Half-Yearly Financial Report

For the six months ended 30 June 2023

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 UK Alternative Investment Fund Managers Directive (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 AIFMD.

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.

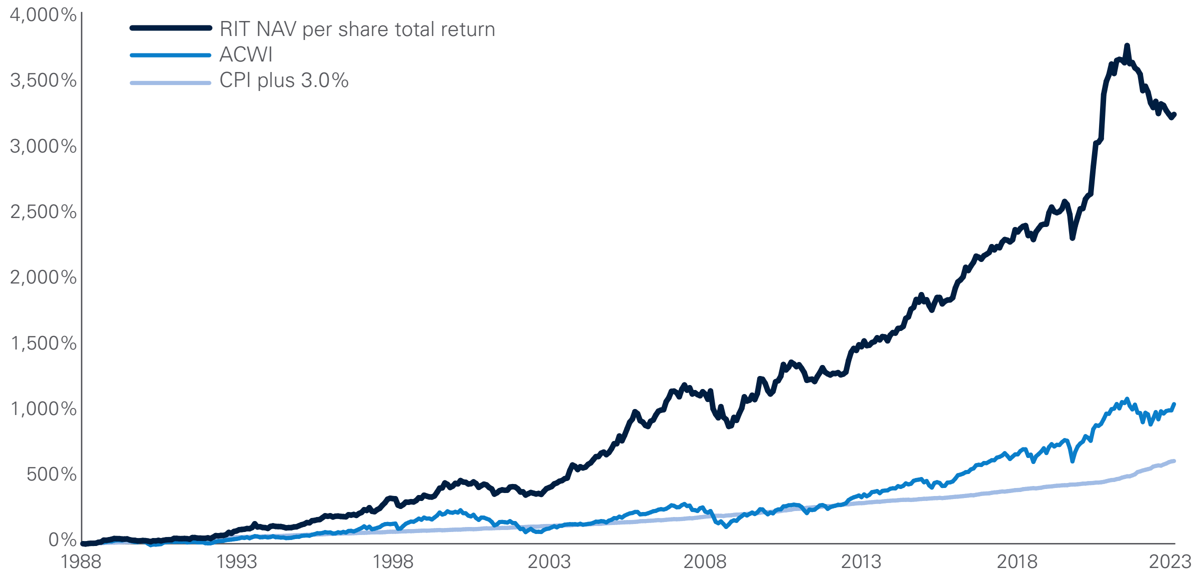
Investment Policy
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Performance for the period	30 June 2023
RIT NAV per share total return[1]	-0.2%
CPI plus 3.0%	5.5%
MSCI All Country World Index (ACWI)	11.0%
RIT share price total return[1]	-11.2%
FTSE 250 Index[2]	-0.6%

Key company data	30 June 2023	31 December 2022	Change
NAV per share	2,364 pence	2,388 pence	-1.0%
Share price	1,868 pence	2,125 pence	-12.1%
Premium/(discount)	-21.0%	-11.0%	-10.0% pts
Net assets	£3,551 million	£3,722 million	-4.6%
Gearing[1]	6.8%	6.7%	0.1% pts
Average net quoted equity exposure for the period	37%	38%	-1.0% pts
Ongoing charges figure[1]	n/a	0.89%	n/a
First interim dividend paid	19.0 pence	18.5 pence	2.7%
Second interim dividend declared/paid	19.0 pence	18.5 pence	2.7%
Total dividend in year	38.0 pence	37.0 pence	2.7%

Performance history	1 Year	3 Years	5 Years	10 Years	Since inception
RIT NAV per share total return[1]	-5.1%	27.1%	36.2%	110.3%	3,229%
CPI plus 3.0% per annum	10.9%	31.6%	43.2%	78.2%	623%
MSCI All Country World Index (ACWI)	13.3%	34.4%	48.6%	154.8%	1,050%
RIT share price total return[1]	-20.7%	9.9%	-1.6%	92.9%	3,345%
FTSE 250 Index[2]	1.9%	16.1%	0.5%	73.3%	1,810%

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.

[1] The Group's designated APMs are the NAV per share total return, share price total return, gearing and the ongoing charges figure.

[2] RIT's shares are a constituent of the FTSE 250 Index.

Interim Review

RIT Capital Partners plc

Chairman's Statement

Sir James Leigh-Pemberton

Background and performance

Many of the underlying conditions which made 2022 a particularly difficult year for markets still prevail today. Persistent inflation has led to a material shift in interest rates, and 'higher for longer' has become an often stated refrain. The US has seen a reversal of the forecast rate declines which were priced in following the regional banking crisis in March. Across the US, UK and Europe, rates have risen significantly, with the fastest average increases in four decades. In all of these markets, yield curves remain inverted, a phenomenon which has in the past been a leading indicator of a future recession.

Despite this worrying backdrop, many equity indices performed strongly. The S&P 500 finished the half year up well into double digits, and the NASDAQ had one of its strongest gains in a decade, up almost a third. A 'tech is everything' narrative, buoyed by optimism around artificial intelligence, saw a robust recovery for this sector, with investors viewing technology as a rare source of innovation and growth in an otherwise low-growth world. However, excluding a handful of the largest technology companies, the remaining stocks in the S&P 500 averaged more modest returns.

Our NAV per share total return (including dividends) was broadly flat for the half year at -0.2%, to end June at 2,364 pence per share. This compares to the MSCI ACWI (50% £) which was up 11.0% and CPI plus 3% at 5.5%. Other equity indices did less well, with the FTSE 250 (of which our shares are a constituent) declining by nearly 1%. In view of the headwinds which we continue to observe, we maintained a relatively low quoted equity exposure over the period. We also deliberately had little exposure to publicly listed technology stocks in our quoted book, as this sector is well-represented in our private investment portfolio. Our quoted equity portfolio nevertheless performed well, helped by some strong stock picks, as well as our healthcare and Japan exposures. Private investments were down slightly for the half year. Our direct holdings recorded a modest gain, supported by a number of transactions at or above our previous carrying value. For the private funds, we have received March valuations for 93% of the portfolio, which show a slight gain, partly offsetting a modest decrease from the December valuations received earlier in the year. The largest detractor in the first half was currency, driven by sterling's appreciation, with the translation impact most pronounced for our US dollar-denominated assets. Our uncorrelated strategies portfolio was additive, with credit and interest rate positions as well as gold, all in positive territory.

Share capital and dividend

The discount at which our shares are trading relative to our NAV remains wider than we believe is warranted. Part of the increase in the discount reflects concerns regarding our private investments book, at a time when private assets generally are out of favour- notwithstanding that they have been an important contributor to returns throughout our history. The investment company sector has also seen a general widening of discounts, particularly in the second quarter, reflecting broader weakness across the UK market.

The Board has discussed this situation at length and is responding with a two-pronged approach. Firstly, we have deployed a material amount of capital in share buybacks, to lock in the accretive benefit for shareholders, improve liquidity and help reduce the volatility in our rating. By 30 June, we had acquired some 5.6 million shares at a cost of £105 million, to hold 6.2 million shares in treasury. The robustness of our private investment portfolio valuations has been evidenced by three disposals in the half year at or above our carrying values, and we continue to believe that the opportunity to buyback our shares at the current discount is a compelling investment for shareholders.

Secondly, we are enhancing our communications efforts to provide a more frequent and more detailed flow of information on our portfolio and its performance. This has meant an increase in the frequency of our meetings with shareholders and publishing more regular commentary on portfolio developments in our monthly NAV announcements. The reaction to these first steps has been positive, for which we are grateful. Nevertheless, there is much more that we can do in this regard, and continuous improvement in this area will be a key focus for the Company and our Manager in the coming months.

We paid a first interim dividend of 19 pence per share in April and have declared a second interim dividend of the same amount to be paid on 27 October to shareholders registered on 6 October. This will provide shareholders with a total dividend in 2023 of 38 pence per share, an increase of almost 3% from 2022.

Chairman's Statement

Outlook

Some recent data releases suggest that the rates of inflation in Western economies are showing the first signs of moderating. However, they remain materially above central banks' target rates, and there is a strong body of evidence pointing to the fact that we have not yet seen the peak in policy rates, nor can the risk of recession be ruled out at this point. In view of the time lag on the full effect of monetary tightening, we may not yet have seen the full impact of tighter conditions on consumer demand, credit conditions, corporate margins, earnings and financing costs. We therefore do not believe that the grounds for our moderate levels of quoted equity exposure have changed.

Nevertheless, this complicated backdrop is providing a fertile environment for our Manager, JRCM, to identify opportunities in both quoted equity and credit markets which should, we believe, offer healthy double-digit returns with a meaningful margin of safety. The ability to identify these opportunities and to conduct the in-depth analysis to assess them is a core capability of JRCM. The strength in depth which we have in these areas at our Manager is a cause for optimism for the future, and I am delighted that Nick Khuu has been promoted to Co-CIO. Nick is a very experienced investor who has been instrumental in the management of both our quoted equities and uncorrelated strategies. He is an excellent addition to JRCM's senior leadership team.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

31 July 2023

JRCM

Manager's Report

Overview

The first half of 2023 has seen the global economy impacted by bank failures, persistent inflation and ongoing international conflict, while advances in artificial intelligence have re-invigorated investors' convictions that 'technology is everything'. Meanwhile, central banks are engaged in a difficult balancing act, maintaining interest rates at a higher level than expected to curb inflationary pressure, without adversely impacting the economy.

On the surface, many equity markets appeared unscathed, with the S&P 500 up 17%, Europe up 11% and Japan up 23%. By contrast, the UK market suffered from a lack of support with the FTSE 250 down 1%, and MSCI China was down 6%. Beneath the surface, macroeconomic indicators sent mixed signals. Rapid interest rate rises and tightening credit conditions have put pressure on company earnings, with the bulk of the indices' appreciation coming from multiple expansion rather than earnings growth. By and large however, the economy has withstood the radical shift in costs of capital significantly better than many had anticipated. There is little doubt that this tightening cycle has been unique as it unfolded at a time of record excess savings, an expansionary fiscal stance and both corporates and consumers having fixed their funding obligations at attractive rates. This confluence of factors has rendered the economy unusually insensitive to higher interest rates. Ironically, it also pushes central banks to be more aggressive than otherwise to make a sufficient dent on growth, to ensure inflation returns to their long-term targets. As rates keep grinding higher, so the pressure grows on the resilience of the economy and of a financial system that has been weaned on a diet of cheap money for more than a decade. These are clearly challenging waters to navigate.

We remain resolute in our careful portfolio construction and diversification, which we believe remains the best approach for long-term capital growth with lower volatility.

Performance commentary

Our NAV per share total return for the first half of the year was -0.2%. Our performance lagged both of our reference indices: the ACWI (50% £) was up 11.0% and the 'inflation plus' hurdle (CPI plus 3%) was 5.5%.

The principal reasons for the underperformance were the low weighting of technology stocks in our quoted equity book, and translation effects. We deliberately kept our technology holdings in the quoted equity book low, given the exposure to the digital transition theme in our private investment portfolio. Stripping out the few mega-cap technology stocks from the S&P 500, the remaining stocks averaged around 6%. Our quoted equity book returned almost 7% in the first half, contributing 2.6% to NAV. Sterling has strengthened since December, appreciating against the US dollar by 5.1%. While our hedging partially dampened the effect of this move, sterling's strength reduced the NAV by 2.9% in the period. Given the outlook for the US and the UK economies, we continue to believe that sterling's recent strength could leave it vulnerable.

Asset allocation and portfolio contribution

Asset category	30 June 2023 % net assets	NAV per share contribution %
Quoted equity	33.9%	2.6%[1]
Private investments	39.8%	-0.8%
Uncorrelated strategies:	25.7%	0.7%
Absolute return and credit	*21.2%*	*0.6%*
Real assets	*1.5%*	*0.2%*
Government bonds and rates	*3.0%*	*-0.1%*
Currency	0.7%	-2.9%[2]
Total investments	100.1%	-0.4%
Liquidity, borrowings and other	-0.1%	0.2%[3]
Total	**100.0%**	**-0.2%**
Average net quoted equity exposure[1]	37.0%	

[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, expenses and accretion from the share buybacks.

JRCM

Manager's Report

Quoted equity
Performance was driven by exposure to Japan, healthcare and reflation themes, and strong stock selection, offsetting a modest decline from our China exposure. Japan saw the benefits of corporate governance reforms and our healthcare holdings performed well as 'big pharma' deployed capital to acquire innovative companies. In single stocks, a notable contributor was Builders FirstSource. We bought this distributor of homebuilding products amidst market volatility in the second half of 2022, believing the stock to be significantly undervalued. The shares have risen 110% this year, and we recently sold the bulk of our holding to lock in this gain.

We have also added positions in stocks which we believe to be similarly undervalued, including the mattress company, Tempur Sealy. Other core stocks continue to perform well overall, with Mastercard and Marsh & McLennan registering double-digit gains since December.

Private investments
The private investments book remains a core part of our long-term investment strategy, comprising diversified funds and individual holdings, and with exposure across different industry sectors, themes and vintages.

As the December 2022 GPs' valuations were received in the first quarter of this year, our private funds saw some write-downs, following the reset in public markets. The recently received Q1 marks showed a modest overall increase in valuations, resulting in an aggregate contribution for the half year of -1.3%. As of the reporting date, 93% of the private funds were valued as at 31 March, with the remainder at 31 December.

Our direct private investments returned 4.5%, contributing 0.5% to the NAV. This portfolio saw an uplift in valuations for the half year, reflecting continued underlying performance, a more constructive market backdrop and some specific transactions. In late January we sold our holding in Infinity, a UK data-centre operator, at a price above our December carrying value. We have recently completed sales of the majority of two of our largest direct positions at their December carrying values, realising returns of 2.0x to 3.9x our original investments. Likewise in April, one of our largest investments, Webull, benefited from a new fund-raising at a level higher than our December value.

Within this portfolio we have exposure to high-quality innovative companies within the ongoing digital transition theme. We estimate that the majority of our investments are either profitable or have a cash runway of more than a year, which puts them in a good position to take advantage of renewed optimism.

Over time, we expect the share of NAV in private investments to naturally rebalance to a lower level as the IPO market reopens, our funds continue to make distributions, we take advantage of other opportunities to crystalise gains and fewer new investments meet our very high hurdles.

Uncorrelated strategies
Our uncorrelated strategies book is designed to provide a diverse set of returns with low correlation to equity markets. It includes absolute return and credit positions, real assets, government bonds and interest rate positions. This book delivered positive returns for the half year, mainly driven by our credit investments and our holdings in gold. The early returns from a recent ESG-related investment into Californian carbon credits (part of the US carbon offset market) have been encouraging and we have recently added a holding of senior secured bonds issued by Pizza Express. These short-term bonds have attractive structural protection and a healthy coupon, and we were able to purchase them at a discount to par, further enhancing the return opportunity. We have also added to our holdings of government bonds, with yields on UK gilts particularly attractive.

Given our conviction in the portfolio, we continued to buyback shares at a significant discount to the underlying net asset value. This has been accretive for shareholders, and so far this year has added an estimated 0.8% to the NAV per share return.

Outlook
Given choppy waters and unpredictable macroeconomic winds, we are keeping some slack in our sails. We do not believe that there are yet grounds for increasing our overall exposure to equity markets, and we will continue to focus on specific themes, such as healthcare, digital transition and Japan. In addition, we are holding healthy liquidity balances as we believe these are fertile markets for deploying long-term capital, in particular in US mid-cap stocks, and European credit.

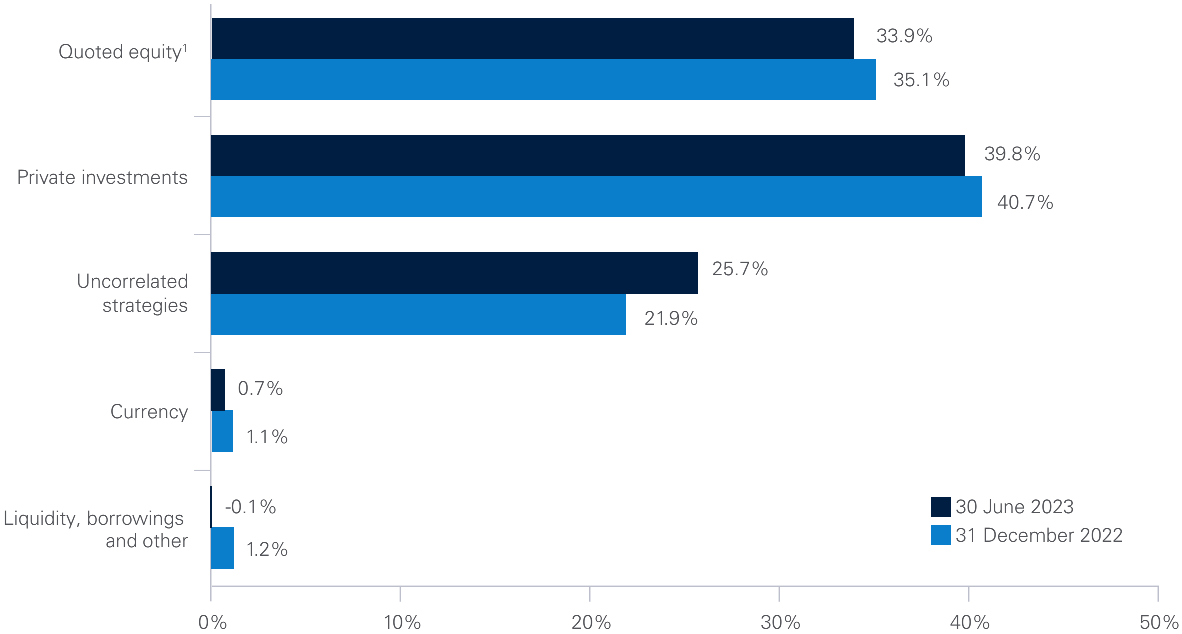
While not owning mega-cap technology stocks influenced our relative returns over the short-term, we remain resolute in our careful portfolio construction and diversification, which we believe remains the best approach for long-term capital growth with lower volatility. We aim to hold diversified investments that capitalise on structural themes and market dislocations, where we can leverage our network of partners and managers and the advantage of permanent capital, to take a differentiated view for the benefit of our shareholders.

The combination of our deep bench of talent across the organisation and access to a wide network globally remains one of our core differentiators. We are therefore pleased to announce that Nick Khuu, our Head of Public Markets and a member of our Investment Committee, has formally been appointed Co-CIO of JRCM. Nick is a seasoned investor, with more than two decades of experience covering equities, fixed income, rates and special situations. He has been instrumental in helping to oversee our quoted equities and uncorrelated strategies portfolio and is an excellent addition to our senior team as we navigate the evolving landscape and opportunities ahead.

J. Rothschild Capital Management Limited

Investment Portfolio

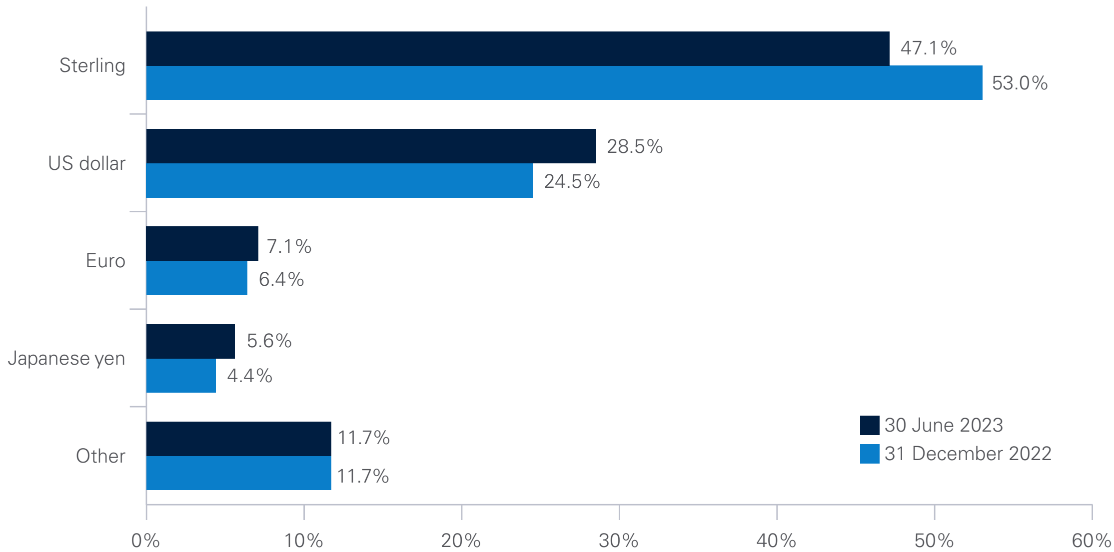
Asset category (% of NAV)



Note: This graph excludes exposure from derivatives.

[1] For the period ending 30 June 2023, the underlying net quoted equity exposure averaged 37% (31 December 2022: 38%).

Currency exposure (% of NAV)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment portfolio as at 30 June 2023

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Quoted equity[1]				
Stocks:				
Mastercard	United States	Software & services	41.8	1.2%
Marsh & McLennan	United States	Insurance brokers	40.7	1.1%
Corteva	United States	Fertilisers & agricultural chemicals	39.7	1.1%
Canadian Pacific Kansas City	Canada	Rail transportation	36.6	1.0%
Helios Towers	Africa	Telecommunication services	26.7	0.8%
Thermo Fisher	United States	Life science tools & services	26.7	0.8%
Barry Callebaut	Switzerland	Consumer staples	20.2	0.6%
Coupang	South Korea	Retailing	19.3	0.5%
Keurig Dr Pepper[2]	United States	Consumer staples, 1.3%	(0.3)	(0.0%)
Diageo[3]	United Kingdom	Consumer staples; 1.0%	1.0	0.0%
Tempur Sealy[3]	United States	Home furnishings; 0.8%	19.8	0.6%
Other stocks	–	–	51.7	1.4%
Total stocks			323.9	9.1%
Long-only funds:				
HCIF Offshore	United States	All-cap, biotechnology	140.0	3.9%
Discerene[4]	Global	All-cap, value bias	122.3	3.4%
Morant Wright[4]	Japan	Small/mid-cap, value bias	117.7	3.3%
Springs Opportunities	China	All-cap, diversified	78.7	2.2%
Ward Ferry Asian Smaller Co.'s	Asia	Small/mid-cap, diversified	62.6	1.8%
Other long-only funds	–	–	27.0	0.8%
Total long-only funds			548.3	15.4%
Hedge funds:				
3D Opportunity	Japan	All-cap, diversified	132.5	3.7%
BlackRock Strategic Equity	Global	All-cap, diversified	107.0	3.0%
EcoR1 Capital	United States	All-cap, biotechnology	34.5	1.0%
Coreview	China	All-cap, diversified	24.2	0.7%
Other hedge funds	–	–	24.2	0.7%
Total hedge funds			322.4	9.1%
Derivatives:				
Russel 2000 call options	United States	Long, 1.4%; diversified	0.8	0.1%
Consumer Staples SPDR call options	United States	Long, 1.0%; consumer staples	0.7	0.0%
Lennar call option[5]	United States	Long, 0.9%; homebuilding	6.1	0.2%
Other derivatives	Various	Premium	0.6	0.0%
Total derivatives			8.2	0.3%
Total quoted equity			**1,202.8**	**33.9%**

[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] Held via total return swaps with notional exposure disclosed in the table.
[3] Held partially via total return swaps with total notional exposure disclosed in the table.
[4] These funds are segregated accounts, managed externally on behalf of the Group.
[5] Held via equity options with delta-adjusted notional exposure disclosed in the table.

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Private investments				
Private investments – direct[6]:				
Motive	United States	Cargo ground transportation	76.6	2.2%
Webull	United States	Investment banking & brokerage	51.0	1.4%
Epic Systems	United States	Health care technology	23.5	0.7%
Brex	United States	Diversified financial services	17.7	0.5%
Lede	United States	Media & entertainment	17.6	0.5%
Kraken	United States	Diversified financial services	16.7	0.5%
Blueground	United States	Real estate operating company	16.0	0.5%
Airtable	United States	Software & services	13.4	0.4%
Infinity[7]	United Kingdom	Real estate operating company	12.6	0.4%
Level Home	United States	Consumer electronics	11.2	0.3%
Age of Learning	United States	Education services	10.5	0.3%
Papaya	United States	Software & services	9.0	0.3%
OneFootball	Global	Media & entertainment	8.6	0.2%
Anchorage Digital	United States	Software & services	7.9	0.2%
Bolt Financial	United States	Software & services	7.9	0.2%
Scale AI	United States	Application software	7.8	0.2%
Other private investments – direct	–	–	115.0	3.1%
Total private investments – direct			423.0	11.9%
Private investments – funds:				
Thrive funds	United States	Growth equity	155.6	4.4%
Iconiq funds	United States	Growth equity	127.3	3.6%
BDT Capital funds	United States	Private equity	84.2	2.4%
Ribbit Capital funds	United States	Growth equity	71.0	2.0%
Greenoaks Capital funds	United States	Growth equity	70.5	2.0%
Hillhouse funds	China	Private equity	64.4	1.8%
Arch Venture funds	United States	Life sciences	44.6	1.3%
Lindenwood	United States	Growth equity	31.6	0.9%
Biomatics Capital funds	United States	Life sciences	17.9	0.5%
Sound Ventures funds	United States	Early stage	16.5	0.5%
WestCap Strategic funds	United States	Growth equity	16.5	0.5%
Eight Partner funds	United States	Early stage	16.2	0.5%
Mithril funds	United States	Growth equity	16.1	0.5%
LionTree fund	United States	Private equity	13.8	0.4%
Firstminute Capital funds	United Kingdom	Early stage	13.4	0.4%
Expa Capital	United States	Early stage	13.4	0.4%
LCV Fund	United States	Early stage	9.7	0.3%
Corsair funds	United States	Private equity	9.3	0.3%
Blackstone Tactical Opportunities	United States	Private equity	9.2	0.3%
Braemar Energy	United States	Growth equity	9.1	0.3%
Other private investments – funds	–	–	178.7	4.6%
Total private investments – funds			989.0	27.9%
Total private investments			**1,412.0**	**39.8%**

[6] The private direct book predominantly includes investments held through co-investment vehicles managed by a general partner (GP).
[7] Balance represents the estimated discounted cash proceeds from the business sale post liquidation of the holding company.

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Uncorrelated strategies				
Absolute return and credit:				
Tresidor Credit Opportunities	Global	Credit, distressed and special situations	125.3	3.5%
ARCM	Asia	Credit, distressed and special situations	97.2	2.7%
Attestor Value	Global	Credit, distressed and special situations	91.7	2.6%
RIT US Value Partnership	Global	Multi-strategy	81.2	2.3%
Caxton Dynamis	Global	Macro-strategy	63.9	1.8%
Woodline	Global	Multi-strategy	56.2	1.6%
Sand Grove Tactical	Global	Multi-strategy	54.9	1.5%
JJJ Capital	Global	Macro-strategy	38.7	1.1%
Liontree Advisory loan note	United States	Corporate loan	35.4	1.0%
Tresidor Europe Credit	Europe	Credit, distressed and special situations	31.1	0.9%
Highbridge	Global	Multi-strategy	25.8	0.7%
Other absolute return and credit	–	–	52.2	1.5%
Total absolute return and credit			753.6	21.2%
Real assets:				
Spencer House	United Kingdom	Investment property	27.3	0.8%
St. James's properties	United Kingdom	Investment property	26.5	0.7%
Gold futures	Global	Long, 3.9% notional	(4.7)	(0.1%)
Other real assets			3.4	0.1%
Total real assets			52.5	1.5%
Government bonds and rates:				
UK treasury gilts	United Kingdom	Government bonds	106.2	3.0%
Interest rate options	Various	Premium	0.4	0.0%
Total government bonds and rates			106.6	3.0%
Total uncorrelated strategies			**912.7**	**25.7%**
Currency				
Currency forward contracts	Global	Forward currency contracts	21.6	0.6%
Currency options	Various	Premium	3.9	0.1%
Total currency			**25.5**	**0.7%**
Total investments			**3,553.0**	**100.1%**
Liquidity, borrowings and other				
Liquidity:				
Liquidity[8]	–	Cash at bank	235.9	6.6%
Total liquidity			235.9	6.6%
Borrowings:				
Short-term bank borrowings[9]	–	Revolving credit facilities	(245.3)	(6.9%)
RIT senior loan notes	–	Fixed interest loan notes	(128.7)	(3.6%)
Total borrowings			(374.0)	(10.5%)
Other assets/(liabilities)				
Margin	–	–	58.7	1.7%
Trades awaiting settlement	–	–	79.6	3.7%
Other assets/(liabilities)	–	–	(2.3)	(1.6%)
Total other assets/(liabilities)			136.0	3.8%
Total liqudity, borrowings and other			**(2.1)**	**(0.1%)**
Total net asset value			**3,550.9**	**100.0%**

[8] Balance excludes cash held within segregated accounts managed externally.
[9] The Group has three revolving credit facilities with Industrial and Commercial Bank of China, Commonwealth Bank of Australia and BNP Paribas.

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 2022 that could do so.

Principal risks and uncertainties

The principal risks 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 2022. These principal risks, as well as emerging risks such as those posed by artificial intelligence, are kept under continual review. 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 market risk. As described in the Chairman's Statement and Manager's Report, the macroeconomic environment continues to be challenging. With persistent inflation, high interest rates and geopolitical tensions still present, the elevated levels of volatility and uncertainty in markets seen in recent years may endure throughout 2023.

From an operational risk perspective, we continue to keep our internal controls under close scrutiny and remain satisfied that the control environment is effective.

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 2022. As at 30 June 2023 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

31 July 2023

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 2023

RIT Capital Partners plc

Consolidated Income Statement and Consolidated Statement of Comprehensive Income (unaudited)

Consolidated Income Statement

Six months ended 30 June £ million	Notes	Revenue	Capital	2023 Total	Revenue	Capital	2022 Total
Income and gains							
Investment income		14.4	–	14.4	5.2	–	5.2
Other income		0.1	–	0.1	0.9	–	0.9
Gains/(losses) on fair value investments		–	(14.0)	(14.0)	–	(370.8)	(370.8)
Gains/(losses) on monetary items and borrowings		–	3.4	3.4	–	16.1	16.1
		14.5	(10.6)	3.9	6.1	(354.7)	(348.6)
Expenses							
Operating expenses		(17.8)	(1.8)	(19.6)	(15.9)	(8.4)	(24.3)
Profit/(loss) before finance costs and tax	2	(3.3)	(12.4)	(15.7)	(9.8)	(363.1)	(372.9)
Finance costs		(3.4)	(13.6)	(17.0)	(2.0)	(8.0)	(10.0)
Profit/(loss) before tax		(6.7)	(26.0)	(32.7)	(11.8)	(371.1)	(382.9)
Taxation		–	–	–	–	–	–
Profit/(loss) for the period		**(6.7)**	**(26.0)**	**(32.7)**	**(11.8)**	**(371.1)**	**(382.9)**
Earnings per ordinary share – basic	3	(4.4)p	(17.1)p	(21.5)p	(7.6)p	(238.0)p	(245.6)p
Earnings per ordinary share – diluted	3	(4.4)p	(17.1)p	(21.5)p	(7.6)p	(238.0)p	(245.6)p

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

Six months ended 30 June £ million	Revenue	Capital	2023 Total	Revenue	Capital	2022 Total
Profit/(loss) for the period	(6.7)	(26.0)	(32.7)	(11.8)	(371.1)	(382.9)
Revaluation gain/(loss) on property, plant and equipment	–	(0.6)	(0.6)	–	(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	**(6.7)**	**(26.6)**	**(33.3)**	**(12.3)**	**(371.4)**	**(383.7)**

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 2023	31 December 2022
Non-current assets			
Investments held at fair value		3,476.4	3,586.3
Investment property		37.0	37.9
Property, plant and equipment		19.9	20.7
Retirement benefit asset		0.5	0.5
Derivative financial instruments		1.8	1.0
		3,535.6	3,646.4
Current assets			
Derivative financial instruments		44.9	57.3
Other receivables		183.9	245.3
Amounts owed by group undertakings		4.3	4.5
Cash at bank		242.1	218.0
		475.2	525.1
Total assets		4,010.8	4,171.5
Current liabilities			
Borrowings		(245.3)	(236.2)
Derivative financial instruments		(10.5)	(10.4)
Other payables		(69.9)	(63.5)
Amounts owed to group undertakings		(0.1)	(0.1)
		(325.8)	(310.2)
Net current assets/(liabilities)		149.4	214.9
Total assets less current liabilities		3,685.0	3,861.3
Non-current liabilities			
Borrowings		(128.7)	(134.4)
Derivative financial instruments		(0.2)	–
Deferred tax liability		(0.2)	(0.2)
Provisions		(1.8)	(1.8)
Lease liability		(3.2)	(3.2)
		(134.1)	(139.6)
Net assets		**3,550.9**	**3,721.7**
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		(36.6)	(46.3)
Capital reserve		3,375.7	3,548.9
Revenue reserve		(35.8)	(29.1)
Revaluation reserve		8.8	9.4
Total equity		**3,550.9**	**3,721.7**
Net asset value per ordinary share – basic	4	2,383p	2,414p
Net asset value per ordinary share – diluted	4	2,364p	2,388p

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 2023 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2023	156.8	45.7	36.3	(46.3)	3,548.9	(29.1)	9.4	3,721.7
Profit/(loss) for the period	–	–	–	–	(26.0)	(6.7)	–	(32.7)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	(0.6)	(0.6)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	–	–	–
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	–	–	–
Total comprehensive income/(expense) for the period	–	–	–	–	(26.0)	(6.7)	(0.6)	(33.3)
Dividends paid (note 5)	–	–	–	–	(28.8)	–	–	(28.8)
Purchase of treasury shares	–	–	–	–	(104.9)	–	–	(104.9)
Movement in own shares reserve	–	–	–	9.7	–	–	–	9.7
Movement in share–based payments	–	–	–	–	(13.5)	–	–	(13.5)
Balance at 30 June 2023	**156.8**	**45.7**	**36.3**	**(36.6)**	**3,375.7**	**(35.8)**	**8.8**	**3,550.9**

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**

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 2023	30 June 2022
Cash flows from operating activities:		
Cash inflow/(outflow) before taxation and interest	174.1	(122.8)
Interest paid	(17.0)	(10.0)
Net cash inflow/(outflow) from operating activities	157.1	(132.8)
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	(311.5)	(251.7)
Proceeds of borrowings	324.4	310.0
Purchase of ordinary shares by employee benefit trust[1]	(9.5)	(14.9)
Purchase of ordinary shares into treasury	(104.9)	(1.5)
Dividends paid	(28.8)	(28.9)
Net cash inflow/(outflow) from financing activities	(130.3)	13.0
Increase/(decrease) in cash in the period	26.7	(119.9)
Cash at the start of the period	218.0	325.9
Effect of foreign exchange rate changes on cash	(2.6)	14.4
Cash at the period end	**242.1**	**220.4**

[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 2023. 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 31 July 2023. These half-yearly consolidated financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2022, 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 2022.

Critical accounting assumptions and judgements

As further described in the Report and Accounts for the year ended 31 December 2022, 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 2023 and the six months ended 30 June 2022, 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	3,550.9	51
SHL[3]	Events/premises management	–	13

[1] At 30 June 2023.
[2] J. Rothschild Capital Management Limited.
[3] Spencer House Limited.

Key financial information for the six months ending 30 June 2023 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit/ (loss)[2]
RIT	3,446.6	2.1	(21.7)	(19.6)
JRCM	110.5	20.4	(16.6)	3.8
SHL	0.9	1.8	(1.7)	0.1
Adjustments[3]	(7.1)	(20.4)	20.4	–
Total	**3,550.9**	**3.9**	**(19.6)**	**(15.7)**

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)**

[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 2023 is based on the loss of £32.7 million (six months ended 30 June 2022: loss of £382.9 million) and the weighted average number of ordinary shares in issue during the period of 156.8 million (six months ended 30 June 2022: 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 2023	Six months ended 30 June 2022
Net revenue profit/(loss)	(6.7)	(11.8)
Net capital profit/(loss)	(26.0)	(371.1)
Total profit/(loss) for the period	**(32.7)**	**(382.9)**

Weighted average (million)	Six months ended 30 June 2023	Six months ended 30 June 2022
Number of shares in issue	156.8	156.8
Shares held in EBT	(2.0)	(0.7)
Shares held in treasury	(2.8)	(0.2)
Basic shares	**152.0**	**155.9**

Pence	Six months ended 30 June 2023	Six months ended 30 June 2022
Revenue earnings/(loss) per ordinary share – basic	(4.4)	(7.6)
Capital earnings/(loss) per ordinary share – basic	(17.1)	(238.0)
Total earnings per share – basic	**(21.5)**	**(245.6)**

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 either six month period 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 2023	Six months ended 30 June 2022
Basic shares	152.0	155.9
Effect of share-based payment awards	–	–
Diluted shares	**152.0**	**155.9**

Pence	Six months ended 30 June 2023	Six months ended 30 June 2022
Revenue earnings/(loss) per ordinary share – diluted	(4.4)	(7.6)
Capital earnings/(loss) per ordinary share – diluted	(17.1)	(238.0)
Total earnings/(loss) per ordinary share – diluted	**(21.5)**	**(245.6)**

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

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

	30 June 2023	31 December 2022
Net assets (£ million)	3,550.9	3,721.7
Number of shares in issue (million)	156.8	156.8
Shares held in EBT (million)	(1.6)	(2.0)
Shares held in treasury (million)	(6.2)	(0.7)
Basic shares (million)	149.0	154.1
Effect of share-based payment awards (million)	1.2	1.7
Diluted shares (million)	**150.2**	**155.8**

Pence per share	30 June 2023	31 December 2022
Net asset value per ordinary share – basic	2,383	2,414
Net asset value per ordinary share – diluted	2,364	2,388

5. Dividends

	Six months ended June 2023 Pence per share	Six months ended June 2022 Pence per share	Six months ended June 2023 £ million	Six months ended June 2022 £ million
Dividends paid in period	**19.0**	**18.5**	**28.8**	**28.9**

The Board of Directors declared an interim dividend of 19 pence per ordinary share (£28.8 million) on 27 February 2023, which was paid on 28 April 2023. The Board has declared the payment of a second interim dividend of 19 pence per ordinary share in respect of the year ending 31 December 2023. This will be paid on 27 October 2023 to shareholders on the register on 6 October 2023. Both payments are funded from accumulated capital profits.

Additional commentary may be found in the Report and Accounts for the year ended 31 December 2022.

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 should be adjusted. 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, of which the Audit and Risk Committee Chair is also a member.

Specific valuation techniques used will typically include the value of recent transactions, earnings multiples, discounted cash flow 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 2023 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 discounted cash flow 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 2023:

As at 30 June 2023 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL):				
Portfolio investments	644.8	1,039.8	1,652.1	3,336.7
Non-consolidated subsidiaries	–	–	139.7	139.7
Investments held at fair value	644.8	1,039.8	1,791.8	3,476.4
Derivative financial instruments	–	46.7	–	46.7
Total financial assets at FVPL	**644.8**	**1,086.5**	**1,791.8**	**3,523.1**
Non-financial assets measured at fair value:				
Investment property	–	–	37.0	37.0
Property, plant and equipment	–	–	19.9	19.9
Total non-financial assets measured at fair value	**–**	**–**	**56.9**	**56.9**
Financial liabilities at FVPL:				
Borrowings	–	–	(374.0)	(374.0)
Derivative financial instruments	–	(10.7)	–	(10.7)
Total financial liabilities at FVPL	**–**	**(10.7)**	**(374.0)**	**(384.7)**
Total net assets measured at fair value	**644.8**	**1,075.8**	**1,474.7**	**3,195.3**
Other non-current assets				0.5
Cash at bank				242.1
Other current assets				188.2
Other current liabilities				(70.0)
Other non-current liabilities				(5.2)
Net assets				**3,550.9**

6. Financial instruments (continued)

Movement in level 3 assets

Six months ended 30 June 2023 £ million	Investments held at fair value	Properties	Total
Opening balance	1,875.3	58.6	1,933.9
Purchases	123.8	0.2	124.0
Sales	(107.1)	(0.1)	(107.2)
Realised gains/(losses) through profit or loss	(1.2)	–	(1.2)
Unrealised gains/(losses) through profit or loss	(100.9)	(1.0)	(101.9)
Unrealised gains/(losses) through other comprehensive income	–	(0.6)	(0.6)
Transfer into/out of level 3	2.0	–	2.0
Other	(0.1)	(0.2)	(0.3)
Closing balance	**1,791.8**	**56.9**	**1,848.7**

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 £ million	30 June 2023	31 December 2022
Third-party valuations[1]	246.7	246.3
Recent transaction	74.6	23.6
Discount to recent transaction[2]	53.9	90.5
Other industry metrics	19.5	21.7
Discount to sale proceeds	12.6	10.8
Original invested cost	10.7	–
Earnings multiple	5.0	49.8
Total	**423.0**	**442.7**

1 Included in this method are direct private investments held within the non-consolidated subsidiaries with a total of £25.2 million (December 2022: £24.5 million).

2 Included in this method are direct private investments which have been discounted due to a decline in public market comparables or a general decline in markets related to or impacting the businesses.

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 should be adjusted.

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. When an asset is undergoing a sale and the price has been agreed but not yet completed or an offer has been submitted, we use the agreed or offered price, with a discount as appropriate to reflect the risks associated with the transaction completing or any price adjustments. 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 discounted cash flow 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
Third-party valuations	A 5% change in the value of these assets would result in a £12.3 million or 0.35% (2022: £12.3 million, 0.33%) change in net assets.
Recent transaction	A 5% change in the value of these assets would result in a £3.7 million or 0.10% (2022: £1.2 million, 0.03%) change in net assets.
Discount to recent transaction	Assets in this category are valued using a discount applied to a recent financing round or secondary transaction. Discounts range between 27% and 56%, reflecting a number of different factors including elapsed time since the transaction, and the movement in market prices of broadly similar listed companies. A 5% change to the discounts applied would result in a £2.7 million or 0.08% (2022: £4.5 million, 0.12%).
Other industry metrics	A 5% change in the value of these assets would result in a £1.0 million or 0.03% (2022: £1.1 million, 0.03%) change in net assets.
Discount to sale proceeds	The asset in this category is valued at a 10% discount to the sale proceeds, to account for the time value prior to receipt. A 5% change in discount would result in a £0.1 million or <0.01% (2022: £0.1 million, <0.01%) change in net assets.
Original invested cost	A 5% change in the value of these assets would result in a £0.5 million or 0.02% (2022: n/a) change in net assets.
Earnings multiple	Assets in this category are valued using EV/sales multiples in the range of 4.8x - 9.7x. If the multiple used for valuation purposes is increased or decreased by 5% then the net assets would increase/decrease by £0.2 million or 0.01% (2022: £2.5 million, 0.07%).

The investment property and property, plant and equipment with an aggregate fair value of £56.9 million (2022: £58.6 million) were valued using a third-party valuation provided by Jones Lang LaSalle. The properties were valued using weighted average capital values of £1,530 per square foot (2022: £1,580) developed from rental yields and supported by recent market transactions. A £100 per square

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

foot increase/decrease in capital values would result in a £3.3 million increase/decrease in fair value (2022: £3.3 million increase/decrease).

The non-consolidated subsidiaries are held at their fair value of £139.7 million (2022: £101.1 million) representing £136.8 million of portfolio investments (2022: £104.7 million) and £2.9 million of remaining assets (2022: liabilities of £3.3 million). A 5% change in the value of these assets would result in £7.0 million or 0.2% (2022: £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 £1,254.3 million (2022: £1,355.7 million). A 5% change in the value of these assets would result in a £62.7 million or 1.77% (2022: £67.8 million, 1.82%) 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 £1,848.7 million (2022: £1,933.9 million).

The following table analyses the Group's assets and liabilities within the fair value hierarchy, at 31 December 2022:

As at 31 December 2022 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL):				
Portfolio investments	506.8	1,204.2	1,774.2	3,485.2
Non-consolidated subsidiaries	–	–	101.1	101.1
Investments held at fair value	506.8	1,204.2	1,875.3	3,586.3
Derivative financial instruments	6.4	51.9	–	58.3
Total financial assets at FVPL	**513.2**	**1,256.1**	**1,875.3**	**3,644.6**
Non-financial assets measured at fair value:				
Investment property	–	–	37.9	37.9
Property, plant and equipment	–	–	20.7	20.7
Total non-financial assets measured at fair value	**–**	**–**	**58.6**	**58.6**
Financial liabilities at FVPL:				
Borrowings	–	–	(370.6)	(370.6)
Derivative financial instruments	–	(10.4)	–	(10.4)
Total financial liabilities at FVPL	**–**	**(10.4)**	**(370.6)**	**(381.0)**
Total net assets measured at fair value	**513.2**	**1,245.7**	**1,563.3**	**3,322.2**
Other non-current assets				0.5
Cash at bank				218.0
Other current assets				249.8
Other current liabilities				(63.6)
Other non-current liabilities				(5.2)
Net assets				**3,721.7**

Movements in level 3 assets

Year ended 31 December 2022 £ million	Investments held at fair value	Properties	Total
Opening balance	1,914.3	61.4	1,975.7
Purchases	222.2	0.1	222.3
Sales	(210.3)	–	(210.3)
Realised gains/(losses) through profit or loss	8.7	–	8.7
Unrealised gains/(losses) through profit or loss	(59.7)	(0.4)	(60.1)
Unrealised gains/(losses) through other comprehensive income	–	(2.1)	(2.1)
Transfer into level 3	–	–	–
Transfer out of level 3	–	–	–
Other	0.1	(0.4)	(0.3)
Closing balance	**1,875.3**	**58.6**	**1,933.9**

During the period no investments were reclassified between level 2 and level 3.

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 2023 and 30 June 2022 has been neither reviewed nor audited.

The information for the year ended 31 December 2022 has been extracted from the latest published audited financial statements.

The audited financial statements for the year ended 31 December 2022 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 2023
(Unaudited)

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 2023 consolidated balance sheet, as shown on page 14:

£ million	Quoted equity	Private investments	Absolute return and credit	Real assets	Government bonds	Other investments	Net liquidity/ borrowing/ other	Consolidated balance sheet
Non-current assets								
Portfolio investments	1,201.8	1,378.6	646.4	3.6	106.3	–	–	3,336.7
Non-consolidated subsidiaries	0.1	33.4	106.2	–	–	–	–	139.7
Investments held at fair value	1,201.9	1,412.0	752.6	3.6	106.3	–	–	3,476.4
Investment property	–	–	–	37.0		–	–	37.0
Property, plant and equipment	–	–	–	19.8		–	0.1	19.9
Retirement benefit asset	–	–	–	–		–	0.5	0.5
Derivative financial instruments	0.8	–	1.0	–		–	–	1.8
	1,202.7	**1,412.0**	**753.6**	**60.4**	**106.3**	**–**	**0.6**	**3,535.6**
Current assets								
Derivative financial instruments	13.5	–	–	–	0.7	30.7	–	44.9
Other receivables	0.1	–	–	–	–	–	183.8	183.9
Amounts owed by group undertakings	–	–	–	–	–	–	4.3	4.3
Cash at bank	10.5	–	–	–	–	–	231.6	242.1
	24.1	**–**	**–**	**–**	**0.7**	**30.7**	**419.7**	**475.2**
Total assets	**1,226.8**	**1,412.0**	**753.6**	**60.4**	**107.0**	**30.7**	**420.3**	**4,010.8**
Current liabilities								
Borrowings	–	–	–	–	–	–	(245.3)	(245.3)
Derivative financial instruments	(0.3)	–	–	(4.7)	(0.4)	(5.1)	–	(10.5)
Other payables	(23.5)	–	–	–	–	–	(46.4)	(69.9)
Amounts owed to group undertakings	–	–	–	–	–	(0.1)	–	(0.1)
	(23.8)	**–**	**–**	**(4.7)**	**(0.4)**	**(5.2)**	**(291.7)**	**(325.8)**
Net current assets/ (liabilities)	**0.3**	**–**	**–**	**(4.7)**	**0.3**	**25.5**	**128.0**	**149.4**
Total assets less current liabilities	**1,203.0**	**1,412.0**	**753.6**	**55.7**	**106.6**	**25.5**	**128.6**	**3,685.0**
Non-current liabilities								
Borrowings	–	–	–	–	–	–	(128.7)	(128.7)
Derivative financial instruments	(0.2)	–	–	–	–	–	–	(0.2)
Deferred tax liability	–	–	–	–	–	–	(0.2)	(0.2)
Provisions	–	–	–	–	–	–	(1.8)	(1.8)
Lease liability	–	–	–	(3.2)	–	–	–	(3.2)
	(0.2)	–	–	(3.2)	–	–	(130.7)	(134.1)
Net assets	**1,202.8**	**1,412.0**	**753.6**	**52.5**	**106.6**	**25.5**	**(2.1)**	**3,550.9**

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. They 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 plus 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 (with debt at par value) and expressed as a 'net' percentage, e.g. 110% would be shown as 10%.

£ million	30 June 2023	31 December 2022
Total assets	4,010.8	4,171.5
Less: cash	(242.1)	(218.0)
Sub total[a]	3,768.7	3,953.5
Net assets (with debt at fair value)	3,550.9	3,721.7
Net assets (with debt at par value)[b]	3,529.1	3,705.5
Gearing[a/b]	**6.8%**	**6.7%**

Note: Gearing has been amended slightly following a clarification from the AIC to use debt as par value (rather than debt at fair value, which had been previously used).

Leverage: Leverage, as defined by the UK Alternative Investment Fund Managers Directive (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 2023 was 2,364 pence, a decrease of 24 pence, or 1.0%, from 2,388 pence at the previous year end. As dividends totalling 19 pence per share were paid during the period, the effect of reinvesting the dividends in the NAV is 0.8%, which results in a NAV total return of -0.2%.

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 2022 Report & Accounts.

£ million	2022	% Average net assets
Average net assets	4,044.7	
Operating expenses	43.6	1.08%
JRCM direct performance-related compensation	(7.6)	(0.19)%
Other adjustments	0.0	0.00%
Ongoing charges	36.0	0.89%
OCF	0.89%	

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 0.88% of average net assets for 2022.

Premium/discount: The premium or discount (or rating) is calculated by taking the closing share price on 30 June 2023 and dividing it by the NAV per share at 30 June 2023, 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 2023 closed at 1,868 pence, a decrease of 257 pence, or 12.1%, from 2,125 pence at the previous year end. Dividends totalling 19 pence per share were paid during the period, and the effect of reinvesting the dividends in the share price is 0.9% which results in a TSR of -11.2%. 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

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
Tel: 0370 703 6307
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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