Half-Yearly Financial Report

30 June 2020

RIT Capital Partners plc

Contents

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

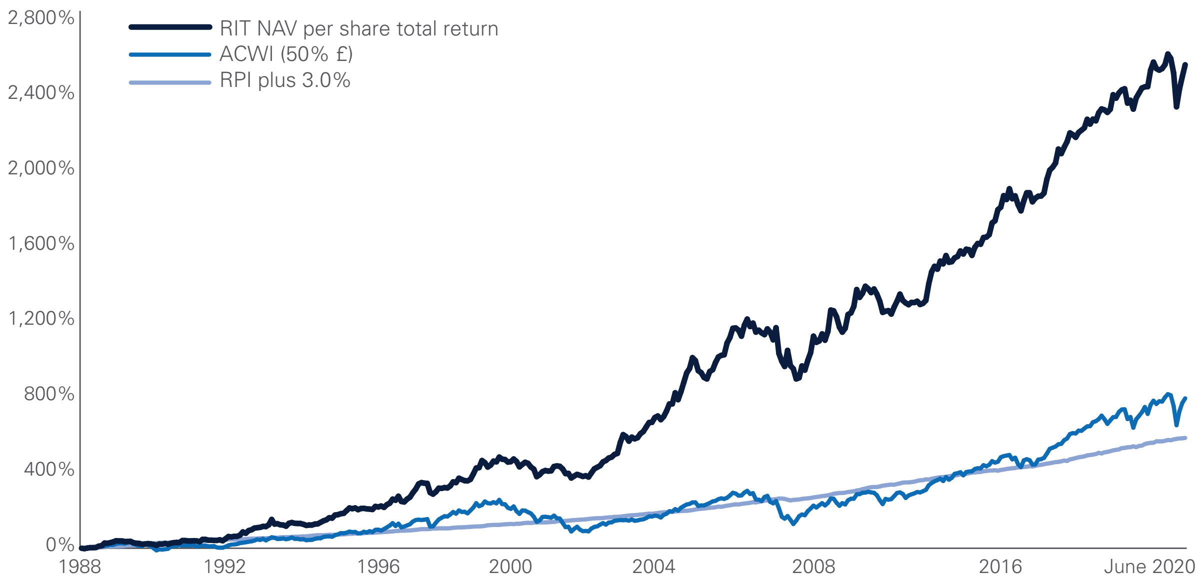
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Performance for the period	30 June 2020
NAV per share total return	-2.1%
Share price total return	-14.7%
RPI plus 3.0% per annum	2.0%
MSCI All Country World Index	-2.8%

Key data	30 June 2020	31 December 2019	Change
NAV per share	1,944 pence	2,004 pence	-3.0%
Share price	1,786 pence	2,115 pence	-15.6%
Premium/discount	-8.1%	5.5%	-13.6% pts
Net assets	£3,047 million	£3,146 million	-3.1%
Gearing	10.3%	7.2%	3.1% pts
Average net quoted equity exposure for the period	42%	43%	-1% pt
First interim dividend (April)	17.5 pence	17.0 pence	2.9%

Performance history	1 Year	3 Years	5 Years	10 Years
NAV per share total return	1.1%	15.0%	36.3%	109.1%
Share price total return	-12.7%	-1.1%	26.1%	84.4%
RPI plus 3.0% per annum	4.1%	17.2%	30.6%	74.2%
MSCI All Country World Index	3.2%	20.9%	52.7%	166.1%

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 20.

Chairman's Statement

Sir James Leigh-Pemberton

> Over the long term and through the cycles, we believe this is the right approach to deliver returns while protecting shareholders' capital from the full impact of falling markets.

The first six months of this year have witnessed exceptional economic, societal and market turbulence. In order to deal with the pandemic, governments have imposed restrictions which have led to one of the most rapid and severe contractions of economic activity in living memory. At the same time, together with monetary authorities, they have implemented programmes of fiscal and monetary stimulus on an extraordinary scale to cushion this shock. In the face of these two powerful forces, markets have exhibited extreme levels of volatility. The S&P 500 reached an all-time high on 19 February, then fell 31% over only five weeks, before recovering 39% to end the period down 4% overall. Other markets have seen similar volatility, though few have recovered to the extent seen in the US which has been driven by the performance of a small number of large-cap technology stocks; for example in the UK, the FTSE All Share see-sawed before ending the period down 19%. Nor was this unprecedented volatility confined to equities; credit, commodity and currency markets all experienced wide swings.

Against this particularly challenging background, RIT's NAV has shown a modest decline, ending June at 1,944 pence per share, representing a –2.1% return over the period. During the period of extreme market weakness in mid-March, our NAV was, of course, not immune from the declines, though our cautious stance and diversified approach provided some protection from the full extent of the falls. Your Board has been in regular discussions with our Manager, JRCM, and we have actively and carefully considered the suitability of the investment strategy and portfolio composition to these markets. Our focus remains on preserving shareholders' wealth, which means that we will maintain our discipline at times like these when many asset prices do not reflect the risks which we can observe, even if we miss out on the full extent of market exuberance. However, this does not mean that we have stayed dormant. Market conditions have presented opportunities across a range of asset classes, and as the Manager's Report sets out, we have been deploying capital in areas which meet stringent risk/return objectives in order to sow the seeds of future capital growth. Over the long term and through the cycles, we believe this is the right approach to deliver returns while protecting shareholders' capital from the full impact of falling markets.

Reflecting market conditions, the share price has been volatile, moving to a discount for the first time since 2015. A number of investment trusts have seen declines in ratings over the past few months, but I can assure shareholders that we monitor the share price carefully, and we will act, as we have done in the past, if we see opportunities to acquire the Company's shares accretively.

Dividend

We paid a first interim dividend of 17.5 pence per share in April and have declared a second interim dividend of the same amount. This will be paid on 30 October 2020 to shareholders registered on 2 October, providing shareholders with a total dividend in 2020 of 35 pence per share, an increase of almost 3% over 2019.

Governance

At the AGM in May, and as I had outlined in my previous statement, a number of Board changes were approved by shareholders. Maxim Parr and Jonathan Sorrell joined as non-Executive Directors; Jonathan has joined the Audit and Risk Committee, and Maxim the Valuation and Conflicts Committees. Jeremy Sillem stepped down from the Audit and Risk Committee at the AGM and has recently left the Remuneration and Conflicts Committees. I would like to thank him for his important contribution to these roles and am delighted we retain his wise counsel on the Nominations Committee and the Board.

I would also like to record on behalf of the Board and our shareholders, my gratitude to the team at JRCM, who have coped with the investment and operational challenges of the past few months with the equanimity, resilience and professionalism we have come to expect.

Outlook

The pandemic continues to exhibit unpredictable patterns, we are in the midst of a severe economic downturn, geopolitical risks are at a newly elevated level, and entire sectors of the economy face potentially radical adjustments to how they operate as well as rapidly changing societal expectations. This is not a time to seek for certainties about the future. What is clear is that as

Chairman's Statement

these circumstances persist, it is highly likely that there will be further bouts of volatility, which may be extreme, but which will provide opportunities for the nimble and astute investor. We will continue to apply the discipline of rigorous analysis of these opportunities, and to ensure that we have a diversified portfolio, the performance of which is not reliant on the generosity of central banks and zero interest rates as far as the eye can see. We remain convinced that economic and business fundamentals matter, and that our tried and tested investment approach will enable us to navigate the coming months and years.

James Leigh-Pemberton

Sir James Leigh-Pemberton
3 August 2020

Manager's Report

Overview

As the Chairman's Statement highlights, the first half of the year was truly an unprecedented rollercoaster for markets. After reaching all-time highs in February, markets moved into bear market territory in a matter of weeks, only to snap back and post the best month since 1987 and the sharpest recovery since 1933. Outside of equity markets, the situation was no less tumultuous, with credit markets transitioning from being completely shut down, to being able to issue more paper than ever before. Perhaps the headline-grabbing negative oil price best epitomises the unique environment of recent months.

Policy reaction has been equally extraordinary, with governments issuing trillions of new debt in 2020 while central banks have also increased quantitative easing by a record amount, thus pinning down government bond yields to around zero in every major market and across yield curves. This abundance in liquidity, no doubt aimed at protecting incomes, has caused risk premia to fall further across a majority of risk assets.

Performance highlights

Against this backdrop, the NAV total return for the first half of the year was -2.1%, compared to the ACWI (50% £) which was down -2.8%. As investors will no doubt have seen, many equity markets ended far worse: UK indices fell by around -20%, Europe -14% and Emerging Markets -11%. The S&P 500 ended down -4%, aided by the high proportion of the index in the mega-cap technology companies, who also left the NASDAQ as one of the few indices in positive territory. RIT's other reference hurdle, RPI plus 3%, measured 2.0% for the half year.

We are therefore retaining our cautious portfolio stance, with moderate quoted equity exposure complemented by other diversified and often uncorrelated sources of return. This has been a feature of our approach over many years, and one which has produced the equity-type returns with less risk that shareholders associate with RIT.

Key drivers of the performance for H1 were:

- Good absolute and relative performance from those assets across the quoted and private portfolios in some of our core structural themes, including domestic China, biotech as well as technology more broadly;
- Private investments were reasonably well insulated from the volatility experienced by quoted markets. Both the direct and fund holdings (the former revalued to 30 June 2020 and the latter predominantly valued to 31 March 2020) contributed positively to the NAV. In part this reflects a degree of embedded structural protection in some of our direct investments, as well as the sizeable exposure of the private portfolio to the outperforming technology sector;
- Our absolute return and credit category contributed positively to returns, aided by some carefully targeted additions to credit exposure during the turmoil and wide mark-to-market swings of the first quarter;
- The portfolio's investments in real assets were also additive, predominantly driven by gold and gold-related exposures;

Asset allocation and portfolio contribution

Asset Category	30 June 2020 % NAV	Contribution %
Quoted equity	51.5%	-4.7%[1]
Private investments	24.2%	1.1%
Absolute return and credit	26.0%	0.3%
Real assets	2.2%	0.4%
Currency	-0.1%	1.6%[2]
Total investments	103.8%	-1.3%
Liquidity, borrowings and other	-3.8%	-0.8%[3]
Total	**100.0%**	**-2.1%**
Average net quoted equity exposure[1]	42%	

[1] The quoted equity contribution reflects the profits from the net quoted equity exposure held during the period. 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.

Manager's Report

- Currencies made a sizeable positive contribution. Including both translation and the results of our active overlay and hedging activity, this category added 1.6% to returns, reflecting sterling's broad weakness against major currencies;
- In terms of headwinds, these were largely concentrated in quoted equity funds and stocks that were more sensitive to the economic cycle and suffered as a result of the pandemic, across both developed and emerging markets. The Company's fixed-rate loan notes also experienced a mark-to-market accounting loss as rates declined.

During the first half of the year we used the dislocation in credit markets to increase our exposure to this asset class. Working closely with our specialist managers, we identified assets producing healthy absolute yields and with a low assessed risk of capital impairment.

With the distinct possibility of negative rates in the UK and Brexit risk re-emerging, we have slightly decreased our sterling exposure. We also remain towards the lower end of our historical US weighting, given the expectation of economic convergence between the US and the rest of the world.

Within private investments, the largest direct position, Acorn, saw a partial realisation earlier in the year and the successful IPO of its investment in JDE Peet's in June, resulting in the position being transferred to the quoted portfolio. Including the remaining investment, Acorn has now generated a 2.1x return since we invested in 2016. We are continuing to identify and diligence a number of private investment opportunities, which offer attractive entry valuations and a degree of structural protection. Finally, we are being patient with re-engaging with 'quality' stocks, in anticipation of more macro volatility, and have ample resources to do so.

In our view the current level of market optimism, buoyed by the scale of policy response and benign views on the pandemic's future impact leaves investors with little margin of safety. To justify the current backdrop of record debt levels and valuations there needs to be a sustained period of economic growth. There are many reasons to doubt that this will occur, not least a frugal private sector, uncertainty around inflation and rising geopolitical and societal tensions. We are therefore retaining our cautious portfolio stance, with moderate quoted equity exposure complemented by other diversified and often uncorrelated sources of return. This has been a feature of our approach over many years, and one which has produced the equity-type returns with less risk that shareholders associate with RIT.

We remain comfortable with the portfolio's core investments and our underlying structural themes, which we believe are largely supported by favourable secular trends – and which the current environment may well serve to reinforce. We have no doubt that the second half of the year will continue to be volatile, but our focus is resolutely on the task at hand – carefully managing the portfolio positions, while being proactive in identifying opportunities across asset classes and capital structures to support long-term capital appreciation. An approach which has served shareholders well through the cycles and which we believe is particularly well-suited to these challenging times.

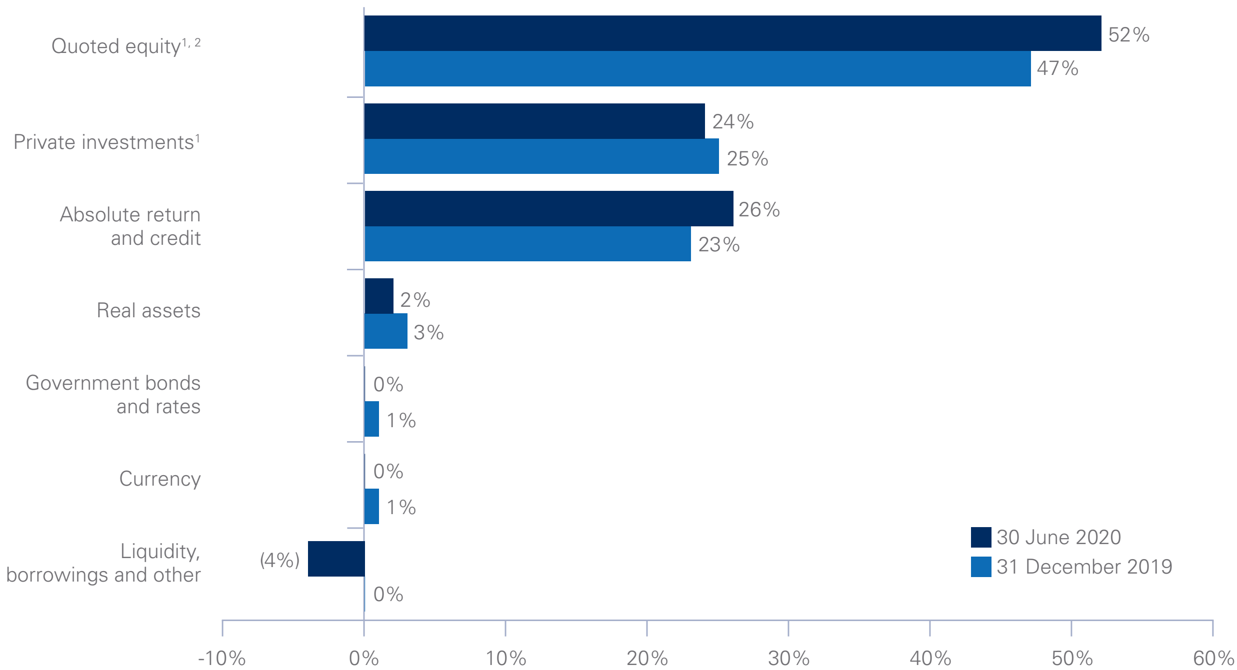
Finally, we would like to record our gratitude to both our colleagues and to the wider community of counterparties, advisers and suppliers who have worked with us to ensure that our business has been able to continue uninterrupted over these past few months.

Francesco Goedhuis
Chairman and Chief Executive Officer
J. Rothschild Capital Management Limited

Ron Tabbouche
Chief Investment Officer
J. Rothschild Capital Management Limited

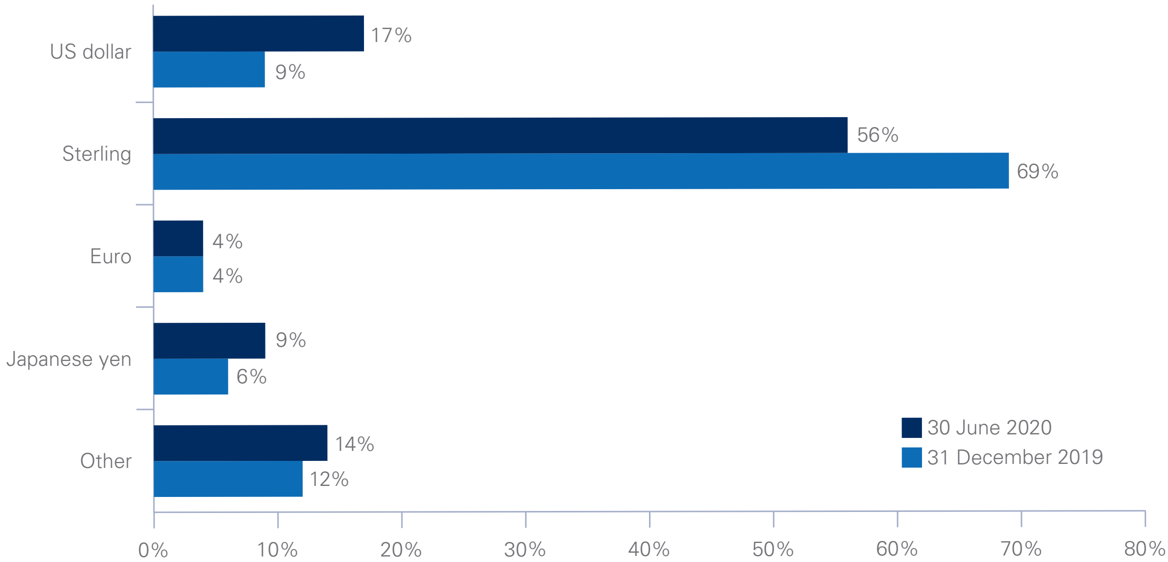
Investment Portfolio

Asset category (% of NAV)



Note: This graph excludes exposure from derivatives.
[1] At 30 June 2020, an investment – Acorn – representing 3.2% of NAV was reclassified from private investments to quoted equity.
[2] For the period ending 30 June 2020, the underlying net quoted equity exposure averaged 42% (31 December 2019: 43%).

Currency exposure (% of NAV)



Note: This graph excludes exposure from currency options.

Investment Portfolio

Investment portfolio as at 30 June 2020

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Quoted equity				
Stocks:				
Acorn[1]	Global	Consumer staples	98.3	3.2%
Helios Towers	Africa	Communication services	42.1	1.4%
Alphabet	United States	Information technology	34.4	1.1%
IQVIA Holdings	United States	Healthcare	27.0	0.9%
Booking Holdings	United States	Consumer discretionary	15.0	0.5%
CDK Global	United States	Information technology	14.8	0.5%
3G[2]	United States	Consumer discretionary	14.0	0.5%
Frontdoor	United States	Consumer discretionary	11.1	0.4%
Other stocks	–	–	57.7	1.9%
Total stocks:			314.4	10.4%
Long-only funds:				
HCIF Offshore	United States	All-cap, biotechnology	190.2	6.2%
Morant Wright[3]	Japan	Small/mid-cap, value bias	147.1	4.8%
Springs Opportunities	China	All-cap, diversified	120.5	4.0%
BlackRock Emerging Markets	Emerging Markets	All-cap, value bias	77.0	2.5%
Ward Ferry Asian Smaller Companies	Asia	Small/mid-cap, diversified	74.6	2.4%
Sand Grove UK	United Kingdom	All-cap, diversified	57.4	1.9%
Lansdowne New Energy	Global	All-cap, clean energy	48.5	1.6%
Brown Advisory LATAM[3]	Latin America	All-cap, diversified	45.3	1.5%
Sumi Trust Japan	Japan	Small-cap, diversified	45.1	1.5%
Emerging India Focus	India	All-cap, diversified	40.6	1.3%
Other long-only funds	–	–	49.4	1.7%
Total long-only funds:			895.7	29.4%
Hedge funds:				
BlackRock European Hedge Fund	Europe	All-cap, diversified	130.6	4.2%
Gaoling	China	All-cap, diversified	92.1	3.0%
Springs Global Strategic Partners	China	All-cap, diversified	56.9	1.9%
RIT Discovery[4]	Global	All-cap, diversified	33.8	1.1%
ENA Opportunity	Europe	All-cap, diversified	26.5	0.9%
Tribeca	Global	All-cap, commodities	19.3	0.6%
Other hedge funds	–	–	1.9	0.1%
Total hedge funds:			361.1	11.8%
Derivatives:				
Global Value Basket	Global	Long, 1.0% notional	(1.8)	(0.1%)
iShares NASDAQ Biotech ETF Swap	United States	Short, 0.8% notional	(0.8)	(0.0%)
FTSE China A50 Futures	China	Short, 0.5% notional	(0.1)	(0.0%)
NASDAQ 100 Futures	United States	Short, 0.4% notional	(0.4)	(0.0%)
Other derivatives	–	–	(0.1)	(0.0%)
Total derivatives:			(3.2)	(0.1%)
Total quoted equity			**1,568.0**	**51.5%**
Private investments – direct:				
Coupang	Asia	Information technology	72.9	2.4%
KeepTruckin	United States	Information technology	44.3	1.5%
CSL	United Kingdom	Information technology	31.7	1.0%
Age of Learning	United States	Information technology	11.6	0.4%
Other private investments – direct	–	–	85.2	2.8%
Total private investments – direct			**245.7**	**8.1%**

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investment £ million	% of NAV
Private investments – funds:				
Thrive Capital Funds	United States	Venture capital	101.8	3.3%
Iconiq Funds	United States	Venture capital	82.7	2.7%
Hillhouse Funds	China	Private equity	53.4	1.8%
BDT Capital Funds	United States	Private equity	52.0	1.7%
Ribbit Capital Funds	United States	Venture capital	14.7	0.5%
Mithril Funds	United States	Venture capital	11.2	0.4%
Eight Partners Funds	United States	Venture capital	11.8	0.4%
Sandler Capital V	United States	Private equity	10.7	0.4%
Other private investments – funds	–	–	151.0	4.9%
Total private investments – funds			**489.3**	**16.1%**
Absolute return and credit:				
Eisler Capital Fund	Global	Macro strategy	164.5	5.4%
Attestor Value Fund	Global	Distressed and special situations	119.5	3.9%
Elliott International	Global	Multi-strategy	114.8	3.8%
Tresidor Credit Opportunities	Global	Distressed and special situations	59.9	2.0%
RIT US Value Partnership	Global	Multi-strategy	57.4	1.9%
Farmstead Fund	United States	Distressed and special situations	50.2	1.6%
Caxton Dynamis	Global	Multi-strategy	47.1	1.5%
Sand Grove Tactical	Global	Multi-strategy	45.7	1.5%
LionTree Advisory Loan Note	Global	Corporate loan	32.5	1.1%
Farmstead AC530	Global	Distressed and special situations	28.3	0.9%
Hein Park Investors	Global	Distressed and special situations	19.9	0.7%
Highbridge	Global	Opportunistic credit	17.8	0.6%
Other absolute return and credit	–	–	35.3	1.1%
Total absolute return and credit			**792.9**	**26.0%**
Real assets:				
Spencer House	United Kingdom	Investment property	31.8	1.0%
St James's properties	United Kingdom	Investment property	27.0	0.9%
Gold futures	United States	Long, 3.6% notional	2.8	0.1%
Other real assets	–	–	6.0	0.2%
Total real assets			**67.6**	**2.2%**
Government bonds and rates:				
Euro 30-year swap	Europe	Short, 4.8% notional[5]	(1.7)	(0.1%)
Other government bonds and rates	–	–	2.8	0.1%
Total government bonds and rates			**1.1**	**0.0%**
Other investments:				
Currency forward contracts	–	Forward currency contracts	(6.0)	(0.2%)
Currency options	–	Premium	1.6	0.1%
Total other investments			**(4.4)**	**(0.1%)**
Total investments			**3,160.2**	**103.8%**
Liquidity:				
Liquidity	–	Cash at bank/margins	385.3	12.6%
Total liquidity			**385.3**	**12.6%**
Borrowings:				
Industrial and Commercial Bank of China loan			(85.0)	(2.8%)
Commonwealth Bank of Australia loan			(145.1)	(4.8%)
National Australia Bank loan			(148.5)	(4.8%)
RIT Senior Notes			(172.9)	(5.7%)
Total borrowings			**(551.5)**	**(18.1%)**
Other assets/(liabilities)			53.3	1.7%
Total net asset value			**3,047.3**	**100.0%**

Where relevant, the portfolio positions are ordered by their notional exposure rather than by their fair value.

1 Acorn is a co-investment vehicle which holds the Group's interests in Keurig Dr Pepper and JDE Peet's, and was reclassified from the direct private investment category to quoted equity at 30 June 2020.

2 3G is a co-investment vehicle which holds the Group's interest in Kraft Heinz.

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

4 This contains investments with three emerging hedge fund managers, the largest being Darsana (£22.8 million).

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

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 adopted by the European Union, 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 changes in the transactions or arrangements with related parties as described in the Group's Report and Accounts for the year ended 31 December 2019 that would have had a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Principal risks and uncertainties

While 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 2019, the COVID-19 pandemic has had a profound influence on many of the underlying risks. The principal risks we identify comprise:

- Investment strategy risk;
- Market risk;
- Liquidity risk;
- Credit risk;
- Key person dependency;
- Legal & 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, the level of volatility within markets during the first half of the year was unprecedented, with the pandemic's influence severely impacting market risk through prices, currencies and interest rates. With ongoing and widespread infection levels, no vaccine, and an uncertain economic recovery, we expect this degree of uncertainty and elevated volatility to continue.

From an operational risk perspective, the nature of the asset management business means that the Group has been able to continue irrespective of the societal restrictions. With an enhanced level of Board and Committee interaction with, and reporting from, our Manager, we remain satisfied with the continued operation of the business and the effectiveness of the Group's internal control environment, notwithstanding the necessary adjustments to reflect remote working.

As a people business, we have also tried to ensure the health and well-being of the Group's employees over this period of disruption, and have been enormously grateful for their positive, flexible and professional response. Similarly, the Manager has confirmed there has been ongoing and regular contact with our key counterparties throughout this process, and that the wider community that supports the Group's activities has, where appropriate, been supported through the lock-down.

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 2019. While the global impact of COVID-19 has been profound, and the Group's NAV has not been immune to this, the Company remains in a strong position in relation to its ability to continue to operate. At 30 June 2020, Group liquidity balances totalled £308 million, and the Manager has estimated that approximately a further £565 million of portfolio assets would normally be able to be realised within one month. With drawn borrowings totalling £552 million and a diversified term structure of revolving credit facilities and loan notes (with the earliest facility of £85 million expiring and due for refinancing or repayment in December 2022), the Group has ample resources to meet its ongoing needs.

The Board receives regular reporting from the Manager covering both liquidity and borrowings including covenants, and we retain the flexibility to adjust the portfolio positioning and gearing if needed to manage any risk of a covenant breach. Having considered the above as well as Company cash-flow 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 half-yearly condensed financial statements.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

3 August 2020

For and on behalf of the Board, the current members of which are listed on page 22.

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

Consolidated Income Statement

For the six months ended 30 June £ million	Notes	Revenue	Capital	2020 Total	Revenue	Capital	2019 Total
Income and gains							
Investment income		8.8	–	8.8	14.6	–	14.6
Other income		2.3	–	2.3	4.1	–	4.1
Gains/(losses) on fair value investments		–	(80.2)	(80.2)	–	250.7	250.7
Gains/(losses) on monetary items and borrowings		–	22.3	22.3	–	(1.3)	(1.3)
		11.1	(57.9)	(46.8)	18.7	249.4	268.1
Expenses							
Operating expenses		(11.1)	(2.5)	(13.6)	(10.3)	(2.9)	(13.2)
Profit/(loss) before finance costs and tax	2	–	(60.4)	(60.4)	8.4	246.5	254.9
Finance costs		(1.7)	(6.8)	(8.5)	(1.8)	(7.3)	(9.1)
Profit/(loss) before tax		(1.7)	(67.2)	(68.9)	6.6	239.2	245.8
Taxation		–	(0.2)	(0.2)	(0.2)	–	(0.2)
Profit/(loss) for the period		**(1.7)**	**(67.4)**	**(69.1)**	**6.4**	**239.2**	**245.6**
Earnings per ordinary share – basic	3	(1.1)p	(43.1)p	(44.2)p	4.1p	154.7p	158.8p
Earnings per ordinary share – diluted	3	(1.1)p	(43.1)p	(44.2)p	4.1p	154.4p	158.5p

The total column of this statement represents the Group's Consolidated Income Statement, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The supplementary revenue return and capital return 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	2020 Total	Revenue	Capital	2019 Total
Profit/(loss) for the period	**(1.7)**	**(67.4)**	**(69.1)**	**6.4**	**239.2**	**245.6**
Other comprehensive income/(expense) that will not be subsequently reclassified to profit or loss:						
Revaluation gain/(loss) on property, plant and equipment	–	(1.0)	(1.0)	–	(0.7)	(0.7)
Actuarial gain/(loss) in defined benefit pension plan	(1.2)	–	(1.2)	(0.1)	–	(0.1)
Deferred tax (charge)/credit allocated to actuarial loss	0.3	–	0.3	–	–	–
Total comprehensive income/(expense) for the period	**(2.6)**	**(68.4)**	**(71.0)**	**6.3**	**238.5**	**244.8**

The notes on pages 14 to 18 are an integral part of these condensed interim financial statements.

Consolidated Balance Sheet (unaudited)

£ million	Notes	30 June 2020	31 December 2019
Non-current assets			
Investments held at fair value		3,148.6	3,086.1
Investment property		36.8	36.1
Property, plant and equipment		24.3	24.2
Deferred tax asset		1.6	1.5
Retirement benefit asset		0.1	1.0
Derivative financial instruments		2.2	0.7
		3,213.6	3,149.6
Current assets			
Derivative financial instruments		8.8	50.4
Other receivables		139.3	172.2
Cash at bank		308.1	61.1
		456.2	283.7
Total assets		3,669.8	3,433.3
Current liabilities			
Borrowings		(378.6)	(50.0)
Derivative financial instruments		(12.7)	(2.9)
Other payables		(41.8)	(55.3)
Amounts owed to group undertakings		(5.4)	(3.3)
		(438.5)	(111.5)
Net current assets/(liabilities)		17.7	172.2
Total assets less current liabilities		3,231.3	3,321.8
Non-current liabilities			
Borrowings		(172.9)	(166.4)
Derivative financial instruments		(7.6)	(7.9)
Provisions		(1.4)	(1.4)
Finance lease liability		(2.1)	(0.5)
		(184.0)	(176.2)
Net assets		**3,047.3**	**3,145.6**
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		(11.3)	(7.8)
Capital reserve		2,802.9	2,894.1
Revenue reserve		4.4	7.0
Revaluation reserve		12.5	13.5
Total equity		**3,047.3**	**3,145.6**
Net asset value per ordinary share – basic	4	1,950p	2,007p
Net asset value per ordinary share – diluted	4	1,944p	2,004p

The notes on pages 14 to 18 are an integral part of these condensed interim financial statements.

Consolidated Statement of Changes in Equity (unaudited)

Six months ended 30 June 2020 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2020	156.8	45.7	36.3	(7.8)	2,894.1	7.0	13.5	3,145.6
Profit/(loss) for the year	–	–	–	–	(67.4)	(1.7)	–	(69.1)
Revaluation loss on property, plant and equipment	–	–	–	–	–	–	(1.0)	(1.0)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	(1.2)	–	(1.2)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	0.3	–	0.3
Total comprehensive income/(expense) for the period	–	–	–	–	(67.4)	(2.6)	(1.0)	(71.0)
Dividends paid (note 5)	–	–	–	–	(27.4)	–	–	(27.4)
Movement in own shares	–	–	–	(3.5)	–	–	–	(3.5)
Movement in share–based payments	–	–	–	–	3.6	–	–	3.6
Balance at 30 June 2020	**156.8**	**45.7**	**36.3**	**(11.3)**	**2,802.9**	**4.4**	**12.5**	**3,047.3**

Six months ended 30 June 2019 £ million	Share capital	Share premium	Capital redemption reserve	Own shares reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2019	155.4	17.3	36.3	(13.4)	2,624.3	(5.0)	15.3	2,830.2
Profit/(loss) for the period	–	–	–	–	239.2	6.4	–	245.6
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	(0.7)	(0.7)
Actuarial gain/(loss) in defined benefit pension plan	–	–	–	–	–	(0.1)	–	(0.1)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	–	–	–
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	**–**	**239.2**	**6.3**	**(0.7)**	**244.8**
Dividends paid (note 5)	–	–	–	–	(26.3)	–	–	(26.3)
Movement in own shares	–	–	–	2.7	–	–	–	2.7
Movement in share-based payments	–	–	–	–	(6.1)	–	–	(6.1)
Balance at 30 June 2019	**155.4**	**17.3**	**36.3**	**(10.7)**	**2,831.1**	**1.3**	**14.6**	**3,045.3**

The notes on pages 14 to 18 are an integral part of these condensed interim financial statements.

Consolidated Cash Flow Statement (unaudited)

Six months ended £ million	30 June 2020	30 June 2019
Cash flows from operating activities:		
Cash inflow/(outflow) before interest	(53.9)	163.4
Interest paid	(8.5)	(9.1)
Net cash inflow/(outflow) from operating activities	(62.4)	154.3
Cash flows from investing activities:		
Purchase of property, plant and equipment	(0.2)	(0.2)
Net cash inflow/(outflow) from investing activities	(0.2)	(0.2)
Cash flows from financing activities:		
Purchase of ordinary shares by Employee Benefit Trust[1]	(6.0)	(7.1)
Proceeds from/(repayment of) borrowings	335.0	(100.0)
Dividends paid	(27.4)	(26.3)
Net cash inflow/(outflow) from financing activities	301.6	(133.4)
Increase/(decrease) in cash and cash equivalents in the period	239.0	20.7
Cash and cash equivalents at the start of the period	61.1	210.9
Effect of foreign exchange rate changes on cash and cash equivalents	8.0	6.6
Cash and cash equivalents at the period end	**308.1**	**238.2**

[1] Shares are disclosed in the own shares reserve on the consolidated balance sheet.

The notes on pages 14 to 18 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 2020. 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 European Union, and were approved on 3 August 2020. These half-yearly consolidated financial statements should be read in conjunction with the Report and Accounts for the year ended 31 December 2019, which were prepared in accordance with IFRS, as adopted by the European Union, as they provide an update of previously reported information.

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 2019.

Critical accounting assumptions and judgements

As further described in the Report and Accounts for the year ended 31 December 2019, 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 16 and 17).

Direct private investments are valued at the Manager's best estimate of fair value in accordance with IFRS, having regard to International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Private Equity & Venture Capital Association. The inputs into the valuation methodologies adopted include observable historical data such as earnings or cash flow as well as more subjective data such as earnings forecasts or discount rates. As a result of this, the determination of fair value requires significant judgement.

2. Business and geographical segments

For both the six months ended 30 June 2020 and the six months ended 30 June 2019, the Group is considered to have three principal operating segments as follows:

Segment	Business	Net assets[1,2] £ million	Employees[1]
RIT	Investment trust	2,961.0	–
JRCM[3]	Asset manager/ administration	93.0	40
SHL[4]	Events/premises management	1.0	12
Adjustments[5]	–	(7.7)	–
Total		**3,047.3**	**52**

1 At 30 June 2020.
2 Contribution to Group net assets.
3 J. Rothschild Capital Management Limited.
4 Spencer House Limited.
5 Consolidation adjustments in accordance with IFRS 10 Consolidated Financial Statements.

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

£ million	2020 Income/ gains[1]	2020 Operating expenses[1]	2020 Profit/ loss[2]	2019 Income/ gains[1]	2019 Operating expenses[1]	2019 Profit/ loss[2]
RIT	(46.6)	(21.0)	(67.6)	267.7	(20.4)	247.3
JRCM	18.4	(11.0)	7.4	18.0	(10.8)	7.2
SHL	0.9	(1.1)	(0.2)	2.0	(1.6)	0.4
Adjustments[3]	(19.5)	19.5	–	(19.6)	19.6	–
Total	**(46.8)**	**(13.6)**	**(60.4)**	**268.1**	**(13.2)**	**254.9**

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.

The Group's operations are all based in the UK.

Of the income/gains reported above, the amount of revenue arising from contracts with external customers is £0.5 million (six months ended 30 June 2019: £1.4 million).

3. Earnings per ordinary share – basic and diluted

The basic earnings per ordinary share for the six months ended 30 June 2020 is based on the loss of £69.1 million (six months ended 30 June 2019: profit of £245.6 million) and the weighted average number of ordinary shares in issue during the period of 156.8 million (six months ended 30 June 2019: 155.4 million), adjusted for own shares held in the Employee Benefit Trust (EBT) of 0.6 million (six months ended 30 June 2019: 0.7 million).

£ million	Six months ended 30 June 2020	Six months ended 30 June 2019
Net revenue profit/(loss)	(1.7)	6.4
Net capital profit/(loss)	(67.4)	239.2
Total profit/(loss) for the period	**(69.1)**	**245.6**

Weighted average (million)	Six months ended 30 June 2020	Six months ended 30 June 2019
Number of shares in issue	156.8	155.4
Own shares	(0.6)	(0.7)
Basic shares	156.2	154.7
Effect of share-based payment awards	–	0.3
Diluted shares	**156.2**	**155.0**

Pence	Six months ended 30 June 2020	Six months ended 30 June 2019
Revenue profit/(loss) per ordinary share – basic	(1.1)	4.1
Capital profit/(loss) per ordinary share – basic	(43.1)	154.7
Earnings per ordinary share – basic	**(44.2)**	**158.8**

Notes to the Financial Statements (unaudited)

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

The diluted earnings per ordinary share for the period is based on the weighted average number of ordinary shares in issue during the period adjusted for both shares held in the EBT and the weighted average dilutive effect of share-based payment awards at the average market price for the period.

The latter adjustment is not required for the period ended 30 June 2020 as the resulting 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 the diluted loss per ordinary share.

Pence	Six months ended 30 June 2020	Six months ended 30 June 2019
Revenue profit/(loss) per ordinary share – diluted	(1.1)	4.1
Capital profit/(loss) per ordinary share – diluted	(43.1)	154.4
Earnings per ordinary share – diluted	**(44.2)**	**158.5**

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

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

	30 June 2020	31 December 2019
Net assets (£ million)	3,047.3	3,145.6
Number of shares in issue (million)	156.8	156.8
Own shares (million)	(0.6)	(0.1)
Basic shares (million)	156.2	156.7
Effect of share-based payment awards (million)	0.5	0.2
Diluted shares (million)	**156.7**	**156.9**

Pence per share	30 June 2020	31 December 2019
Net asset value per ordinary share - basic	1,950	2,007
Net asset value per ordinary share - diluted	1,944	2,004

5. Dividends

	Six months ended 30 June 2020	Six months ended 30 June 2019
Dividends (£ million)	27.4	26.3
Dividends (pence per share)	17.5	17.0

The Board of Directors declared an interim dividend of 17.5 pence per ordinary share (£27.4 million) on 2 March 2020, which was paid on 30 April 2020. The Board has declared the payment of a second interim dividend of 17.5 pence per ordinary share (£27.4 million) in respect of the year ending 31 December 2020. This will be paid on 30 October 2020, to shareholders on the register on 2 October 2020. Both payments are funded from accumulated capital profits.

Additional commentary may be found in the Report and Accounts for the year ended 31 December 2019.

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 regard 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 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 and liabilities 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.

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/fund administrator as at the balance sheet date.

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

Level 3

The Group considers all private investments, whether direct or funds (shown in the Investment Portfolio on pages 7 and 8), as level 3 assets, as the valuations of these assets are typically not based on observable market data. Where other funds invest into illiquid positions, these are also considered by the Group to be level 3 assets.

For the private fund investments, fair value is deemed to be the capital account statement balance as reported by the fund's General Partner (GP), which represents the Group's pro-rata proportion of the fund's net asset value. At 30 June 2020, the vast majority of these funds were valued using 31 March 2020 statements, adjusted for subsequent investments and distributions. A review is conducted annually to confirm the fund's investments are prepared on the basis of fair value.

The directly-held private investments are valued on a semi-annual basis using techniques including a market approach, cost approach and/or income approach. The valuation process involves the investment functions of JRCM 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 chaired by Mike Power and of which the Audit and Risk Committee chair is also a member. The specific techniques used will typically include earnings multiples, discounted cash flow analysis, the value of recent transactions and, where appropriate, industry specific methodologies. 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 2020 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. Bank loans totalling £335 million were drawn during the period resulting in the bank facilities being fully drawn at 30 June 2020. 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. These were valued at 30 June 2020 by JLL in accordance with the Valuation – Global Standards 2017 issued by the Royal Institution of Chartered Surveyors on the basis of fair value.

The following table analyses the Group's assets and liabilities within the fair value hierarchy, at 30 June 2020:

As at 30 June 2020 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Portfolio investments	477.6	1,521.0	1,084.5	3,083.1
Non-consolidated subsidiaries	–	–	65.5	65.5
Investments held at fair value	477.6	1,521.0	1,150.0	3,148.6
Derivative financial instruments	3.7	7.3	–	11.0
Total financial assets at fair value through profit or loss	**481.3**	**1,528.3**	**1,150.0**	**3,159.6**
Non-financial assets measured at fair value:				
Investment property	–	–	36.4	36.4
Property, plant and equipment	–	–	22.6	22.6
Total non-financial assets measured at fair value	**–**	**–**	**59.0**	**59.0**
Financial liabilities at fair value through profit or loss:				
Borrowings	–	–	(551.5)	(551.5)
Other payables	(35.0)	–	–	(35.0)
Derivative financial instruments	(0.7)	(19.6)	–	(20.3)
Total financial liabilities at fair value through profit or loss	**(35.7)**	**(19.6)**	**(551.5)**	**(606.8)**
Total net assets measured at fair value	**445.6**	**1,508.7**	**657.5**	**2,611.8**
Other non-current assets				3.8
Cash at bank				308.1
Other current assets				139.3
Other current liabilities				(12.2)
Other non-current liabilities				(3.5)
Net assets				**3,047.3**

Movement in level 3 assets

Period ended 30 June 2020 £ million	Investments held at fair value	Properties	Total
Opening balance	1,132.6	60.3	1,192.9
Purchases	87.0	0.1	87.1
Sales	(86.1)	(0.1)	(86.2)
Realised gains/(losses) through profit or loss	5.8	–	5.8
Realised gains/(losses) through other comprehensive income	–	0.2	0.2
Unrealised gains/(losses) through profit or loss	109.0	0.4	109.4
Unrealised gains/(losses) through other comprehensive income	–	(1.2)	(1.2)
Transfer out of level 3	(98.3)	–	(98.3)
Other	–	(0.7)	(0.7)
Closing balance	**1,150.0**	**59.0**	**1,209.0**

Notes to the Financial Statements (unaudited)

6. Financial instruments (continued)

During the period, a direct private investment with a fair value of £98.3 million was reclassified from level 3 to level 2. This reflected the fact that, following an IPO, its main underlying investments were listed. This is now disclosed in the Investment Portfolio within quoted equity. In addition, a quoted stock was reclassified from level 2 to level 1 as a result of a lock-up expiring that previously prevented the ability to sell the position.

Level 3 assets

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 fair valuing the asset. 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 £ million	30 June 2020	31 December 2019
Earnings multiple	149.4	85.1
Recent financing round	54.5	93.3
Discounted cash flow (DCF)[1]	16.8	17.3
Agreed sale/offer	11.8	5.2
Third party valuations	11.5	126.9
Other industry metrics	1.7	3.9
Total	**245.7**	**331.7**

[1] Included within these methods are direct private investments held within the non-consolidated subsidiaries with a total of £1.0 million (2019: £1.0 million).

For companies with positive earnings, we seek to utilise an earnings multiple approach, typically using EBITDA. 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, often with a discount to reflect the risks associated with the transaction completing or any price adjustments. 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. Where we have co-invested alongside a GP, we typically utilise the GP's valuation, consistent with our approach to private funds.

The following table provides a sensitivity analysis of the valuation of directly-held private investments and the impact on net assets:

Primary valuation method	Sensitivity analysis
Earnings multiple	Assets in this category are valued using a multiple in the range of 1.7x - 7.6x for EV/Sales and 10.7x for EV/EBITDA. If the multiple used for valuation purposes is increased/decreased by 5% then the net assets would increase/decrease by £6.2 million or 0.20% (2019: £4.6 million, 0.14%).
Recent financing round	A 5% change in the value of these assets would result in a £2.7 million or 0.09% (2019: £4.7 million, 0.15%) change in net assets.
DCF	Assets in this category are valued using a weighted average cost of capital range of 8% - 30%. A 1% point increase/decrease in the cost of capital would result in a decrease/increase in the net assets of £1.9 million or 0.06% (2019: £2.5 million, 0.08%).
Agreed sale/offer	A 5% change in the value of these assets would result in a £0.6 million or 0.02% (2019: £0.3 million, 0.01%) change in net assets.
Third-party valuations	A 5% change in the value of these assets would result in a £0.6 million or 0.02% (2019: £6.3 million, 0.20%) change in net assets.
Other industry metrics	A 5% change in the value of these assets would result in a £0.1 million or 0.003% (2019: £0.2 million, 0.01%) change in net assets.

The investment property and property, plant and equipment had an aggregate fair value of £59.0 million (2019: £60.3 million), the vast majority of which was valued using a third-party valuation provided by JLL. The valuation used weighted average capital values of £1,683 per square foot (2019: £1,709 per square foot) developed from rental yields and market transactions. A £75 per square foot increase/decrease in capital values would result in a £2.5 million or 0.08% (2019: £2.5 million, 0.08%) change in net assets.

The non-consolidated subsidiaries are held at their fair value of £65.5 million (2019: £49.7 million) representing £59.3 million of portfolio investments (2019: £43.5 million) and £6.2 million of remaining assets and liabilities (2019: £6.2 million). A 5% change in the value of assets would result in £3.3 million or 0.11% (2019: £2.5 million, 0.08%) change in 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 £839.8 million (2019: £752.2 million). A 5% change in the value of these assets would result in a £42.0 million or 1.38% (2019: £37.6 million, 1.20%) change in net assets.

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 2019:

As at 31 December 2019 £ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Portfolio investments	457.2	1,496.3	1,082.9	3,036.4
Non-consolidated subsidiaries	–	–	49.7	49.7
Investments held at fair value	457.2	1,496.3	1,132.6	3,086.1
Derivative financial instruments	4.1	47.0	–	51.1
Total financial assets at fair value through profit or loss	**461.3**	**1,543.3**	**1,132.6**	**3,137.2**
Non-financial assets measured at fair value:				
Investment property	–	–	36.1	36.1
Property, plant and equipment	–	–	24.2	24.2
Total non-financial assets measured at fair value	**–**	**–**	**60.3**	**60.3**
Financial liabilities at fair value through profit or loss:				
Borrowings	–	–	(216.4)	(216.4)
Other payables	(35.3)	–	–	(35.3)
Derivative financial instruments	–	(10.8)	–	(10.8)
Total financial liabilities at fair value through profit or loss	**(35.3)**	**(10.8)**	**(216.4)**	**(262.5)**
Total net assets measured at fair value	**426.0**	**1,532.5**	**976.5**	**2,935.0**
Other non-current assets				2.5
Cash at bank				61.1
Other current assets				172.2
Other current liabilities				(23.3)
Other non-current liabilities				(1.9)
Net assets				**3,145.6**

Movements in level 3 assets

Year ended 31 December 2019 £ million	Investments held at fair value	Properties	Total
Opening balance	1,029.0	61.6	1,090.6
Purchases	196.7	0.2	196.9
Sales	(139.0)	–	(139.0)
Realised gains/(losses) through profit or loss	8.2	–	8.2
Unrealised gains/(losses) through profit or loss	57.9	0.6	58.5
Unrealised gains/(losses) through other comprehensive income	–	(1.8)	(1.8)
Transfer into level 3	57.5	–	57.5
Transfer out of level 3	(77.7)	–	(77.7)
Other	–	(0.3)	(0.3)
Closing balance	**1,132.6**	**60.3**	**1,192.9**

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 2020 and 30 June 2019 has been neither reviewed nor audited.

The information for the year ended 31 December 2019 has been extracted from the latest published audited financial statements.

The audited financial statements for the year ended 31 December 2019 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.

Investment Portfolio Reconciliation

The following table shows a reconciliation between the amounts reported within the investment portfolio, as shown on pages 7 and 8, and the 30 June 2020 consolidated balance sheet, as shown on page 11.

£ million	Quoted equity	Private investments	Absolute return and credit	Real assets	Other investments	Net liquidity/ borrowings/ other	30 June 2020 consolidated balance sheet
Non-current assets							
Portfolio investments at fair value	1,602.5	733.3	740.8	6.5	–	–	3,083.1
Non-consolidated subsidiaries	0.2	1.7	57.4	–	–	6.2	65.5
Investments held at fair value	1,602.7	735.0	798.2	6.5	–	6.2	3,148.6
Investment property	–	–	–	36.8	–	–	36.8
Property, plant and equipment	–	–	–	24.1	–	0.2	24.3
Deferred tax asset	–	–	–	–	–	1.6	1.6
Retirement benefit asset	–	–	–	–	–	0.1	0.1
Derivative financial instruments	–	–	–	–	2.2	–	2.2
	1,602.7	**735.0**	**798.2**	**67.4**	**2.2**	**8.1**	**3,213.6**
Current assets							
Derivative financial instruments	0.1	–	0.3	2.9	5.5	–	8.8
Other receivables	0.3	–	–	–	–	139.0	139.3
Cash at bank	3.2	–	–	–	–	304.9	308.1
	3.6	–	0.3	2.9	5.5	443.9	456.2
Total assets	**1,606.3**	**735.0**	**798.5**	**70.3**	**7.7**	**452.0**	**3,669.8**
Current liabilities							
Borrowings	–	–	–	–	–	(378.6)	(378.6)
Derivative financial instruments	(3.3)	–	(0.1)	(0.6)	(8.7)	–	(12.7)
Other payables	(35.0)	–	–	–	(0.2)	(6.6)	(41.8)
Amounts owed to group undertakings	–	–	–	–	–	(5.4)	(5.4)
	(38.3)	–	(0.1)	(0.6)	(8.9)	(390.6)	(438.5)
Net current assets/(liabilities)	**(34.7)**	**–**	**0.2**	**2.3**	**(3.4)**	**53.3**	**17.7**
Total assets less current liabilities	**1,568.0**	**735.0**	**798.4**	**69.7**	**(1.2)**	**61.4**	**3,231.3**
Non–current liabilities							
Borrowings	–	–	–	–	–	(172.9)	(172.9)
Derivative financial instruments	–	–	(5.5)	–	(2.1)	–	(7.6)
Provisions	–	–	–	–	–	(1.4)	(1.4)
Finance lease liability	–	–	–	(2.1)	–	–	(2.1)
	–	–	(5.5)	(2.1)	(2.1)	(174.3)	(184.0)
Net assets	**1,568.0**	**735.0**	**792.9**	**67.6**	**(3.3)**	**(112.9)**	**3,047.3**

Glossary and Alternative Performance Measures

Glossary

Within the Company Highlights, Chairman's Statement and Manager's 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 IFRS and the AIC SORP. They are denoted with an * in this section.

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 2020	31 December 2019
Total assets	3,669.8	3,433.3
Less: cash	(308.1)	(61.1)
Sub total	3,361.7	3,372.2
Net assets	3,047.3	3,145.6
Gearing	**10.3%**	**7.2%**

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. We have slightly amended the calculation for the remaining 50%. This now uses a sterling hedged ACWI from 1 January 2015 (from when this is readily available) as this incorporates hedging costs, which the portfolio also incurs, to protect against currency risk. 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 shares going ex-dividend. The NAV per share at 30 June 2020 was 1,944 pence, a decrease of 60 pence, or -3.0%, from 2,004 pence at the previous year end. As dividends totalling 17.5 pence per share were paid during the period, the effect of reinvesting the dividends in the NAV is 0.9%, which results in a NAV total return of -2.1%.

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 typically represents the exposure that is equivalent to holding the same underlying position through a cash security.

Premium/discount: The premium or discount is calculated by taking the closing share price on 30 June 2020 and dividing it by the NAV per share at 30 June 2020, 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.

RPI: The RPI refers to the United Kingdom Retail Price Index as calculated by the Office for National Statistics and published monthly. It is used in one of the Company's KPIs (RPI plus 3.0% per annum).

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 2020 closed at 1,786 pence, a decrease of 329 pence, or -15.6%, from 2,115 pence at the previous year end. As dividends totalling 17.5 pence per share were paid during the period, the effect of reinvesting the dividends in the share price is 0.9%, which results in a TSR of -14.7%. 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
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). You will also be asked to agree to the Terms and Conditions for Electronic Communication with Shareholders.

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.

Directory

DIRECTORS
Sir James Leigh-Pemberton (Chairman)
Philippe Costeletos
Maggie Fanari
Maxim Parr (elected 26 May 2020)
André Perold
Mike Power
Hannah Rothschild
Jeremy Sillem
Jonathan Sorrell (elected 26 May 2020)
Amy Stirling

MANAGER, ADMINISTRATOR, COMPANY SECRETARY AND REGISTERED OFFICE
J. Rothschild Capital Management Limited (JRCM)
(a wholly-owned subsidiary of RIT Capital Partners plc)
27 St. James's Place
London SW1A 1NR

JRCM EXECUTIVE COMMITTEE
Francesco Goedhuis (Chairman and Chief Executive Officer)
Andrew Jones (Chief Financial Officer)
Jonathan Kestenbaum (Chief Operating Officer)
Ron Tabbouche (Chief Investment Officer)

INDEPENDENT AUDITORS
Ernst & Young LLP
25 Churchill Place
London E14 5EY

BROKERS
JP Morgan Cazenove Limited
25 Bank Street
London E14 5JP
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

DEPOSITARY AND CUSTODIAN
BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

AIC
The Company is a member of the Association of Investment Companies
www.theaic.co.uk

FOR INFORMATION
27 St. James's Place
London SW1A 1NR
Tel: 020 7647 6203
Fax: 020 7493 5765
Email: investorrelations@ritcap.co.uk
Website: www.ritcap.com

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

27 St. James's Place London SW1A 1NR

RIT Capital Partners plc