RNS Number : 9766Y
RIT Capital Partners PLC
03 March 2025

**RIT Capital Partners plc**

**("RIT" or the "Company")**

**3 March 2025**

**Results for the year ended 31 December 2024**

**Positive returns from all three investment pillars, with 10.3% dividend rise planned for 2025**

- The Company's Report and Accounts are available here: [http://www.rns-pdf.londonstockexchange.com/rns/9766Y_1-2025-2-28.pdf](http://www.rns-pdf.londonstockexchange.com/rns/9766Y_1-2025-2-28.pdf)

**Highlights**

- Net Asset Value (NAV) per share total return for the year of 9.4%[1] (including dividends) (2023: 3.2%)
- Total shareholder return of 7.9% (including dividends) (2023: -9.6%)
- Net assets up 4.4% to £3.7bn (2023: £3.6bn)
- Quoted Equities contributed 6.9% to NAV, with returns of 15.8%
    - Progressively increased portfolio allocation to 46.2% (31 Dec 2023: 38.4%)
    - Strong performances from direct stock investments in Quality and SMID-cap companies, and from specialist managers focusing on Japan and China
- Private Investments contributed 1.8% to NAV, with returns of 4.8% following two years in negative territory
    - Private fund investments were the biggest contributor, while direct investments were broadly flat
    - £170m of realisations, supported by improving IPO conditions and M&A activity
    - Invested in SpaceX, the private space launch and satellite communications company
    - Reduced allocation to 33.4% (2023: 35.9%), in line with target
- Uncorrelated Strategies contributed 1.3% to NAV, with returns of 4.5%
    - Allocation decreased marginally to 23.8% (2023: 25.6%) with positive returns from credit, macro and market-neutral strategies partially offset by declines in gilts and carbon credits
- Currency detracted modestly, as sterling strengthened against other major currencies, except the US dollar
- Our Ongoing Charges Figure, a measure of day-to-day running costs, was stable at 0.76% for the year (2023: 0.77%)
- Discount of -24.0% at 31 December 2024, an issue facing much of the investment trust sector. Narrowing the discount remains a key priority of the Board
- In the last 10 years, RIT has generated a NAV per share total return of 108.6%, more than doubling shareholders' capital
- Since listing in 1988, the annualised share price total return has compounded at 10.5% per annum, and the NAV per share total return at 10.5% per annum
- £10,000 invested in RIT at listing would be worth approximately £378,000 today[2] compared to the same amount invested in the ACWI (50% £), which would be worth approximately £147,000
- Sir James Leigh-Pemberton has decided to retire as Chairman at the forthcoming AGM in May due to increased demands from his wider commitments. Subject to his re-election, the Board has nominated the Senior Independent Director, Philippe Costeletos, to replace Sir James

**Capital allocation**

- 2024 marked the 11th successive year of dividend growth
- Bought back £80 million or 4.3 million shares, adding 0.8% to the NAV per share return
- Planned dividend of 43p per share in 2025, a 10.3% increase on 2024, to be paid in two equal instalments in April and October
- The Board is continuing to allocate capital to buybacks in 2025, signalling its confidence in the NAV and overall approach

**Financial summary**

| | 31 December 2024 | 31 December 2023 | Return / Change |
|---|---|---|---|

| | | | |
|---|---|---|---|
| RIT NAV per share total return | 9.4% | 3.2% | 6.2% pts |
| RIT share price total return | 7.9% | -9.6% | 17.5% pts |
| NAV per share | 2,614p[1] | 2,426p | 7.7% |
| Share price | 1,986p | 1,882p | 5.5% |
| Premium/(discount) | -24.0% | -22.4% | -1.6% pts |
| Net assets | £3,731m | £3,573m | 4.4% |
| Gearing | 8.9% | 3.5% | 5.4% pts |
| OCF for the year | 0.76% | 0.77% | -0.01% pt |
| Total dividend in year | 39.0p | 38.0p | 2.6% |

**Outlook**

- While markets remain uncertain, our flexible and diversified portfolio is designed to be resilient in any environment
- Buoyant equity markets face risks from high valuations and concentrated technology performance, underlining the importance of a selective approach
- Private Investments are set to benefit from improved regulatory conditions, which should support growth in M&A and IPO activity, providing monetisation opportunities and enhancing returns
- In Uncorrelated Strategies, we see compelling opportunities in certain areas of the market, while a more normalised interest rate environment remains supportive
- We continue to see investment opportunities in megatrends shaping the global economy including the diffusion of technology, medical advances increasing longevity and quality of life, and a multi-polar world
- Our brand, in-house expertise, network of specialist managers and flexible capital structure enable us to take advantage of these megatrends, driving long-term returns

1 *Unchanged from the preliminary, unaudited 31 December 2024 NAV reported to shareholders on 6 February 2025. Over the same period, the Company's two reference indices, CPI plus 3% and the ACWI (50% £) were up 5.5% and 20.1% respectively*

2 *As at 31 December 2024*

**Sir James Leigh-Pemberton, Chairman of RIT Capital Partners plc, said:**

"All three of our investment pillars saw positive performance, led by the Quoted Equities portfolio which had another good year. In 2024, we carefully reduced our exposure to Private Investments to a third of net asset value and our emphasis on returns to shareholders continues through a progressive dividend policy and share buybacks."

**Maggie Fanari, Chief Executive Officer of J. Rothschild Capital Management, said:**

"2024 was a year of solid progress for the Company, and we enter 2025 with the portfolio well positioned for continued growth. Our Quoted Equities pillar delivered mid-teen returns, while in Private Investments we enhanced performance and realisations and our SpaceX investment demonstrates our ability to access exclusive opportunities not typically available to individual investors. While macroeconomic uncertainties remain, we believe our flexible and resilient portfolio is well positioned to take advantage of global opportunities across asset classes while managing risks, and to deliver returns in line with our long-term trend."

**Annual General Meeting:**

This year's Annual General Meeting will be held on Thursday, 1 May at 12:00 pm at Spencer House, London SW1A 1NR

**For more information:**


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**The following is extracted from the Company's Report and Accounts**

**COMPANY HIGHLIGHTS**

| Key company data | 31 December 2024 | 31 December 2023 | Change |
|---|---|---|---|
| NAV per share | 2,614p | 2,426p | 7.7% |
| Share price | 1,986p | 1,882p | 5.5% |
| Premium/(discount) | -24.0% | -22.4% | -1.6% pts |
| Net assets | £3,731m | £3,573m | 4.4% |
| Gearing[1] | 8.9% | 3.5% | 5.4% pts |
| Ongoing charges figure[1] | 0.76% | 0.77% | -0.01% pt |
| Total dividend paid in year | 39.0p | 38.0p | 2.6% |

| Performance history | 1 Year | 3 Years | 5 Years | 10 Years | Since inception, 1988 |
|---|---|---|---|---|---|
| RIT NAV per share total return[1] | 9.4% | -2.1% | 40.9% | 108.6% | 3,667% |
| CPI plus 3.0% per annum | 5.5% | 28.1% | 43.9% | 80.4% | 678% |
| ACWI (50% £) | 20.1% | 23.7% | 67.2% | 169.8% | 1,373% |
| RIT share price total return[1] | 7.9% | -23.4% | 3.0% | 70.1% | 3,683% |
| FTSE 250 Index[2] | 8.1% | -3.5% | 7.7% | 68.1% | 1,746% |

1 *The Group's designated Alternative Performance Measures (APMs) are the NAV per share total return, share price total return, gearing, and ongoing charges figure (OCF). A description of the terms used in this RNS, including further information on the calculation of APMs, is set out in the Glossary and APMs section.*

2 *RIT's shares are a constituent of the FTSE 250 Index, which is not considered a Key Performance Indicator (KPI). Before June 1998, when the total return index was introduced, the index was measured using a capital-only version.*

**CHAIRMAN'S STATEMENT**

**Sir James Leigh-Pemberton**

**Introduction**

2024 was a year of continuing market uncertainty, against the backdrop of sustained hostilities in Europe and the Middle East, and significant political change. While the US economy exhibited relatively robust growth, other Western economies were affected by rising input costs, muted consumer demand, and stubborn levels of unemployment; China's growth was also relatively modest despite considerable stimulus measures. Collectively, these posed challenges throughout the year to policy makers and investors alike.

**NAV performance**

In these circumstances I am pleased to report that for the year ended 31 December 2024, our NAV per share increased by 9.4% (including dividends) to finish the year at 2,614p. All three of our investment pillars saw positive performance, led by the Quoted Equity portfolio which had another good year. We also saw positive returns from our Private Investments and Uncorrelated Strategies. Further details on performance and attribution are set out later.

Our Manager, J. Rothschild Capital Management Limited (JRCM), is tasked with managing our net asset value in line with the long-term objectives set by the Board. Our founder, the late Lord Jacob Rothschild often noted that our overall approach to capital growth is designed to be prudent. How this is reflected in the portfolio can vary from year to year, but it is embedded in everything we do - how we select or structure individual investments, how we combine complementary investments into our diversified portfolio, and how we use protection through hedges. RIT is not an absolute return trust, nor a trust that is fully-invested in stocks - we sit in between, with our portfolio constructed to generate real returns over time.

Our NAV performance was above our inflation hurdle, CPI plus 3% which measured 5.5%, and behind our equity index of the ACWI (50% £), at 20.1%. The latter was once again dominated by the mega-cap technology stocks; by contrast, the broader, equal-weighted ACWI returned approximately 10% for the year.

**Share price performance and discount**

Our shares ended the year at 1,986p per share, representing a total return to shareholders including the dividend, of 7.9%. While this is a positive outcome, we were nonetheless disappointed to see the discount remaining wider than we feel is warranted at -24% at the year end. Closing the discount is a matter of the upmost importance to all of us. Your Board and our many colleagues in JRCM are shareholders with significant 'skin in the game'. Our Senior Independent Director, Philippe Costeletos and I, as well as our JRCM colleagues, have spoken with many shareholders on this topic during the year, and we are grateful for their open and constructive feedback.

We have taken a range of actions during the year; I discuss below how we have carefully reduced our exposure to private investments, and our continued emphasis on returns to shareholders through dividends and buybacks. We have also brought in a new leadership team at our Manager, and have transformed our approach to disclosures, investor relations and communications. This is all designed to ensure that shareholders understand as clearly as possible the objectives the portfolio is designed to achieve, its composition, and how we allocate our capital. It has been gratifying to receive so many positive comments from existing and new shareholders in response.

One of the headwinds facing investment trusts over recent years has been the confusing cost disclosures required under the EU-inherited legislation called PRIIPs. As a public company our costs have always been disclosed throughout this report including in our income statement. We have also shown the AIC's recommended Ongoing Charges Figure or OCF, a measure of the day-to-day running costs of our business (which for 2024 was 0.76% of average net assets). All the costs associated with our business and our investments, including fees paid to external managers, have always been reflected in our NAV and therefore our share price. Regrettably, the PRIIPs legislation resulted in disclosures which suggested these costs were additional to those reflected in our NAV. In September 2024, after extensive efforts from many, the FCA and the Government announced plans to exclude investment trusts from this legislation. This was a welcome step enabling investment trust shares to be treated the same as other listed companies. We are closely monitoring the proposed replacement regime and will ensure our voice is heard in an effort to enable clear and accurate reporting of our costs.

**Capital allocation, dividends and buybacks**

In our 2023 Annual Report, I set out the Board's approach to capital allocation, both to the investment portfolio, and to returning capital to shareholders in the form of dividends and share buybacks. I will deal with these in turn.

Our Company's objective is to grow shareholders' wealth meaningfully over time. To achieve this requires that sufficient capital is deployed in the right investments, in a diversified portfolio capable of generating long-term capital growth in a prudent, risk-managed way. Private investments have been a part of our investment approach since the early days of what was originally the Rothschild Investment Trust. They have been a strong generator of long-term capital growth over the lifespan of our Company and remain an asset class which we believe has an important role to play in our diversified portfolio. Indeed, it was the success of this portfolio pillar which drove an increase in its percentage of our NAV above its typical historical weighting.

typical historical weighting.

Nevertheless, conscious of the broader market's concerns regarding private investments, I set out in last year's statement our intention to reduce their portfolio weighting to between a quarter and a third of NAV within two years. One year on, private investments have already reduced to 33% of NAV, within our target range. Our Manager has achieved this by restricting new investments and capitalising on advantageous opportunities to realise assets. The portfolio generated sizeable realisations during the year with fund inflows exceeding capital calls, and realisations from the direct portfolio (at a price above the previous carrying value). The net cash surplus from this pillar helped fund our buybacks and dividends. SpaceX was a new direct private investment in 2024, reinforcing the strength of our network.

We recognise that for many of our shareholders, our progressive approach to dividends represents a helpful source of growing income. We paid a dividend during 2024 of 39 pence per share, an increase of 2.6% over 2023. Reflecting our confidence in our approach, we propose to increase the dividend for 2025 above inflation, to 43p per share (approximately £62m, an increase of 10.3%). This will be the 12th successive year of dividend increases, and we expect to maintain or increase the dividend, subject always to our capital preservation needs.

The ability to utilise share buybacks to purchase our shares at a discount has been a feature of our approach for many years, and we have deployed it at scale since early 2023. During 2024 we invested a further £80m in buybacks, acquiring 4.3 million shares at a discount to NAV, which added around 0.8% to our NAV per share return. We recognise the benefits of buybacks in terms of this NAV per share accretion - buying a portfolio that we believe in very cheaply is an attractive investment. Furthermore, it signals our confidence in our NAV and overall approach, and helps reduce share price volatility. However, buybacks are also illiquid and a 'one-time' investment, which ultimately reduces our scale. As such, we are careful to balance the allocation of capital to buybacks depending on the level of the discount (and how it has moved relative to the broader market) with the need to sow the seeds for future gains. Nonetheless, we expect to continue to utilise buybacks during 2025, and we will keep capital allocation under continuous review, retaining the flexibility to adjust how much capital we deploy to buybacks depending on the size of the discount.

**Outlook**

The global economic landscape and financial markets may continue to exhibit resilience, but we are mindful that they also face a range of risks. These include the stubbornness of inflationary pressures, growing levels of government borrowing and the renewed possibility of tariffs. We have already seen significant moves in government bond yields as these risks become more apparent. Equity valuations feel somewhat stretched, and the US Federal Reserve faces a delicate balance, navigating between sticky inflation and growing concerns about economic slowing in 2025. Policy makers in governments and central banks face a difficult balancing act between stimulating growth, fiscal prudence and bringing inflation down to targeted levels, while perceptions of growing wealth inequality give rise to increasing political polarisation.

That said, there are also reasons for optimism. In the US, strong consumer demand, full employment and fiscal stimulus continue to drive robust economic growth, while the trend of inflation has been downward. Corporate earnings continue to be strong, and innovation, particularly technology-led, has the potential to drive further productivity gains. Within the private equity market, we have also seen an increasing number of successful IPOs and a recovery in M&A transactions, providing a more fertile ground for exits.

In this environment, asset allocation and investment selection become increasingly important; we will continue to approach our portfolio composition with care, while acknowledging that such market complexities provide attractive opportunities for our diversified and unconstrained approach.

**Governance and employees**

We are committed to retaining an experienced Board, sufficiently diverse in all respects to foster high quality debate, oversight, and decision making. Our Board currently has a 50:50 gender split, and with two Directors from a minority ethnic background. I am pleased therefore that we comply with the recommendations of the FTSE Women Leaders Review, the Parker Review and the FCA UK Listing Rules in terms of Board composition. In October 2024, we welcomed Helena Coles as a new non-executive Director. Helena's significant experience in global public equities and the listed investment trust sector complements the skill set of the Board, and she has already made valuable contributions as a Director and as a member of the Audit and Risk Committee.

During 2024, we maintained our focus on ESG and we continue to recognise the importance of communicating how we are integrating ESG into our strategy and decision making. You will see our first report regarding the Task Force on Climate-related Financial Disclosures in our Sustainability Report.

Finally, I have taken the very difficult decision, as a result of the increased demands from my wider commitments, not to stand for re-election as a Director. I will therefore retire as the Chairman of your Company at the forthcoming AGM in May. Subject to his re-election, the Board has nominated our Senior Independent Director, Philippe Costeletos, to replace me as Chairman. As part of our succession planning, Philippe and I discussed this proposed change with many of our largest shareholders, and we are most grateful for their support. I am delighted that Philippe is succeeding me and I am sure that his exceptional skills, experience and good judgement will continue to serve the Company well in the years to come.

Succeeding Lord Rothschild as your Chairman has been an honour and a privilege, and I want to thank both my Board colleagues for their dedication, support and wise counsel over the years, and likewise colleagues at our subsidiaries, our Manager, JRCM and our property and events business, Spencer House Limited, for their hard work, energy and professionalism. Maggie Fanari has been in her new role as CEO of JRCM since March 2024, and the Board is pleased with the scope and pace of the progress that she and her team have already made this year. I have every confidence that the culture of performance and collaboration which is the hallmark of RIT, will continue and will be enhanced under our Company's new leadership team, and I look forward to retaining a close interest in progress as a long-term shareholder.

I would also like to thank you, our shareholders, for your loyalty and your constructive feedback. Regular interactions with shareholders from all backgrounds have been a highlight of my tenure, and I wish you all the very best for the future.

**Sir James Leigh-Pemberton**

**Chairman**

**28 February 2025**

**CEO Letter**

**Dear Shareholder,**

2024 was a year of solid progress for the Company, and we enter 2025 well positioned for growth. We see exciting prospects ahead for the portfolio, and I am delighted to have this opportunity to update you on these along with developments over the last 12 months.

**Strategy and performance**

Our goal is to help you accumulate wealth over time by building a portfolio offering growth, resilience and diversification with lower risk than equity markets. By leveraging our brand, internal expertise and specialist managers, we offer access to exclusive opportunities not typically available to individual investors, a recent example being SpaceX, the private space launch and satellite communications company.

In 2024, we delivered a net asset value (NAV) per share total return of 9.4%, with positive performance across all three pillars. Our annualised return since inception is 10.5%, underscoring our commitment to delivering healthy returns for our shareholders over the long term.

We increased our allocation to Quoted Equities, ending the year at 46.2% of NAV, and generated mid-teen returns. This

We increased our allocation to Quoted Equities, ending the year at 46.2% of NAV, and generated mid-teen returns. This pillar benefited from our selection of quality and small-to-mid cap stocks, along with a strong performance from managers investing in China and Japan.

Our Private Investments portfolio produced positive returns following two years in negative territory. During the year, we decreased the book to around a third of NAV (33.4% from 35.9% at the end of 2023). We achieved this largely through distributions and realisations, which in aggregate were above previous carrying values.

Our Uncorrelated Strategies play an important role in diversifying the portfolio, with steady contributions during the year.

**Increased transparency and engagement**

The exclusion of investment trusts from PRIIPs legislation in 2024 marked significant progress, aligning our reporting with other listed companies. Our Ongoing Charges Figure (OCF), a measure of day-to-day running costs, was 0.76% (2023: 0.77%).

We have strengthened investor communication by hiring the consultancy Cadarn Capital, relaunching our website, increasing disclosure in our monthly factsheet and engaging actively with retail investment platforms, media and other stakeholders.

Investor communication is a two-way process, and I want to thank you for your invaluable feedback since I became CEO. A key theme has been the share price discount to NAV, a sector-wide issue. We firmly believe that this significantly undervalues our portfolio and addressing it is a key priority. Colleagues at JRCM have interests in approximately £25 million RIT shares at the year end, reinforcing the close alignment with shareholders.

Alongside enhancing our performance, we are taking action by increasing our transparency and investor engagement. Our ongoing share buyback programme also aims to enhance shareholder value by delivering NAV per share accretion.

**Outlook**

Markets in 2025 offer challenges and opportunities, with the US economy expected to outpace the eurozone, inflation likely to continue to stabilise and the uncertain impact of new import tariffs. Buoyant equity markets face risks from high valuations and concentrated technology performance, underlining the importance of a selective approach. Meanwhile, private investments are set to benefit from improved regulatory conditions, supporting growth in M&A and IPO activity, while certain credit markets and market-neutral strategies remain attractive.

Against this backdrop, we are building on our foundation for sustainable growth. We continue to see significant opportunities in megatrends that are shaping the global economy. These include the diffusion of technology, with AI and digital transformation extending well beyond traditional tech sectors, medical advances increasing longevity and quality of life, and a multi-polar world, with shifting economic power reshaping supply chains and investment flows.

Our specialist partners provide privileged access to opportunities across public and private markets, while our flexible capital structure enables us to deploy capital swiftly where we see compelling returns. We are focused on delivering long-term capital appreciation and attractive risk-adjusted returns for shareholders, building a dynamic and resilient portfolio for the years ahead.

Thank you for your continued engagement and support.

Yours sincerely,

**Maggie Fanari**

**Chief Executive Officer, J. Rothschild Capital Management Limited**

**MANAGER'S REPORT - EXTRACTS**

**Performance Highlights**

Our NAV per share total return for the year was 9.4% with positive returns across all three investment pillars. Our annualised return since inception is 10.5%, underscoring our commitment to delivering consistent returns for our shareholders over the long term.

Compared to our two reference hurdles, the portfolio outperformed CPI plus 3%, which was up 5.5%, and lagged the fully-invested equity index, ACWI (50% £), which was up 20.1%. The market saw continued narrowness, with over 60% of ACWI's returns generated by the top 10 US technology stocks.

**Portfolio overview**

Within our portfolio we were pleased to see mid-teen returns in our Quoted Equities pillar, a good contributor despite the narrowness in equity markets, positive returns from our Private Investments and steady performance from Uncorrelated Strategies. These positive contributions were generated by a diverse set of return drivers:

- The Quoted Equities pillar contributed 6.9% to our NAV, a return of 15.8%. Our stock selection contributed 2.9%, led by our exposures to quality and small-to-medium-sized companies (SMID-cap). Our quoted equity funds contributed 4.0%, with strong performance from our managers across our Japan and China themes.
- Private Investments contributed 1.8% to performance, a 4.8% return. While the private direct investments were near flat, the funds saw a 6.8% return. We saw realisations across both parts of the portfolio, resulting in net distributions from private investments.
- The Uncorrelated Strategies pillar contributed 1.3%, a 4.5% return, led by our exposures to absolute return and credit funds, with modest offsets from gilts and carbon credits.

In addition to this positive performance across our investment pillars, the NAV per share return benefitted from accretion from buybacks, partially offset by the impact of currency translation on our global portfolio, and costs (including interest paid on our borrowings).

**Asset allocation, returns and contribution**

| Asset category | 2023 % NAV[1] | 2024 % NAV[1] | 2024 Return[2] | 2024 % Contribution |
|---|---|---|---|---|
| Quoted Equities[3] | 38.4% | 46.2% | 15.8% | 6.9% |
| Private Investments[3] | 35.9% | 33.4% | 4.8% | 1.8% |
| Uncorrelated Strategies | 25.6% | 23.8% | 4.5% | 1.3% |
| Currency | 0.9% | -1.1% | n/a | -0.3% |
| Total investments | 100.8% | 102.3% | n/a | 9.7% |
| Liquidity, borrowings and other[4] | -0.8% | -2.3% | n/a | -0.3% |
| **Total** | 100.0% | 100.0% | 9.4% | 9.4% |

1 *The % NAV reflects the market value of the positions (excluding notional exposure from derivatives).*

2 *Returns are estimated, local currency returns, taking into account derivatives.*

3 *Included in the NAV is an adjustment of £159m/4.3% to reallocate quoted positions held within private funds (2023: £90m/2.5%). The return/contribution from these positions is in Private Investments.*

4 *Including interest, expenses, and accretion benefit of 0.8% from share buybacks (2023: 1.2%).*

**Outlook**

We are positioned for growth in 2025 focused on navigating change and seizing opportunities.

As we enter 2025, we do so with a greater sense of confidence in the global economy. Consumers and businesses have demonstrated resilience in adapting to higher interest rates, and central banks - including the Federal Reserve - have now begun to shift toward monetary easing, albeit at a more measured pace than initially anticipated.

At the same time, structural shifts such as US trade policies and constraints on immigration in developed markets are creating a negative supply shock, weighing on global growth while adding inflationary pressures. This dynamic introduces the possibility that the Federal Reserve may adjust its course on the easing cycle, introducing additional complexity into market expectations.

Equity markets have delivered two consecutive years of strong returns, leading to elevated valuations and a highly concentrated performance, driven largely by a handful of dominant technology stocks. The consensus around "American exceptionalism" is now well-established, making equities more vulnerable to shifts in sentiment. Against this backdrop, the flexibility in our approach will be invaluable in navigating the year ahead.

Despite these macroeconomic and also geopolitical uncertainties, we continue to identify high-conviction investment opportunities that offer attractive entry points. Our investment strategy remains anchored in transformative megatrends that are shaping the global economy. The diffusion of technology continues at pace, with AI and digital transformation extending well beyond traditional tech sectors. In healthcare, advances in biotechnology and medical innovation are increasing both longevity and quality of life, creating long-term opportunities in this space. Meanwhile, the world is becoming increasingly multi-polar, with shifting economic power reshaping supply chains and investment flows. These themes remain central to our portfolio positioning.

We expect Private Investments to benefit from the momentum seen in the final quarter of last year. A more favourable regulatory environment should support an acceleration in M&A and IPO activity, providing monetisation opportunities for the more mature parts of our portfolio. In Quoted Equities, we remain committed to investing alongside exceptional managers in our core themes, such as Japan and Healthcare, while also identifying undervalued companies with high barriers to entry across the large and mid-cap space. There are signs that market leadership may broaden, which should favour our approach and create opportunities for stock selection.

In Uncorrelated Strategies, we see compelling opportunities in certain areas of the credit market, particularly where companies without access to financing markets offer attractive yields with a low probability of permanent capital impairment. At the same time, a more normalised interest rate environment remains supportive of our macro and equity market-neutral managers.

Our ability to execute on these opportunities is underpinned by the structural advantages of RIT's investment approach. Our access to deep, long-term specialist partnerships provides privileged entry into investment opportunities across public and private markets. Our flexible capital structure enables us to move swiftly, deploying capital where we see the most compelling returns. At the same time, we remain disciplined in our portfolio construction, integrating our investment pillars with rigorous risk management to ensure a diversified and resilient portfolio.

Through this approach, we remain focused on delivering long-term capital appreciation and attractive risk-adjusted returns for shareholders. By positioning ourselves to thrive in uncertainty, we continue to capture value in an evolving investment landscape, building a portfolio that is both dynamic and durable for the years ahead.

**J. Rothschild Capital Management Limited**

**PRINCIPAL RISKS - EXTRACT**

**Risk management and internal control**

The principal risks facing RIT are both financial and operational. The ongoing process for managing the risks, and setting the overall risk appetite and risk parameters, is the responsibility of the Board and the Audit and Risk Committee. The risk evaluation is based on an assessment of the principal and emerging risks facing the Group, and their mitigating actions. The Manager is responsible for the implementation and day-to-day management of risk and the system of internal controls throughout the Group.

The Board sets the portfolio risk parameters within which JRCM operates. This involves an assessment of the nature and level of risk within the portfolio using qualitative and quantitative methods.

The Board is ultimately responsible for the Group's system of internal controls, and has delegated the supervision of the internal control system to the Audit and Risk Committee. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and, as such, can provide only reasonable and not absolute assurance against any material misstatement or loss.

As an investment company, RIT is exposed to financial risks inherent in its portfolio, which are primarily market-related and common to any portfolio with significant exposure to equities and other financial assets. The ongoing portfolio and risk management includes an assessment of the macroeconomic and geopolitical factors that can influence market risk, as well as consideration of investment-specific risk factors.

Your Company's broad and flexible investment mandate allows the Manager to take a relatively unconstrained approach to asset allocation and utilise whatever action is considered appropriate in mitigating any attendant risks to the portfolio.

With a high degree of volatility in markets and continued geopolitical tensions, risk management remains critical. The portfolio risk management approach undertaken by the Manager, and considered regularly by the Board, is designed to produce a healthy risk-adjusted return over the long term, through careful portfolio construction, security selection and the considered use of hedging.

As an investment business, the vast majority of the day-to-day activities involve the measurement, evaluation and management of risk and reward. With a corporate objective which includes an element of capital preservation, the culture and practice of seeking to protect the NAV from undue participation in down markets through the cycles is well established. However, it is important to recognise that a carefully designed risk management and internal control system can only aim to reduce the probability or mitigate the impact; it cannot remove the risk. With a global investment portfolio having meaningful exposure to equities, rather than a pure absolute return mandate, RIT's NAV will not be immune to either falling markets and/or volatility in currency markets. Equally, with a diversified set of individual and typically uncorrelated, high return-seeking drivers, the portfolio could encounter occasions when the level of volatility results in negative alpha in the short term.

As a permanent capital vehicle, and unlike open-ended funds, we do not need to manage the portfolio to meet redemptions. With sizeable assets relative to our modest borrowings and ongoing liabilities, as confirmed later in this section, we do not consider the Company's viability or going concern to represent principal risks. Nevertheless, and in particular at times of market stress, the Manager utilises a detailed, day-to-day liquidity risk management framework to help effectively manage the balance sheet, ensuring sufficient liquidity to meet portfolio needs.

Operational and other risks include those related to the legal environment, regulation, taxation, cyber security, climate and other areas where internal or external factors could result in financial or reputational loss. These are also managed by JRCM with regular reporting to, and review by, the Audit and Risk Committee and the Board.

**Principal risks**

The Board has carried out a robust assessment of the emerging and principal risks facing the Company, with input from the Audit and Risk Committee, as well as the Manager.

Following this assessment, the Board has concluded that there are no material emerging risks, and the principal risks are described below:

| **Risk** | **Mitigation** |
|---|---|
| **Investment strategy risk**<br>As an investment company, a key risk is that the investment strategy, guided by the Investment Policy:<br>"*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.*"<br>does not deliver the Corporate Objective:<br>"*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.*" | The Board is responsible for monitoring the investment strategy to ensure it is consistent with the Investment Policy and appropriate to deliver performance in line with the Corporate Objective. The Directors receive a detailed monthly report from the Manager to enable them to monitor investment performance, attribution, and exposure. They also receive a comprehensive investment report from the Manager in advance of the quarterly Board meetings.<br>The overall risk appetite is set by the Board, with portfolio risk managed by JRCM within prescribed limits. This involves careful assessment of the nature and level of risk within the portfolio using qualitative and quantitative methods.<br>The JRCM Investment Committee meets regularly to review overall investment performance, portfolio exposure and significant new investments. |
| **Discount risk**<br>Investment trust shares trade at a price which can be at a discount or premium relative to their net asset value. If trading at a discount, there is a risk that a widening of the discount may result in shareholders achieving a return which does not reflect the underlying investment performance of the Company. | To manage this risk, and to reduce the volatility for shareholders, the Board monitors the level of discount/premium at which the shares trade and the Group has authority to buy back its existing shares when deemed to be in the best interest of the Company and its shareholders. Buying back shares at a discount signals the Board's confidence in the overall approach and the NAV to shareholders, and is accretive to the NAV per share return.<br>In addition, the Group is continuing to invest in developing its investor relations activity and overall approach to communications to help ensure that shareholders have the best understanding of the strategy and approach to investing. |
| **Market risk**<br>*Price risk*<br>RIT invests in a number of asset categories including stocks, equity funds, private investments, absolute return and credit, real assets, government bonds and derivatives. The portfolio is therefore exposed to the risk that the fair value of these investments will fluctuate because of changes in market prices.<br>***Currency risk***<br>Consistent with the Investment Policy, the Group invests globally in assets denominated in currencies other than sterling as well as adjusting currency exposure to either seek to hedge and/or enhance returns. This approach exposes the portfolio to currency risk as a result of changes in exchange rates.<br>*Interest rate risk*<br>In addition, the Group is exposed to the direct and indirect impact of changes in interest rates.<br>Each of the above market risk categories can be influenced by changes in geopolitical risk. | The Group has a widely diversified investment portfolio which significantly reduces the exposure to individual asset price risk. Detailed portfolio valuations and exposure analysis are prepared regularly and form the basis for the ongoing risk management and investment decisions. In addition, regular scenario analysis is undertaken to assess likely downside risks and sensitivity to broad market changes, as well as assessing the underlying correlations amongst the separate asset classes.<br>Currency exposure is managed via an overlay strategy, typically using a combination of currency forwards and/or options to adjust the natural currency of the investments in order to achieve a desired net exposure. The geographic revenue breakdown for stocks as well as correlations with other asset classes are also considered as part of our hedging strategy.<br>Exposure management is undertaken with a variety of techniques including using equity index and interest rate futures and options to hedge or to increase equity and interest rate exposure depending on overall macroeconomic and market views. |
| **Liquidity risk**<br>Liquidity risk is the risk that the Group will have difficulty in meeting its obligations in respect of financial liabilities as they fall due.<br>The Group has significant investments in and | The Group manages its liquid resources to ensure sufficient cash is available to meet its expected needs. It monitors the level of short-term funding and balances the need for access to such funding and liquidity, with the long-term funding needs of |

| | |
|---|---|
| commitments to direct private investments and funds which are inherently illiquid. In addition, the Group holds investments with other third-party organisations which may require notice periods in order to be realised. Capital commitments could, in theory, be drawn with minimal notice. In addition, the Group may be required to provide additional margin to support derivative financial instruments. | the Group, and the desire to achieve investment returns. Covenants embedded within the banking facilities and long-term notes are monitored on an ongoing basis for compliance, and form part of the regular stress tests.<br><br>In addition, existing cash reserves, as well as the significant liquidity that could be realised from the sale or redemption of portfolio investments and undrawn, committed borrowings, could all be utilised to meet short-term funding requirements if necessary. As a closed-ended company, there is no requirement to maintain liquidity to service investor redemptions. The Depositary, BNP Paribas S.A, London Branch (BNP) has separate responsibilities in monitoring the Company's cash flow. |
| **Credit risk**<br>Credit risk is the risk that a counterparty to a financial instrument held by the Group will fail to meet an obligation which could result in a loss to the Group.<br><br>Certain investments held within the absolute return and credit portfolio are exposed to credit risk, including in relation to underlying positions held by funds.<br><br>Substantially all of the listed portfolio investments capable of being held in safe custody, are held by BNP as custodian and depositary. Bankruptcy or insolvency of BNP may cause the Group's rights with respect to securities held by BNP to be delayed.<br><br>Unrealised profit on derivative financial instruments held by counterparties is potentially exposed to credit risk in the event of the insolvency of a broker counterparty. | The majority of the exposure to credit risk within the absolute return and credit portfolio is indirect exposure as a result of positions held within funds managed externally. These are typically diversified portfolios monitored by the third-party managers themselves, as well as through JRCM's ongoing portfolio management oversight.<br><br>Listed transactions are settled on a delivery versus payment basis using a wide pool of brokers. Cash holdings and margin balances are also divided between a number of different financial institutions, whose credit ratings are regularly monitored.<br><br>All assets held directly by the custodian are in fully segregated client accounts. Other than where local market regulations do not permit it, these accounts are designated in RIT's name. The custodian's most recent credit rating was A+ from Standard & Poor's (S&P). |
| **Key person dependency**<br>In common with other investment trusts, investment decisions are the responsibility of a small number of key individuals within the Manager. If for any reason the services of these individuals were to become unavailable, there could be a significant impact on our business. | This risk is closely monitored by the Board, through its oversight of the Manager's incentive schemes (on which it has received external advice) as well as the succession plans for key individuals. The potential impact is also reduced by an experienced Board of Directors, with distinguished backgrounds in financial services and business. |
| **Climate-related risk**<br>Ongoing climate changes may impact either our own business, the external managers with whom we invest, and/ or the underlying portfolio investments. For our own business this could result in increased costs of complying with new regulations and/or changes to the way we operate. Portfolio companies could see demand pressures, an increased cost of capital, tighter regulation or increased taxation, all impacting profitability.<br><br>Our ability to make climate-change disclosures may be impacted by our investment approach if the external fund managers with whom we invest do not provide the desired information.<br><br>More frequent extreme weather could disrupt businesses, travel, global supply chains and profitability. | We do not consider climate-related risks to have material, specific impacts on our own asset management businesses as distinct from the investment portfolio. Our Manager continues to monitor, and minimise, the climate-related impacts of our internal operations; we offset the carbon emissions of this business - categorised as Scope 1 and Scope 2 emissions by the Greenhouse Gas (GHG) Protocol - through participation in an accredited scheme and we are taking steps to further develop our understanding of our indirect emissions impact (categorised as Scope 3 emissions), including from our investment portfolio. We have worked with an external advisor to help us disclose emissions data for our directly held quoted equities portfolio in our first TCFD Report (see the Company's Report and Accounts).<br><br>JRCM is a signatory to the UN PRI, and the Board has worked with our Manager to develop JRCM's Responsible Investment Framework & Policy, which incorporates environmental factors into our investment approach. This allows us to consider the potential wider impacts of climate change risks to our investments.<br><br>We monitor developments in regulation and disclosures and seek as far as possible to prepare for future changes.<br><br>The Group's adoption of fair value in relation to its investments means that the climate-related risks recognised by market participants are incorporated in the valuations. |
| **Legal and regulatory risk**<br>As an investment trust, RIT's operations are subject to wide-ranging laws and regulations including in | The Operational Risk Committee of JRCM provides oversight of all legal, regulatory and other operational risks across the Group. This Committee |

| | |
|---|---|
| relation to the FCA UK Listing Rules and Disclosure, Guidance and Transparency Rules of the FCA's Primary Markets function, the Companies Act 2006, corporate governance codes, as well as continued compliance with relevant tax legislation, including ongoing compliance with the rules for investment trusts. JRCM is authorised and regulated by the FCA and acts as Alternative Investment Fund Manager.<br><br>The financial services sector continues to experience regulatory change at national and international levels, including in relation to climate change. Failure to act in accordance with these laws and regulations could result in fines, censure or other losses including taxation or reputational loss. Co-investments and other arrangements with related parties may result in conflicts of interest. | operational risks across the Group. This Committee reports key findings to the JRCM Executive Committee and the Audit and Risk Committee.<br><br>JRCM employs a general counsel and a compliance officer as well as other personnel with experience of legal, regulatory, disclosure and taxation matters. In addition, specialist external advisers are, if required, engaged to supplement internal resources in relation to complex, sensitive or emerging matters.<br><br>Where necessary, co-investments and other transactions are subject to review by the Conflicts Committee. |
| **Operational risk**<br>Operational risks are those arising from inadequate or failed processes, people and systems or other external factors.<br><br>Key operational risks include reliance on third-party managers and suppliers, dealing errors, processing failures, pricing or valuation errors, fraud and reliability of core systems. | Systems and control procedures are the subject of continued development and regular review including by internal audit. During the year the Audit and Risk Committee reviewed, and satisfied itself with, the Manager's approach to Group tax compliance, accounting for share-based payment awards and accounting journals supporting the financial statements.<br><br>Processes are in place to ensure the recruitment and ongoing training of appropriately skilled staff within key operational functions. Suitable remuneration policies are in place to encourage staff retention and the delivery of the Group's objectives over the medium term. Independent pricing sources are used where available, and performance is subject to regular monitoring. In relation to more subjective areas such as private investments and property, the valuations are estimated by experienced staff and specialist external managers and valuers using industry standard approaches, with the final decisions taken by the independent Valuation Committee, and subject to external audit as part of the year-end financial statements.<br><br>A business continuity and disaster recovery plan is maintained and includes the ability to use a combination of an offsite facility and cloud resources to mirror our production systems in the event of any business disruption. This was satisfactorily tested during the year. |
| **Cyber security risk**<br>RIT is dependent on technology to support key business functions and the safeguarding of sensitive information. As a result, RIT is exposed to the increasingly sophisticated nature of cyber attacks, and given the growth in AI and the ability to utilise this for attempts at fraud and data breaches.<br><br>RIT is therefore at risk of potential loss or harm as a result of significant disruption to information technology systems, including from a potential cyber attack, which may result in financial losses, the inability to perform business-critical functions, loss or theft of confidential data, and resulting legal or reputational damage. | Cyber security continues to receive an enhanced focus, with policies, systems and processes designed to combat the ongoing risk developments in this area. Such processes are kept under regular review including multi-factor authorisation, ensuring effective firewalls, internet and email gateway security and anti-virus software.<br>This is complemented with staff awareness programmes (including periodic mock-phishing exercises) which monitor and test both the robustness of our systems as well as the effectiveness of our staff at identifying potential risks. We also test our IT business continuity plan at least once every year.<br><br>The process for assessing, identifying and managing cybersecurity risks is managed on a day-to-day basis by the Manager's IT team and overseen by the JRCM Operational Risk Committee. Any material risks are reported to the Audit and Risk Committee.<br><br>The Manager maintains the 'Cyber Essentials Plus' security certification, the highest level of certification offered by the National Cyber Security Centre, the UK Government's technical authority for cyber threats. This review is performed on an annual basis, the most recent completed in December 2024. Additionally, the Group has specific insurance in place to cover information security and cyber risks. The Manager periodically also engages external consultants to assess the robustness of its IT systems. |

**Corporate Governance Report - Extract**

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK adopted international accounting standards (UK adopted IAS). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss of the Group and the Parent Company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Parent Company financial position and financial performance;
- in respect of the Group financial statements, state whether UK adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the Parent Company financial statements, state whether UK adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the Parent Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Parent Company's website.

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Parent Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Parent Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Parent Company's position, performance, business model and strategy.

**FINANCIAL STATEMENTS - EXTRACTS**

**Consolidated income statement**

| Year ended 31 December | | | 2024 | | | 2023 |
|---|---|---|---|---|---|---|
| £ million | Revenue | Capital | Total | Revenue | Capital | Total |
| Investment income | 29.1 | - | 29.1 | 29.3 | - | 29.3 |
| Other income | 0.3 | - | 0.3 | 3.2 | - | 3.2 |
| Gains/(losses) on fair value investments | - | 345.9 | 345.9 | - | 109.9 | 109.9 |
| Gains/(losses) on monetary items and borrowings | - | 1.6 | 1.6 | - | 0.8 | 0.8 |
| | **29.4** | **347.5** | **376.9** | **32.5** | **110.7** | **143.2** |
| **Expenses** | | | | | | |
| Operating expenses | (31.9) | (6.6) | (38.5) | (28.5) | (14.2) | (42.7) |
| **Profit/(loss) before finance costs and taxation** | (2.5) | 340.9 | 338.4 | 4.0 | 96.5 | 100.5 |
| Finance costs | (6.7) | (26.7) | (33.4) | (6.9) | (27.5) | (34.4) |
| **Profit/(loss) before taxation** | (9.2) | 314.2 | 305.0 | (2.9) | 69.0 | 66.1 |
| Taxation | - | - | - | - | - | - |
| **Profit/(loss) for the year** | **(9.2)** | **314.2** | **305.0** | **(2.9)** | **69.0** | **66.1** |
| Earnings/(loss) per ordinary share - basic | (6.4p) | 217.6p | 211.2p | (1.9p) | 46.1p | 44.2p |
| Earnings/(loss) per ordinary share - diluted | (6.3p) | 216.5p | 210.2p | (1.9p) | 45.7p | 43.8p |

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**

| Year ended 31 December | | | 2024 | | | 2023 |
|---|---|---|---|---|---|---|
| £ million | Revenue | Capital | Total | Revenue | Capital | Total |
| **Profit/(loss) for the year** | (9.2) | 314.2 | 305.0 | (2.9) | 69.0 | 66.1 |
| Revaluation gain/(loss) on property, plant and equipment | - | 0.3 | 0.3 | - | 0.9 | 0.9 |
| Actuarial gain/(loss) in defined benefit pension plan | 0.3 | - | 0.3 | (0.4) | - | (0.4) |
| Deferred tax (charge)/credit allocated to actuarial gain/(loss) | (0.1) | - | (0.1) | 0.2 | - | 0.2 |
| **Total comprehensive income/(expense) for the year** | **(9.0)** | **314.5** | **305.5** | **(3.1)** | **69.9** | **66.8** |

*Other comprehensive income items are never reclassified to profit or loss.*

**Consolidated Balance Sheet**

At 31 December

| £ million | 2024 | 2023 |
|---|---|---|
| **Non-current assets** | | |
| Investments held at fair value | 3,792.1 | 3,499.4 |
| Investment property | 32.7 | 34.1 |
| Property, plant and equipment | 21.7 | 21.6 |
| Retirement benefit asset | 0.2 | 0.1 |
| Derivative financial instruments | 53.7 | 5.9 |
| | 3,900.4 | 3,561.1 |
| **Current assets** | | |
| Derivative financial instruments | 38.5 | 65.4 |
| Other receivables | 123.1 | 71.2 |
| Amounts owed by group undertakings | - | 0.1 |
| Cash at bank | 189.4 | 204.3 |
| | 351.0 | 341.0 |
| **Total assets** | 4,251.4 | 3,902.1 |
| **Current liabilities** | | |
| Borrowings | (160.2) | (142.9) |
| Derivative financial instruments | (69.8) | (2.8) |
| Other payables | (77.5) | (39.2) |
| Amounts owed to group undertakings | (16.3) | (0.1) |
| | (323.8) | (185.0) |
| **Net current assets/(liabilities)** | 27.2 | 156.0 |
| **Total assets less current liabilities** | 3,927.6 | 3,717.1 |
| **Non-current liabilities** | | |
| Borrowings | (173.7) | (137.9) |
| Derivative financial instruments | (17.5) | (0.0) |
| Deferred tax liability | (0.1) | (0.0) |
| Provisions | (3.0) | (3.0) |
| Lease liability | (2.1) | (2.9) |
| | (196.4) | (143.8) |
| **Net assets** | **3,731.2** | **3,573.3** |
| **Equity attributable to owners of the Company** | | |
| Share capital | 156.8 | 156.8 |
| Share premium | 45.7 | 45.7 |
| Capital redemption reserve | 36.3 | 36.3 |
| Own shares reserve | (25.3) | (36.7) |
| Capital reserve | 3,548.3 | 3,393.1 |
| Revenue reserve | (41.2) | (32.2) |
| Revaluation reserve | 10.6 | 10.3 |
| **Total equity** | **3,731.2** | **3,573.3** |
| **Net asset value per ordinary share - basic** | 2,627p | 2,449p |
| **Net asset value per ordinary share - diluted** | 2,614p | 2,426p |

The financial statements were approved by the Board and authorised for issue on 28 February 2025.

**Consolidated Statement of Changes in Equity**

| £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 year | - | - | - | - | 69.0 | (2.9) | - | 66.1 |
| Revaluation gain/(loss) on property, plant and equipment | - | - | - | - | - | - | 0.9 | 0.9 |
| Actuarial gain/(loss) in defined benefit plan | - | - | - | - | - | (0.4) | - | (0.4) |
| Deferred tax (charge)/credit allocated to actuarial gain/(loss) | - | - | - | - | - | 0.2 | - | 0.2 |
| **Total comprehensive income/(expense) for the year** | - | - | - | - | 69.0 | (3.1) | 0.9 | 66.8 |
| Dividends paid | - | - | - | - | (56.7) | - | - | (56.7) |
| Purchase of treasury shares | - | - | - | - | (163.1) | - | - | (163.1) |
| Movement in own shares reserve | - | - | - | 9.6 | - | - | - | 9.6 |
| Movement in share-based payments | - | - | - | - | (5.0) | - | - | (5.0) |
| **Balance at 31 December 2023** | **156.8** | **45.7** | **36.3** | **(36.7)** | **3,393.1** | **(32.2)** | **10.3** | **3,573.3** |
| Balance at 1 January 2024 | 156.8 | 45.7 | 36.3 | (36.7) | 3,393.1 | (32.2) | 10.3 | 3,573.3 |
| Profit/(loss) for the year | - | - | - | - | 314.2 | (9.2) | - | 305.0 |
| Revaluation gain/(loss) on property, plant and equipment | - | - | - | - | - | - | 0.3 | 0.3 |
| Actuarial gain/(loss) in defined benefit plan | - | - | - | - | - | 0.3 | - | 0.3 |
| Deferred tax (charge)/credit allocated to actuarial gain/(loss) | - | - | - | - | - | (0.1) | - | (0.1) |
| **Total comprehensive income/(expense) for the year** | - | - | - | - | 314.2 | (9.0) | 0.3 | 305.5 |
| Dividends paid | - | - | - | - | (56.5) | - | - | (56.5) |
| Purchase of treasury shares | - | - | - | - | (80.4) | - | - | (80.4) |
| Movement in own shares reserve | - | - | - | 11.4 | - | - | - | 11.4 |
| Movement in share-based payments | - | - | - | - | (22.1) | - | - | (22.1) |
| **Balance at 31 December 2024** | **156.8** | **45.7** | **36.3** | **(25.3)** | **3,548.3** | **(41.2)** | **10.6** | **3,731.2** |

**Consolidated Cash Flow Statement**

| Year ended 31 December | Consolidated cash flow | |
|---|---|---|
| £ million | 2024 | 2023 |
| **Cash flows from operating activities:** | | |
| Cash inflow/(outflow) before taxation and interest | 123.2 | 328.6 |
| Interest paid | (33.4) | (34.4) |
| **Net cash inflow/(outflow) from operating activities** | 89.8 | 294.2 |
| **Cash flows from investing activities:** | | |
| Sale/(purchase) of property, plant and equipment | (0.1) | (0.3) |
| Investments in subsidiary undertakings | - | - |
| Divestments from subsidiary undertakings | - | - |
| **Net cash inflow/(outflow) from investing activities** | (0.1) | (0.3) |
| **Cash flows from financing activities:** | | |
| Repayment of borrowings | (288.8) | (699.9) |
| Drawing of borrowings | 339.7 | 618.6 |
| Purchase of ordinary shares by EBT[1] | (13.7) | (9.8) |
| Purchase of ordinary shares into treasury | (80.4) | (163.1) |
| Dividends paid | (56.5) | (56.7) |
| **Net cash inflow/(outflow) from financing activities** | (99.7) | (310.9) |
| Increase/(decrease) in cash in the year | (10.0) | (17.0) |
| **Cash at the start of the year** | 204.3 | 218.0 |
| Effect of foreign exchange rate changes on cash | (4.9) | 3.3 |
| **Cash at the year end** | **189.4** | **204.3** |

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

**NOTES TO THE FINANCIAL STATEMENTS - EXTRACTS**

**Earnings per ordinary share - basic and diluted**

The basic earnings per ordinary share for 2024 is based on the profit of £305.0 million (2023: £66.1 million) and the weighted average number of ordinary shares in issue during the period of 144.4 million (2023: 149.5 million). The weighted average number of shares is adjusted for shares held in the EBT and in treasury in accordance with IAS 33 - Earnings per share.

| £ million | 2024 | 2023 |
|---|---|---|
| Net revenue profit/(loss) | (9.2) | (2.9) |
| Net capital profit/(loss) | 314.2 | 69.0 |
| **Total profit/(loss) for the year** | **305.0** | **66.1** |

| Weighted average (million) | 2024 | 2023 |
|---|---|---|
| Number of shares in issue | 156.8 | 156.8 |
| Shares held in EBT | (1.2) | (1.8) |
| Shares held in treasury | (11.2) | (5.5) |
| **Basic shares** | **144.4** | **149.5** |

| pence | 2024 | 2023 |
|---|---|---|
| Revenue earnings/(loss) per ordinary share - basic | (6.4) | (1.9) |
| Capital earnings/(loss) per ordinary share - basic | 217.6 | 46.1 |
| **Total earnings per share - basic** | **211.2** | **44.2** |

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

| Weighted average (million) | 2024 | 2023 |
|---|---|---|
| Basic shares | 144.4 | 149.5 |
| Effect of share-based payment awards | 0.7 | 1.4 |
| **Diluted shares** | **145.1** | **150.9** |

| pence | 2024 | 2023 |
|---|---|---|
| Revenue earnings/(loss) per ordinary share - diluted | (6.3) | (1.9) |
| Capital earnings/(loss) per ordinary share - diluted | 216.5 | 45.7 |
| **Total earnings per ordinary share - diluted** | **210.2** | **43.8** |

**Net asset value per ordinary share - basic and diluted**

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

| 31 December | 2024 | 2023 |
|---|---|---|
| Net assets (£ million) | 3,731.2 | 3,573.3 |
| Number of shares in issue (million) | 156.8 | 156.8 |
| Shares held in EBT (million) | (1.1) | (1.6) |
| Shares held in treasury (million) | (13.6) | (9.3) |
| Basic shares (million) | 142.1 | 145.9 |
| Effect of share-based payment awards (million) | 0.7 | 1.4 |
| **Diluted shares (million)** | **142.8** | **147.3** |

| | 2024 | 2023 |
|---|---|---|
| 31 December | pence | pence |
| Net asset value per ordinary share - basic | 2,627 | 2,449 |
| Net asset value per ordinary share - diluted | 2,614 | 2,426 |

**Dividends**

| | 2024 Pence per share | 2023 Pence per share | 2024 £ million | 2023 £ million |
|---|---|---|---|---|
| **Dividends paid in year** | **39.0** | **38.0** | **56.5** | **56.7** |

The above amounts were paid as distributions to equity holders of the Company in the relevant year from accumulated capital profits.

Dividends are not paid on shares held in treasury and the EBT waives its rights to all dividends.

On 4 March 2024 the Board declared a first interim dividend of 19.5 pence per share in respect of the year ended 31 December 2024 that was paid on 26 April 2024. A second interim dividend of 19.5 pence per share was declared by the Board on 31 July 2024 and paid on 25 October 2024.

The Board declares the payment of a first interim dividend of 21.5 pence per share in respect of the year ending 31 December 2025. This will be paid on 25 April 2025 to shareholders on the register on 4 April 2025, and funded from the accumulated capital profits.

**Glossary and Alternative Performance Measures**

**Glossary**

Within the Annual Report and Accounts, 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, from 1 January 2023, is used as a measure of inflation in one of the Company's 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 and expressed as a 'net' percentage, e.g. 110% would be shown as 10%.

| £ million | 2024 | 2023 |
|---|---|---|
| Total assets | 4,251.4 | 3,902.1 |
| Less: cash | (189.4) | (204.3) |
| Sub total$^{a}$ | 4,062.0 | 3,697.8 |
| Net assets$^{b}$ | 3,731.2 | 3,573.3 |
| **Gearing$^{a/b}$** | **8.9%** | **3.5%** |

**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.

**ACWI (50% £):** The MSCI All Country World Index is a total return, market capitalisation-weighted equity index covering major developed and emerging markets. Described in the Company's Report and Accounts as 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 31 December 2024 was 2,614 pence, an increase of 188 pence, or 7.7%, from 2,426 pence at the previous year end. As dividends totalling 39 pence per share were paid during the year, the effect of reinvesting the dividends in the NAV is 1.7%, which results in a NAV total return of 9.4%. The since inception return is calculated using the NAV per share at 2 August 1988.

**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, estimated exposure levels from hedge fund managers, and an estimate of quoted equities held in private investment funds.

**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 non-recurring costs as well as direct performance-related compensation from JRCM, as this is analogous to a performance fee for an externally-managed trust.

| £ million | 2024 | 2023 |
|---|---|---|
| Operating expenses | 38.5 | 42.7 |
| Adjustments | (10.4) | (15.0) |
| Ongoing charges$^{a}$ | 28.1 | 27.7 |
| Average net assets$^{b}$ | 3,688 | 3,614 |
| **OCF$^{a/b}$** | **0.76%** | **0.77%** |

**Premium/discount:** The premium or discount (or rating) is calculated by taking the closing share price on 31 December 2024 and dividing it by the NAV per share at 31 December 2024, 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.

| pence | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Share price$^{a}$ | 1,986 | 1,882 |
| Diluted NAV per share$^{b}$ | 2,614 | 2,426 |
| Premium/(discount)$^{((a/b)-1)}$ | (24.0%) | (22.4%) |

**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 reinvested on the ex-dividend date. 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 assumes the dividends are notionally reinvested at the daily closing share price following the shares going ex-dividend. The share price on 31 December 2024 closed at 1,986 pence, an increase of 104 pence, or 5.5%, from 1,882 pence at the previous year end. Dividends totalling 39 pence per share were paid during the year, and the effect of reinvesting the dividends in the share price is 2.4%, which results in a TSR of 7.9%. The TSR is one of the Company's KPIs. The since inception return is calculated using the closing share price on 2 August 1988.

**Basis of presentation**

The financial information for the year ended 31 December 2024 has been extracted from the statutory accounts for that year. The auditor's report on these accounts is unqualified and does not contain a statement under either Section 498(2) or (3) of the Companies Act 2006. The statutory accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The financial information for the year ended 31 December 2023 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditor's report on these accounts is unqualified and does not contain a statement under either Section 498(2) or (3) of the Companies Act 2006.

**Report and Accounts**

The full statutory accounts are available to be viewed or downloaded from the Company's website at www.ritcap.com. Neither the contents of the Company's website nor the contents of any website accessible from the Company's website (or any other website) is incorporated into, or forms part of, this announcement.