothschild, whose family interests have a significant holding. www.ritcap.com

¹ The MSCI ACWI refers to the MSCI All Country World Index. This is a total return, market capitalisation-weighted equity index covering major developed and emerging markets. The MSCI ACWI is calculated using 50% of the index measured in Sterling and 50% measured in local currencies, other than in relation to performance from inception where it is based on the capital-only index prior to the introduction of total return indices in December 1998.

A description of all other terms used above, including further information on the calculation of Alternative Performance Measures (APMs), is set out in the Glossary and APMs section of the Half-Yearly Financial Report.