RIT Capital Partners plc

Report & Accounts for the year ended 31 December 2023

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for the year ended 31 December 2023

RIT Capital Partners plc

Contents

Notes

Nothing in this Annual Report & Accounts should be construed as advice to buy or sell a particular investment.

RIT Capital Partners plc (RIT or the Company) is a UK public listed company, and as such complies with the UK Financial Conduct Authority's (FCA) Listing Rules. The Company conducts its affairs so as to qualify for approval as an investment trust, and has been accepted as an approved investment trust by HM Revenue & Customs (HMRC), subject to continuing to meet the eligibility conditions. As an investment trust, it is not authorised or regulated by the FCA. RIT is classified as an Alternative Investment Fund (AIF) in accordance with the UK Alternative Investment Fund Managers Directive (AIFMD).

The investment manager, administrator, and company secretary is J. Rothschild Capital Management Limited (JRCM or the Manager), a subsidiary of RIT. JRCM is authorised and regulated by the FCA and is classified as an Alternative Investment Fund Manager (AIFM) in accordance with AIFMD.

Company Highlights

Corporate Objective

To deliver long-term capital growth, while preserving shareholders' capital; to invest without the constraints of a formal benchmark, but to deliver for shareholders increases in capital value in excess of the relevant indices over time.

Investment Policy

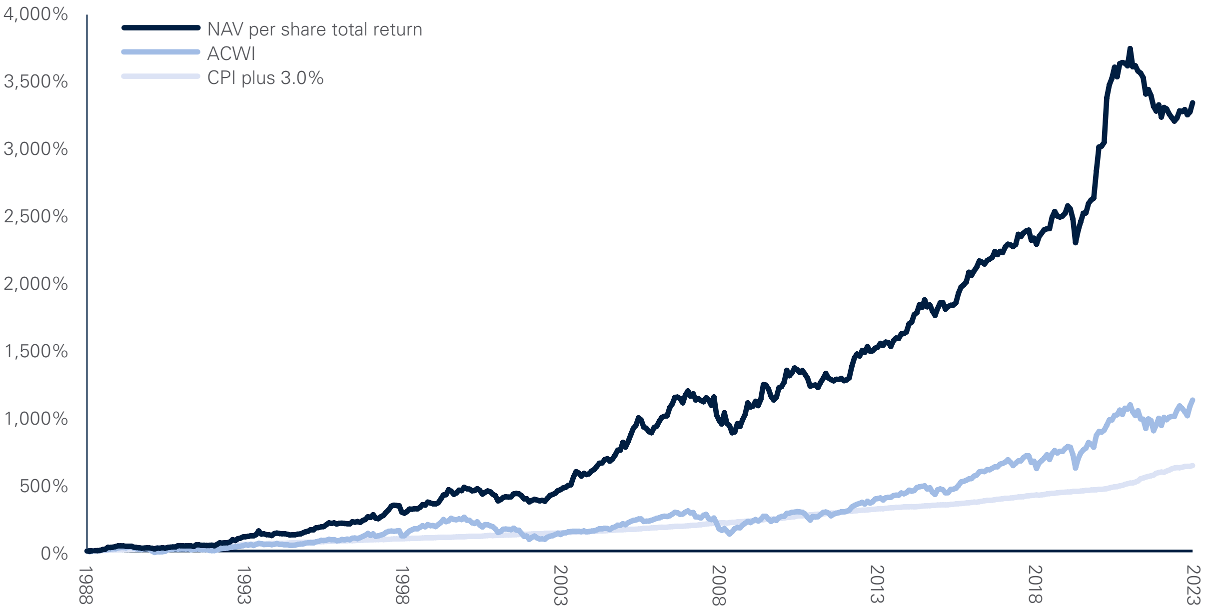
To invest in a widely diversified, international portfolio across a range of asset classes, both quoted and unquoted; to allocate part of the portfolio to exceptional managers in order to ensure access to the best external talent available.

Performance for the year	2023
RIT NAV per share total return[1]	3.2%
CPI plus 3.0%	7.0%
MSCI All Country World Index (ACWI)	18.4%
RIT share price total return[1]	-9.6%
FTSE 250 Index[2]	8.0%

Key data	2023	2022	Change
NAV per share	2,426 pence	2,388 pence	1.6%
Share price	1,882 pence	2,125 pence	-11.4%
Premium/(discount)	-22.4%	-11.0%	-11.4% pts
Net assets	£3,573 million	£3,722 million	-4.0%
Gearing[1]	3.5%	6.2%	-2.7% pts
Average net quoted equity exposure	39%	38%	1% pts
Ongoing Charges Figure for the year[1]	0.77%	0.89%	-0.12% pts
First interim dividend (April)	19.0 pence	18.5 pence	2.7%
Second interim dividend (October)	19.0 pence	18.5 pence	2.7%
Total dividend in year	38.0 pence	37.0 pence	2.7%

Performance history	3 Years	5 Years	10 Years	Since inception
RIT NAV per share total return[1]	10.6%	44.2%	108.8%	3,343%
CPI plus 3.0% per annum	31.7%	42.2%	77.0%	637%
MSCI All Country World Index	23.5%	71.0%	147.4%	1,126%
RIT share price total return[1]	-4.1%	7.5%	78.7%	3,407%
FTSE 250 Index[2]	4.3%	28.3%	61.2%	1,607%

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 107.

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

[2] RIT's shares are a constituent of the FTSE 250 Index, which is not considered a Key Performance Indicator (KPI).

Strategic Report

RIT Capital Partners plc

Chairman's Statement

Sir James Leigh-Pemberton

In the first half of 2023, most major indices traded in a relatively narrow range, punctuated by periods of weakness and recovery. As the year progressed, a belief that interest rates may have peaked led to a rebound in developed world equity markets, which was particularly marked in the fourth quarter. US equity markets finished the year strongly, buoyed by a small number of very large technology companies. These so-called 'magnificent seven' tech stocks accounted for the majority of the S&P 500's gains. Excluding these few companies, the overall market returns were more modest.

Our net asset value per share finished the year at 2,426 pence, representing a total return (including dividends) of 3.2%, lagging our investment hurdles of CPI+3%, which was up 7.0%, and the MSCI ACWI (50% sterling) which rose 18.4%. This brings our 10-year performance to 109%, a more than doubling of shareholders' capital over the period. Our investment portfolio is structured around three core pillars of quoted equities, private investments, and uncorrelated strategies. During 2023, the portfolio saw good performance from quoted equities, driven primarily by our successful single stock selection and exposure to Japan. Uncorrelated strategies also made a positive contribution, helped by the outperformance of our credit managers, as well as our investments in carbon credits. However, the value of our private investments softened, reflecting lower valuations of external funds carried over from the fourth quarter of 2022 and our carefully considered revaluation of our direct investments. Currency was also a headwind; the pound's appreciation of some 5% against the US dollar over the year impacting the translated value of our global investments.

Our portfolio is made up of high-conviction investments with differing characteristics and return drivers. While there will be times when not all asset classes meet our long-term expectations, we remain committed to our diversified approach. Our belief is that utilising a carefully constructed blend of different assets, overlaid with a top-down risk management function, remains the best way to manage our investments for the long-term benefit of shareholders. Our Manager's Report from J. Rothschild Capital Management (JRCM or the Manager) provides a detailed review of investment performance, attribution, positioning and risk management.

While the most important driver of our share price performance over the long term is our NAV, the Board is

This brings our 10-year performance to 109%, a more than doubling of shareholders' capital over the period.

also intensely focused on the rating of our shares, and in this regard 2023 was a difficult year. Discounts for investment trusts widened considerably, and our discount was no exception ending the year at -22%, resulting in a total shareholder return (including dividends) of -9.6%. This is a source of frustration to our shareholders, as well as to the Board and our Manager. Directors' shareholdings are disclosed in this Report and our colleagues in our Manager also have significant 'skin in the game', with interests in approximately £18 million RIT shares at the year end, reinforcing the close alignment with shareholders' interests. The Board and our Manager have been, and continue to be, acutely focused on closing the discount.

During 2023, we increased the level of our interactions with shareholders, and I am very grateful for their candid and thoughtful feedback in these discussions, which has been very helpful in guiding our plans to reduce the discount. I address below four core topics: private investments, capital allocation, costs and marketing.

Private investments are currently out of favour with investors, and discounts for trusts exposed to these assets have widened significantly in 2023. RIT has always had private investments as a core part of its approach, and despite mark-to-market volatility in the short term, over the long term the success of these investments has been a strong contributor to our returns. Our earlier successes have, in part, placed us in a challenging position; healthy capital growth is one of the main reasons why, over the past five years, our private investments had come to represent a higher proportion of the portfolio than in the past. We are committed to this asset class and continue to believe that our long-standing relationships are a source of competitive advantage and attractive returns to shareholders. This is reflected in our portfolio, which in aggregate is sitting on sizeable profits, over and above the capital we invested. The returns generated by our private portfolio are set out in more detail in the Manager's Report. Most of our largest direct investments are profitable companies with growing revenues and earnings. Our close manager relationships

Chairman's Statement

and brand strength, often enable us to access a preferred position in the capital structure of a company, with the majority of our direct investments having some element of downside protection.

Nevertheless, over the next two years we will look to reduce the proportion of the portfolio represented by private investments to a level of between around a quarter and a third of NAV. This will be achieved by organic exits and the continuation of a very high return bar for any new investments. Where we see realisations from this portfolio, we expect to deploy the capital to buy back our shares or to make new investments in the liquid portfolio, depending on the level of discount, the opportunity set and general portfolio management needs. What we will not do is accelerate exits or engage in sales at discounts to fair value to the detriment of long-term shareholder value.

During 2023, we undertook one of the largest buybacks in the investment trust industry, acquiring some 8.6 million shares at a cost of £163 million, our largest single allocation of capital in the year. This generated a strong return on investment, increasing the NAV per share return for shareholders; the buyback also reinforced the confidence that we have both in our NAV and our approach. If compelling returns from allocating our capital in this way continue to be available, we will retain the flexibility to act.

Over the year, we also paid dividends of 38 pence per share, an increase of almost 3% over 2022, and totalling £57 million. Our approach remains to maintain or increase the dividend, subject to the overriding capital preservation objective. In 2024, we intend to pay a dividend of 39 pence per share, an increase of 2.6% over 2023. The dividend will be paid as normal in equal instalments in April and October, funded from our significant reserves.

Our long-standing investment approach covers multiple asset classes, sectors and geographies, and provides shareholders with access to investments, including specialist funds, which are not typically accessible to individual shareholders. This approach is in line with our Investment Policy and has been deployed consistently year on year. It is a key driver of RIT's strong long-term performance. By design, it will not be the cheapest approach to managing investments, but whenever we allocate capital, we do so only if the anticipated risk-adjusted return, net of all costs (both internal costs and any fees paid to external managers) delivers value to shareholders.

We continue to look for ways to reduce costs, and enhance our communications, with a portion of the savings made over the year reinvested into improving our marketing and investor relations efforts. We will continue to invest in more regular and informative direct contact with shareholders.

Our environmental, social, and governance (ESG) initiatives remain an area of particular focus, with our Manager, JRCM, submitting its first report during the year as a signatory of the UN Principles for Responsible Investment (UN PRI). We also include our first Sustainability Report within this Annual Report, where we have collated in one location, all of the activities we undertake in respect of our wider commitments to society and the environment.

Governance and employees

Following an extensive international search process, Maggie Fanari retired from the Board on 29 February, joining JRCM on 1 March as its CEO. Maggie has an outstanding track record of successfully leading teams investing across different asset classes and geographies at one of the largest and most respected investment companies in the world – Ontario Teachers' Pension Plan – where she was the Senior Managing Director and Global Group Head High Conviction Equities. We are delighted that Maggie has joined the exceptional team at JRCM, and we look forward to working closely with her in the execution of the important initiatives outlined above.

Maggie succeeds Francesco Goedhuis, who retired as JRCM's CEO in December as a result of an illness in his immediate family. Francesco joined JRCM in 2010 and was appointed CEO in 2014. During his 13 years with the Manager, Francesco has provided outstanding leadership, continuously strengthening both the team in JRCM and our exceptional network of investment partners. The Board was very pleased to announce recently that he will continue his association with RIT in his new role as Senior Adviser to JRCM.

After 11 years, Ron Tabbouche (latterly the co-CIO at JRCM) retired to join his family in Israel, with Nick Khuu appointed to the role of CIO. Nick is a very experienced investor across multiple asset classes, having worked at leading investment firms in New York and San Francisco. He has been with JRCM for over four years operating in senior investment roles, and we are delighted with his appointment.

On behalf of the Board, I would like to express our gratitude to Francesco and Ron for their very significant contributions to the Manager and to your Company's performance over more than a decade.

At the end of September, after more than three years as a Director of RIT, Maxim Parr retired from the Board to take on the position of Chair of JRCM, providing valuable leadership and additional resources during a period of transition of its senior leadership team.

Chairman's Statement

I would like to thank my colleagues on the Board, and our talented and dedicated employees for their hard work and commitment throughout the year. This diverse group shares a single aim – creating long-term value for RIT's shareholders. At a time when the outlook for global economies and markets and the geopolitical environment are particularly complicated, these colleagues, together with our investment partners and advisers, are the key to our future success. We have the flexibility to select the best investments across any asset class, sector or geography, coupled with the strength of our network which opens doors to opportunities that others cannot access. These remain important differentiators on which we will continue to build for the future.

Nathaniel Charles Jacob Rothschild 1936 – 2024
Finally, it is with great sadness that we mourn the recent death of our founder and former chairman, Lord Jacob Rothschild. Jacob was chairman of the Rothschild Investment Trust, subsequently renamed RIT Capital Partners plc, from 1971 to 2019. He devised, developed, and led the growth of the Company, including its listing on the London Stock Exchange in 1988. During his tenure, the net asset value increased from £5 million to over £3 billion by the time he retired from the Board in September 2019 and was granted the title of Honorary President. Our thoughts and condolences are with Hannah Rothschild, his daughter and current Director, and the rest of the Rothschild family at this time. He will be missed.

James Leigh-Pemberton

Sir James Leigh-Pemberton
Chairman

Our Purpose, Strategy and Business Model

Purpose and strategic aims

Since your Company's inception, our purpose has been consistent, namely to protect and enhance shareholders' wealth over time by providing diversified portfolio management. This is set out in our 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."

The origins of the business can be traced back to the earlier Rothschild Investment Trust, chaired by Lord Jacob Rothschild from 1971, when it had a value of £5 million. In its current form, your Company was listed on the London Stock Exchange in 1988, and has followed a constant and unique approach to this day. Our multi-asset, flexible investment strategy differentiates us from other conventional investment trusts. Our access and expertise enable us to build a flexible, diversified portfolio that delivers through different economic cycles. We invest for the long term in the most compelling opportunities across asset classes, geographies and capital structures, applying careful risk management, all designed to support our most important objective: long-term capital growth.

There may be periods when we will try to place a degree of protection of shareholders' funds ahead of growth, but we believe that active management of our portfolio exposures is more likely to lead to long-term outperformance. We do not target absolute returns and therefore, ensuring we have sufficient capital deployed to generate long-term growth will naturally result in us being exposed to market risk.

Over time, we believe that a combination of healthy participation in up markets, and reasonable protection in down markets, should help us to compound ahead of markets through the cycles. Indeed, since your Company's listing in 1988, we have participated in 74% of the monthly market increases but only 41% of the market declines. This has resulted in our NAV per share total return compounding at 10.5% per annum, a meaningful outperformance of global equity markets at 7.3%. Over the same period the total return to shareholders was 10.6% per annum.

Above all, our approach is long term … Our access and expertise enable us to build a flexible, diversified portfolio that delivers through different economic cycles.

Investment approach

Our Investment Policy guides our Manager and subsidiary, J. Rothschild Capital Management Limited (JRCM) as it manages your portfolio:

"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."

We typically invest your portfolio across multiple asset classes, geographies, industries and currencies diversified across three investment pillars: quoted equities, private investments and uncorrelated strategies. This has been the basis of our approach over many years and the long-term success of your Company has been the result of combining thematic investing with active management of a distinctive blend of investments, all overlaid with currency positioning and macro exposure management. Using our unique access and expertise, we create a distinctive blend of high-conviction investments of differing profiles and varying underlying return drivers. This targets long-term performance with a balance of risk and reward that is superior to the wider equity markets.

Our respected name is a hallmark of quality, affording us unrivalled access to world-leading investment opportunities, allowing us to maximise our ability to deploy capital effectively. We have a highly skilled investment team with significant depth and breadth of experience across different asset classes and we are also able to draw on our network to broaden our intellectual bandwidth by leveraging specialist insight from our Manager's network of exceptional manager partners. The strength of these relationships enables us to invest in sectors and geographies which may be inaccessible to many investors.

Our Purpose, Strategy and Business Model

This aspect of our model is key to our ability to identify and deliver value from differing sectors, markets and assets. And while access to such specialist managers involves paying fees, the level of these fees is an important and integral part of the investment decision. Our focus is solely on the net returns, and therefore if the returns, net of all fees, meet our target, we are comfortable paying them. Our reported net asset value is, of course, net of all management and performance fees.

Above all, our approach is long term. The permanent capital structure of an investment trust, compared to an open-ended fund, means we do not suffer from liquidity-driven pressures to fund investors' redemptions. We can therefore hold our investments in both public and private markets over an extended period and choose to realise them at the optimal time.

Another key facet of our investment approach is risk management. The Board establishes and oversees the risk appetite through regular monitoring of asset allocation and security limits. These are intended to allow JRCM to efficiently and effectively manage the portfolio in line with the Corporate Objective.

The Manager has developed a sophisticated risk management approach, on which it reports regularly to the Board. This incorporates quantitative and qualitative measures, as well as the careful use of hedging. The risk management tools assist in the construction of a portfolio designed to provide diversified sources of return and to monitor closely the performance of individual assets and the portfolio composition. Further information on risk management is set out on pages 24 to 30.

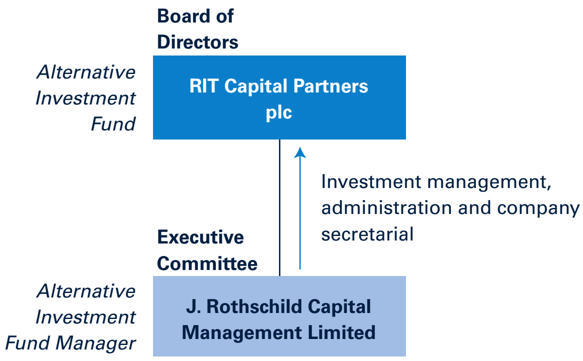
In summary, our flexible and distinctive model, with the freedom to utilise multiple asset classes and different investment structures, allows our Manager to deploy capital and manage risks as effectively as possible.

Further information in relation to the investment approach as well as portfolio attribution and returns is set out in the Manager's Report on pages 11 to 20.

Business model, culture and values

RIT Capital Partners plc is a listed investment company, approved by HM Revenue and Customs (HMRC) as an investment trust. It is a UK Alternative Investment Fund (AIF) in accordance with UK legislation effective from 1 January 2021 which replicated the European Union's Alternative Investment Fund Managers Directive (AIFMD).

Investment management, as well as administration and company secretarial, is delegated under a formal agreement to our Manager, JRCM, a subsidiary of the Company. JRCM is separately regulated by the Financial Conduct Authority (FCA) as the UK Alternative Investment Fund Manager (AIFM) under the same UK rules. JRCM has a separate Board of Directors and is governed by its Executive Committee.



In addition, the Manager is also responsible for our subsidiary, Spencer House Limited (SHL). This company provides premises management for Spencer House and our other investment properties in St. James's. It also operates a profitable events business.

I am responsible for the leadership of the Board, which is ultimately tasked with ensuring that we both meet our Corporate Objective and maintain high standards of corporate governance.

The main focus of the Board is to ensure that the investment approach is suitable for achieving our Corporate Objective, and to monitor the performance of the Manager. In order to do this, we receive regular and detailed reports covering investment performance, risk, finance and operational matters.

The employees of our Manager and SHL are critical to our ability to meet all of our objectives. A key part of the monitoring of the Group is ensuring that the Manager is appropriately incentivised to deliver sustained, risk-adjusted returns and is able to attract, retain and develop a top-quality team. This team is expected to operate in accordance with our core values, and within a culture of high performance.

Our core values of respect, dignity and integrity are evidenced by the Group's five business principles of collaboration, enterprise, efficiency, effective communication and professional ethics, which are regularly communicated and reinforced through the Group's recruitment and appraisal processes. JRCM monitors the health of its culture by assessing regularly how well these principles are being applied, and the Board receives regular reports on this topic.

The Group has a clear and proactive approach to regular employee engagement. The Sustainability Report on pages 31 to 35 provides more detail of these interactions.

We are firm believers in the benefits that cognitive diversity as well as diversity more generally, brings to decision-making, and seek to ensure this is reflected in our recruitment processes, both at Board level and within our subsidiaries. At the year end the Board comprised eight Directors, of which four were men and four women.

Our Purpose, Strategy and Business Model

Within our subsidiaries, the employee base comprised 43 men and 19 women.

Corporate governance

The Directors are responsible for compliance with applicable rules, regulations and guidance in relation to governance, in particular taking into account the matters set out in Section 172(1) of the Companies Act 2006, which guides our approach to strategy and decision making (see pages 33, 34 and 62). The Board recognises that its actions have lasting impacts and consequences for the future of the Company, its shareholders and other stakeholders, and approaches its responsibilities accordingly.

The Board has a responsibility for ensuring that there are strong and healthy ties with all of our stakeholders, making sure that we consider their interests and acknowledge that the Group's interaction with them is fundamental to the long-term success of the business.

The Directors receive regular feedback and reports from the Manager on its investor relations activity, as well as from brokers and analysts, and undertake their own shareholder interactions, to ensure that shareholders' views are well understood by the Board.

When it comes to our Corporate Objective, shareholders understandably focus on our investment performance. This informs the Board's desire to seek healthy, risk-adjusted returns over the long term and through the cycles, with careful attention to capital preservation, and mindful of the Company's reputation as a responsible fiduciary of shareholder capital. In assessing the right strategy to achieve these aims, the Board considers the ongoing suitability of the Investment Policy and the approach taken by the Manager to execute on the policy.

Other areas considered by the Board where shareholder views were taken into account included discount management, the dividend, buybacks, capital allocation, and ESG integration. Our current Board composition complies with the recommendations of both the Parker Review and the FTSE Woman Leaders Review (previously the Hampton-Alexander Review), and also meets the requirements of the FCA's listing rules in relation to diversity. ESG and sustainability will continue to help inform our approach to this area. Please refer to our Sustainability Report on pages 31 to 35 for more information.

The Group has relationships with a number of suppliers and service providers which play an important role in enabling us to operate our business efficiently. The Groups' overarching policy with respect to these relationships is that they should be managed so that they are both sustainable and mutually beneficial over the medium term, and deliver value for money for our shareholders (see page 34).

ESG and sustainability

We recognise that our purpose to protect and enhance our shareholders' wealth must combine with a commitment to reflecting ESG factors in our investment approach. The application of an ESG lens offers us a comprehensive understanding of both financial and non-financial risks, which ultimately contributes to improved decision-making. As a result, we have a more complete view of any given opportunity, supporting the delivery of risk-adjusted returns and aligning with shareholder expectations. ESG factors are integrated across our investment management and internal operations, and we aim to be good corporate citizens, applying robust governance and minimising our environmental impact.

Our Purpose, Strategy and Business Model

Our Manager is a signatory of the UN PRI, and has in place a Responsible Investment Framework & Policy, which is disclosed to shareholders via the Company website. This policy ensures that ESG factors are firmly integrated across our investment management and internal operations. We believe that this policy aligns the Corporate Objective with a commitment to principles for responsible investment. ESG factors form part of the due diligence undertaken by JRCM prior to selecting investments and continue to be monitored throughout our holding of the investment. Further information is set out in our Sustainability Report on pages 31 to 35.

Measuring performance and KPIs
While we believe our success can only truly be assessed over the long term, we also recognise that providing shareholders with a comparator against which to measure our performance over shorter periods is helpful.

The strategic aims highlighted on this and earlier pages, reflect the desire to produce real capital growth with capital preservation and to exceed markets over time. These are reflected in the following targets or key performance indicators (KPIs):

1. Absolute outperformance: NAV total return in excess of CPI plus 3.0% per annum;

2. Relative outperformance: NAV total return in excess of the MSCI All Country World Index (ACWI); and

3. Share price total return or total shareholder return (TSR).

The first two of these relate to our Manager's investment performance. CPI plus 3.0% per annum represents the desire to grow the real value of our portfolio over time, with a meaningful premium above inflation. The second reflects our unconstrained global investment approach and the desire to outperform markets over the long term. Consistent with many investment companies, we currently use the ACWI, which we believe is an appropriate comparator for our global, unconstrained approach although it does not drive our Manager's portfolio construction. More specifically, we use a blended index consisting of 50% of the ACWI measured in sterling (and exposed to currency risk) and 50% of the sterling-hedged ACWI.

While our Manager is tasked with managing the portfolio to deliver a NAV return, ultimately, the return to our shareholders is through share price growth and dividends. We therefore also consider the TSR as our third KPI.

Incentive structure
Our approach to remuneration incorporates the Directors' Remuneration Policy as well as specific structures within JRCM and SHL designed to attract, motivate and retain the high-quality individuals we need to deliver our long-term strategic aims and sustainable success.

> Our Corporate Objective...informs the Board's desire to seek healthy, risk-adjusted returns over the long term and through the cycles... mindful of the Company's reputation as a responsible fiduciary of shareholder capital.

The remuneration approach is designed to align with, and reinforce, these strategic aims. The Group operates an Annual Incentive Scheme (AIS) for employees as well as longer-term share-based awards. The cap for total payments under the AIS is 0.75% of net assets. This approach is designed to measure and reward the Group's performance, and seek to provide an appropriate balance between shorter-term awards and longer-term incentives, as well as the need for robust risk management.

The AIS rewards investment outperformance as measured against two KPIs: CPI plus 3.0% and the ACWI. It also rewards wider achievements linked not to the NAV return, but to the Group's business principles and culture. The scheme is measured annually and includes longer-term features such as a three-year absolute outperformance 'high water mark' as well as significant deferral into the Company's shares, which vest over three years.

The second component of the remuneration approach is a long-term incentive plan (LTIP) designed to reinforce the alignment with shareholders. Restricted share units (RSUs) may be awarded to employees of JRCM and SHL under the LTIP. RSUs vest after three years, with typically a further two-year holding period or lock-up before they can be sold.

All of the awards follow a careful appraisal of performance, and the high proportion of shares is designed to reinforce the alignment with our long-term investment performance and shareholder value creation. Further details of remuneration are provided in the Directors' Remuneration Report on pages 56 to 59.

Shareholder communication and AGM
While this report forms a core part of the annual communication to shareholders, there are many additional ways to remain informed. Reflecting the nature of our portfolio, including the allocations to external managers (many of whom report monthly performance), we publish a monthly NAV as soon as reasonably practicable following the month end. Shareholders are encouraged to visit our website, www.ritcap.com, which

provides regular updates of performance and exposure including our monthly factsheets. I look forward to meeting as many of you as possible at our AGM on 2 May 2024. As normal, there will also be an opportunity on that occasion to hear directly from our Manager.

I would like to once again thank shareholders for their continuing loyalty and support over many years.

Sir James Leigh-Pemberton
Chairman

Manager's Report

Summary

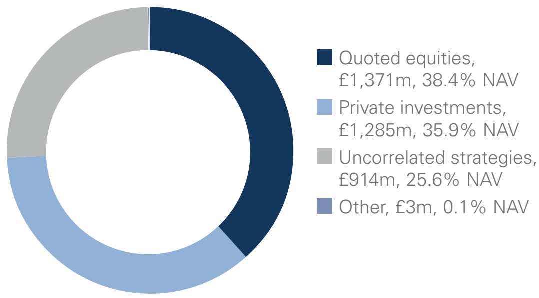
In the face of challenges posed by rising interest rates early in the year, geopolitical unrest, and bank collapses, major indices recorded robust gains in 2023. A substantial portion of these gains was attributable to a select few mega-cap technology companies, overshadowing more modest returns in other sectors. November and December saw substantial market returns, when indications by the US Federal Reserve of a path to lower rates, together with falling inflation over the course of the year, caused 10-year US treasury yields to tighten from 4.9% to 3.9%. The majority of annual returns for indices globally came during this end of year rally, including our reference hurdle, ACWI (50% £). Our portfolio produced positive returns and trailed just behind this index for most of the year, but lagged strongly rising markets in the last two months of the year.

Despite the headwinds faced in 2022 and 2023, we remain confident in our long-term investment approach. Our careful portfolio construction is disciplined, diversified, and carefully risk managed such that, over time, we believe we can deliver capital appreciation to shareholders with attractive risk-reward characteristics.

Portfolio positioning

Within a tried and tested investment risk framework, our investment "reach" is unconstrained. Having a flexible investment mandate enables us to invest across capital structures, asset classes and geographies. Nevertheless, our portfolio has historically maintained a core equity bias and will continue to do so.

Group NAV £3,573m
(31 December 2022: £3,722m)



Decision-making starts with a considered, top-down macro-economic view. We allocate capital to take advantage of identified structural themes and market dislocations, drawing upon our seasoned internal resources and very often leveraging our extensive global network of managers and partners.

We structure our investment portfolio by allocating capital across three pillars:

- quoted equities;
- private investments; and
- uncorrelated strategies.

By design, each pillar serves a distinct purpose within the portfolio, with investments of differing profiles and return drivers allowing us to benefit from this broad diversification. Additionally, we make use of risk management tools and hedging strategies to manage risk, including currency translation risk.

Quoted equities

The quoted equities portfolio includes diversified, global high conviction strategies held directly through stocks, as well as long-only funds, and equity hedge funds. We achieve this through a combination of our own in-house expertise and carefully selected external managers, capitalising on their specialist expertise in sectors and geographies where we see the most potential.

30-60% NAV

long-term allocation range

Private investments

Private investments comprise high quality investments, sourced directly via our own extensive global network and through commitments to exceptional fund managers in specialist strategies. Our direct investments are typically structured to provide some downside protection, with the potential to generate attractive returns over time.

20-40% NAV

long-term allocation range

Uncorrelated strategies

Our uncorrelated strategies aim to generate consistent returns with lower correlation to equity markets across the cycle. It includes, but is not limited to, absolute return, credit, real assets, government bonds and interest rate positions. For absolute return and credit strategies, we often collaborate with specialist external managers to access relevant opportunities.

20-40% NAV

long-term allocation range

JRCM

Manager's Report

Performance highlights
Our results for the year produced a NAV per share total return of 3.2%. Comparatively, our two reference hurdles, ACWI (50% £) and the 'inflation plus' hurdle CPI+3% returned 18.4% and 7.0%.

Two noteworthy aspects underscored the strength observed in the market-capitalised weighted indices. First, the market rally exhibited an unusual narrowness, primarily propelled by a select group of stocks termed the 'magnificent seven' (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla), which accounted for approximately 20% of the MSCI World index and demonstrated a remarkable 74% increase, while the remaining 1,473 stocks collectively experienced a more modest gain of 12%. Second, a substantial portion of returns across various asset classes materialised during the liquidity-fueled surge in November and December. For instance, the Bloomberg Aggregate Bond index posted -0.6% returns through October 31 and +9.9% over November and December. Similarly, the ACWI exhibited +7.0% returns through October 31, and then +10.6% over November and December.

Asset allocation and portfolio contribution

Asset category	% NAV	% Contribution
Quoted equities	38.4%	6.8%
Private investments	35.9%	-2.7%
Uncorrelated strategies	25.6%	2.1%
Currency	0.9%	-2.9%
Total investments	100.8%	3.3%
Liquidity, borrowings and other	-0.8%[1]	-0.1%[1]
Total	100.0%	3.2%

[1] *Including accretion benefit of 1.2% from share buybacks.*

Positive drivers of portfolio performance for the year were:

- high quality stock picking, driven by fundamentals;
- Japan exposure, which outperformed all other developed markets. This involved utilising our network and working closely with specialist managers who focus on value equities and engage directly with management teams of Japanese companies;
- the performance of our credit managers, who were able to profitably capitalise on dislocations in the market;

Negative drivers were:

- moderate quoted equities exposure throughout the year, which meant that our portfolio as a whole, lagged behind the equity rally;
- our exposure to China, which has had a disappointing recovery following its post-Covid reopening. The lack of stimulus and global outflows weighed on shares here;
- currency translation effects from our meaningful US dollar position, as sterling continued to gain strength against the dollar; and
- a decline in the valuation of our private investments, mostly due to the funds, where the lagged Q4 2022 valuations impacted our returns this year.

A more detailed analysis on the performance and positioning of each pillar, can be found in the following pages.

JRCM

Manager's Report

Quoted equities
31 December 2023: 38.4% NAV

This pillar includes directly-held stocks, long-only funds, equity hedge funds and our quoted equity derivatives, used predominantly to manage exposures. We express our conviction views through our own stock picking and through allocation to exceptional managers where we can capitalise on their specialist expertise.

The average net quoted equities exposure (which incorporates notional exposure from derivatives) for the year was 39%, which is towards the lower end of the 10-year historical range. The low level reflects the defensive positioning of this book during the year, when we favoured an increased allocation to uncorrelated strategies, prioritising greater protection against market volatility. Towards the end of the year, we increased our net exposure to 45% as our stance on markets shifted.

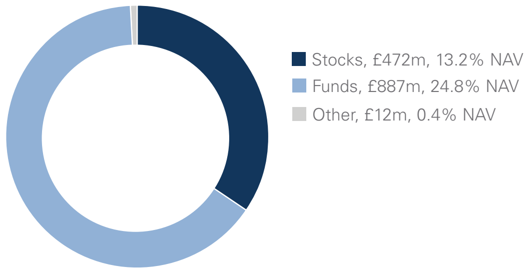
Our quoted equities portfolio generated local currency returns of 18.1% for the year and contributed 6.8% to the overall NAV, despite our minimal exposure to technology stocks in this pillar. This substantially outperformed the ACWI Equal Weighted Index, which grew only 9.4%, and was in line with our ACWI (50% £) reference hurdle of 18.4% – despite the fact that we didn't own meaningful positions in the 'magnificent seven' tech stocks, which had an outsized impact on equity markets in 2023.

The key drivers of our performance were:

- investments in Japan, for example 3D Investment Partners, continued to perform well reflecting a mixture of corporate governance reforms and investor-led activism, helping to unlock value;
- healthcare stocks performed well as 'big pharma' deployed capital to acquire innovative biotech companies;
- good exposure to global value stocks, accessed via specialist managers, such as Discerene Group;
- astute stock selection, including investments focused on areas of mispricing such as Builders FirstSource and Talen Energy; and
- headwinds from fund investments with China exposure, as a result of a lacklustre post-Covid reopening, lack of stimulus, and global outflows.

With robust valuation levels prevailing in the market, alongside elevated real interest rates and nominal growth rates, we believe that engaging in bottom-up fundamental analysis can unveil appealing opportunities, especially in the context of market inefficiencies, or where investors

Quoted equities £1,371m
(31 December 2022: £1,307m)



Note: Included in stocks is an adjustment of +£90.2m representing the latest estimate of publicly-traded quoted equities held indirectly in private investment funds. An offsetting adjustment of -£90.2m is included in private funds.

prioritised simpler narratives, such as money market funds in the US, which attracted $1.3 trillion of inflows, or mega-cap technology stocks. In the short to medium term, we see compelling opportunities in single stock investments and themes, where there is substantial long-term return potential coupled with a lower risk of permanent capital loss.

One fertile area for exploring market inefficiencies is event-driven stocks, exemplified by our recent investment in Talen Energy, a US power utility company. We initiated this investment after the company emerged from bankruptcy in 2023, driven by our belief in the substantial unrecognised value of its nuclear power plant, conventional gas power plants, and datacentre assets, that together provide a significant margin of safety for our investment. The company is a major beneficiary of the US government's decision to endorse the role of nuclear energy in supplying carbon-free baseload power. The US Inflation Reduction Act, enacted while Talen Energy was in bankruptcy, provides a floor to revenues for nuclear power plants, which means we have high conviction in the minimal downside risk for Talen Energy from our point of entry. Moreover, the management team is well aligned with shareholder interests in optimising the value of the investment.

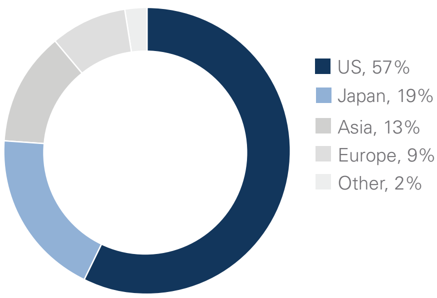
Investing in companies with small and medium-sized market capitalisations is a segment of the market that has been overlooked by investors, creating substantial valuation inefficiencies. At the beginning of the year, we entered a position in Tempur Sealy, a prominent manufacturer, distributor, and retailer of mattresses, benefiting from the rising consumer demand for premium mattresses. We invested in this high-quality business at a valuation of less than 14 times earnings.

Tempur Sealy operates in a fragmented industry, where its market share is nearly twice the size of its closest competitor, and where it holds the majority of the profit pool. This dominant position allows the company to make aggressive investments in defending its barriers to entry, including scale, vertical integration, and brand recognition, facilitating growth beyond industry peers. Notably, its major competitor, Serta Simmons, underwent Chapter 11 restructuring in 2023, and a substantial portion of the industry is grappling with cash flow issues. The combination of these factors, along with robust cash flow generation and a management team aligned with shareholders, provides a solid margin of safety for our investment.

In short, the 'value' sector remains a fertile environment for stock picking. We express this perspective not only through individual stock positions but also via our partnership with Discerene Group. This fund emphasises businesses exhibiting strong defensive moats, robust cash flows, and attractive valuations. Notably, over the past two years, three of the fund's top five positions have been subject to acquisition.

In terms of global exposure, despite recent challenges in Chinese public markets, we believe China remains a crucial market for capital deployment due to its status as the second-largest global economy, structural policy tailwinds (such as self-sufficiency initiatives) and historically low valuations. Given the cultural nuances and language barriers, we believe engaging a dedicated specialist manager is paramount. We have partnered with Springs Capital given their consistent generation of significant alpha over extended time periods and the quality of their investment team.

Quoted equity portfolio by region



Elsewhere, a compelling opportunity for outperformance persists in Japan, where we maintain exposure through two specialist Japan value-oriented managers: Morant Wright Management and 3D Investment Partners. The combination of attractive valuations, improving corporate governance, a rise in activism, and secular changes such as labour and capital mobility provide a backdrop for compelling returns.

Finally, in the healthcare sector, our positive long-term perspective remains grounded in ongoing innovation, scientific and technological breakthroughs, a generally favourable regulatory environment in the US, and the imperative for large pharmaceutical companies to offset substantial revenue losses resulting from patent cliffs through mergers and acquisitions with biotech firms. Recognising the specialised nature of the sector, which demands a blend of scientific expertise and commercial insight, the significance of having the right partners cannot be overstated. Consequently, we have strategically invested alongside best-in-class healthcare managers.

JRCM

Manager's Report

Private investments

31 December 2023: 35.9% NAV

Private investments remain a key element of our long-term investment strategy and have been an important contributor to our track record of outperformance.

The private investment portfolio represented 35.9% of NAV at year end, divided between 11.0% in direct investments, including co-investments alongside specialist partners, and 24.9% in third-party funds. This is in line with our strategy to allocate capital to this asset class both through fund managers with specialist expertise and outstanding track records, as well as directly, often in co-investment structures. Our relationships with top-tier partners worldwide, developed over many years, have been crucial for generating significant returns over the long term. The direct private investments made in the last 10 years have delivered a compound return of approximately 29% per annum, representing an exceptionally strong return on our capital.

In 2023 the private investments book declined by -6.0% and detracted -2.7% to the overall NAV. Private investments are by their nature, long term and if we look over the last five years, this book has seen a cumulative 145.7% return and a 28.8% contribution to NAV.

	Dec 2023 % NAV	2023 % return	2023 contribution
Private direct	11.0%	-3.8%	-0.5%
Private funds	24.9%	-7.0%	-2.2%
Total	**35.9%**	**-6.0%**	**-2.7%**

Note: returns are in local currency.

Key positive contributors to 2023 performance included:

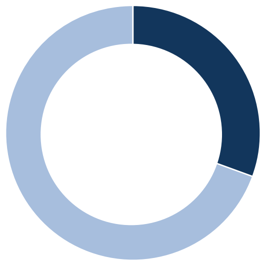
- strong revenue growth in many direct holdings, as well as underlying holdings in funds, and a continuation of a focus on profitability; and
- upward multiple re-rating of the listed technology sector, driving some valuation uplifts of private companies.

These were offset by:

- challenges in certain private investments, including those exposed to reductions in discretionary spending and investment by small-and-medium sized businesses; and
- the volatile macro landscape, which discouraged further listings, impacted a traditional route to valuation uplift and liquidity for private investors.

Private investments £1,285m

(31 December 2022: £1,516m)



Note: Included in the funds number is an adjustment of -£90.2m representing the publicly-traded quoted equities held indirectly in private investment funds.

During 2023, in the same way that public market issuance was inconsistent, private financings and transactions were also subdued. We sold one investment (Infinity) and the majority of two other positions (Paxos and Animoca), all at or above their most recent valuations. Despite these broader market challenges, there were a number of very positive developments in our direct private investments as a result of strong operational performance and the investment structure of the existing portfolio.

One company we are optimistic about is Scale AI, which specialises in labelling objects in photos and videos serving the requirements of self-driving cars, virtual/augmented reality, and U.S. Department of Defense applications. It has expanded its product offerings to assist in teaching computers how to generate content using AI. This company is a good example of the type of "picks-and-shovels" opportunities RIT pursues; companies which are positioned to thrive as a result of a broader trend rather than a particular outcome. We believe that Scale AI is well-placed to benefit from AI breakthroughs without the necessity of committing to a specific foundational model, whether from OpenAI, Meta or Google.

RIT also holds a stake in Epic Systems, a leading U.S. electronic health records provider founded by Judith Faulkner in 1979 with $70k of investment, and which delivered $4.6 billion of revenue in its recent reporting. In 2023, management continued to invest in Epic's cloud products, which are seeing strong traction – investments which we believe hold the promise to compound shareholders capital at attractive rates over the long term, as Judith has achieved since the company's founding.

Private investments NAV bridge

£ million	Dec 2022	Additions/ (disposals)	Value change	Currency translation	Quoted equity adjustment	Dec 2023
Private direct	442.7	-12.5	-16.4	-22.1	—	391.7
Private funds	1,073.1	39.0	-75.3	-53.8	-90.2	892.8
Total	**1,515.8**	**26.5**	**-91.7**	**-75.9**	**-90.2**	**1,284.5**

Manager's Report

The current weighting of private investments remains relatively high in comparison to historical levels. This is primarily a result of performance driving growth within the portfolio and the relatively inactive IPO market. Companies like Motive and Brex, for example, have become significant holdings in the portfolio because their current valuations are several times higher than RIT's initial investment in them.

In the longer list of smaller private direct investments, there are numerous examples of high potential companies that have shown early promise which could have meaningful NAV contribution in the months and years ahead. Examples of this diversified group of early-stage investments include: Relativity Space, a next-generation rocket company relying on market-leading 3D-printing technology to compete in the lucrative launch market; Digits, an accounting and financial reporting solution disrupting an industry reliant on 20th century software; and Perfect Day, a company innovating in the global dairy industry with precision fermentation to produce animal-free milk proteins.

RIT is a sought-after investment partner for the most attractive private investments worldwide. This means that not only can we access opportunities otherwise inaccessible; it also means that we can structure deals on attractive terms with a measure of downside protection. The majority by value of our underlying direct private investments benefit from some form of structural protection for our capital. This can be in the form of capped downside, or in preference ranking to ordinary shareholders while also retaining equity upside. For example, our investment in Motive, made alongside our investment partner Greenoaks, benefits from uncapped upside as well as a set of protections similar to those we secured for RIT shareholders in our Coupang investment.

While the private funds 2023 performance was impacted by the receipt of lagged Q4 2022 valuations, we also saw positives across the book. We believe the private funds portfolio, which includes a number of the best performing private investment fund vehicles worldwide, is well positioned to benefit when the window for technology IPOs returns. Through our private funds investments we have meaningful exposure to many of the most promising later-stage private technology businesses globally; companies such as ServiceTitan, Stripe, Databricks, and Rippling.

Monzo, one such larger indirect position closer to home, saw net operating income grow 88% in its 2023 financials, driven by increased customer deposits and card spending in a higher interest rate environment. Only founded in 2015, the bank grew total customers by 28% and now serves 7.4 million, or more than 10% of the UK population. Having proven its customer model, and continuing to attract new customers to its digital-first offering, we believe Monzo can take a substantial share of the UK retail banking profit pool.

If we look at the returns from the private funds, new commitments made in the last 10 years have delivered a compound return of approximately 18% per annum, representing a very strong return and a healthy profit over our capital deployed. As of the reporting date, 99% of our private fund positions were held at September valuations. This is consistent with the industry, which as standard reports on a quarter's lag. The impact of updated valuations on NAV are published on a monthly basis.

We expect to see the weighting of private investments reduce as the IPO market reopens and our private funds continue to make distributions. In the meantime, we continue to take an active approach to portfolio management, realising value where opportunities arise. In February 2024, for example, we received final distributions from the earlier sale of our holding in Infinity, a UK data-centre operator, at a price above our December carrying value and have other potential realisations in progress.

As we have observed throughout RIT's history, private investments appreciate idiosyncratically and show little correlation to calendar year market moves. However, they are a substantial contributor to our returns over the long term. In total, new direct private investments and fund commitments made in the last 10 years, have delivered a compound return of approximately 20% per annum due to this strategy – compared to 9.5% for our MSCI ACWI hurdle and 12% for the S&P 500.

We hold a deep belief in many of the internet-enabled technology businesses we hold directly and indirectly. In line with our patient approach and permanent capital vehicle, we believe that over the long term, these opportunities are best accessed through our private investments and although IPO markets and valuations remain challenging in the near term, these businesses should be beneficiaries of what we expect to be improving market conditions. Historically our realised investments have been sold at an average 24% increase from their most recent holding values as determined by RIT's independent Valuation Committee.

JRCM

Manager's Report

Uncorrelated strategies
31 December 2023: 25.6% NAV
Our uncorrelated strategies pillar contains a mix of strategies with a lower correlation to equity markets that aim to generate consistent returns across the economic cycle. The uncorrelated strategies book returned 6.8% and contributed 2.1% to the overall NAV.

In this pillar, we aim for a diverse mix of investments, incorporating credit, 'market neutral' and macro strategies. Additionally, we include investments in interest rates, government bonds and real assets, such as investment properties and gold. This diversified approach serves to protect the overall portfolio from volatility, acting as a crucial driver of returns during periods of market stress. For absolute return and credit strategies, we often work with specialist external managers to access the opportunities.

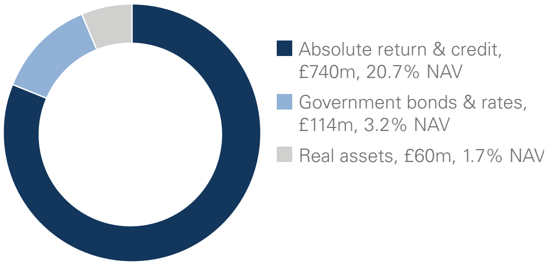
Key drivers of this performance were:

- strong performance of our credit funds, utilising our strong network of specialist external managers;
- positive contributions from gold, as market volatility favoured safe-haven assets; and
- our new investment in carbon credits.

Absolute return & credit strategies
In terms of credit strategies, market volatility has increased materially due to sharply higher interest rates, retrenchment of banks from lending beyond their core client base, and large volumes of debt which are maturing over the coming years. Opportunities in this market exist in all major regions, particularly Europe and the US. When borrowing becomes more expensive, due to a rapid increase in credit spreads, markets can undergo a broad sell-off. This presents opportunities for experienced credit investors to source investments with strong risk-adjusted return potential given the levels of asset coverage and security available to lenders.

In 2023, credit markets saw significant volatility, with spreads widening into the US banking crisis in March, then tightening into the summer given the liquidity injections by the Federal Reserve. The roller coaster continued with a widening into late-summer alongside the narrative of 'higher-for-longer' rates, before materially tightening in November and December as the narrative of 'peak' rates and hopes of future central bank rate cuts took hold.

Uncorrelated strategies £914m
(31 December 2022: £812m)



Through close partnerships, we have taken advantage of this pattern of volatility to build our core exposure using idiosyncratic opportunities. We have privileged access to specialists who have expertise in specific sub-categories of credit markets. During the year, we added to existing managers in European and emerging market credit, such as Tresidor Investment Management and ARCM, as attractive risk-reward asymmetry was present in these markets. Our credit funds as a group delivered double digit returns for the year. As a result, credit strategies drove the majority of the contribution under the uncorrelated strategies pillar.

Our macro managers focus on absolute return. These managers had a challenging first half of the year with most central banks moving in sync on the fight against inflation. A more varied monetary policy in the second half of the year provided more opportunities for our managers, who as a group finished in positive territory and returned mid-single-digits for the year.

Looking to take advantage of the resurgence of inflation, and the significant alpha-generating opportunities it presented, we invested with an experienced inflation manager with over two decades of expertise and a remarkable track record. This partnership enables us to gain unique insights into emerging trends and the repercussions for a broader range of assets, positioning us to navigate and capitalise on the dynamic financial landscape around inflation.

Manager's Report

Our equity market neutral managers also focus on absolute return. They seek to protect against market exposure risks by taking long and short positions in related but different securities, in order to extract the idiosyncratic return component of a stock's share price change. This strategy enables the manager to generate consistent absolute returns with low correlation to equity markets and limited risk of loss. During the year, we made a new investment in Ilex Capital, an equity market neutral manager who we believe to be of similar calibre to our existing manager, Woodline, albeit complementary with different focus markets. The launch was highly sought after and we were able to secure an allocation through our network and reputation.

Government bonds and rates

2023 has been another tough year for government bonds, especially for UK gilts. Stickier inflation in the UK compared to other developed countries in the first half of the year, pushed short-dated gilt yields to their highest level in 15 years. We purchased longer-dated gilts in the first half when yields were attractive and, thereafter, benefitted from core inflation's sharp decline in October.

Real assets

This category holds our property investments as well as positions in commodities. The former were down slightly as real estate values softened over the year. Within commodities, we held some hedges as well as gold. Gold futures hit a record high of $2,135 per ounce in December after another volatile year. Our position in gold, held through derivatives, contributed 0.4% to NAV as gold performed strongly during this period. This was driven by geopolitical tensions and central bank purchases, as well as a decline in real yields in the second half of the year. Gold continues to play an important role in our portfolio, serving as an asymmetric hedge to a central bank 'pivot', a reversal of the strong US dollar, or more generally against the increasing possibility of broad-based market dislocation.

Uncorrelated strategies

	Dec 2023 % NAV	2023 % return	2023 contribution
Absolute return & credit	20.7%	9.2%	2.0%
Government bonds and rates	3.2%	3.9%	0.1%
Real assets	1.7%	-0.1%	-0.0%
Total	**25.6%**	**6.8%**	**2.1%**

Note: returns are in local currency

JRCM

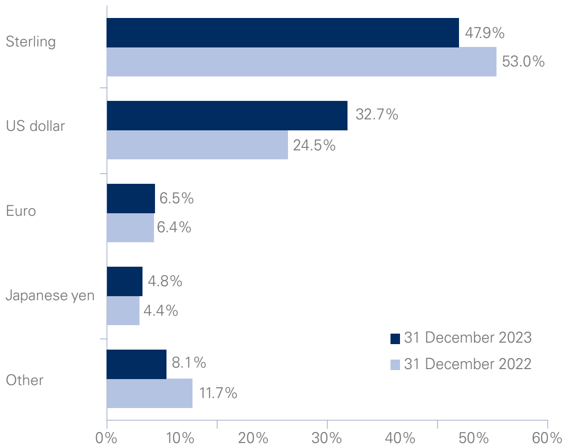
Manager's Report

Currency

Currency is an important part of our portfolio construction as an asset class and to manage risk. Given the global nature of our portfolio, we use currency hedging to reduce currency translation risk, typically by increasing our levels of sterling to hedge our significant US Dollar denominated investment book. We use hedges to limit potential downside and to protect unrealised gains made on profitable investments. The use of derivatives also allows us to enhance returns through efficient structuring. We also invest in currencies from time-to-time through the use of currency derivatives. Our approach to managing currency exposures can have a meaningful impact on our overall performance.

Given sterling was the best performing currency in the G7, having appreciated by 5.4% against the US dollar in 2023 and 19.1% since its historical lows in September 2022, our diversified global portfolio was impacted by foreign currency translation. Our active hedging efforts softened the impact of currency fluctuations, but sterling's strength was the largest detractor from our absolute performance this year, detracting 2.9% from NAV. We will continue to closely monitor and actively manage our currency exposures.

Currency exposure (% of NAV)



Note: The chart excludes exposure from currency options. Where available, the exposures in this chart are estimated by considering the underlying currency exposure of third-party funds rather than by the fund's currency of denomination.

Buybacks

Our conviction in the RIT portfolio remains high, and as such, we have continued to execute on the Board's policy to buyback shares at a significant discount to the underlying net asset value. This has been accretive for shareholders, and added an estimated 1.2% to the NAV per share return.

Debt and leverage

Maintaining a healthy balance sheet and ensuring we have appropriate liquidity and access to leverage to enhance shareholder returns is a core priority. During the year, we paid back our £150 million facility with Commonwealth Bank of Australia (CBA), reducing our debt in an environment of higher interest rates. At the year end, we held £281 million in drawn facilities and loan notes, with £40 million in committed but undrawn facilities – more information on our borrowings can be found on pages 88 and 89. Taking into consideration our cash balances, this represented gearing of 3.5% calculated using guidance from the Association of Investment Companies (AIC).

Operations and costs

JRCM manages the Group on a day-to-day basis on behalf of the Board, providing investment management, administration and company secretarial services. The Manager is also responsible for our subsidiary, Spencer House Limited (SHL) which maintains and manages the investment property portfolio, including Spencer House and other properties in St. James's, and also operates a profitable events business.

Careful management of costs is an ongoing priority for our business. Where we can identify savings, without impacting the ability to generate investment returns or ensuring compliance with regulations, we will do so. During 2023, we invested in building our marketing and investor relations capabilities, conscious of the desire from shareholders for greater disclosures and more regular updates.

In order to provide investors with information on the costs of RIT's own investment business, we calculate an ongoing charges figure (OCF) based on recommendations from the AIC. The OCF assumes a static portfolio, with therefore no transaction costs or direct performance-related compensation. It also excludes the costs of borrowings deployed to enhance returns. For 2023, RIT's own OCF was 0.77% (2022: 0.89%); the reduction over the year reflects lower costs, as well as a reclassification of performance-linked LTIP costs in line with the AIC guidance. Further information on the calculation is provided on page 107.

Manager's Report

In addition to our Group costs, RIT's Investment Policy includes the allocation of part of the portfolio to third-party managers, which have their own fees. These include long-only equity and hedge fund managers, private equity and funds that sit within our uncorrelated strategies pillar. We estimate that the average annual management fees for external managers represent an additional 0.94% of average net assets (2022: 0.88%). This excludes performance fees/carried interest which are typically paid for outperformance against an index or an absolute hurdle, and deducted from the valuations we receive. Further information on fees is provided on page 61.

The managers' fee structure is always a key consideration in our due diligence. They are necessary costs in investing in many difficult to access, high-quality managers or unique deals, and are only paid for good performance. The final investment decision is always made on the basis of expected returns, net of all fees.

Outlook

In 2024, we are navigating a landscape characterised by a balance of conflicting macro indicators. While US GDP estimates are trending upward, certain credit indicators are exhibiting signs of decline. Significant geopolitical risks, such as conflicts in Ukraine and the Middle East, coupled with the potential repercussions of the USA elections in November, cast a shadow over the horizon. The market's late upturn in 2023 was driven by the perception that interest rates may have reached their peak, and that a soft landing is becoming more probable. This has led to a scenario where many assets are perceived to be fully valued.

The above notwithstanding, we believe there are individual assets that currently trade at appealing price points, and therefore provide attractive opportunities for capital deployment. As investors who integrate a top-down and bottom-up approach, we would highlight the confidence we have in our own investment portfolio. Within our private investments book, we see some strong underlying operating performance, a shift towards prioritising profit over pure growth, and broader tailwinds driven by digital transition. These factors underpin our confidence in the long-term intrinsic value of our private investments. The reopening of the IPO markets may also serve as a near-term catalyst for validating their valuations.

We are also excited about quoted equities, where the environment is particularly conducive for bottom-up, fundamental stock picking. We think there are a multitude of areas to deploy long-term capital with attractive return potential in areas such as the often overlooked small to medium-capitalisation stocks, or in 'event-driven' stocks. As such, we will lean more into stocks that we directly own, with this proportion of the portfolio set to increase. At the same time, we continue to be excited by themes such as healthcare and Japan, where our network of specialist external managers means we are well-positioned to identify and take advantage of these opportunities.

In uncorrelated strategies, we are enthusiastic about current opportunities in the corporate credit markets, driven by factors such as the increase in interest rates, reluctance by traditional banks to lend to mid-sized businesses, and the maturing of around $0.6 trillion in loans over the next two years, which were issued at lower rates. Where there is a dislocation in credit markets, our partnerships with specialist managers provides us with the potential to generate returns of mid-teens or greater, in quality credits, with limited risk to our capital due to robust creditor protections. And, even where there isn't a dislocation, the managers can still earn high single digit to low double digit returns on quality credits.

The positive drivers of our portfolio's performance in 2023, including high-quality stock picking, strategic geographic exposure, and the agility of our credit managers, is illustrative of how our portfolio can perform. Whatever the market challenges, our proactive approach to navigate these complexities sets the stage for continued thoughtful and resilient portfolio management in the coming period.

Although the percentage allocation across our three pillars may see modest variations over shorter periods of time, our portfolio construction and risk management principles aim to provide shareholders with a diversified portfolio that delivers long-term capital appreciation on an attractive risk-adjusted basis.

To conclude, we believe RIT's competitive edge is derived from our in-house expertise, our capital structure – enabling a nimble and flexible investment approach – as well as our unique access and ability to foster deep, long-term specialist partnerships. As the market enters a more idiosyncratic phase, we recognise that careful stock picking and asset selection exercised within our robust risk management framework, will be key to delivering performance.

J. Rothschild Capital Management Limited

Investment Portfolio

Investment portfolio as at 31 December 2023

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Quoted equities[1, 2]				
Stocks:				
Talen Energy	United States	Power utility	48.8	1.4%
Mastercard	United States	Software & services	45.1	1.3%
Intercontinental Exchange	United States	Diversified financial services	39.6	1.1%
Canadian Pacific Kansas City	Canada	Rail transportation	35.7	1.0%
Thermo Fisher Scientific	United States	Life science tools & services	30.2	0.8%
Tempur Sealy	United States	Home furnishings; 1.2% notional	26.4	0.7%
Helios Towers	Africa	Telecommunication services	25.6	0.7%
Vistry	United Kingdom	Homebuilding; 1.0% notional	22.3	0.6%
Barry Callebaut	Switzerland	Consumer staples	21.8	0.6%
Coupang	South Korea	Retailing	21.5	0.6%
Golar LNG	United States	Energy	19.5	0.5%
Builders FirstSource	United States	Building products; 1.0% notional	7.0	0.2%
Lennar	United States	Homebuilding; 1.3% notional	6.8	0.2%
Keurig Dr Pepper	United States	Consumer staples; 1.1% notional	1.3	0.0%
Visa	United States	Software & services; 0.6% notional	0.1	0.0%
Other direct stocks	–	–	29.9	1.0%
Quoted stocks held within private investment funds[2]			*90.2*	*2.5%*
Total stocks			471.8	13.2%
Funds:				
3D Opportunity	Japan	All-cap, diversified	182.2	5.1%
HCIF Offshore	United States	All-cap, healthcare	156.8	4.4%
Discerene	Global	All-cap, value bias	112.3	3.1%
Blackrock Strategic Equity	Global	All-cap, diversified	112.3	3.1%
Morant Wright	Japan	Small/mid-cap, value bias	100.2	2.8%
Springs Opportunities	China	All-cap, diversified	70.7	2.0%
Ward Ferry Asian Smaller Co.'s	Asia	Small/mid-cap, diversified	64.3	1.8%
DG Offshore	Global	Mid/large-cap, healthcare	17.9	0.5%
Other funds	–	–	70.5	2.0%
Total funds			887.2	24.8%
Other:				
S&P call options	United States	Diversified; 4.5% notional	9.6	0.3%
Diversified basket	Global	Long; 0.9% notional	1.1	0.0%
Other	–	–	1.2	0.1%
Total other			11.9	0.4%
Total quoted equities			**1,370.9**	**38.4%**

[1] *The quoted equity category includes stocks (held directly and via co-investment vehicles), funds and derivatives. As a result, the liquidity of the individual positions may be influenced by market volumes as well as the redemption terms of the specific funds or co-investment vehicles. Where positions are held, or partially held, via total return swaps or options, the total delta-adjusted notional exposure is also disclosed in the table.*

[2] *Adjustment made for the latest estimate of publicly-traded quoted equities held indirectly in private investment funds. These positions are valued based on their most recent traded price at the statement date of the fund in which they are held.*

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Private investments				
Private investments – direct[3]:				
Motive	United States	Cargo ground transportation	78.0	2.2%
Webull	United States	Investment banking & brokerage	50.8	1.4%
Epic Systems	United States	Health care technology	23.4	0.7%
Kraken	United States	Diversified financial services	17.9	0.5%
Lede	United States	Media & entertainment	17.6	0.5%
Blueground	United States	Real estate operating company	14.7	0.4%
Infinity[4]	United Kingdom	Real estate operating company	13.3	0.4%
Airtable	United States	Software & services	12.8	0.4%
Brex	United States	Diversified financial services	12.3	0.3%
Age of Learning	United States	Education services	10.4	0.3%
Anchorage Digital	United States	Software & services	7.8	0.2%
Bolt Financial	United States	Software & services	7.8	0.2%
Scale AI	United States	Application software	7.8	0.2%
Paxos	United States	Software & services	7.5	0.2%
Puck	United States	Publishing	7.1	0.2%
Everest	Global	Software & services	6.7	0.2%
Xapo	Global	Diversified financial services	6.7	0.2%
Dandy	United States	Health care technology	6.0	0.2%
Other private investments – direct	–	–	83.1	2.3%
Total private investments – direct			391.7	11.0%
Private investments – funds:				
Thrive funds	United States	Growth equity	147.2	4.1%
Iconiq funds	United States	Growth equity	121.6	3.4%
BDT Capital funds	United States	Private equity	85.4	2.4%
Greenoaks Capital funds	United States	Growth equity	77.1	2.2%
Ribbit Capital funds	United States	Growth equity	72.1	2.0%
Hillhouse funds	China	Private equity	55.8	1.6%
Arch Venture funds	United States	Life sciences	45.7	1.3%
Lindenwood	United States	Growth equity	29.2	0.8%
LCV funds	United States	Early stage	26.6	0.7%
Biomatics funds	United States	Life sciences	17.8	0.5%
Westcap funds	United States	Growth equity	16.4	0.5%
Sound Ventures funds	United States	Early stage	14.9	0.4%
Eight Partners funds	United Kingdom	Early stage	14.3	0.4%
Firstminute Capital funds	United States	Early stage	13.9	0.4%
Mithril funds	United States	Growth equity	13.3	0.4%
LionTree Investment fund	United States	Private equity	13.2	0.4%
Expa Capital	United States	Early stage	11.8	0.3%
K2 funds	China	Early stage	8.8	0.2%
Corsair funds	United States	Private equity	8.7	0.2%
Blackstone Tactical Opps	United States	Private equity	8.6	0.2%
Other private investments – funds	–	–	180.6	5.0%
Quoted stocks held within private investment funds[5]			*(90.2)*	*(2.5)%*
Total private investments – funds			892.8	24.9%
Total private investments			**1,284.5**	**35.9%**

[3] *The private direct book includes investments held through co-investment vehicles managed by a general partner (GP).*

[4] *Balance represents the estimated cash proceeds from the business sale post liquidation of the holding company.*

[5] *Adjustment made for the latest estimate of publicly-traded quoted equities held indirectly in private investment funds. These positions are valued based on their most recent traded price at the statement date of the fund in which they are held.*

Investment Portfolio

Investment holdings	Country/region	Industry/description	Value of investments £ million	% of NAV
Uncorrelated strategies				
Absolute return and credit funds:				
Tresidor funds	Global	Credit and special situations	130.8	3.7%
Attestor Value	Global	Credit and special situations	97.5	2.7%
ARCM	Asia	Credit and special situations	96.9	2.7%
RIT US Value Partnership	Global	Multi-strategy	77.8	2.2%
Caxton	Global	Macro-strategy	68.5	1.9%
Woodline	Global	Equity market neutral	58.5	1.6%
JJJ Feeder	Global	Macro-strategy	44.4	1.2%
Liontree Advisory	United States	Corporate loan note	37.0	1.0%
ILEX	Europe	Equity market neutral	32.8	0.9%
Highbridge	Global	Multi-strategy	30.1	0.8%
Charter Oak	United States	Credit and special situations	26.7	0.7%
Other absolute return and credit funds	–	–	38.8	1.3%
Total absolute return and credit funds			739.8	20.7%
Real assets:				
St. James's properties	United Kingdom	Investment property	26.5	0.7%
Spencer House	United Kingdom	Investment property	26.3	0.7%
Gold futures	Global	Long; 4.2% notional	4.0	0.1%
Oil futures	Global	Long; 1.5% notional	(1.8)	(0.1)%
Other real assets	–	–	4.9	0.3%
Total real assets			59.9	1.7%
Government bonds and rates:				
UK treasury gilts 2027 and 2033	United Kingdom	Government bonds	114.4	3.2%
Total government bonds and rates			114.4	3.2%
Total uncorrelated strategies			**914.1**	**25.6%**
Currency				
Currency forward contracts	Various	–	26.8	0.8%
Currency options	Various	–	5.0	0.1%
Total currency			**31.8**	**0.9%**
Total investments			**3,601.3**	**100.8%**
Liquidity, borrowings and other				
Liquidity:				
Liquidity[6]	–	Cash at bank	202.0	5.7%
Total liquidity			202.0	5.7%
Borrowings:				
Short-term bank borrowings[7]	–	Revolving credit facilities	(142.9)	(4.0)%
RIT senior loan notes	–	Fixed interest loan notes	(137.9)	(3.9)%
Total borrowings			(280.8)	(7.9)%
Other assets/(liabilities):				
Margin	–	–	37.8	1.1%
Trades awaiting settlement	–	–	25.3	0.7%
Other assets/(liabilities)	–	–	(12.3)	(0.4)%
Total other assets/(liabilities)			50.8	1.4%
Total liquidity, borrowings and other			**(28.0)**	**(0.8)%**
Total net asset value			**3,573.3**	**100.0%**

[6] *The liquidity balance excludes £2.3 million of cash held within segregated accounts managed externally.*

[7] *The Group has two revolving credit facilities with Industrial and Commercial Bank of China and BNP Paribas SA.*

Principal Risks and Viability

Risk management and internal control
The principal risks facing RIT are both financial and operational. The ongoing process for identifying, evaluating and managing these risks, as well as any emerging risks, is the responsibility of the Board and the Audit and Risk Committee.

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. Additional information in relation to the quantum and associated sensitivity of market risk, credit risk and liquidity risk in accordance with IFRS 7 Financial Instruments: Disclosures is shown in Note 13 on pages 78 to 87.

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. Further information is provided in the Audit and Risk Committee Report on pages 52 to 55.

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, including careful monitoring of the banking covenants.

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 and Viability

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 it is appropriate to reclassify two risks as separate principal risks. The material widening of the discount at which the shares trade relative to the NAV, has led us to establish a new principal risk – Discount risk. In addition, the ongoing developments in cyber risk, coupled with the potential that AI could enhance fraud attempts, means we have also reclassified Cyber security as a new principal risk. The resulting principal risks are as described below:

Risk	Mitigation
Investment strategy risk As an investment company, a key risk is that the investment strategy, guided by the 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."* Does not deliver the 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."*	The Board is responsible for monitoring the investment strategy to ensure it is consistent with the Investment Policy and appropriate to meet 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 JRCM CIO in advance of the quarterly Board meetings. 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. The JRCM Investment Committee meets regularly to review overall investment performance, portfolio exposure and significant new investments.
Discount risk 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. In addition, the Group is investing 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.

Principal Risks and Viability

Risk	Mitigation
Market risk *Price risk* 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. *Currency risk* 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. *Interest rate risk* In addition, the Group is exposed to the direct and indirect impact of changes in interest rates.	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. 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. 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 Liquidity risk is the risk that the Group will have difficulty in meeting its obligations in respect of financial liabilities as they fall due. The Group has significant investments in and 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 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 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. 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 (BNP) has separate responsibilities in monitoring the Company's cash flow.

Principal Risks and Viability

Risk	Mitigation
Credit risk 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. Certain investments held within the absolute return and credit portfolio are exposed to credit risk, including in relation to underlying positions held by funds. 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. 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. 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. 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 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.

Principal Risks and Viability

Risk	Mitigation
Climate-related risks 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. 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. 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). 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. JRCM is working with an external adviser to consider our ability to make additional climate disclosures in relation to our investment portfolio, while acknowledging the likely challenges caused by having investments in external funds. We monitor developments in regulation and disclosures and seek as far as possible to prepare for future changes. 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 (see Note 1, Accounting Policies).
Legal and regulatory risk As an investment trust, RIT's operations are subject to wide-ranging laws and regulations including in relation to the 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. 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.	The Operational Risk Committee of JRCM provides oversight of all legal, regulatory and other operational risks across the Group. This Committee reports key findings to the JRCM Executive Committee and the Audit and Risk Committee. 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 engaged in relation to complex, sensitive or emerging matters. For example, during 2023 the Group has again engaged external advisers in supporting its consideration of ESG matters. Where necessary, co-investments and other transactions are subject to review by the Conflicts Committee.

Principal Risks and Viability

Risk	Mitigation
Operational risk Operational risks are those arising from inadequate or failed processes, people and systems or other external factors. 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. During the year the Audit and Risk Committee reviewed, and satisfied itself with, the Manager's approach to due diligence as part of its investment decision making. Further details on this and internal controls more generally can be found in the Committee's Report on pages 52 to 55. 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. 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 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. 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. 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. The process for assessing, identifying and managing cybersecurity risks is managed on a day-to-day 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. 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 November 2023. Additionally, the Group has specific insurance cover in place to cover information security and cyber risks. The Manager periodically also engages external consultants to assess the robustness of its IT systems.

Principal Risks and Viability

Viability statement

In accordance with provision 36 of the AIC Code and as part of an ongoing programme of risk assessment, the Directors have assessed the prospects of the Group, to the extent that they are able, over a five-year period. As the Company is a long-term investor, the Directors have chosen a five-year period as this is viewed as sufficiently long term to provide shareholders with a meaningful view, without extending the period so far into the future as to undermine the exercise.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the next five years.

In making this assessment, the Directors have taken into consideration the principal risks and mitigants set out on the preceding pages and the impact these might have on the business model, future performance, solvency and liquidity. In addition, the Directors reviewed the following:

- the Group's current financial position (with total assets at the year end of approximately £3.6 billion);
- the nature, composition and liquidity profile of the investment portfolio (including the significant holdings of liquidity and the value of assets that could be realised within a relatively short time frame as well as over longer periods);
- the term structure and availability of borrowings (of which drawn borrowings at the year end totalled £281 million, with committed and undrawn facilities totalling £40 million);
- the ability to satisfy the associated loan covenants, meet the ongoing costs of the business and fund dividends;
- the level of outstanding capital commitments (primarily to long-term private funds) and the ongoing distributions from this part of the portfolio; and
- the continued attractiveness to shareholders of the Group's corporate objective and investment approach.

As part of the approach, due consideration has been given to the uncertainty inherent in financial forecasts and, where applicable, reasonable sensitivities have been applied to the investment portfolio in moderate and severe stress situations, including in relation to equity market declines, currency movements, the imposition of restrictions on redemptions from external funds, and the level of capital calls in respect of existing commitments.

The stress scenarios under which the borrowing covenants would be breached involve severe equity market declines as well as historically high levels of capital calls. This theoretical outcome also does not take into account the Company's ability to adjust the portfolio composition to avoid a breach, and to work with its lenders in order to either avert a breach or minimise the consequences. With current gearing of 3.5%, and in the absence of either a significant adverse change to the regulatory or taxation environment, it is difficult to reasonably envisage a situation which would threaten the ongoing viability of the Company over the five-year time frame.

Going concern

Having assessed the emerging and principal risks and the other matters considered in connection with the Viability Statement, and in particular the liquidity balances totalling £204 million and committed but undrawn borrowings of £40 million, and cash flow forecasts for the period to 30 June 2025, as well as what the Group considers its readily realisable securities of £445 million, transactions awaiting settlement of £25 million at year end, and the amounts that could be realised from the remainder of the portfolio, the Directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

The Strategic Report on pages 3 to 35 and the s172(1) statement on page 62 have been approved by the Board and signed on its behalf by:

Sir James Leigh-Pemberton
Chairman

Sustainability Report

Introduction
Our commitment to sustainability and ESG is a core objective of the Board. It is based on a dual approach: (i) incorporation of principles of responsible investment into our investment processes for the delivery of sustainable financial returns from our portfolio; and (ii) in respect of our internal operations, we aim to be good corporate citizens, engaging regularly with our stakeholders and minimising our environmental impact.

Responsible investment
Our Manager is a signatory of the UN PRI, and has in place a Responsible Investment Framework & Policy, which is disclosed to shareholders via the Company website. This policy sets out practical parameters against which investments are considered and applies across asset classes. We believe that this policy aligns our Corporate Objective with our commitment to responsible investment. ESG factors form a key part of the due diligence undertaken by the Manager prior to selecting investments and are monitored throughout our holding of the investment.

In Q3 2023, the Manager submitted its first report under UN PRI on a voluntary basis and we will continue to build on our reporting capabilities for future submissions.

Responsible investment approach
Investment due diligence
The Manager continues to strengthen the integration of sustainable investment principles into its decision-making processes. Due diligence prior to making new investments always includes the evaluation of key ESG risks in addition to the traditional process of financial analysis associated with the asset class or investment.

This applies across the investment universe of directly-held quoted equity and private equity positions, as well as investments in uncorrelated strategies.

Voting policy and escalation
We endeavor to be active owners of companies in which we invest. Save for voting rights on the Company's investments held in segregated accounts managed by external managers, who have control of the voting of those shares, the Manager's investment department determines voting on all the resolutions of directly held investee companies and maintains close and ongoing scrutiny of all aspects of company performance including ESG-related factors.

The Company's aim is to invest in assets with good corporate governance and robust leadership, such that, more often than not, we anticipate aligning our votes with management recommendations. However, we are ready to oppose or abstain from voting on issues or measures that we feel either fail to adequately meet our principles of responsible investing and/or do not serve the best interests of the Company and our shareholders. We do not use proxy advisors.

In 2023, resolutions at 51 shareholder meetings were voted on in respect of our directly held quoted equities. We voted against management recommendations on one occasion as a result of governance issues.

Sustainability Report

Engagement and active ownership
Reflecting our Corporate Objective, many of our investments are for the long term, and the ongoing relationship with our external managers and investee companies, as well as our regular evaluation of their approach, is crucially important to maintaining active ownership of that investment over time. Stewardship activities are key tools to address any ESG concerns, and we maintain a regular dialogue with external managers and companies alike, intervening where we consider it to be in the Company's and our shareholder's best interest. We also seek full portfolio transparency and request detailed reporting from our external managers, where possible.

In respect of private fund investments, we may have a position on the fund's limited partner advisory board which gives us further opportunity to shape ESG and broader risk management considerations.

Our commitment

Our commitment to sustainability through ongoing ESG integration is based on a dual approach.

Our dual approach to sustainability

A responsible investor

Incorporation of principles of responsible investment into our processes for the delivery of sustainable financial returns, while preserving shareholders' capital.

A good corporate citizen

Engagement with all our stakeholders and minimise our environmental impact.

Our core values

Respect	**Dignity**	**Integrity**

Sustainability Report

Stakeholder engagement

The Board recognises the benefits of engaging with its stakeholders in order to ensure that it is aware, and can take account of, their views during Board discussions and decision making. As a result, the processes and initiatives below are in place.

People

There is a focus on having a working environment where there is engagement and communication between employees at all levels. Throughout the year, 'town hall' meetings for all Group employees are held and chaired by the Chairman (who is designated as the Director responsible for engagement with employees). More generally, regular internal communication is encouraged through team meetings, training sessions, presentations and also social and team-building events.

We aim to foster a supportive and inclusive working environment where all our employees are treated with dignity and respect, regardless of their gender, age, ethnicity, disability, sexual orientation or background. As part of the Group's diversity and inclusion policies, we incorporate 'blind' recruitment practices where a job applicant's personally identifiable information, such as name, gender and age is omitted from their CVs to avoid unconscious bias.

At the year end, our Board composition complied with the recommendations of the Parker Review, the FTSE Women Leaders Review (previously the Hampton-Alexander Review) and the FCA's Listing Rules reporting requirements on diversity. The overall employee composition consisted of 43 men and 19 women.

The Manager continues to participate in the '10,000 Black Interns Foundation' which aims to attract more diverse and under-represented talent to the asset management sector, as well as the 'Girls Are INvestors' (GAIN) programme, which aims to improve gender diversity in the investment sector.

We are committed to the professional development of our employees and we encourage open and honest communication across the firm. We operate a formal annual appraisal process, designed to reinforce the Group's overall strategy and culture, and to ensure that employees have a clear understanding of their performance and can discuss their goals in order to reach their full potential. We deem learning required to fulfil an employee's current role crucial and also encourage the development of skills and knowledge beyond that. Accordingly, all staff were required to complete various training modules during the year, including in respect of diversity and inclusion in the workplace.

We take all our employees' wellbeing seriously and have maintained flexible hybrid and remote working policies, as well as offering confidential mental health support and a wide range of health and wellbeing benefits. Further initiatives we have in place include an enhanced maternity leave programme as well as adoption and shared parental leave.

In addition, there is a clear and independent whistleblowing process for employees to raise any concerns.

Society and communities

The society and communities in which we operate are important to us and employees have been engaged in activities to help support our community with various charitable initiatives to support good causes during the year. We also facilitate employees taking advantage of the 'Give As You Earn' initiative through which employees can make personal charitable contributions.

Shareholders

In 2023, resources have been allocated to strengthen our marketing and investor relations capabilities leading to enhanced communication and engagement with shareholders, proxy advisors, corporate governance specialists and analysts, through numerous shareholder meetings, webinars and investor presentations. The Manager regularly reports to the Board on its shareholder and analyst meetings to ensure they understand shareholders' views of the Company. The Chairman also maintains regular contact with major shareholders and will continue to do so. In addition, our monthly NAV announcements now contain commentary from the Manager on investment performance during the relevant month, including in respect of each of the core pillars in our portfolio, and also provides broader macroeconomic observations.

The Board recognises the importance shareholders place on ESG considerations and is committed to advancing the ESG agenda. JRCM receives advice from a leading international sustainability consultancy to assist in this area.

We conduct a regular review of the composition of our share register and receive feedback from our brokers, including in the form of an independent survey of shareholder views conducted by the brokers. We also have a designated email account (investorrelations@ritcap.co.uk) to enable shareholders to communicate directly with the Group.

All shareholders have the opportunity to cast their votes in respect of proposed resolutions at the AGM by proxy, either electronically or by post and are encouraged to

Sustainability Report

attend the AGM and ask questions of the Directors and the Manager directly.

Suppliers
We place a high value on our relationships with a broad group of key suppliers and service providers including fund managers, our auditor and professional advisers, our custodian/depositary, bankers, information providers, trading counterparties, and brokers, and continue to be committed to developing and maintaining sustainable and transparent working relationships over the long term. We do not tolerate slavery or human trafficking and we are committed to acting ethically and with integrity in all our business dealings and relationships. In accordance with the Modern Slavery Act 2015, JRCM publishes a Modern Slavery Statement annually which may be viewed on the Company's website: www.ritcap.com.

We ensure these relationships with suppliers, some of whom we have worked with for many years, are subject to regular review and are refreshed where necessary. Effective management of our supplier relationships is critical to our ability to deliver on our broad mandate, and we utilise a combination of formal and informal feedback.

As part of JRCM's Responsible Investment Framework & Policy, ascertaining our fund managers' approach to ESG is an important part of the due diligence undertaken during the investment selection process, and post investment it is a key part of our ongoing monitoring and engagement. Reports on the Manager's responsible investment activities are submitted to the Board quarterly.

Environment and climate change
Climate change has a significant impact on our societies and economies. We recognise the part that we have to play in supporting a sustainable future and reducing GHG emissions, both as good corporate citizens and also delivering long-term returns for our shareholders.

Our commitment to sustainability encompasses various areas of our operations. At our main office site, we procure 100% of our electricity from renewable sources and we have installed low emission LED lighting across all of our buildings. We have adopted a 'zero-to-landfill' waste and recycling policy as part of our efforts to responsibly manage waste. Additionally, we favour sustainable commuting practices by encouraging our employees to participate in the Cycle to Work scheme.

Sustainability Report

Climate-related risks and opportunities
As a closed-ended investment fund, the Company is currently exempt from complying with the Task Force on Climate-related Financial Disclosures (TCFD). However, the Board is aware that climate change is a systemic issue which is likely to have a broad impact on the wider economy and therefore on our portfolio. In recognition of this, we are working with a sustainability consultancy to put in place a reporting framework to voluntarily disclose against the TCFD in 2025.

The assessment and management of climate-related risks and opportunities forms part of the Group's general risk management process, which is the responsibility of both the Board and the Audit and Risk Committee. This includes reviewing the Manager's approach to ESG and climate-related risks and opportunities, scrutiny of the responsible investment practices and processes, discussion of emerging best practices, changing stakeholder demands, and the latest sustainability-related regulations that affect the business. Day-to-day management of climate-related risk is delegated to the Executive Committee of the Manager.

Metrics and targets
As an investment company based in a single office and with 62 employees, we recognise that the Group's climate impact predominantly relates to our investment portfolio. As with many other investment companies, we are cognisant that there is currently insufficient data to quantify Scope 3 emissions for parts of our investment portfolio and we will continue to work with our external managers, investee companies and other relevant counterparties to facilitate data collection in line with appropriate global standards, to enable us to report these emissions in the future. Notwithstanding this, we will begin to calculate our indirect GHG emissions (Scope 3) from parts of our portfolio (in addition to our internal operations) over the course of 2024, in preparation for TCFD reporting in 2025.

Outside of our investment portfolio, our environmental impact comes from GHG emissions generated from employee commuting, business travel, and from our premises. Our focus on reducing business travel has led to a marked decrease in travel-related emissions. Where possible, executives will only travel where alternatives such as video conference facilities are not practical. To further mitigate our carbon footprint, we actively engage in an accredited scheme with Carbon Neutral Britain, effectively offsetting our Scope 1 and 2 GHG emissions through the Woodland Fund portfolio, a verified carbon offsetting project. In 2023, the Group received a Carbon Neutral Britain Certification and is currently certified as carbon neutral with regards to its Scope 1 and 2 GHG emissions.

Total energy consumption for the year ended 31 December 2023 was 479,139 kWh compared to 452,923 kWh for 31 December 2022 with the increase attributed to the Group directly occupying a greater proportion of its property portfolio during 2023.

2023	CO_2 (tonnes)	Intensity ratio: CO_2 (tonnes) per FTO[1]
Scope 1 Gas	27	0.4
Scope 2 Electricity	67	0.9
Total	**94**	**1.3**

2022	CO_2 (tonnes)	Intensity ratio: CO_2 (tonnes) per FTO[1]
Scope 1 Gas	26	0.4
Scope 2 Electricity	59	0.8
Total	**85**	**1.2**

[1] Full-time occupant
Our GHG emissions are calculated for the Group under the financial control approach and in accordance with ISO 14064-1: 2018 standard using the 2023 GHG conversion factors developed by the Department for Environment, Food & Rural Affairs.

The Group supports the ambitions of the 2015 Paris Agreement and keeps opportunities to reduce emissions under constant review.

Governance

Board of Directors

Non-Executive Chairman

Sir James Leigh-Pemberton I C N R V

Sir James Leigh-Pemberton is non-executive Chairman having joined the Board of the Company as a non-executive Director in April 2019. He is Chairman of the Nominations Committee and a member of the Conflicts, Remuneration and Valuation Committees. He previously served as an independent non-executive Director of the Company from 2004 to 2013.

Sir James joined UK Financial Investments (UKFI) in October 2013 as Chief Executive and in January 2014 was appointed Executive Chairman. On 1 April 2016 he became Non-Executive Chairman of UKFI. Following the merger of UKFI and UK Government Investments (UKGI), he became Deputy Chairman of UKGI, a position he held until September 2022.

Before joining UKFI, Sir James was Managing Director and Chief Executive Officer of Credit Suisse in the UK, based in London. In this role, he was responsible for developing the Bank's client relationships in Private Banking, Investment Banking and Asset Management in the UK. He was also a member of the Credit Suisse Europe, Middle East & Africa (EMEA) Operating Committee. He joined Credit Suisse First Boston (CSFB) in 1994. Prior to joining CSFB, he was a Director of SG Warburg Securities, where he worked for 15 years.

In the 2019 New Year Honours List, Sir James received a knighthood for services to financial services, British industry and government.

Senior Independent Director

Philippe Costeletos I C N R V A

Philippe Costeletos joined the Board as a non-executive Director in July 2017 and became its Senior Independent Director in April 2019. He is Chair of the Conflicts and Remuneration Committees and a member of the Audit and Risk, Nominations, and Valuation Committees.

He has over 30 years' of private investment and board governance experience and is Founder of Stemar Capital Partners (SCP), a private investment firm focused on building long-term investment platforms. Philippe was formerly Chair of International of Colony Capital, and a Senior Advisor of the Blackstone Group. Previously, he was Head of Europe at TPG and a member of TPG's Global Management and Investment Committees. Prior to that, Philippe was a Member of the Management Committee at Investcorp. Previously, Philippe held positions at JP Morgan Capital, JP Morgan's Private Equity Group and Morgan Stanley.

Philippe is Chair of Clinica Tambre and Zeno Partners and a board member of AutoHellas, Colosseum Dental Group, Vangest Group and Generation Home. Philippe serves as a member of the Yale University Council and the President's Council on International Activities. He graduated magna cum laude with a BA with distinction in Mathematics from Yale University and received an MBA from Columbia University.

Non-Executive Directors

Vikas Karlekar I A

Vikas Karlekar joined the Board as a non-executive Director in August 2022 and is a member of the Audit and Risk Committee.

He is a qualified chartered accountant, and a graduate of the London School of Economics specialising in Management Sciences and has held a number of senior finance roles across the financial services industry. Vikas is currently Managing Director of Group Finance at Intermediate Capital Group PLC, a UK listed asset manager specialising in private markets, covering all aspects of financial and regulatory reporting, valuation governance, key accounting judgments, financial planning and analysis, and platform and operating model transformation. In addition, he is a member of the Board of Trustees, and Treasurer, of the Pepal Foundation, a charity focused on bringing together NGOs and global corporations to develop leaders and find practical solutions to challenging social issues.

Vikas previously spent 10 years at Barclays in a series of pan finance leadership roles, including Global Finance Controller for Barclays International Division, managing all aspects of financials, key accounting decisions, valuations, driving technology and process improvements, and leading key regulatory relationships. He also spent 13 years at UBS Investment Bank, in both London and New York in various finance leadership roles. Vikas qualified as a chartered accountant with KPMG.

Cecilia McAnulty I V

Cecilia joined the board as a non-executive director in August 2022. She was appointed as Chair of the Valuation Committee in September 2023.

She has held senior investment roles for banks and hedge funds including Centaurus Capital, Barclays Capital and Royal Bank of Scotland. Her investment experience encompasses several alternative asset classes including distressed debt, private equity and credit.

Cecilia holds a number of non-executive roles including Senior Independent Director of Northern 2 VCT plc, Audit Chair of Polar Capital Global Financials Trust plc, and Independent Non-Executive Director (INED) of Eurobank Cyprus.

Her former non-executive roles include INED of Alcentra Limited, an asset manager specialising in sub investment grade credit, a member of the Industrial Development Advisory Board, advising on grants to UK businesses and Chair of the Finance and General Purposes Committee for English National Ballet.

She qualified as a chartered accountant with Peat Marwick (now KPMG) in Glasgow.

Board of Directors

Non-Executive Directors

André Perold I A

André Perold joined the Board of the Company as a non-executive Director in April 2018 and is a member of the Audit and Risk Committee.

André is Co-Founder, Partner and Chief Investment Officer of HighVista Strategies, a Boston based investment firm. He is a board member of the Vanguard Group, the global investment company. He was previously the George Gund Professor of Finance and Banking at the Harvard Business School where he also held senior roles including Chair of the Finance Faculty and Senior Associate Dean.

Jutta af Rosenborg I A V

Jutta af Rosenborg joined the Board as a non-executive Director in May 2022. She is Chair of the Audit and Risk Committee, and is a member of the Valuation Committee.

She is a qualified accountant and holds a Master's degree in Business Economics and Auditing from Copenhagen Business School and has held a number of senior roles in group finance, auditing and risk management.

Jutta is a non-executive director of JPMorgan European Growth & Income plc and Chair of its audit committee. In addition, she is a non-executive director of Nilfisk Holding A/S and chairs its audit committee. She is also a member of the supervisory board of BBGI Global Infrastructure S.A., where she chairs the audit committee.

She was previously a non-executive director at abrdn plc (formerly Standard Life Aberdeen plc) and NKT A/S, and was also executive vice president, chief financial officer of ALK Abelló A/S and Chair of Det Danske Klasselotteri A/S.

Hannah Rothschild CBE NI N

Hannah Rothschild joined the Board of the Company as a non-independent non-executive Director in August 2013 and is a member of the Nominations Committee.

In addition, she is a non-executive director of WHAM, a Director of Five Arrows Limited and serves as a Trustee of the Rothschild Foundation.

Hannah is an award-winning writer and filmmaker with a long standing career in the media.

She was the first woman to Chair the Trustees of the National Gallery.

In the 2018 Queen's Birthday Honours, Hannah was appointed Commander of the Order of the British Empire (CBE) for services to the arts and to philanthropy.

I Independent Director	N Nominations Committee member
NI Non-Independent Director	R Remuneration Committee member
A Audit and Risk Committee member	V Valuation Committee member
C Conflicts Committee member	Committee Chair

J. Rothschild Capital Management

Executive Committee

JRCM is a wholly-owned subsidiary of RIT and acts as RIT's Manager. The Executive Committee of JRCM is responsible for the day-to-day management of the business and its members are listed below:

Maggie Fanari (Chief Executive Officer)
Maxim Parr (Chair)
Nick Khuu (Chief Investment Officer)
Aron Balas (Chief Strategy Officer)
Andrew Jones (Chief Financial & Operating Officer)

Maggie Fanari

Maggie Fanari is the Chief Executive Officer at J. Rothschild Capital Management Limited.

Maggie was previously Senior Managing Director, Global Group Head High Conviction Equities at Ontario Teachers' Pension Plan which has a global mandate to invest in public and private companies.

She started her career as an auditor at KPMG and previously worked in equity research at Scotia Capital.

Maggie is a chartered accountant and a CFA charterholder. She also holds a BBA from the Schulich School of Business at York University and ICD.D certification from the Institute of Corporate Directors.

Maggie was previously a non-executive director on the Board of RIT Capital Partners plc from April 2019 to February 2024.

Maxim Parr

Maxim Parr is the Chair at J. Rothschild Capital Management Limited.

He started his career at Jardine Matheson and has extensive experience working in cross-border investment between the USA, Asia and Europe. Maxim was previously Founder and CEO of Atlas Capital Group, where he worked alongside FTSE 100 and European corporates on their investment strategy in start-ups, growth capital and buyouts. Maxim was previously a non-executive director on the Board of RIT Capital Partners from May 2020 to September 2023.

Nick Khuu

Nick Khuu is the Chief Investment Officer at J. Rothschild Capital Management Limited.

Prior to joining JRCM in 2020, Nick was a Managing Director at Adi Capital Management, where he oversaw investments across a broad range of industries and geographies. From 2008 to 2013, he was a senior professional at Knighthead Capital Management, where he invested in bonds, bank loans and special situation credits and equities.

Prior to this, he worked at Dune Capital Management, a multi-strategy investment firm, and at IFL, a strategic advisory firm. Nick began his career in the Investment Banking Division at J.P. Morgan.

Aron Balas

Aron Balas is the Chief Strategy Officer at J. Rothschild Capital Management Limited.

He joined the company in 2012 having previously worked in the Financial Institutions Group within the Investment Banking Division at Morgan Stanley, where he advised major financial institutions across Europe with a focus on banks and asset managers. He started his career at Oliver Wyman in their financial services practice.

Andrew Jones

Andrew Jones is the Chief Financial & Operating Officer at J. Rothschild Capital Management Limited.

He is responsible for the Group's financial activities and its operations. Prior to joining JRCM in 2008, he spent three years in venture capital and four years at Nomura, advising on its private equity investments as well as risk, global corporate development and strategy.

A Fellow of the ICAEW, he qualified as a chartered accountant with Deloitte where he spent time in audit before specialising in corporate finance and valuation advice. Andrew was previously a member of the ICAEW's Valuation Advisory Group and is a member of the audit committee of the British Academy.

Corporate Governance Report

Introduction
The Directors present the Company's Corporate Governance Report. This describes our principal governance bodies, their composition, purpose and operation within the context of the Principles and Provisions of the Association of Investment Companies (AIC) Code of Corporate Governance (AIC Code) and the 2018 UK Corporate Governance Code (UK Code) of the Financial Reporting Council (FRC), which can be viewed at www.theaic.co.uk and www.frc.org.uk respectively.

The AIC Code, which has been endorsed by the FRC, adapts the Principles and Provisions of the UK Code to make them relevant for investment companies. The Board of Directors therefore considers the AIC Code to represent the most appropriate governance framework for the Company, while recognising that as a self-managed investment trust, aspects of the UK Code remain relevant. This report sets out how the Company has applied the relevant principles and provisions of the Codes during the financial year ending 31 December 2023.

The FRC published an updated UK Code in 2024. The Company will report on how it applies the updated UK Code, and any consequential changes made to the AIC Code, when it takes effect for the financial year commencing 1 January 2025.

Leadership
The Company has a non-executive Board, chaired by Sir James Leigh-Pemberton. The Board is collectively responsible for setting the Company's long-term strategic aims, and its ongoing business and investment strategies. The schedule of matters reserved for the Board may be viewed on the website, www.ritcap.com.

The day-to-day management of the business is delegated under a formal agreement to JRCM, the Company's subsidiary and Manager. JRCM is managed by its Executive Committee, who attend the regular Board meetings and provide detailed reports on investment performance as well as all operational and financial matters of the Group. JRCM also attends and reports to Board Committee meetings. As our Manager is a wholly-owned subsidiary of the Company, the Board considers that this approach provides the most effective means to constructively challenge and scrutinise all aspects of the Manager's performance. It ensures all Directors are regularly involved in the process, rather than delegating this responsibility to a selection of Directors through a separate management engagement committee.

As at the date of this Report, the Board comprised seven non-executive Directors, of which six have been determined by the Board to be independent, with one, Hannah Rothschild, designated as non-independent.

The Company has in place a structure of five Board Committees, with clearly defined responsibilities set out in their respective terms of reference, and which may all be viewed on the Company's website. This is intended to limit the scope for an individual, or a small group of individuals, to dominate the Board's decision making. The structure of permanent Board Committees, together with the delegation of investment management, administration and company secretarial matters to the Manager, is considered by the Board as appropriate for a self-managed investment trust on an ongoing basis.

As Chairman of the Board, Sir James Leigh-Pemberton is responsible for its leadership and effectiveness in dealing with the matters reserved for its decision with adequate time for consideration. This includes ensuring a culture of openness and debate and that Directors are properly briefed on issues arising at Board meetings. The Chairman is also responsible for ensuring effective communication with shareholders, making Directors aware of any concerns raised by shareholders and for facilitating the contribution of the Directors.

The current members of the five Board Committees are as follows:

Audit and Risk Committee
Jutta af Rosenborg (Chair)
Philippe Costeletos
Vikas Karlekar
André Perold

Remuneration Committee
Philippe Costeletos (Chair)
Sir James Leigh-Pemberton

Conflicts Committee
Philippe Costeletos (Chair)
Sir James Leigh-Pemberton

Valuation Committee
Cecilia McAnulty (Chair)
Philippe Costeletos
Sir James Leigh-Pemberton
Jutta af Rosenborg

Nominations Committee
Sir James Leigh-Pemberton (Chair)
Philippe Costeletos
Hannah Rothschild

Corporate Governance Report

Board and Committee attendance

The Board and Committee attendance of the Directors at meetings in 2023 is shown below. In each case the number of meetings attended is shown first, followed by the number of meetings that the Director was eligible to attend. All Directors receive papers and agendas before Board and Committee meetings they are eligible to attend. Where a Director is unable to attend a meeting, they are encouraged to give the Chairman or relevant Committee Chair their views in advance.

	Board	Audit and Risk	Conflicts	Nominations	Remuneration	Valuation
Number of meetings held during the year	8	4	1	2	3	3
Chairman						
Sir James Leigh-Pemberton	8/8	–	1/1	2/2	3/3	3/3
Non-executive Directors						
Philippe Costeletos	8/8	4/4	1/1	2/2	3/3	3/3
Vikas Karlekar[1]	8/8	3/3	–	–	–	–
Cecilia McAnulty[2]	8/8	–	–	–	–	2/2
Maggie Fanari[3]	6/7	–	1/1	1/1	3/3	–
Maxim Parr[4]	7/7	–	–	–	1/1	2/2
André Perold	7/8	3/4	–	–	–	–
Mike Power[5]	2/2	1/1	–	–	–	1/1
Hannah Rothschild[6]	7/8	–	–	1/1	–	–
Jutta af Rosenborg	8/8	4/4	–	–	–	3/3

[1] *Appointed to the Audit and Risk Committee on 26 April 2023.*
[2] *Appointed to the Valuation Committee on 26 April 2023.*
[3] *Retired as a Director on 29 February 2024.*
[4] *Retired as a Director on 28 September 2023.*
[5] *Retired as a Director on 26 April 2023.*
[6] *Appointed to the Nominations Committee on 6 November 2023.*

The Audit and Risk Committee

The Audit and Risk Committee Report is shown on pages 52 to 55.

The Committee has four members, all of whom are viewed by the Board as having recent and relevant financial experience. Vikas Karlekar was appointed to the Committee on 26 April 2023.

The main features of the Group's internal controls and risk management are described in the Audit and Risk Committee Report on pages 52 to 55 and in Principal Risks and Viability on pages 24 to 30.

The Conflicts Committee

The Conflicts Committee meets at least once a year on a formal, scheduled basis and on other occasions as and when required. The Committee is chaired by the Senior Independent Director, Philippe Costeletos, and is comprised solely of independent Directors. The Committee's principal responsibility is to monitor transactions with related parties (as described in Note 17) and to ensure that potential conflicts of interest are avoided, or managed appropriately.

The Nominations Committee

The Nominations Committee meets at least once each year and on additional occasions as required. The Committee is chaired by Sir James Leigh-Pemberton. In accordance with the AIC Code, a majority of its members are independent non-executive Directors. Hannah Rothschild was appointed to the Committee on 6 November 2023.

Its responsibilities include overseeing the process of the appointment of new Directors to the Board, overall Board composition, succession planning, monitoring progress on diversity and other matters set out in its terms of reference. The search process for the new CEO for JRCM (who's appointment was announced in early January 2024), was led by the Nominations Committee, which met upon completion of the search process to formulate the recommendation for the Board's approval.

The Committee is mindful of Board balance, experience and diversity when considering appointments to the Board and is responsible for identifying suitable Board candidates, including considering candidates from a wide range of backgrounds and experiences. In terms of succession planning, the Committee acknowledges the importance and benefits of diversity, especially in respect of gender and ethnicity and the Committee is responsible for the implementation of the Board's Diversity and Inclusion Policy, which may be viewed on the Company's website.

The Nominations Committee is responsible for implementing the Board's succession planning. Following Mike Power's retirement on 26 April 2023, Jutta af Rosenborg and Maxim Parr replaced him as Chairs of the Audit and Risk, and Valuation Committees respectively. In addition, following Maxim Parr retiring as a Director, in order to become Chair of JRCM on 28 September 2023, Cecilia McAnulty replaced him as Chair of the Valuation Committee. Each appointment was made from current members of the relevant committee and it was determined that they had the requisite skills and experience to chair these committees.

The Committee continuously monitors Board composition to ensure it has the right skillset and breadth of experience with which to function as an effective Board. The current composition of the Board complies with its own Diversity and Inclusion Policy, which includes meeting the gender and/or ethnic diversity recommendations of both the Parker Review and FTSE Women Leaders (previously the Hampton-Alexander Review). Furthermore, in accordance with Listing Rule 9.8.6R(9)(a), as at the date of this report 43% of our Board are women and one Director is from an ethnic minority background. The Chairs of the Audit and Risk, and Valuation Committees are held by women. The Company considers being Chair of a Board Committee to be a senior Board position for a Board comprising non-executive Directors. Data for the following tables was obtained on a voluntary self-reporting basis.

Gender identity reporting under LR9.8.6R(10)

	Number of board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
Men	4	57%	
Women	3	43%	Not applicable
Not specified/prefer not to say	–	–	see note [1]

Ethnic background reporting under LR9.8.6R(10)

	Number of board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)
White British or other White (including minority-white groups)	6	86%	
Mixed/Multiple Ethnic Groups	–	–	Not applicable
Asian/Asian British	1	14%	see note [1]
Black/African/Caribbean/Black British	–	–	
Other ethnic group, including Arab	–	–	

[1] *As a Board comprising non-executive Directors, it does not have executive management functions, specifically a CEO or CFO. The Chairman and the SID are both men. However, the Company considers the Chairs of Board Committees to be senior board positions. The Chairs of the Audit and Risk, and Valuation Committees are held by women.*

Corporate Governance Report

The Remuneration Committee
The Directors' Remuneration Report is shown on pages 56 to 59.

The Valuation Committee
The Valuation Committee comprises four Directors, all of whom are independent, and with appropriate experience. The Committee plays a key role in providing the Board with assurance that the valuation process is rigorous and independently challenged.

The Committee is chaired by Cecilia McAnulty. It meets at least twice each year and additionally as may be required. In 2023, it met on three occasions. The Committee's principal responsibility is to review the Company's direct private and other investments to ensure that they are presented in the annual and half-yearly accounts at fair value. As a result of the inherent subjectivity of the valuation of private investments, these form a key area of focus for the Committee.

At each meeting, the Committee reviews a detailed report from the Manager which includes: a valuation report on each of the largest directly-held private investments, including information on the companies' performance and valuation and/or the GP's valuation where relevant; a sample and overall summary of the valuation of the smaller directly-held private investments; a valuation report from Jones Lang LaSalle (JLL) in relation to the Company's investment properties; the valuation approach for the remainder of the portfolio, including an analysis of the Company's investments in private funds; and a valuation of the Company's loan notes.

As part of its review and challenge, the Committee considers: the consistency of the Manager's approach over time; the relevance and appropriateness of the valuation techniques adopted; and a review of the differences between the price achieved at a liquidity event and the most recent valuation prior to the event.

Effectiveness and evaluation
Many of the Directors have held or hold senior positions in the financial services industry, including at prominent investment banks or asset management companies. In addition, there are Directors with considerable experience beyond these areas. The biographies of the Directors and the JRCM Executive Committee on pages 37 to 39 demonstrate a strength of experience in the areas required to oversee and implement the Company's strategic, investment and operational aims.

Corporate Governance Report

The process for the appointment of new Directors to the Board is the responsibility of the Nominations Committee, as is their induction and ensuring, on an ongoing basis, that each Director is able to allocate sufficient time to the Company to discharge their responsibilities effectively.

JRCM provided relevant and timely information on the financial, legal and regulatory developments during 2023, including in the papers and presentations provided at Board and Committee meetings. The Manager also facilitates an annual 'away day' for the Board, where a number of 'deep dive' sessions are held on Group strategic issues and opportunities. This year they included sessions on shareholder engagement and investment strategy.

The Board undertakes a formal and rigorous annual review of its performance, its committees and each individual Director (including the Chairman) in accordance with the requirements of the AIC Code. The 2023 annual performance evaluation was led by Philippe Costeletos, the Senior Independent Director. The evaluation included Directors completing questionnaires which assessed the performance and effectiveness of each Director, the Board collectively and each of its committees. The results were evaluated and considered by the Board as a whole. The overall conclusion of the evaluation was that the Board and its committees operate effectively and that each Director continues to make constructive contributions and demonstrates commitment to the role.

The evaluation noted that the areas of focus recommended in the previous 2022 Board evaluation had been addressed throughout the year, including ESG integration and investment strategy. It also set out the Board's areas of focus for 2024, including the discount at which our shares are trading relative to NAV and shareholder/wider stakeholder engagement. In accordance with the AIC Code, there will be an externally facilitated Board evaluation in 2024.

All Directors (other than those retiring or standing for their first election, if applicable) stand for re-election annually, subject to continued satisfactory performance. The Board recommends shareholders approve the election of all Directors standing at the forthcoming AGM.

Subject to his continued annual re-election, the Chairman's tenure is not intended to exceed nine years, in line with the relevant corporate governance expectations. Moreover, as part of the wider annual evaluation of the Board, length of service is a key consideration when assessing the general requirements to regularly refresh the membership, diversity and overall composition of the Board.

Accountability
The Board, acting where appropriate through the Audit and Risk Committee, is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. It is also responsible for maintaining sound risk management and internal control systems, for setting corporate reporting, risk management and internal control principles and for maintaining an appropriate relationship with the Company's auditor. These areas are further described in the Audit and Risk Committee Report on pages 52 to 55.

Engaging with stakeholders
Details of our engagement with our shareholders and other stakeholders are set out in the Sustainability Report on pages 31 to 35.

Compliance with the Codes
It is the Board's view that the Company has complied with both the principles and the relevant provisions of the Codes during the year.

The following table describes how the Board has applied the 17 principles of the AIC Code, and the one relevant principle of the UK Code, in practice.

Corporate Governance Report

AIC Code Principle	Application
A. A successful Company is led by an effective Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	The 2023 Board evaluation (see page 43 and 44), concluded that the Board and its Committees continue to operate effectively, with the recommendations of the prior year's evaluation, addressed during the year. As part of its role to promote the long-term sustainable success of the Group, the Board is tasked with meeting the Company's Corporate Objective of delivering long-term capital growth while preserving shareholders' capital and it keeps the strategy to achieve this under review. During 2023, the Company undertook a series of buybacks, acquiring approximately 8.6 million of its shares, which is designed to provide an accretive return on investment, resulting in an increase in the NAV per share return for shareholders. Moreover, the Board acknowledges the value to shareholders of a modest income yield and the Board's policy is to maintain or increase the dividend, subject to the overriding capital preservation objective. The Board is mindful of its contribution to wider society and strives to meet its obligations through ensuring effective stakeholder engagement by the Group. Our Sustainability Report on pages 31 to 35 illustrates initiatives contributing to the environment and wider society.
B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	The Directors consider that the purpose and strategy are enshrined in the Company's Corporate Objective and Investment Policy, as described in the Strategic Report (pages 3 to 35). Our values underpin and govern our Group's operations and are based on integrity and respect for all our stakeholders. Together, our purpose, values and strategy foster a strong and healthy culture of honest and open communication and engagement between Directors and within the wider workforce of the Group, promoting fairness, equality and professional development. The Directors recognise the importance of their role in monitoring and assessing the Company's purpose, values and strategy, which are reinforced in meetings between the Directors and the Manager. Furthermore, the Manager provides quarterly and also ad hoc updates to the Directors on how the Company's values and culture are being applied throughout the Group's operations and in the implementation of its strategy. The application of the Manager's Responsible Investment Framework & Policy, with its central principles of ESG and continual engagement with counterparties, is an example of the Company's purpose, values and culture working in practice.

Corporate Governance Report

AIC Code Principle	Application
C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Board receives from the Manager regular and detailed information in relation to the Company's investment performance as well as in relation to its finance and operational capability, including the annual budget. Performance is measured against, the published KPIs, as well as wider qualitative criteria including in relation to ESG integration, risk management, compliance, internal controls and promotion of the Group's values and business principles.
D. In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Board receives regular reports from the Manager in relation to shareholder engagement as part of an extensive investor relations programme. The Chairman also meets and communicates directly with shareholders and shares these insights with the Board. Shareholders are encouraged to attend the AGM, where the Manager presents on investment performance and strategy and there is an opportunity for shareholders to ask questions to the Board and the Manager. During the course of 2023, we have allocated resources to enhance our marketing and investor relations capabilities, with the objective to effectively communicate and engage with all areas of our shareholder register and other key stakeholders. Stakeholders are also able to access and review all key Company literature on its website (www.ritcap.com). Questions may be directed to the Board or the Manager, via the registered office or a dedicated email address (investorrelations@ritcap.co.uk) and throughout the year, the Manager's investor relations function has responded to a range of enquiries raised by shareholders. The Group also engaged with leading proxy advisors during the year as part of its ongoing monitoring of wider shareholder expectations on ESG matters. The Manager reports to the Board regularly on its broader stakeholder engagement, as set out on pages 33 and 34.

Note: the AIC Code does not include a Provision E.

Corporate Governance Report

AIC Code Principle	Application
F. The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chairman facilitates constructive Board relations and the effective contribution of all non-executive Directors, and ensures that Directors receive accurate, timely and clear information.	The Chairman encourages active participation at Board meetings, including setting the agenda items for discussion. The Board receives a comprehensive suite of regular information, including in-depth reports from the Manager on performance, attribution, transactions and exposures on a monthly and quarterly basis. The scheduled quarterly Board meetings include detailed reports on the finance and operational activities of the Manager and Group, including costs, liquidity, risk, investor relations, PR, IT, regulatory, legal and compliance matters and HR. At these meetings, the Manager also provides a quarterly update on ESG which is a standing agenda item. The Board can also request updates from the Manager on any matters at the various ad hoc meetings that are held, when required. Furthermore, Board meetings provide the opportunity for the chairs of each Committee to present a summary of the activities of their Committee, with minutes from the Committee meetings included in the Board papers.
G. The Board should consist of an appropriate combination of Directors (and, in particular, independent non-executive Directors) such that no one individual or small group of individuals dominates the Board's decision making.	The Board has delegated responsibility to key Committees, as well as engaging the Manager under a formal investment management and services agreement. At 31 December 2023, the Board comprised an independent non-executive Chairman and seven non-executive Directors. Seven Directors (including the Chairman) were independent and all were independent of the Manager, with a clear division of responsibilities between the Board and the Manager. As such, the Board considers that its decision making is not dominated by an individual or small group of individuals.
H. Non-executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.	The Directors consider they have sufficient time to meet Board responsibilities. While there is a standing meeting timetable for the Board and Committees, the Directors participate in additional Board and Committee meetings as necessary. The Board and Committee meetings provide opportunities for detailed assessment of both the Manager's performance as well as reviewing performance of other key service providers (see page 34).
I. The Board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Manager provides company secretarial services to the Company and, together with external specialist advisors, ensures that Board procedures and applicable rules and regulations are observed. Such services also include advice and support to the Board on all governance matters and on the discharge of Directors' duties. Directors are able to take independent external professional advice to assist with the performance of their duties at the Company's expense.

Corporate Governance Report

AIC Code Principle	Application
J. Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Appointments to the Board follow a careful process, led by the Nominations Committee who identify candidates to complement and enhance the collective skills, knowledge and experience of the Board. The Board's Diversity and Inclusion Policy acknowledges the benefits of diversity of gender, social and ethnic backgrounds on the Board and these are key considerations for the Board's succession planning. The current composition of the Board complies with the recommendations of the Parker Review, the FTSE Women Leaders Review and the FCA's listing rules reporting requirements on diversity.
K. The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	Directors' varying backgrounds and wide-ranging experience, including in the investing world and financial services generally ensures broad cognitive diversity, which is viewed as key in assisting effective challenge and discipline. Biographies of the Board are set out on pages 37 and 38 and demonstrate the strength of experience in the areas required to provide effective strategic leadership and appropriate governance of the Company. The Board seeks to ensure an appropriate balance between continuity and experience, and the positive benefits from refreshing membership and the development of a diverse Board.
L. Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	The Senior Independent Director led a formal and rigorous internal evaluation of the Board in 2023. As part of the evaluation, each Director completed a questionnaire which evaluated the performance of the Chairman, each Director, the Board as a whole and its Committees. The evaluation concluded that the Board and its Committees continue to operate effectively. In respect of its evaluation of its composition and diversity, the Board's current composition complies with its own Diversity and Inclusion Policy, which includes meeting the gender and/or ethnic diversity recommendations of the Parker Review, the FTSE Women Leaders Review and the FCA's listing rules reporting requirements.
M. The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Board has delegated the assessment of the external audit function and the review of the integrity of the Annual Report and Accounts (ARA) and Half-Yearly Financial Report to the Audit and Risk Committee. EY has been auditor of the Group since 2018 and the Committee undertook an assessment of EY's performance in respect of the annual statutory audit of the Group for the year ended 31 December 2023, concluding that EY had performed satisfactorily (see page 55). The Audit and Risk Committee also performed a detailed review of the 2022 ARA, the 2023 Half-Yearly Financial Report and this 2023 ARA, as well as reviewing supporting papers from the Manager, in order to ensure the integrity of the statements (see page 52).

Corporate Governance Report

AIC Code Principle	Application
N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Audit and Risk Committee reviewed the financial and narrative statements within the 2023 ARA and 2023 Half-Yearly Financial Report, as well as supporting papers and evidence from the Manager in relation to this area. The Committee concluded that these reports were consistent with the fair, balanced and understandable requirement and advised the Board accordingly. The Board considered the Committee's advice and its own review, before reaching the same conclusion.
O. The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	Day-to-day risk management is undertaken by the Manager and overseen by the Audit and Risk Committee which receives detailed reports twice a year on the risk management and internal control functions. The Group's system of internal controls is administered by the Manager, and designed to manage as far as possible the principal risks of the Company. Further information can be found in the Principal Risks and Viability section of the Report on pages 24 to 30 and the Audit and Risk Committee Report on pages 52 to 55.
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	The Directors' remuneration policy was approved by shareholders at the 2023 AGM and is in accordance with the provisions of the Codes for non-executive Directors' remuneration. Directors receive fixed fees without any performance-related elements. The Remuneration Committee also has oversight of the remuneration policies and practices within JRCM and SHL, and seeks to ensure these are tied to the strategy and long-term sustainable success of the Company.
Q. A formal and transparent procedure for developing remuneration policy should be established. No director should be involved in deciding their own remuneration outcome.	As set out in the Directors' Remuneration Report on pages 56 to 59, Directors are paid on a fixed-fee basis, as recommended by the Remuneration Committee and approved by the Board. Such fees take account of the fees paid by other investment trusts and the advice of its independent remuneration consultant, Alvarez & Marsal.
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Directors are remunerated on the basis of a flat standard fee supplemented by additional Committee membership and Chair fees. There are no performance-related aspects to Directors' remuneration. In the oversight of JRCM and SHL's remuneration, Directors ensure that it is set by reference to the performance of the Company and individuals, relative to KPIs and individual objectives.

Corporate Governance Report

In addition, as a self-managed investment trust, the Board has also considered the following principle from the UK Code:

UK Code Principle	Application
E. The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	The Group's workforce, who are employed by JRCM and SHL, are subject to consistent standards of behaviour set out in an employee handbook and monitored by the Manager. All employees are expected to adhere to a standard of conduct based on respect, courtesy and dignity, adhering to the highest ethical standards. The employee handbook also contains policies on inclusion and equal opportunities, anti-harassment/discrimination/bullying, dignity at work, anti-corruption, whistleblowing, conflict management and the environment. Well-established whistleblowing procedures are in place in which employees have available direct lines of communication to the Chair of the Audit and Risk Committee. More generally, our culture seeks to encourage honest and open communication across the Group.

Corporate Governance Report

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.

The Corporate Governance Report was approved by the Board and signed on its behalf by:

Sir James Leigh-Pemberton
Chairman

Audit and Risk Committee Report

Introduction

I am pleased to present my first Audit and Risk Committee Report since being appointed as Chair of the Committee in May 2023, following the retirement of Mike Power. On behalf of the Committee, I would like to thank Mike for his significant contribution and valuable input over the years.

As highlighted by our Chairman and Manager, we operate in an environment of increased geopolitical uncertainty, and with a complicated market outlook. We have also seen further regulatory changes, although the sizeable amendments to the UK Corporate Governance Code (the Code) initially planned did not ultimately take place, with the new Code published in January this year, reflecting slightly more modest changes.

Within this context, I would therefore like to thank the governance functions of the Manager for their continued professionalism, consistency in the quality of their output, and for ensuring high standards of reporting and control across the operations of the Group during the year.

Committee responsibility and composition

This Committee has oversight responsibilities delegated to it by the Board in three principal areas:

- financial reporting and audit;
- risk management and internal controls; and
- the external auditor.

These responsibilities are set out in more detail in the Committee's terms of reference, which may be viewed on the Company's website at www.ritcap.com.

The Committee currently comprises four Directors, each of whom is non-executive and independent of the Company and the Manager.

The Board is satisfied that I have the requisite experience to chair the Committee: I joined the Board as a non-executive Director in May 2022 and am also a member of the Valuation Committee. I am a qualified accountant, hold a Master's degree in Business Economics and Auditing from Copenhagen Business School, have held senior roles in finance, audit, risk management and have significant experience in non-executive capacities.

The other three members of the Committee at the year end were Philippe Costeletos, André Perold, and Vikas Karlekar. Philippe, who joined the Committee in February 2023, is our Senior Independent Director. He is a Senior Advisor to the Blackstone Group and a member of the President's Council on International Activities at Yale University, with widespread experience in senior roles in private equity, banking and investment firms. André is Chief Investment Officer of an investment management firm and a board member of the Vanguard Group, having previously been a professor of Finance and Banking at Harvard Business School. Vikas, who also joined the Committee in February 2023, is currently Managing Director of Group Finance of a UK listed asset manager and has held various senior financial leadership roles.

Our individual biographies are shown on pages 37 and 38. I can confirm that the Board considers all members of the Committee to have sufficient recent and relevant financial as well as accounting and/or auditing experience to comply with the requirements of the Codes.

Committee meetings and activity during the year

We met four times in 2023, and once so far in 2024. Committee meetings were held to review the Group's 2022 Annual Report and Accounts and the June 2023 Half-Yearly Financial Report. A review of the Group's 2023 Annual Report and Accounts was undertaken in February 2024.

Our reviews included the assessment and assurance that the annual reports, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

In addition, the Committee considered the evidence supporting the Group's going concern and ongoing viability, including cash flow forecasts as well as levels of available liquidity. For both the 2022 and 2023 Annual Report and Accounts, we were satisfied with our reviews and advised the Board accordingly.

We also considered the year-end reports from the external auditor, Ernst & Young LLP (EY), and discussed matters arising with the Manager. The adequacy of the Group's accounting policies and financial reporting procedures are discussed with the external auditor at least annually. Following these discussions and our review of the annual reports, we concluded that the accounting policies are appropriate for the Company and take into account, where necessary, new accounting standards.

We held two further meetings, in May and November 2023, reviewing the effectiveness of the Group's risk management and internal control, with reference to reports prepared by the Manager, including from its risk, compliance and internal audit function.

During 2023 a migration to a new accounting system was commenced. The Committee was updated on the progress of the transition during the year, including parallel running, reconciliations and various other checks. The Company is expected to benefit from the full functionality of the new system in 2024.

In addition to the activities described above, significant matters we considered during the year are set out below:

Audit and Risk Committee Report

Environmental, social and governance
During 2023, the Group continued to strengthen its approach to integrating ESG considerations into the strategy, operations and investment process. The Manager also made its first submission under the UN Principles for Responsible Investment (UN PRI).

We recognise the importance of climate-related risks to the Company across our operations and our portfolio. During 2024, we are planning to initiate a reporting framework to enable us to voluntarily report against the Task Force on Climate related Financial Disclosures (TCFD) in 2025. Further information is set out on pages 31 to 35 in our new Sustainability Report.

Consumer Duty
The FCA's Consumer Duty regulation came into effect on 31 July 2023, introduced to create a new standard of care that firms are expected to provide to customers and applies to our regulated Manager. In advance of the Duty coming into effect, firms, including JRCM, were required to complete a Fair Value Assessment, demonstrating, by way of provision of information, whether the price a consumer pays for a product or service is reasonable compared to the benefits they can expect to receive.

The valuation of private investments and other assets
Private investments represent 35.9% of net assets and comprise direct investments, direct co-investments and diversified funds managed by external managers (or GPs). By their very nature such investments merit careful attention when considering their fair value. As these are unlisted investments, without a public share price, the estimation of fair value requires the exercise of considerable judgement. This subjectivity means that there is a higher degree of uncertainty in such valuations compared with those of other assets. In assessing the fair values, there is, by necessity, a degree of reliance on the GPs, with co-investments and funds representing the majority of the private investments' portfolio. The GPs will typically have access to confidential information about the underlying companies and are required to report fair values in accordance with internationally recognised accounting standards.

The GP's valuations are usually prepared on a quarterly basis, albeit with a time lag which may be up to three months, as is the industry norm. The Manager reviews these valuations and, where possible, the justification for the valuation and for any changes, as well as considering any additional supporting information. In addition, where the Manager has direct access to the underlying companies, it prepares its own valuations using industry-standard approaches.

The results of this analysis are reported in detail on a six-monthly basis to the independent Valuation Committee, which is responsible for the final decision on valuation.

We have therefore considered the work of the Valuation Committee, the results of their discussions with the Manager and the external auditor. The Valuation Committee comprises four Directors, all of whom are independent, and with appropriate experience. The Committee plays a key role in providing the Board with assurance that the valuation process is rigorous and independent. Two members of this Committee, myself included, also sit on the Valuation Committee. We view the work as detailed and comprehensive, and are confident that the persons preparing the reports have sufficient and appropriate expertise through their experience, skills and qualifications.

Furthermore, we believe that the process is planned and managed to devote adequate time and resource to preparation and review, both by the Manager and also by the members of the Valuation Committee.

We also considered the work of the Valuation Committee as it relates to other assets in the portfolio, including but not limited to the Company's loan notes and real estate holdings. Here, the combination of detailed processes, rigorous analysis and, where relevant, external advice has provided comfort over the portfolio valuations. The Audit and Risk Committee also receives an executive summary of the Manager's main valuation report as well as the minutes from the Valuation Committee.

Principal risks
As part of its ongoing review of the risks facing the Group, the Committee has made changes to the way we classify our principal risks. In recognition of the increased focus in these areas, we have reclassified two new principal risks: Discount risk and Cyber security risk. The former reflects the long-standing risk facing shareholders in investment trusts, namely that the share price performance does not match the underlying investment performance. In relation to the latter, while we have historically focused on cyber security risks, the growth in AI and the ability to utilise this for increasingly sophisticated attempts at fraud, means that we have also reclassified cyber security as its own, new principal risk. The efforts taken by the Board and the Manager in relation to the discount volatility are set out in the Chairman's Statement. In relation to cyber security, the Committee carefully considered the measures in place across the Group to mitigate these risks. The Manager has successfully maintained its external classifications, meeting the National Cyber Security Centre requirements to hold 'Cyber Essentials' and 'Cyber Essential Plus' certifications. The Committee was satisfied that sufficient

Audit and Risk Committee Report

and ongoing measures are in place to address this risk as far as is reasonably practicable.

Related party disclosures
Related party transactions are a common feature of commerce and business. The Group often takes advantage of opportunities offered to it, or services provided to it via many relationships built up over time (including those arising from Board members). Disclosure of such transactions is a requirement in order to allow shareholders and other users of the financial statements to assess the risks and opportunities facing the Group.

We consider the work of the Conflicts Committee in reviewing advisory services, co-investment transactions and any other similar arrangements with any related party, and have discussed with the Manager the systems and processes in place to identify, review, record and disclose such transactions. We note the importance that the Board and the Manager place upon the work of the Conflicts Committee. We have reviewed the disclosures made in the financial statements regarding such transactions and consider that the necessary disclosures have been made.

Internal control
The Board of Directors is responsible for the Group's system of internal control, and it has delegated the supervision of the system to this Committee. The system is 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.

The Board, who are ultimately responsible for risk management, has delegated to the Manager the implementation and day-to-day management of the system of internal control within an established framework applicable throughout the Group. A standard 'three lines of defence' approach is used to ensure robust risk management, encompassing: day-to-day risk management; risk oversight and guidance; and risk assurance as provided by the external and internal audit functions, both of which report to this Committee.

The system of internal control is reviewed twice each year by the Committee, using a comprehensive report prepared by the Manager. The report outlines each of the principal risks and their management, covering all aspects of financial and operational risk as summarised in the Principal Risks and Viability section on pages 24 to 30. The relative importance of each principal risk is assessed by reference to the possible impact on the Group's net asset value or share price should a loss occur, alongside the likelihood of that loss occurring, taking into consideration the existing control environment.

The review further included consideration of the five-year cash flow forecasts and a liquidity summary, the main portfolio exposures, as well as the results of the quarterly portfolio stress tests. In addition, the Committee reviewed the log of operational risk incidents during the year, noting that none had a significant impact on the business.

The Committee considers that the procedures in place are consistent with the most recent Guidance on Risk Management, Internal Control and Related Financial and Business Reporting published by the FRC.

Internal audit and compliance
As part of the review of the control environment, the Manager, through its Compliance Officer, undertakes an internal audit of selected areas agreed with the Committee. The 2023 internal audits included the governance and internal control processes associated with investment decision making, as well as the key control procedures employed by the Manager, to ensure the accuracy of information for regular NAV reporting. No material weaknesses were identified through the course of these audits and the Committee considers the resource devoted to internal audit to be appropriate to the size and complexity of the Company's operations.

As part of their duties as depository, BNP undertook a review of our Manager's arrangements under AIFMD and the relevant UK legislation and regulations. This involved reviewing processes, systems and controls for organisational structure, compliance, risk management, fund administration and business continuity, with no concerns noted.

EY separately audited the Manager's client asset procedures in relation to a very small amount of legacy client money held prior to this being distributed to charity (while retaining the liability in case any future claimants arise).

The Manager also reports to the Committee the results of its monitoring of external fund managers' compliance with the terms of their investment management arrangements, as well as periodically reviewing their own control procedures.

The Board has reviewed the effectiveness of the system of internal control in operation during the financial year, and up to the date of this report, through the Committee. During the reviews conducted, the Committee has not identified or been informed of any failings or weaknesses representing a significant business risk.

Audit and Risk Committee Report

External auditor
The external auditor, EY, has completed its sixth annual audit following its appointment as a result of a tender process in 2017. Consistent with its own procedures in relation to independence and rotation, the previous audit partner retired from the audit having completed five years, and was replaced by a new audit partner during the year.

EY attended all meetings of the Committee and provided reports on: its audit approach and work undertaken; the quality and effectiveness of the Group's accounting records; and its findings in connection with the Group's annual statutory audit for the year ended 31 December 2023. I have also had regular contact with the new audit partner during the year.

The level of non-audit services provided to the Group by the auditor is subject to pre-approval in accordance with our policy on non-audit services and is monitored, as is the auditor's objectivity in providing such service, to ensure that the independence of the audit team from the Group is not compromised. Non-audit services provided by EY in 2023 totalled £8,650 for audit-related assurance work (regarding the Manager's regulated activities). Their selection for this work was based on cost efficiency, synergies with the audit process, and the fact that these services are permitted by the FRC's revised Ethical Standard. Further information on fees paid to the auditor is set out in Note 5 to the financial statements.

The Committee considered EY's independence, objectivity, and the effectiveness of the audit process with the benefit of formal and informal feedback from the Manager and concluded satisfactorily on each of these points.

Finally, I would like to thank my colleagues on the Committee for their support and wise counsel during the year, and the team at the Manager for their dedication and professionalism.

Jutta af Rosenborg
Chair, Audit and Risk Committee

Directors' Remuneration Report

Introduction

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2023.

The current Directors' Remuneration Policy was approved by shareholders with 99% of the vote at the 2023 AGM.

As well as the remuneration of RIT Directors, the Committee is also responsible for oversight of the remuneration policies associated with our operating subsidiaries: JRCM, a regulated entity whose remuneration arrangements are governed by the FCA's applicable Remuneration Codes, and SHL, our events and property subsidiary. Here, incentive schemes are in place, tailored to the respective businesses and appropriately structured and aligned with shareholders' interests.

The Directors' Remuneration Policy and Remuneration Report have been prepared in accordance with the Listing Rules of the FCA, the relevant sections of the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also sets out how it has applied the principles of the Codes relevant to the Company.

Directors' Remuneration Policy

In accordance with the provisions of the AIC Code and the UK Code, non-executive Directors' remuneration reflects their duties and time commitments and is set at a reasonable level which is consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board's policy is that the fees paid to the non-executive Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by other investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Directors' Remuneration Policy.

Furthermore, the Company's Articles of Association currently limit the aggregate base fees of the non-executive Directors (excluding the Chairman) to £400,000 per annum. The non-executive Directors receive base fees and Committee Chair and membership fees. They are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and they are not entitled to any long-term incentive or pension schemes. No compensation is payable on loss of office.

Committee structure and responsibilities

I have chaired the Committee since 22 July 2019, having previously served on it since 26 April 2018. As at 31 December 2023, the Committee included two further independent non-executive Directors: Sir James Leigh-Pemberton and Maggie Fanari. Maxim Parr stepped down from the Committee when he retired from the Board on 28 September 2023. The Committee meets at least twice a year on a scheduled basis and additionally as may be required. In 2023, the Committee met on three occasions.

The Committee is responsible for recommending the fees paid to the non-executive Chairman and Directors, by reference to the roles and time commitment of each individual concerned. The final determination of the fees payable to non-executive Directors is a matter for the Board of Directors as a whole.

The overall fee structure is assessed in part by reference to other investment trusts. The Committee seeks information from JRCM management and advice from an independent advisor, as required.

The Remuneration Committee has appointed a remuneration specialist from Alvarez & Marsal, to provide the Committee with advice. In 2023, fees of approximately £12,675 (2022: £11,519) were paid to Alvarez & Marsal in respect of their advice. Alvarez & Marsal abides by the Remuneration Consultant's Code of Conduct which requires it to provide objective and impartial advice. It has no other relationships with the Group and is therefore independent.

In accordance with Part 15, Chapter 6 of the Companies Act 2006, the Directors' Remuneration Policy applies to the Directors of the Company, all of whom are non-executives.

Incentive structures

In accordance with the relevant principles of the Codes, the Remuneration Committee has sought to ensure that there is an appropriate Group-wide incentive structure to attract, motivate and retain the high-quality individuals we need to deliver our long-term strategic aims and sustainable success. The remuneration approach is designed to align with and reinforce these strategic aims, while promoting responsible risk management.

Fixed remuneration for the Group's employees comprises a base salary, which reflects their talent, skills, competencies and contributions to the Group. Each employee's salary is reviewed on an annual basis, and considers such factors as market levels of remuneration and individual performance. During 2023, salary increases were implemented on a tiered basis, targeted towards more junior employees who were most susceptible to the financial pressures brought about by higher inflation and the rising cost of living. Employees are also eligible to receive various benefits, including pension contributions and private medical insurance.

Directors' Remuneration Report

The Group operates an Annual Incentive Scheme (AIS) for employees as well as longer-term share-based awards. The annual cap for total awards under the AIS is limited to 0.75% of net assets. Our approach is designed to measure and reward performance, and seeks to provide an appropriate balance between shorter-term awards and longer-term incentives, as well as the need for robust risk management. We remain satisfied with the suitability of the AIS in order to meet our objectives.

The performance assessment for awards under the AIS reflect quantitative investment outperformance (as measured by the NAV per share total return versus two KPIs: CPI plus 3.0% and the ACWI) as well as discretionary awards for wider achievements not directly linked to the overall NAV return. This may include prudent risk controls, deal origination, efficient regulation and initiatives which support and enhance our values and culture. Any such qualitative rewards are measured against rigorous performance metrics through a Group-wide annual appraisal process.

The AIS is measured annually and includes longer-term features such as a three-year, 'high water mark' in relation to absolute outperformance. In addition, and in particular for management and senior employees, AIS awards include significant deferrals into RIT shares. For awards above £250,000, 60% of these awards are made in deferred RIT shares. These vest over the subsequent three years, reinforcing the alignment with shareholders' interests.

Decisions made by the Committee have followed a careful appraisal of performance and at all times aim to reinforce shareholder alignment, both through the link to our objectives and also the payment via shares.

AIS awards are subject to malus conditions and the Committee retains the ability to clawback previous awards if necessary.

The second main aspect of the remuneration approach is a long-term incentive plan which is structured as awards of restricted share units (RSUs). RSUs are increasingly being adopted by listed companies and they form an important part of aligning awards with our long-term investment performance and shareholder value creation. They vest after three years and then have a further two-year lock-up before the underlying RIT shares can be sold. The vesting of an RSU is ordinarily subject to the participant's continued service over the vesting period. Following the two-year lock-up, the RSUs are transferred directly to participants who are then free to sell them if they so choose. RSUs also incorporate qualitative performance standards, as well as malus and clawback features.

Ordinary shares of the Company are used to settle the share components of existing and future awards granted. The Group seeks to hedge its exposure to RSUs by using an employee benefit trust to acquire shares to meet the estimated future liability.

Consulting with shareholders
Where appropriate, the Committee is responsible for ensuring that there is pro-active engagement and consultation with major shareholders and shareholder representatives in respect of remuneration.

Non-executive Directors' remuneration
The remuneration of the non-executive Chairman and Directors is determined by the Board as a whole. Non-executive fees are reviewed periodically by the Board with reference to market levels in other investment trusts. The Board has discretion to periodically review and amend fee rates. The current fee rates are listed below:

Base fee:	
Non-executive Chairman[1]	£150,000
Non-executive Director	£35,000
Additional fees:	
Senior Independent Director fee	£7,500
Committee membership fees:	
Audit and Risk Committee	£6,000
Conflicts Committee	£3,000
Nominations Committee	£4,000
Remuneration Committee	£4,000
Valuation Committee	£6,000
Audit and Risk Committee Chairmanship[2]	£10,000
All other Committee Chairmanship fees (per committee)[2]	£7,500

[1] The non-executive Chairman fee is inclusive of membership of Board Committees.

[2] The Committee Chairmanship fees are in addition to the Committee membership fees.

The non-executive Directors each have letters of appointment that are subject to termination upon one month's written notice on either side. The non-executive Chairman's letter of appointment provides for six months' notice on either side.

The letters of appointment for the non-executive Directors are available for inspection at the Company's registered office.

Annual report on remuneration
The annual report on remuneration will be put to an advisory shareholder vote at the 2024 AGM. The information on pages 58 and 59 has been audited where required under the regulations and is indicated as audited information where applicable.

Directors' Remuneration Report

Directors' remuneration – audited

Directors' remuneration is in the form of fees and, if applicable, taxable benefits comprising of travel and subsistence expenses incurred by or on behalf of Directors in the course of travel to attend Board or Committee meetings.

The following table sets out the total remuneration for each Director:

Year ended 31 December Non-executive Director	2021 Total remuneration £	2022 Total remuneration[1] £	2023 Total remuneration £	% Change in total remuneration between 2020 and 2021[2]	% Change in total remuneration between 2021 and 2022[2]	% Change in total remuneration between 2022 and 2023[2]
Chairman						
Sir James Leigh-Pemberton	150,000	150,000	150,000	–	–	-
Directors						
Philippe Costeletos	69,500	74,500	79,823	2.4	7.2	7.1
Maggie Fanari[3]	37,000	44,667	46,000	–	20.7	3.0
Vikas Karlekar	–	13,731	39,069	n/a	n/a	184.5
Cecilia McAnulty	–	13,731	40,973	n/a	n/a	198.4
Maxim Parr[4]	41,774	48,000	38,856	78.9	14.9	(19.1)
André Perold[5]	36,000	52,228	44,791	(17.6)	45.1	(14.2)
Mike Power[6]	49,500	61,167	21,500	–	23.6	(64.9)
Jutta af Rosenborg[7]	–	31,962	57,882	n/a	n/a	81.1
Hannah Rothschild	30,000	35,000	35,626	–	16.7	1.8

Unless taxable benefits are specifically outlined below for each Director, total remuneration above constitutes fees only.

[1] *With effect from 1 January 2022 the annual base fee for each non-executive Director (excluding the non-executive Chairman) was increased from £30,000 to £35,000. This was the first such increase since 2016 and followed advice from Alvarez & Marsal on the level of fees paid to non-executive directors of other investment trusts.*

[2] *The year-on-year percentage changes in total remuneration are influenced by a number of factors including where Directors have completed part-year service and/or being appointed to Board Committees during the relevant periods.*

[3] *Maggie Fanari retired as a Director on 29 February 2024.*

[4] *Maxim Parr retired as a Director on 28 September 2023.*

[5] *André Perold total remuneration for the relevant periods comprises the following:*

Year	Directors fee	Taxable benefits
2023	41,000	3,791
2022	41,000	11,228
2021	36,000	–

[6] *Mike Power retired as a Director of the Company on 26 April 2023*

[7] *Jutta af Rosenborg total remuneration for the relevant periods comprises the following:*

Year	Directors fee	Taxable benefits
2023	53,782	4,100
2022	29,044	2,918
2021	–	–

Directors' Remuneration Report

Fees

The total fees payable to Directors for the year was £546,629 (compared to £530,498 in the year ended 31 December 2022). This includes the Directors' base fees as well as committee fees.

The aggregate base fees of the non-executive Directors (excluding the Chairman) for the year was £282,692, which was within the £400,000 limit for such fees under the Company's Articles of Association.

Statement of Directors' shareholdings – audited

The interests of the Directors holding office at 31 December 2023 in the ordinary shares of the Company are shown below:

Ordinary shares of £1 each	Beneficial	Non-beneficial	% of voting rights
Sir James Leigh-Pemberton	11,055	–	<0.1
Philippe Costeletos	72,710	–	<0.1
Maggie Fanari	–	–	–
Vikas Karlekar	993	–	<0.1
Cecilia McAnulty	–	–	–
André Perold	–	–	–
Jutta af Rosenborg	8,400	–	<0.1
Hannah Rothschild[1]	14,358,443	15,402,708	20.2

[1] The majority of the beneficial interests shown in the table above for Hannah Rothschild are in respect of shares held via trusts or companies where she is either one of the beneficiaries or one of the individuals able to exert significant influence. Similarly, the non-beneficial interests are held through a charitable foundation where Hannah is one of the controlling trustees.

Between the end of the year and the date of this report, there were no changes in the Directors' interests.

Requests from the Chairman for permission to deal in the ordinary shares of the Company are considered by the Senior Independent Director. Requests from other Directors are referred to the Chairman or Senior Independent Director. Employees of the Group are subject to approval by the JRCM Executive Committee and/or JRCM's Compliance Officer.

Except as stated in Note 17 to the financial statements no Director has, or has had during the year under review, any beneficial interest in any contract or arrangement with the Company or any of its subsidiaries within the terms set out in the FCA Listing Rules.

Relative importance of spend on pay

The following table shows the year-on-year movement in total remuneration of all employees, compared to the dividends paid and share buybacks.

£ million	Year ended 31 December 2022	Year ended 31 December 2023	Change
Total staff costs	35.6	33.4	(2.2)
Dividends	57.6	56.7	(0.9)
Share buybacks	11.0	163.1	152.1

Statement of shareholder voting

Votes in respect of the resolution to approve the Directors' Remuneration Report at the Company's AGM in April 2023 were cast as follows:

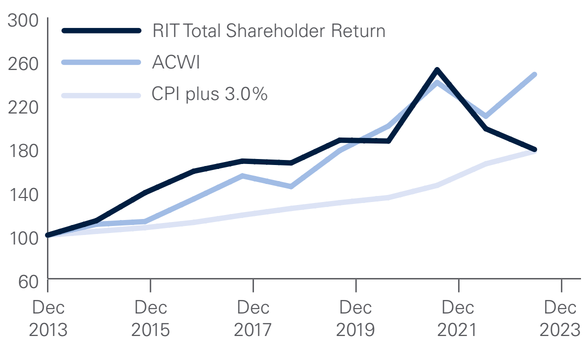
	Number of shares	% of votes cast
Votes cast in favour	71,100,118	99.8
Votes cast against	159,223	0.2
Total votes cast	71,259,341	100.0
Votes withheld	67,172	–

Votes in respect of the resolution to approve the Directors' Remuneration Policy at the Company's AGM in April 2023 were cast as follows:

	Number of shares	% of votes cast
Votes cast in favour	71,085,685	99.8
Votes cast against	160,895	0.2
Total votes cast	71,246,580	100.0
Votes withheld	82,201	–

Performance graph

In accordance with the Directors' Remuneration Report regulations, a performance graph which measures the Company's TSR over the period from 31 December 2013 against that of a broad equity market index is shown below. This is calculated by reference to the Company's share price including dividend reinvestment. The Committee considers the ACWI to be the most suitable index for this purpose, being a KPI. In addition, the graph includes the Company's absolute return hurdle of CPI plus 3.0%. Further information can be found in the Company's Strategic Report.



Audit

The tables in this report on pages 58 and 59, audited by Ernst & Young LLP, have been marked as such.

The Directors' Remuneration Report on pages 56 to 59 was approved by the Board and signed on its behalf by:

Philippe Costeletos
Chair, Remuneration Committee

Directors' Report

Directors' Report: statutory and other disclosures

The Directors present their report and audited financial statements for the year ended 31 December 2023.

The section above identifies where certain information required to be disclosed in the Directors' Report is shown within other sections of the Report and Accounts (and forms part of the Directors' Report) starting on the page indicated. Additional statutory disclosures are set out below.

Status of Company

The Company is registered as a public company and is incorporated in the UK and registered in England and Wales (Company Registration Number 2129188). It conducts its affairs so as to qualify for approval as an investment trust for tax purposes, and has been accepted as an approved investment trust by HMRC, subject to continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval as an investment trust under Section 1158 of the Corporation Tax Act 2010.

The Company's subsidiaries are mainly engaged in investment activities and the activities of the Group are principally undertaken in the UK.

Directors

The Directors at the date of this report are listed on pages 37 and 38.

During the year ended 31 December 2023:

Directorate changes

- Mike Power retired as a Director on 26 April 2023;
- Maxim Parr retired as a Director on 28 September 2023;

Committee composition

- Vikas Karlekar was appointed to the Audit and Risk Committee on 26 April 2023;
- Cecilia McAnulty was appointed to the Valuation Committee on 26 April 2023 and was subsequently appointed as Chair of this committee on 28 September 2023; and
- Hannah Rothschild was appointed as a member of the Nominations Committee on 6 November 2023.

Corporate Objective

The Company's Corporate Objective is: *"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

The Company's Investment Policy is: *"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."*

Asset allocation and risk diversification

The Group's assets continue to be allocated across a diversified range of asset classes, geographies, industries and currencies. There are no external restrictions on the allocation of assets. The portfolio is further diversified through the use of external managers with different mandates. Exposures are monitored and managed by JRCM under the supervision of the Board.

Gearing

The Company maintains structural gearing principally through fixed-rate private placement notes and revolving credit facilities. At 31 December 2023, the drawn indebtedness was £281 million with debt held at fair value, or £294 million with debt held at par value. This represented net gearing calculated in accordance with AIC guidance of 3.5%.

The maximum indebtedness that the Company is empowered to incur under its Articles of Association is five times its adjusted capital and reserves.

Further information is shown under debt and leverage on page 19.

Directors' Report

Direct and indirect investment management fees

Consistent with the Investment Policy, the Company invests a significant proportion of the portfolio with external managers. The majority of the management and performance fees charged by such managers are incurred indirectly by the Company. They are included within the fund investment valuations and therefore form part of the investment return. Three fund investments are structured as segregated accounts. Here, the fees are incurred directly by the Company (see Note 3 on page 74).

Fees within the long-only equity funds, whether structured as segregated accounts or otherwise, typically incur a management fee of 0.5% to 1.0% per annum and in some cases a performance fee for outperformance relative to a benchmark. The hedge funds and absolute return and credit funds are slightly higher – typically a 1% to 2% management fee and typically a 10% to 20% performance fee. Fees for investments into private funds are structured differently and will usually have a 1% to 2.5% annual charge (often based on commitments in early years and declining over time with realisations), as well as a 20% to 30% carried interest. This may be above an 8% per annum hurdle and/or with the higher rates often earned when investors have received back a minimum multiple of their invested capital (e.g. 3x).

Aggregate management fees (excluding performance fees and net of fee rebates) for the external funds for 2023 have been estimated at 0.94% of RIT's total average net assets (2022: 0.88%).

Share capital

At 31 December 2023, the issued share capital comprised 156,848,065 £1 ordinary shares, of which 9,307,817 were held by the Company in treasury as a result of a series of share buybacks. Further details are shown in Note 21 on page 89.

No £1 ordinary shares were issued during the year and the existing shareholder authorities given to the Company at the last AGM to allot and purchase shares will expire at the conclusion of the Company's forthcoming AGM scheduled for 2 May 2024. At the AGM, shareholders shall be asked to renew these authorities, as will be explained in the separate Notice of the meeting.

Major holders of voting rights

As at 31 December 2023, the following notifications had been received from the holders of 3% or more of the voting rights conferred through the direct or indirect holding of the Company's ordinary shares of £1 each.

	31 December 2023		
Major holders of voting rights[1]	Total number of shares	% of voting rights[5]	Direct or indirect
Lord Rothschild[2,3]	19,291,497	13.1	Indirect
Hannah Rothschild[2]	15,402,708	10.4	Indirect
The Rothschild Foundation[2]	15,390,848	10.4	Direct
Evelyn Partners Inv. Mgt. LLP Limited	7,880,671	5.3	Indirect
Five Arrows Limited[4]	6,757,835	4.6	Direct

[1] The above table does not include Lord Rothschild's or Hannah Rothschild's direct voting rights in shares in the Company which were below the notifiable threshold.

[2] As Lord Rothschild and Hannah Rothschild were both members and trustees of the Rothschild Foundation, the above notifiable interests include the same 15,390,848 shares held by this charity (which also represent Hannah Rothschild's non-beneficial interests on page 59 under Directors' shareholdings).

[3] Part of Lord Rothschild's holdings included entities where Hannah Rothschild is one of the beneficiaries, and therefore the relevant shares also form part of her beneficial interests on page 59.

[4] Lord Rothschild and Hannah Rothschild had an indirect beneficial interest in the shares of the Company held by Five Arrows Limited.

[5] The total interests notified to the Company that directly related to, and was overseen by, the family offices of Lord Rothschild and Hannah Rothschild (including shares in which Lord Rothschild and Hannah Rothschild did not have voting rights conferred through a direct or indirect holding) was 22.2%.

Directors' Report

As at 14 February 2024, the voting rights in the above table remained unchanged.

There are no restrictions or significant agreements that may restrict, on a change of control, transfer of securities in the Company or the voting rights attached to those securities.

The shares of the Company qualify for inclusion within an Individual Savings Account.

Cross holdings
The FCA Listing Rules also require closed-ended investment companies to disclose quarterly all of their investments in *"other listed closed-ended investment funds ... which themselves do not have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds."*

The Group discloses such investments when necessary, but does not restrict its own investment policies in this manner. There were no such investments held by the Group as at 31 December 2023 and 31 December 2022.

Annual General Meeting
The Company's 2024 AGM is scheduled to be held on 2 May at 12:00. Further details will be sent out in the notice of AGM to be circulated to shareholders and made available on the Company's website: www.ritcap.com, in due course.

Auditor
EY has expressed its willingness to continue in office as the Company's external auditor. Resolutions to reappoint EY and to authorise the Directors to set their remuneration will be proposed at the forthcoming AGM.

Other
The Company seeks to agree the best possible terms on which business will take place with its suppliers. It is the Company's policy to abide by such terms.

The Company maintained a qualifying third-party liability insurance for its Directors and Officers throughout the year and up to the date of approval of the Report and Accounts.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006
The Directors consider, both individually and together, that they have acted in a way they consider, in good faith, is most likely to promote the success of the Company for the benefits of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2023 (see pages 8, 9, 33 and 34).

Disclosure of information to the auditor
With regard to the preparation of the Report and Accounts of the Company for the year ended 31 December 2023, the Directors have confirmed to the auditor that:

- so far as they are aware, there is no relevant audit information of which the auditor is unaware; and
- they have taken the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Listing Rules disclosures
There are no disclosures required under Listing Rule 9.8.4.

The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015
Information on subsidiaries that is required to be disclosed under the above regulations is disclosed in Note 30.

Disclosable information in respect of other investments is contained in Note 33.

The Directors' Report on pages 60 to 62 was approved by the Board and signed on its behalf by:

Sir James Leigh-Pemberton Chairman

Financial Statements

for the year ended 31 December 2023

RIT Capital Partners plc

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Consolidated income statement

Year ended 31 December £ million	Notes	Revenue	Capital	2023 Total	Revenue	Capital	2022 Total
Investment income	2	29.3	–	29.3	19.1	–	19.1
Other income		3.2	–	3.2	7.6	–	7.6
Gains/(losses) on fair value investments	3, 5	–	109.9	109.9	–	(555.5)	(555.5)
Gains/(losses) on monetary items and borrowings		–	0.8	0.8	–	20.2	20.2
		32.5	110.7	143.2	26.7	(535.3)	(508.6)
Expenses							
Operating expenses	4, 5	(28.5)	(14.2)	(42.7)	(36.0)	(7.6)	(43.6)
Profit/(loss) before finance costs and taxation	6	4.0	96.5	100.5	(9.3)	(542.9)	(552.2)
Finance costs	7	(6.9)	(27.5)	(34.4)	(5.0)	(20.0)	(25.0)
Profit/(loss) before taxation		(2.9)	69.0	66.1	(14.3)	(562.9)	(577.2)
Taxation	8	–	–	–	–	–	–
Profit/(loss) for the year		**(2.9)**	**69.0**	**66.1**	**(14.3)**	**(562.9)**	**(577.2)**
Earnings/(loss) per ordinary share – basic	9	(1.9p)	46.1p	44.2p	(9.2p)	(362.1p)	(371.3p)
Earnings/(loss) per ordinary share – diluted	9	(1.9p)	45.7p	43.8p	(9.2p)	(362.1p)	(371.3p)

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 £ million	Notes	Revenue	Capital	2023 Total	Revenue	Capital	2022 Total
Profit/(loss) for the year		(2.9)	69.0	66.1	(14.3)	(562.9)	(577.2)
Revaluation gain/(loss) on property, plant and equipment	10	–	0.9	0.9	–	(2.1)	(2.1)
Actuarial gain/(loss) in defined benefit pension plan	11	(0.4)	–	(0.4)	(4.5)	–	(4.5)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	12	0.2	–	0.2	1.1	–	1.1
Total comprehensive income/(expense) for the year		**(3.1)**	**69.9**	**66.8**	**(17.7)**	**(565.0)**	**(582.7)**

The Notes on pages 70 to 93 form part of these financial statements.

Consolidated Balance Sheet

At 31 December £ million	Notes	2023	2022
Non-current assets			
Investments held at fair value	13	3,499.4	3,586.3
Investment property	13, 15	34.1	37.9
Property, plant and equipment	10	21.6	20.7
Retirement benefit asset	11	0.1	0.5
Derivative financial instruments	13	5.9	1.0
		3,561.1	3,646.4
Current assets			
Derivative financial instruments	13	65.4	57.3
Other receivables	16	71.2	245.3
Amounts owed by group undertakings	17	0.1	4.5
Cash at bank		204.3	218.0
		341.0	525.1
Total assets		3,902.1	4,171.5
Current liabilities			
Borrowings	18	(142.9)	(236.2)
Derivative financial instruments	13	(2.8)	(10.4)
Other payables	19	(39.2)	(63.5)
Amounts owed to group undertakings	17	(0.1)	(0.1)
		(185.0)	(310.2)
Net current assets/(liabilities)		156.0	214.9
Total assets less current liabilities		3,717.1	3,861.3
Non-current liabilities			
Borrowings	18	(137.9)	(134.4)
Derivative financial instruments	13	(0.0)	–
Deferred tax liability	12	(0.0)	(0.2)
Provisions	20	(3.0)	(1.8)
Lease liability		(2.9)	(3.2)
		(143.8)	(139.6)
Net assets		**3,573.3**	**3,721.7**
Equity attributable to owners of the Company			
Share capital	21	156.8	156.8
Share premium	22	45.7	45.7
Capital redemption reserve	23	36.3	36.3
Own shares reserve	24	(36.7)	(46.3)
Capital reserve	26	3,393.1	3,548.9
Revenue reserve	27	(32.2)	(29.1)
Revaluation reserve	28	10.3	9.4
Total equity		**3,573.3**	**3,721.7**
Net asset value per ordinary share – basic	29	2,449p	2,414p
Net asset value per ordinary share – diluted	29	2,426p	2,388p

The financial statements on pages 64 to 69 were approved by the Board and authorised for issue on 4 March 2024.

Sir James Leigh-Pemberton
Chairman

The Notes on pages 70 to 93 form part of these financial statements.

Parent Company Balance Sheet

At 31 December £ million	Notes	2023	2022
Non-current assets			
Investments held at fair value	13	3,362.3	3,485.2
Investment property	13, 15	34.1	37.9
Property, plant and equipment	10	21.5	20.6
Investments in subsidiary undertakings	30	143.2	107.2
Derivative financial instruments	13	5.9	1.0
		3,567.0	3,651.9
Current assets			
Derivative financial instruments	13	65.4	57.3
Other receivables	16	70.6	244.9
Cash at bank		196.7	193.9
		332.7	496.1
Total assets		3,899.7	4,148.0
Current liabilities			
Borrowings	18	(142.9)	(236.2)
Derivative financial instruments	13	(2.8)	(10.4)
Other payables	19	(31.9)	(54.1)
Amounts owed to group undertakings	17	(119.6)	(90.2)
		(297.2)	(390.9)
Net current assets/(liabilities)		35.5	105.2
Total assets less current liabilities		3,602.5	3,757.1
Non-current liabilities			
Borrowings	18	(137.9)	(134.4)
Derivative financial instruments	13	(0.0)	–
Provisions	20	(3.0)	(2.2)
Lease liability		(2.9)	(3.2)
		(143.8)	(139.8)
Net assets		**3,458.7**	**3,617.3**
Equity			
Share capital	21	156.8	156.8
Share premium	22	45.7	45.7
Capital redemption reserve	23	36.3	36.3
Capital reserve:			
At 1 January		3,578.6	4,203.4
Profit for the year		77.0	(556.2)
Treasury shares purchase	21	(163.1)	(11.0)
Dividends paid	31	(56.7)	(57.6)
Capital reserve at 31 December	26	3,435.8	3,578.6
Revenue reserve:			
At 1 January		(209.5)	(176.1)
Loss for the year		(16.7)	(33.4)
Revenue reserve at 31 December	27	(226.2)	(209.5)
Revaluation reserve	28	10.3	9.4
Total equity		**3,458.7**	**3,617.3**

The Company's total comprehensive income for the year was £61.2 million (2022: expense of £591.7 million).

The financial statements on pages 64 to 69 were approved by the Board and authorised for issue on 4 March 2024.

Sir James Leigh-Pemberton
Chairman

The Notes on pages 70 to 93 form part of these financial statements.

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 2022	156.8	45.7	36.3	(23.0)	4,174.4	(11.4)	11.5	4,390.3
Profit/(loss) for the year	–	–	–	–	(562.9)	(14.3)	–	(577.2)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	–	(2.1)	(2.1)
Actuarial gain/(loss) in defined benefit plan	–	–	–	–	–	(4.5)	–	(4.5)
Deferred tax (charge)/credit allocated to actuarial gain/(loss)	–	–	–	–	–	1.1	–	1.1
Total comprehensive income/(expense) for the year	–	–	–	–	(562.9)	(17.7)	(2.1)	(582.7)
Dividends paid	–	–	–	–	(57.6)	–	–	(57.6)
Purchase of treasury shares	–	–	–	–	(11.0)	–	–	(11.0)
Movement in own shares reserve	–	–	–	(23.3)	–	–	–	(23.3)
Movement in share-based payments	–	–	–	–	6.0	–	–	6.0
Balance at 31 December 2022	**156.8**	**45.7**	**36.3**	**(46.3)**	**3,548.9**	**(29.1)**	**9.4**	**3,721.7**
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**

The Notes on pages 70 to 93 form part of these financial statements.

Parent Company Statement of Changes in Equity

£ million	Share capital	Share premium	Capital redemption reserve	Capital reserve	Revenue reserve	Revaluation reserve	Total equity
Balance at 1 January 2022	156.8	45.7	36.3	4,203.4	(176.1)	11.5	4,277.6
Profit/(loss) for the year	–	–	–	(556.2)	(33.4)	–	(589.6)
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	(2.1)	(2.1)
Total comprehensive income/(expense) for the year	–	–	–	(556.2)	(33.4)	(2.1)	(591.7)
Dividends paid	–	–	–	(57.6)	–	–	(57.6)
Purchase of treasury shares	–	–	–	(11.0)	–	–	(11.0)
Balance at 31 December 2022	**156.8**	**45.7**	**36.3**	**3,578.6**	**(209.5)**	**9.4**	**3,617.3**
Balance at 1 January 2023	156.8	45.7	36.3	3,578.6	(209.5)	9.4	3,617.3
Profit/(loss) for the year	–	–	–	77.0	(16.7)	–	60.3
Revaluation gain/(loss) on property, plant and equipment	–	–	–	–	–	0.9	0.9
Total comprehensive income/(expense) for the year	–	–	–	77.0	(16.7)	0.9	61.2
Dividends paid	–	–	–	(56.7)	–	–	(56.7)
Purchase of treasury shares	–	–	–	(163.1)	–	–	(163.1)
Balance at 31 December 2023	**156.8**	**45.7**	**36.3**	**3,435.8**	**(226.2)**	**10.3**	**3,458.7**

The Notes on pages 70 to 93 form part of these financial statements.

Consolidated and Parent Company Cash Flow Statement

Year ended 31 December		Consolidated cash flow		Parent Company cash flow	
£ million	Notes	2023	2022	2023	2022
Cash flows from operating activities:					
Cash inflow/(outflow) before taxation and interest	32	328.6	57.7	331.1	7.7
Interest paid		(34.4)	(25.0)	(34.4)	(25.0)
Net cash inflow/(outflow) from operating activities		294.2	32.7	296.7	(17.3)
Cash flows from investing activities:					
Sale/(purchase) of property, plant and equipment		(0.3)	(0.1)	(0.3)	(0.1)
Investments in subsidiary undertakings		–	–	(21.0)	(2.5)
Divestments of subsidiary undertakings		–	–	25.2	–
Net cash inflow/(outflow) from investing activities		(0.3)	(0.1)	3.9	(2.6)
Cash flows from financing activities:					
Repayment of borrowings		(699.9)	(591.6)	(699.9)	(591.6)
Drawing of borrowings		618.6	555.4	618.6	555.4
Purchase of ordinary shares by EBT[1]	24	(9.8)	(40.4)	–	–
Purchase of ordinary shares into treasury	21	(163.1)	(11.0)	(163.1)	(11.0)
Dividends paid	31	(56.7)	(57.6)	(56.7)	(57.6)
Net cash inflow/(outflow) from financing activities		(310.9)	(145.2)	(301.1)	(104.8)
Increase/(decrease) in cash in the year		(17.0)	(112.6)	(0.5)	(124.7)
Cash at the start of the year		218.0	325.9	193.9	313.9
Effect of foreign exchange rate changes on cash		3.3	4.7	3.3	4.7
Cash at the year end		**204.3**	**218.0**	**196.7**	**193.9**

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

The Notes on pages 70 to 93 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

The consolidated financial statements of the Group and Company are prepared in accordance with UK adopted IAS and the requirements of the Companies Act 2006. The Company has taken advantage of section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The Company is domiciled in the United Kingdom.

The financial statements have been prepared on a going concern basis and under the historical cost convention except for the revaluation of financial instruments (including derivatives), investment properties held at fair value through profit or loss (FVPL), associates held at FVPL, certain non-consolidated subsidiaries held at FVPL, and property, plant and equipment held at fair value. In making this going concern assumption, the Directors have taken into account the closed-ended nature of the Group; its existing cash balances (£204.3 million) and monitoring procedures; its borrowing capacity (£40 million facilities committed and undrawn); the value of investments which could be realised to fund liabilities; loan covenants as well as cash flow forecasts for the period to 30 June 2025; and uncalled commitments (£307.1 million). Further details can be found on page 30.

The principal accounting policies adopted are set out below. Where the presentational guidance set out in the Statement of Recommended Practice: Financial Statements of Investment Trust Companies (the SORP) issued by the Association of Investment Companies (AIC) in July 2022 is consistent with the requirements of UK adopted IAS, the Directors have sought to prepare the financial statements on a basis which complies with the recommendations of the SORP.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change insofar as they are reasonably able, particularly in the context of the climate-related risks identified in the principal risks and viability section of the Strategic Report. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year, nor were they expected to have a significant impact on the Group's going concern or viability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. The Board has concluded that the Company, being the parent entity of the Group, continues to meet the particular characteristics of an 'Investment Entity'. The 'Investment Entity' amendment to IFRS 10 Consolidated Financial Statements requires that:

(i) the single subsidiary J.Rothschild Capital Management Limited (JRCM), that is not itself an investment entity, which provides investment management services to the Group, is consolidated on a line-by-line basis with balances between the parent and this subsidiary eliminated; and

(ii) all other subsidiaries, including Spencer House Limited (SHL), RIT Investments US, Inc and RIT Investments GP Limited, are accounted for as investments held at FVPL.

In the financial statements of the Company investments in non-consolidated subsidiaries are carried at fair value and the consolidated subsidiary is carried at cost less any provision for impairment made in accordance with IAS 36 Impairment of Assets. Impairment tests are carried out twice each year concurrent with the Group's principal reporting dates.

The financial statements of the subsidiaries are prepared at the same reporting date using consistent accounting policies. Control is achieved where the Company has all of the following;

(i) power over the investee;

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect the amount of the Company's returns.

Both the Group and Company hold investments in associates and joint ventures at fair value as allowed by IAS 28 Investments in Associates and Joint Ventures and IFRS 9 Financial Instruments.

Presentation of income statement

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the consolidated income statement between items of a revenue and capital nature has been presented within the consolidated income statement and the consolidated statement of comprehensive income (SOCI).

Income

Dividend income from investments is recognised when the right to receive payment has been established and this is normally the ex-dividend date.

UK dividend income is recorded at the amount receivable. Overseas dividend income is shown net of withholding tax under investment income.

Interest and other income is accrued on a time basis.

Rental income from investment properties under short-term leases is accounted for on a straight-line basis, over the lease term.

Allocation between capital and revenue

In respect of the analysis between capital and revenue items presented within the consolidated income statement, the SOCI and the statement of changes in equity, all expenses and finance costs, which are accounted for on an accruals basis, have been presented as revenue items except those items listed below:

- expenses are allocated to capital where a direct connection with the maintenance or enhancement of the value of the investments can be demonstrated. Expenses are allocated to revenue where there is an indirect connection;
- all segregated account fees are considered to be a cost of achieving a capital return for those external managers operating segregated accounts. This ensures consistency with the treatment of all other investment management fees within our fund investments, which are automatically included in capital and reflected in the investment gain/loss;

Notes to the Financial Statements

1. Accounting Policies (continued)

- the Group has in place certain incentive arrangements whereby individuals receive share awards based on investment performance and/or share price growth. The cost of these arrangements derives principally from the capital performance and therefore the Directors consider it appropriate to allocate such costs to capital;
- expenses which are incidental to the purchase or disposal of an investment are deducted from the initial fair value or disposal proceeds of the investment; and
- costs incurred in connection with aborted portfolio investment transactions are also allocated to capital.

The following are also presented as capital items:

- gains and losses on the realisation of investments, including foreign exchange differences;
- increases and decreases in the valuation of investments held at the year end, including foreign exchange differences;
- realised and unrealised gains and losses on derivatives transactions of a capital nature; and
- expenses, together with the related taxation effect, allocated to capital in accordance with the above policies.

Finance costs

Finance costs on borrowings are accounted for on an accruals basis and are settled at the end of each contractual period. Finance costs on derivatives are settled in line with the underlying contract.

Finance costs are allocated in the ratio 20:80 to the revenue and capital columns of the income statement.

Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates, i.e. its functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in sterling which is the functional currency of the Company, and the presentational currency of the Group. Transactions in currencies other than sterling are recorded at the rate of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. All foreign exchange gains and losses are recognised in the consolidated income statement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or are not deductible for tax purposes. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not subject to tax on capital gains. In view of the Company's status as an investment trust, and its intention to continue meeting the conditions required to maintain approval for the foreseeable future, the Company has not provided current or deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited to the consolidated income statement or SOCI, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned. All investments are measured initially and at subsequent reporting dates at fair value and classified in accordance with IFRS as 'fair value through profit or loss'. Unrealised changes in the fair value of these investments are recognised in the consolidated income statement as capital items. The gain or loss arising on the disposal of investments is determined as the difference between the sale proceeds and the carrying amount of the asset at the beginning of the year and is recognised in the consolidated income statement as capital items. Transaction costs are included within gains or losses on these investments.

Fair value, for quoted investments, is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Investments in externally-managed funds are valued at the closing price, the bid price or the single price as appropriate, released by the relevant fund administrator or investment manager.

In respect of private investments, or where the market for a financial instrument is not active, fair value is estimated by using appropriate valuation techniques and often involves significant judgement and estimation uncertainty. For direct private investments held through co-investment vehicles managed by a General Partner (GP), as well as private funds managed by a GP, the estimated fair value is based on the most recent valuation provided by the GP. These valuations are normally prepared quarterly and usually received within three months of the relevant valuation date. Depending on the timing of the finalisation of the half-year and year-end report and accounts, it is likely that the majority of these assets are valued at the previous quarter end. Where this is the case, the valuations of private funds are adjusted for subsequent investments, distributions and currency moves. In relation to direct co-investments, the valuations will also be adjusted for subsequent investments, distributions and currency moves, as well as pricing events where there is sufficient information to suggest the period-end valuation should be adjusted. Further, in light of the intrinsic valuation uncertainty, where information is

Notes to the Financial Statements

1. Accounting Policies (continued)

received after the year end which relates to conditions present at the year end, an adjustment will be considered if it would be likely to have a material impact on the net assets. Ultimately these valuations are dependent on the reasonableness of the fair value estimation by the GP. The valuations are reviewed periodically by the Manager, and in the absence of contrary information, are assumed to be reliable. A review is also conducted annually in respect of the valuation bases of the investee funds to confirm these are in accordance with fair value standards.

Where the Manager has sufficient information to undertake its own valuations, these will be prepared having regard to the International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Private Equity and Venture Capital Association. The inputs into the valuation methodologies adopted include observable data such as historical earnings or cash flows as well as more subjective data such as earnings forecasts or discount rates. At period ends, all of the valuations are subject to review, adjustment as appropriate and ultimately approval by the Company's Valuation Committee that operates as a sub-committee of the Board comprised entirely of independent non-executive Directors.

The gains and losses on financial assets classified at FVPL exclude any related interest income, dividend income and finance costs where these items are separately identifiable. These items are disclosed separately in the financial statements.

Leasehold and freehold investment properties are measured initially at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at their fair values based on the external professional valuation made as of each reporting date. Valuation surpluses and deficits arising in the year are included in the consolidated income statement.

Derivative financial instruments, including futures, options and other derivatives, are stated in the balance sheet at fair value. For derivatives that are capital in nature, the associated change in value is presented as a capital item in the income statement. The Group has adopted trade date accounting. Accordingly, derivative financial instruments are recognised on the date the Group enters into the relevant contract, and are derecognised on the date on which it commits to their sale or they expire. All derivatives are classified as FVPL and are presented as assets when their fair value is positive, and as liabilities when their fair value is negative.

Cash at bank
Cash at bank in the balance sheet comprises cash balances and deposits.

Provisions
A provision is recognised in the balance sheet when the Group or Company has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Share-based payment
In accordance with IFRS 2 Share-based Payment (IFRS 2), the Group is required to reflect in its income statement and balance sheet the effects of share-based payment transactions. The Group's share-settled incentive schemes include the Annual Incentive Scheme (AIS) (in part), share appreciation rights (SARs) and restricted share units (RSUs).

AIS awards are structured such that 60% of individual amounts in excess of £250,000 are paid in deferred shares of the Company which vest equally over the three years following the award. Deferred shares are valued using the prevailing market price at award. The expense is recognised over the year the award relates to and the following three years.

Historically, long-term incentive plan (LTIP) awards were made via SARs and performance shares. SARs were measured at the fair value at grant date using a trinomial option valuation model. The cost is then recognised through the capital column of the income statement over the three-year vest period.

Performance shares were conditional awards of shares subject to performance conditions. They were accounted for as equity settled in accordance with IFRS 2. The awards were fair valued at grant using a Monte Carlo model and the resulting cost of an award is then recognised through the capital column of the income statement over the vest period particular to that award.

Following a review by the Remuneration Committee, it was decided that from 2021, future LTIP awards would be made using restricted share units (RSUs), with the first such award in March 2021.

RSUs are equity-settled awards accounted for in accordance with IFRS 2 and are measured at fair value using the share price at the grant date, adjusted for a two year post-vesting sale restriction. The cost is recognised through the capital column of the income statement over the three-year vest period.

On 31 March 2021, staff members were given the option to convert their existing SARs and performance shares at fair value into RSUs, with the vast majority subsequently converted. This conversion was accounted for in accordance with IFRS 2.

Shares required to meet the estimated future requirements from grants or exercises under all schemes, are purchased by an Employee Benefit Trust (EBT), which is consolidated by the Group. The cost of own shares held at the end of the year by the EBT is reflected in the Group's own shares reserve on the consolidated balance sheet.

The movement in equity arising under IFRS 2 is applied to the capital reserve.

Property, plant and equipment
Property, plant and equipment is shown at cost less accumulated depreciation, save as detailed below. Depreciation is calculated by the Group on a straight-line basis by reference to original cost, estimated useful life and residual value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The period of estimated useful life for this purpose is between three and five years for the majority of assets except for the Company's leasehold interest in 27 St. James's Place for which the estimated useful life is 60 years, which is also the period remaining on the property lease. The proportion of this asset occupied by the Group is accounted for at fair value under the revaluation model allowed by IAS 16

Notes to the Financial Statements

1. Accounting Policies (continued)

Property, Plant and Equipment, which is intended to ensure that the carrying value of the asset is never substantially different to its fair value. Changes in fair value are reflected in the SOCI and a separate revaluation reserve. The proportion of property assets not occupied by the Group is accounted for as investment properties at fair value. Determination of fair value requires significant judgement and external advisers are used.

Pensions
JRCM is a participating employer in the Group's non-contributory, funded, defined benefit retirement scheme which is closed to new members and the assets of which are held in a trustee-administered fund. There are no longer any active members of this scheme.

The Group accounts for this defined benefit retirement scheme by reference to IAS 19 Employee Benefits. The cost of benefits accruing during the year in respect of past service is charged to the income statement and allocated to revenue. The net interest on the net defined benefit liability or asset is recognised in the income statement. Actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest on the net defined benefit liability or asset, are recognised in the SOCI. An actuarial valuation of the defined benefit retirement scheme is undertaken every three years as at 1 January and is updated as at each principal reporting date. The valuation is carried out using the projected unit credit method of funding basis. The income statement also includes costs incurred in respect of defined contribution schemes, comprising the contributions payable in the year.

Other receivables/other payables
Other receivables/other payables do not carry any interest, are short-term in nature and are carried at amortised cost. Application of the expected credit loss model to receivables has had an immaterial impact on their carrying value. The carrying value of receivables and payables approximates to their fair value.

Amounts owed to/by Group undertakings
Amounts owed to/by Group undertakings do not carry any interest and are carried at amortised cost. Application of the expected credit loss model to these items has had an immaterial impact on their carrying value. The carrying value of amounts owed to/by Group undertakings approximates to their fair value.

Bank borrowings
Interest-bearing bank loans are recorded initially at the proceeds received and subsequently at FVPL, on the basis that the Group and its performance is evaluated on a fair value basis, in line with IFRS 9, paragraph 4.2.2. The fair value is calculated as the amount to replace the facility which is equal to par.

Loan notes
Loan notes are classified as a financial liability at FVPL and are measured initially and subsequently at fair value with movements in fair value taken to the income statement as a capital item. The fair value is calculated with a discounted cash flow model using the fixed interest and redemption payments based on the underlying contractual cash flows. The discount rate adopted reflects the prevailing market rate for similar instruments. As a result, the determination of fair value requires management judgement. Further details of the loan notes are provided on pages 88 and 89.

Dividends
The Company recognises interim dividends in the year in which they are paid.

Share capital and share premium
Share capital is classified as equity. Share premium reflects the excess of the consideration received on issuing shares over the nominal value of those shares, net of issue costs.

Treasury shares
The cost of repurchasing shares into treasury, including all related costs, is dealt with in the Statement of Changes in Equity and deducted from the Capital Reserve.

New and amended standards and interpretations not applied
There are no new standards and interpretations that are relevant to RIT and effective up to the date of issuance of the financial statements that require disclosure in the Financial Statements.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with UK adopted IAS requires the use of certain critical accounting estimates. It also requires the Manager and Board to exercise judgement in the process of applying the Group's accounting policies. The areas requiring a higher degree of judgement or complexity and where assumptions and estimates are significant to the consolidated financial statements, are in relation to the valuation of private investments (see pages 71 and 72 and Note 13) and property (see pages 72 and 73 and Notes 10 and 15).

Notes to the Financial Statements

2. Investment income

£ million	2023	2022
Income from listed investments:		
Dividends	10.1	7.2
Income from unlisted investments:		
Interest	3.9	4.3
Interest income on cash balances	13.5	5.5
Income from investment properties	1.8	2.1
Total investment income	**29.3**	**19.1**

3. Gains/(losses) on fair value investments

£ million	2023	2022
Gains/(losses) on fair value investments excluding segregated accounts	70.8	(579.2)
Gains/(losses) on segregated accounts	47.1	28.0
Segregated account fees - annual	(1.9)	(1.7)
Segregated account fees - performance	(6.1)	(2.6)
Net gains/(losses) on fair value investments held in segregated accounts	39.1	23.7
Gains/(losses) on fair value investments	**109.9**	**(555.5)**

The Company's Investment Policy involves the allocation of part of the portfolio to external fund managers. The vast majority of these managers operate funds where the fees are charged within the fund. These 'indirect' investment management and performance fees are therefore automatically reflected within the valuations received from the administrators or managers, and form part of the investment gains/(losses). At 31 December 2023, three funds (31 December 2022: three) were structured as segregated accounts, where the managers separately invoice the Company for investment management fees. In order to provide a consistent presentation for all external fees, these are included within the gains/(losses) on fair value investments as shown above. Further details on the typical fee structures for the external funds are set out in the Directors' Report on page 61.

4. Operating expenses

£ million	2023	2022
Staff costs:		
Wages and salaries	14.3	13.3
Share-based payment costs (Note 25)	14.7	17.6
Social security costs	3.9	4.4
Pension costs (Note 11)	0.5	0.3
Total staff costs	33.4	35.6
Auditor's remuneration (Note 5)	0.4	0.3
Depreciation	0.3	0.4
Lease payments	0.5	0.4
Other operating expenses	8.1	6.9
Total operating expenses	**42.7**	**43.6**

Operating expenses include costs incurred by JRCM in managing the Group's assets and property costs from the Group's property portfolio. Further information is provided in Note 6.

The figures include Directors' emoluments, details of which are shown in the Directors' Remuneration Report on pages 56 to 59.

The average monthly number of employees during the year was 65 (2022: 59) of which 52 (2022: 47) were employed by JRCM and 13 (2022: 12) were employed by SHL.

5. Other disclosable expenses

During the year the Group obtained the following services from the Company's auditor and its associates:

£ thousand	2023	2022
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and consolidated financial statements	278	228
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries	95	94
Audit-related assurance services	9	12
Total	**382**	**334**

Transaction costs

The following transaction costs represent commissions paid on the purchase and sale of listed investments and are included within gains/(losses) on fair value investments:

£ million	2023	2022
Purchases	0.7	1.5
Sales	0.6	1.2
Transaction costs	**1.3**	**2.7**

Furthermore £0.02 million of professional fees (2022: £0.02 million) incurred on purchases of investments are included within gains/(losses) on fair value investments.

6. Business and geographical segments

For 2023 and 2022, the Group is considered to have three principal operating segments, all based in the UK, as follows:

Segment	Business	2023 AUM £ million[1]	2023 Employees[1]	2022 AUM £ million[2]	2022 Employees[2]
RIT	Investment trust	–	–	–	–
JRCM	Investment management/ administration	3,573	50	3,722	49
SHL	Events/premises management	–	12	–	13

[1] *At 31 December 2023.*
[2] *At 31 December 2022.*

Notes to the Financial Statements

6. Business and geographical segments (continued)

Key financial information for 2023 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit[2]
RIT	3,458.7	143.0	(45.3)	97.7
JRCM	120.6	39.0	(36.5)	2.5
SHL	1.3	4.1	(3.8)	0.3
Adjustments[3]	(7.3)	(42.9)	42.9	–
Total	**3,573.3**	**143.2**	**(42.7)**	**100.5**

Key financial information for 2022 is as follows:

£ million	Net assets	Income/ gains[1]	Operating expenses[1]	Profit[2]
RIT	3,617.3	(511.6)	(52.7)	(564.3)
JRCM	110.3	50.3	(38.4)	11.9
SHL	0.9	3.7	(3.5)	0.2
Adjustments[3]	(6.8)	(51.0)	51.0	–
Total	**3,721.7**	**(508.6)**	**(43.6)**	**(552.2)**

[1] *Includes intra-group income and expenses.*
[2] *Profit before finance costs and taxation.*
[3] *Consolidation adjustments in accordance with IFRS 10 Consolidated Financial Statements.*

7. Finance costs

£ million	2023	2022
Interest on borrowings	23.1	14.3
Interest on swaps	11.3	10.4
Other finance costs	0.0	0.3
Finance costs	**34.4**	**25.0**

8. Taxation

£ million	Year ended 31 December 2023 Revenue	Capital	Total
UK corporation tax charge/(credit)	–	–	–
Current tax charge/(credit)	–	–	–
Deferred tax charge/(credit)	–	–	–
Taxation charge/(credit)	**–**	**–**	**–**

£ million	Year ended 31 December 2022 Revenue	Capital	Total
UK corporation tax charge/(credit)	–	–	–
Current tax charge/(credit)	–	–	–
Deferred tax charge/(credit)	–	–	–
Taxation charge/(credit)	**–**	**–**	**–**

The main corporation tax rate increased from 19% to 25% with effect from 1 April 2023. The tax charge for the year differs from the effective rate of corporation tax in the UK for 2023 of 23.5% (2022: 19%). The differences are explained as follows:

£ million	Year ended 31 December 2023 Revenue	Capital	Total
Profit/(loss) before taxation	(2.9)	69.0	66.1
Tax at the standard UK corporation tax rate of 23.5%	(0.7)	16.2	15.5
Effect of:			
Capital items exempt from corporation tax	–	(25.9)	(25.9)
Dividend income not taxable	(1.7)	–	(1.7)
Expenses not deductible for tax purposes	0.1	–	0.1
Tax losses not recognised	2.3	10.0	12.3
Other items	–	(0.3)	(0.3)
Total taxation charge/(credit)	**–**	**–**	**–**

£ million	Year ended 31 December 2022 Revenue	Capital	Total
Profit/(loss) before taxation	(14.3)	(562.9)	(577.2)
Tax at the standard UK corporation tax rate of 19%	(2.7)	(107.0)	(109.7)
Effect of:			
Capital items exempt from corporation tax	–	102.9	102.9
Dividend income not taxable	(1.2)	–	(1.2)
Expenses not deductible for tax purposes	0.1	–	0.1
Tax losses not recognised	3.8	4.8	8.6
Other items	–	(0.7)	(0.7)
Total taxation charge/(credit)	**–**	**–**	**–**

Refer to Note 12 on page 78 for the explanation of carried forward tax losses.

9. Earnings per ordinary share – basic and diluted

The basic earnings per ordinary share for 2023 is based on the profit of £66.1 million (2022: loss of £577.2 million) and the weighted average number of ordinary shares in issue during the period of 149.5 million (2022: 155.5 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	2023	2022
Net revenue profit/(loss)	(2.9)	(14.3)
Net capital profit/(loss)	69.0	(562.9)
Total profit/(loss) for the year	**66.1**	**(577.2)**

Weighted average (million)	2023	2022
Number of shares in issue	156.8	156.8
Shares held in EBT	(1.8)	(1.0)
Shares held in treasury	(5.5)	(0.3)
Basic shares	**149.5**	**155.5**

Notes to the Financial Statements

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

pence	2023	2022
Revenue earnings/(loss) per ordinary share – basic	(1.9)	(9.2)
Capital earnings/(loss) per ordinary share – basic	46.1	(362.1)
Total earnings per share – basic	**44.2**	**(371.3)**

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.

This adjustment was not required for 2022 as an increase in the shares in issue would have reduced the basic loss per ordinary share. As a result, there was no difference between the basic and diluted loss per ordinary share in the prior year.

Weighted average (million)	2023	2022
Basic shares	149.5	155.5
Effect of share-based payment awards	1.4	–
Diluted shares	**150.9**	**155.5**

pence	2023	2022
Revenue earnings/(loss) per ordinary share – diluted	(1.9)	(9.2)
Capital earnings/(loss) per ordinary share – diluted	45.7	(362.1)
Total earnings per ordinary share – diluted	**43.8**	**(371.3)**

10. Property, plant and equipment

The Group's property, plant and equipment as at 31 December 2023 was £21.6 million (2022: £20.7 million).

Group £ million	Cost	Accumulated depreciation	Revaluation	Net book/fair value
At 1 January 2023	17.5	(6.2)	9.4	20.7
Additions	0.3	–	–	0.3
Charge for depreciation	–	(0.3)	–	(0.3)
Revaluation gain/(loss)	–	–	0.9	0.9
Fair value at 31 December 2023	**17.8**	**(6.5)**	**10.3**	**21.6**
Of which:				
Property – leasehold	14.1	(4.9)	10.3	19.5

Group £ million	Cost	Accumulated depreciation	Revaluation	Net book/fair value
At 1 January 2022	17.4	(5.8)	11.5	23.1
Additions	0.1	–	–	0.1
Charge for depreciation	–	(0.4)	–	(0.4)
Revaluation gain/(loss)	–	–	(2.1)	(2.1)
Fair value at 31 December 2022	**17.5**	**(6.2)**	**9.4**	**20.7**
Of which:				
Property – leasehold	14.2	(4.6)	9.4	19.0

The Company's property, plant and equipment as at 31 December 2023 was £21.5 million (2022: £20.6 million).

Company £ million	Cost	Accumulated depreciation	Revaluation	Net book/fair value
At 1 January 2023	15.8	(4.6)	9.4	20.6
Additions	0.3	–	–	0.3
Charge for depreciation	–	(0.3)	–	(0.3)
Revaluation gain/(loss)	–	–	0.9	0.9
Fair value at 31 December 2023	**16.1**	**(4.9)**	**10.3**	**21.5**
Of which:				
Property – leasehold	14.1	(4.9)	10.3	19.5

Company £ million	Cost	Accumulated depreciation	Revaluation	Net book/fair value
At 1 January 2022	15.7	(4.2)	11.5	23.0
Additions	0.1	–	–	0.1
Charge for depreciation	–	(0.4)	–	(0.4)
Revaluation gain/(loss)	–	–	(2.1)	(2.1)
Fair value at 31 December 2022	**15.8**	**(4.6)**	**9.4**	**20.6**
Of which:				
Property – leasehold	14.2	(4.6)	9.4	18.9

The fair value at both year ends predominantly relates to the proportion of the leasehold interest in 27 St. James's Place occupied by the Group. The property valuations are based on Jones Lang LaSalle's (JLL) valuations at the respective year ends.

11. Pension commitments

The Group has pension commitments in respect of its participation in the RITCP Pension and Life Assurance Scheme (the Scheme). The Scheme consists of a defined benefit plan which is closed to new members. The Scheme is administered under a Trust Deed and Rules and a corporate trustee, Law Debenture Pension Trust Corporation plc, who is independent of the Group and was appointed in May 2019.

In December 2022, the Group de-risked its retirement benefit obligations by supporting the trustees of the Scheme in completing a £20 million bulk annuity insurance policy 'buy-in'. The 'buy-in' secured an insurance asset that fully matches almost all the remaining pension liabilities of the Scheme, with the result that the Group no longer bears material investment, longevity, interest rate or inflation risk. The annuity policy is held in the name of the Trustee.

As a result of the 'buy-in', current cash contributions into the Scheme have ceased. In addition, the Group will no longer record non-cash interest income on the accounting surplus.

It is expected that a full buy-out of the Scheme will complete in 2024, during which individual insurance policies will be purchased for the beneficiaries of the scheme. After the 'buy-out' has completed, the Group will no longer have any liabilities against the Scheme.

Notes to the Financial Statements

11. Pension commitments (continued)

The costs associated with the Scheme, their recognition in the financial statements, the assumptions underlying the calculation of those costs and their disclosure in the consolidated income statement or SOCI are set out below.

Defined benefit cost £ millions	2023	2022
Net interest on defined benefit asset	(0.0)	(0.1)
Remeasurement effects recognised in the SOCI	0.4	4.5
Total cost/(credit)	**0.4**	**4.4**

Recognised in the consolidated income statement £ millions	2023	2022
Defined contribution schemes	0.5	0.4
Defined benefit scheme:		
Net interest on defined benefit liability	0.0	(0.1)
Total pension cost recognised in the consolidated income statement	**0.5**	**0.3**

Recognised in the SOCI £ millions	2023	2022
Defined benefit scheme:		
Actuarial loss due to liability experience	0.0	0.4
Actuarial (gain)/loss due to liability assumption changes	0.5	(9.6)
Actuarial gain due to demographic assumption changes in defined benefit obligation (DBO)	(0.3)	(0.1)
Return on Scheme assets greater than discount rate	0.2	13.8
Remeasurement effects recognised in the SOCI	**0.4**	**4.5**
Total (credit)/expense	**0.9**	**4.8**

The Scheme's assets and liabilities are shown below together with the actuarial assumptions used.

Changes in the DBO £ millions	2023	2022
DBO at end of prior year	17.1	26.7
Interest cost on the DBO	0.9	0.5
Actuarial loss - demographic experience	0.0	0.3
Actuarial gain - demographic assumptions	(0.3)	–
Actuarial gain - financial assumptions	0.5	(9.6)
Benefits paid from scheme assets	(0.9)	(0.8)
Total DBO	**17.3**	**17.1**

Changes in Scheme assets £ millions	2023	2022
Opening fair value of the Scheme assets	17.6	30.5
Interest income on Scheme assets	0.9	0.6
Return on Scheme assets greater than discount rate	(0.2)	(13.8)
Employer contributions	–	1.1
Benefits paid	(0.9)	(0.8)
Total Scheme assets	**17.4**	**17.6**

The Company has unrestricted rights to any surplus in the Scheme upon wind-up. As such there is no irrecoverable surplus for either the current year or prior year.

Development of the net balance sheet position £ millions	2023	2022
Net defined benefit asset at end of prior year	0.5	3.8
Net interest on defined benefit asset at end of prior year	0.0	0.1
Remeasurement effects recognised in the SOCI	(0.4)	(4.5)
Employer contributions	0.0	1.1
Net defined benefit asset	**0.1**	**0.5**

The assumptions used to determine the measurements at the reporting dates are shown below:

	2023	2022
Discount rate	4.65%	4.95%
Price inflation (RPI)	3.30%	3.35%
Rate of salary increase	n/a	n/a
Pension increases for pre 6 April 1997 pension	4.00%	4.00%
Pension increases for post 6 April 1997 pension	4.20%	4.25%
Pension increases for deferred benefits (non Guaranteed Minimum Pension)	3.30%	3.35%
Scheme participant census date	31 December 2023	31 December 2022
Post retirement mortality assumption-source	SAPS[1]	SAPS[1]

[1] *Self-administered Pension Scheme light series year of birth tables allowing for Continuous Mortality Investigation projections and a 1.5% per annum long-term trend.*

Sensitivity analysis

In accordance with IAS 19 (revised), the sensitivity of the DBO to the relevant actuarial assumptions is shown below. In each case the changed assumption has been considered in isolation (i.e. all other factors remain constant).

£ millions	2023	2022
DBO	**17.3**	**17.1**

Significant actuarial assumptions at 31 December 2023:

£ millions	Assumptions used for sensitivity analysis	Sensitivity analysis	Revised DBO for each sensitivity
Discount rate	4.15%	0.5% point decrease	18.5
Price inflation (RPI)	3.80%	0.5% point increase	17.6
Life expectancy	–	Increase of 1 year	18.0

11. Pension commitments (continued)

Significant actuarial assumptions at 31 December 2022:

£ millions	Assumptions used for sensitivity analysis	Sensitivity analysis	Revised DBO for each sensitivity
Discount rate	4.45%	0.5% point decrease	18.3
Price inflation (RPI)	3.85%	0.5% point increase	17.2
Life expectancy	–	Increase of 1 year	17.7

The weighted average duration of the DBO is 13 years. Further Scheme analysis is shown below.

Analysis of DBO by participant category £ millions	2023	2022
Deferred participants	1.8	2.2
Pensioners	15.5	14.9
DBO	**17.3**	**17.1**

The fair value of Scheme assets of £17.4 million is analysed in the table below (2022: £17.6 million).

Scheme asset breakdown	31 December 2023	31 December 2022
Bulk insurance policy	98%	96%
Cash and liquidity/other	2%	4%
Total	**100%**	**100%**

12. Deferred taxation

The gross movement on deferred tax during the year is shown below:

£ million	2023	2022
Balance at start of year	(0.2)	(1.3)
(Debit)/credit to consolidated income statement	–	–
(Debit)/credit to SOCI	0.2	1.1
Balance at end of year	**(0.0)**	**(0.2)**

The deferred tax asset/(liability) is analysed below:

£ million	2023	2022
Retirement benefit asset	(0.0)	(0.2)
Balance at end of year	**(0.0)**	**(0.2)**

The Group had carried forward tax losses of £521 million at 31 December 2023 (2022: £453 million) that have not been recognised as a deferred tax asset, as it is considered unlikely that the unrecognised asset will be utilised in the foreseeable future.

13. Financial instruments

As an investment company, financial instruments make up the vast majority of the Group's assets and liabilities and generate its performance.

Financial instruments comprise securities, derivatives and other investments, cash, short-term receivables and payables, and short and long-term borrowings.

The nature and extent of the financial instruments outstanding can be seen on the face of the balance sheet and the risk management policies employed by the Group and Company are set out below.

The Group's policy for determining the fair value of investments (including private investments) is set out on pages 71 and 72. In relation to receivables, payables and short-term borrowings, the carrying amount is viewed as being a reasonable approximation of fair value.

13.1 Financial risk management

The main risks arising from the Group's financial instruments are market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk. The day-to-day identification, mitigation and monitoring of these risks is undertaken by the Manager under the authority of the Board and the Audit and Risk Committee, and is described in more detail below.

The objectives, policies and processes for managing risks have not changed since the previous accounting year. The risk management processes of the Company are aligned with those of the Group as a whole and it is at the Group level that the majority of the risk management procedures are performed. Where relevant and materially different from the Group position, Company-specific risk exposures are explained alongside those of the Group.

13.1.1 Market risk

The fair value or future cash flows of a financial instrument or investment property held by the Group may fluctuate as a result of changes in market prices. Market risk can be summarised as comprising three types of risk:

- *Price risk*
  The risk that the fair value or future cash flows of financial instruments and investment properties will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).
- *Interest rate risk*
  The risk that the fair value or future cash flows of financial instruments and investment properties will fluctuate because of changes in interest rates.
- *Currency risk*
  The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

Notes to the Financial Statements

13. Financial instruments (continued)

The Group's exposure to, sensitivity to and management of each of these risks are described in further detail below.

Management of market risk is fundamental to the Group's investment objective. The investment portfolio is continually monitored to target an appropriate balance of risk and reward.

The Manager may seek to reduce or increase the portfolio's exposure to stock markets, interest rates and currencies by utilising derivatives such as index futures, options, swaps and currency forward contracts. These instruments are used for the purpose of hedging some or all of the existing exposure within the portfolio to those currencies or particular markets, as well as to enable increased exposure when deemed appropriate. With respect to equity, foreign exchange and interest rate options, the notional exposure presented in this note is adjusted to reflect the estimated sensitivity of the option to movements in the underlying security.

13.1.2 Price risk

Price risk may affect the value of the quoted, private and other investments held by the Group.

The Group has a widely diversified investment portfolio which significantly reduces the exposure to individual asset price risk. The performance of third-party investment managers is regularly reviewed and assessed to ensure compliance with their mandates and that their performance is compatible with the Group's investment objective.

The Group's exposure to price risk is monitored and managed by analysing the levels of direct exposure from quoted equity price risk and the exposure from other price risk.

The Group's exposure to quoted equity price risk (also described as net quoted equity exposure) can be assumed to be equivalent to the quoted equity investments in the investment portfolio adjusted for:

- Notional exposure from quoted equity derivatives;
- Estimated cash balances held by external managers; and
- Estimated net equity exposure from hedge fund managers.

Other price risk exposure relates to investments in private investments, absolute return and credit, and real assets, adjusted for the notional exposure from commodity and credit derivatives.

£ million	31 December 2023	31 December 2022
Exposure to quoted equity price risk[1]	1,594.5	1,361.1
Exposure to other price risk	2,332.2	2,394.5
Total exposure to price risk	**3,926.7**	**3,755.6**

[1] *Quoted equity price risk represented 45% of year-end net assets (2022: 37%).*

Price risk sensitivity analysis

The sensitivity of the Group's net assets and profit with regards to changes in market prices is illustrated below. This is estimated using an assumed 10% increase in general market prices with all other variables held constant. A 10% decrease is assumed to produce an equal and opposite effect.

The sensitivity analysis takes account of the relevant derivative transactions the Group has entered into including those designed to provide a hedge against such movements.

£ million	2023 Impact on profit and net assets	2022 Impact on profit and net assets
Quoted equity	230.2	137.4
Other	260.4	239.4
Total	**490.6**	**376.8**

The Group is exposed to market risk in respect to the fair value of the investment properties. The investment properties are valued by JLL using a market valuation approach and as such, the valuation will be influenced by trends experienced in the property market and also the wider economic environment. In particular, the valuation will be dependent on rental income yields, demand and supply for office space in London and comparable transactions completed in the marketplace. Fluctuations in any of the inputs used by the valuers to value the investment properties may increase or decrease the fair value of the properties.

13.1.3 Interest rate risk

The Group finances its operations mainly through its share capital and reserves, including realised gains on investments. In addition, financing has been obtained through bank borrowings and fixed rate loan notes. Changes in interest rates have a direct or indirect impact on the fair value or future cash flows of the following financial assets and liabilities:

- Gilts and other government securities;
- Money market funds;
- Credit funds;
- Cash and cash equivalents;
- Group borrowings; and
- Certain derivative contracts.

Changes in interest rates indirectly affect the fair value of the Group's other investments including those in quoted equity securities, private investments or property.

13. Financial instruments (continued)

Interest rate risk is managed by taking into account the possible effects on fair value and cash flows that could arise as a result of changes in interest rates when making decisions on investments and borrowings.

Exposure of the Group's financial assets and liabilities to floating interest rates (giving cash flow interest rate risk when rates are reset) and fixed interest rates (giving fair value risk), is shown below.

	31 December 2023		
£ million	Floating rate	Fixed rate	Total
Portfolio investments – debt securities[1]	–	154.0	154.0
Cash	204.3	–	204.3
Borrowings	(142.9)	(137.9)	(280.8)
Total	**61.4**	**16.1**	**77.5**

	31 December 2022		
£ million	Floating rate	Fixed rate	Total
Portfolio investments – debt securities[1]	–	40.7	40.7
Cash	218.0	–	218.0
Borrowings	(236.2)	(134.4)	(370.6)
Total	**(18.2)**	**(93.7)**	**(111.9)**

[1] *In addition, the Group holds £739.8 million (2022: £746.8 million) invested in absolute return and credit, of which £394.5 million (2022: £443.7 million) is in funds that predominantly invest in credit instruments. These provide indirect exposure to interest rate risk.*

Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Group arising out of investment, borrowing and risk management processes.

Portfolio investments include direct and indirect (via externally-managed funds) investments in government securities, money markets, as well as quoted and unquoted debt securities issued by companies.

Interest received on cash and cash equivalents is at prevailing market rates.

The Group has total borrowings with a fair value of £280.8 million outstanding at the year end (2022: £370.6 million). The revolving credit facilities comprising £142.9 million of this total incur floating interest payments (2022: £236.2 million). The loan notes with a fair value of £137.9 million (par value of £151.0 million) have fixed interest payments (2022: fair value £134.4 million; par value £151.0 million). Further details are provided in Note 18.

Interest rate risk sensitivity analysis

The approximate sensitivity of the Group's net assets and profit in regard to changes in interest rates is illustrated below. This is based on an assumed 50 basis point annualised increase in prevailing interest rates at the balance sheet date applied to the floating rate and fixed rate assets and liabilities and the following assumptions:

- the fair values of all other assets and liabilities are not affected by a change in interest rates;
- funds will be reinvested in similar interest-bearing securities on maturity; and
- all other variables are held constant.

A 50 basis point decrease is assumed to produce an equal and opposite impact.

£ million	2023 Impact on profit and net assets	2022 Impact on profit and net assets
Total	**2.7**	**6.1**

The Group has direct exposure to the effect of interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Group invests, and the impact on valuations that use interest rates as an input, including valuation models for private investments. Therefore, the sensitivity analysis may not reflect the full effect on the Group's net assets.

13.1.4 Currency risk

Consistent with its Investment Policy, the Group invests in financial instruments and transactions denominated in currencies other than sterling. As such, the Group's profit and net assets could be significantly affected by currency movements.

Currency risk is managed by the Group by entering into currency options or forward currency contracts as a means of limiting or increasing its exposure to particular currencies. These contracts are used for the purpose of hedging part of the existing currency exposure of the Group's portfolio (as a means of reducing risk) or to enable increased exposure when this is deemed appropriate by the Manager.

Foreign currency exposure

Currency	2023 Net exposure % of NAV	2022 Net exposure % of NAV
US dollar	39.6	32.5
Euro	6.0	7.5
Japanese yen	4.4	4.2
Other non-sterling	2.6	2.9
Total[1]	**52.6**	**47.1**

[1] *Amounts in the above table are based on the carrying value of all foreign currency denominated assets and liabilities and the underlying notional amounts of forward currency contracts. It does not take into account any estimates of 'look-through' exposure from our fund investments.*

Notes to the Financial Statements

13. Financial instruments (continued)

Currency risk sensitivity analysis
The sensitivity of the Group's net assets and profit in regard to changes in key currencies is illustrated below. This is based on an assumed 10% strengthening of sterling relative to the foreign currencies as at 31 December 2023, and assumes all other variables are held constant. A 10% weakening is assumed to produce an equal and opposite effect.

The sensitivity analysis is based on the net foreign currency assets held at the balance sheet dates and takes account of currency forwards and options that adjust the effects of changes in currency exchange rates.

£ million	2023 Impact on profit and net assets	2022 Impact on profit and net assets
US dollar	(104.8)	(120.8)
Japanese yen	(15.9)	(15.6)
Euro	(21.5)	(27.8)
Other non-sterling	(8.9)	(11.2)
Total	**(151.1)**	**(175.4)**

13.1.5 Credit risk
Credit risk is the risk that a counterparty to a financial instrument held by the Group will fail to discharge an obligation or commitment that it has entered into with the Group, which could result in a loss to the Group.

This risk is not considered significant and is managed as follows:

- the vast majority of the Group's listed transactions are settled on a delivery versus payment basis and are held directly by the custodian in fully segregated client accounts;
- use of a range of brokers and counterparties with their credit quality monitored regularly;
- cash balances are predominantly held with our custodian, whose credit worthiness is regularly monitored;
- cash margin is held by a range of approved counterparties, with both margin balances and counterparties' creditworthiness monitored regularly; and
- careful selection of a diversified portfolio of credit managers.

A credit exposure could arise in respect of derivative contracts entered into by the Group if a counterparty was unable to fulfil its contractual obligations.

The Group has exposure to certain debt instruments acquired as part of its private equity investments. The credit risk associated with these instruments is managed as part of the overall investment risk in the relevant portfolio companies and is not considered separately.

The Group's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below.

Credit risk exposure

£ million	2023	2022
Portfolio investments – debt securities[1]	154.0	40.7
Derivative financial instruments[2]	71.3	58.3
Cash margin	37.8	85.4
Other receivables	33.4	159.9
Cash at bank	204.3	218.0
Total	**500.8**	**562.3**

[1] *Debt securities held within portfolio investments include a private loan note issued by LionTree Advisory Holdings LLC.*
[2] *Represents the fair value of assets held by counterparties.*

The credit quality of certain financial assets that are not past due, where the risk of loss is primarily that a counterparty fails to meet an obligation, can be assessed by reference to external credit ratings.

The Manager has a review process in place that includes an evaluation of a potential counterparty's ability to service and repay its debt. This is considered on a regular basis. Cash margins and other receivables comprise mainly balances with counterparties which are investment grade financial institutions with a short-term credit rating by S&P of A-2 or higher (2022: A-2).

BNP is the custodian and depositary to the Company under the Alternative Investment Fund Managers Directive (AIFMD). Under the UK equivalent regulations, the Company is the Alternative Investment Fund (AIF) and JRCM is the Alternative Investment Fund Manager (AIFM). As custodian, substantially all of the Company's directly-held listed portfolio investments and cash at bank are held by BNP. Bankruptcy or insolvency of the custodian may cause the Group's rights with respect to securities held by the custodian to be delayed; however, the custodian's local long-term rating from S&P was A+ in the most recent rating prior to 31 December 2023 (2022: A+).

As depositary under AIFMD, the main obligation of BNP is the safeguarding of those custodied assets on behalf of the RIT shareholder. The depositary is liable for the loss of financial instruments held in custody, other than under limited circumstances. As a result of this obligation, the depositary maintains oversight of all transactions undertaken by the AIFM (JRCM) on behalf of the AIF (RIT). This includes reviewing all cash movements, receiving copies of internal sign-off documentation and key legal agreements, and oversight and review of key procedures and controls.

13. Financial instruments (continued)

13.1.6 Liquidity risk

Liquidity risk is the risk that the Group will have difficulty in meeting its obligations in respect of financial liabilities as they fall due.

In addition to the Group's liquidity balances and committed but undrawn borrowings, the investment portfolio includes a substantial amount of assets which would be expected to be realised within a relatively short time frame, depending on market conditions. This might include stocks (unless held via a co-investment fund or subject to a lock-up), government bonds and derivatives. Other investments can be realised over varying timeframes depending on the nature of the investment and/or the legal terms governing disposal. Investments in externally-managed equity and hedge funds have redemption periods which typically range from daily to quarterly and longer, depending in part on the underlying nature of the portfolio holdings. There is also a risk in stress situations of the funds imposing additional restrictions or 'gates' on redemptions (as happened in particular to hedge funds during the global financial crisis). Direct private and private fund investments are inherently less liquid, and while there is a secondary market, participants will often experience discounts to fair value, in particular at times of stress.

JRCM manages the Group's liquid resources in line with a liquidity risk framework overseen by the Board. This establishes a minimum level of liquidity available to meet expected contractual commitments, including ongoing costs, margin calls and capital calls (from funds with a commitment/drawdown structure - see Note 14). The Manager monitors the level of short-term funding, and balances the need for access to short-term funding, with the long-term funding needs of the Group.

The Group has two revolving credit facilities with a total capacity of £185 million (of which £40 million was committed and undrawn at the year end) and £151 million par value long-term loan notes (details of which are disclosed in Note 18).

The remaining contractual maturities of the Group's financial liabilities at the year end, based on the earliest date on which payment could be required are as follows:

	31 December 2023			
£ million	3 months or less	3-12 months	>1 year	Total
Current liabilities:				
Bank loan/overdraft	142.9	–	–	142.9
Derivative financial instruments	2.5	0.3	–	2.8
Amounts owed to group undertakings	0.1	–	–	0.1
Non-current liabilities:				
Derivative financial instruments	0.0	–	–	0.0
Borrowings	–	5.6	189.3	194.9
Lease liability	0.1	0.3	8.0	8.4
Financial liabilities	145.6	6.2	197.3	349.1
Other non-financial liabilities	39.2	–	3.0	42.2
Total	**184.8**	**6.2**	**200.3**	**391.3**

	31 December 2022			
£ million	3 months or less	3-12 months	>1 year	Total
Current liabilities:				
Bank loan/overdraft	236.2	–	–	236.2
Derivative financial instruments	7.0	3.4	–	10.4
Non-current liabilities:				
Derivative financial instruments	–	–	–	–
Borrowings	–	5.6	189.3	194.9
Lease liability	–	0.4	5.9	6.3
Financial liabilities	243.2	9.4	195.2	447.8
Other non-financial liabilities	63.5	–	1.8	65.3
Total	**306.7**	**9.4**	**197.0**	**513.1**

In addition, the Company has contingent liabilities in the form of commitments amounting to £307 million (2022: £385 million) as set out in Note 14.

13.2 Collateral

Collateral in the form of cash margin is posted by the Group in relation to certain derivative transactions, transacted under the auspices of the International Swaps and Derivatives Association. The Group does not hold collateral from other counterparties.

Set out below is the amount of financial assets pledged as collateral at the year end.

£ million	2023	2022
Cash margin	**37.8**	**85.4**

13.3 Derivative financial instruments

The Group typically uses the following types of derivative instruments in the portfolio:

- futures and forward contracts relating to market indices, foreign currencies and government bonds;
- options relating to foreign currencies, market indices, stocks and interest rates; and
- swaps relating to interest rates, bonds, credit spreads, equity indices and stocks.

As explained above, the Manager uses derivatives to hedge various exposures and also selectively to increase or decrease exposure where desired. The notional amount of certain types of derivatives provides a basis for comparison with instruments recognised on the balance sheet, but does not necessarily indicate the amount of future cash flows involved or the current fair value of the derivatives.

Notes to the Financial Statements

13. Financial instruments (continued)

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in indices, security prices, market interest rates or foreign exchange rates relevant to the terms of the derivative instrument. The aggregate contractual or notional amount of derivative financial instruments held, the extent to which instruments are favourable or unfavourable and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Details of the unsettled derivatives at 31 December 2023 and 31 December 2022 are:

As at 31 December 2023 £ million	Notional[1] amount	Group and Company Assets (positive fair value)	Liabilities (negative fair value)	Total fair value
Commodity derivatives	233.5	6.0	(1.8)	4.2
Currency derivatives	1,406.8	32.6	(0.7)	31.9
Equity derivatives	415.9	32.7	(0.3)	32.4
Total		**71.3**	**(2.8)**	**68.5**

As at 31 December 2022 £ million	Notional[1] amount	Group and Company Assets (positive fair value)	Liabilities (negative fair value)	Total fair value
Commodity derivatives	169.1	6.4	–	6.4
Currency derivatives	1,815.1	49.6	(7.0)	42.6
Equity derivatives	253.2	2.3	(3.4)	(1.1)
Total		**58.3**	**(10.4)**	**47.9**

[1] *Long and short notional exposure has been netted.*

13.4 IFRS 13 fair value measurement classification

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 year when they are deemed to occur.

A description of the valuation techniques used by the Group with regards to investments categorised in each level of the fair value hierarchy is detailed below. Where the Group invests in a fund or a partnership, which is not itself listed on an active market, the categorisation of such investments between levels 2 and 3 is determined by reference to the nature of the fund or partnership's underlying investments. If such investments are categorised across different levels, the lowest level of the hierarchy that forms a significant proportion of the fund or partnership exposure is used to determine the reporting disclosure.

If the proportion of the underlying investments categorised between levels changes during the period, these will be reclassified to the most appropriate level.

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Where a market price is available but the market is not considered active, the Group has classified these investments as level 2.

Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques which maximise the use of observable market data where it is available. Specific valuation techniques used to value OTC derivatives include quoted market prices for similar instruments, counterparty quotes and the use of forward exchange rates to estimate the fair value of forward foreign exchange contracts at the balance sheet date. Investments in externally-managed funds which themselves invest primarily in listed securities are valued at the price or net asset value released by the investment manager or fund administrator as at the balance sheet date.

Level 3

The Group considers all private investments, whether direct or funds, (as described in the Investment Portfolio on page 22) as level 3 assets, as the valuations of these assets are not typically based on observable market data. Where other funds invest into illiquid stocks, these are also considered by the Group to be level 3 assets.

Private fund investments are held at the most recent fair values provided by the GPs managing those funds, adjusted for subsequent investments, distributions, and currency movements up to the period end, and are subject to periodic review by the Manager.

Direct co-investments are also held at the most recent fair values provided by the GPs managing those co-investments, adjusted for subsequent investments, distributions, currency moves, as well as pricing events where the Manager has sufficient information to suggest the period-end valuation should be adjusted. The remaining directly-held private investments are valued on a semi-annual basis using techniques including a market approach, income approach and/or cost approach. The valuation process involves the investment functions of the Manager who prepare the initial valuations, which are then subject to review by the finance function, with the final valuations being determined by the Valuation Committee, comprised of independent non-executive Directors, of which the Audit and Risk Committee Chair is also a member.

13. Financial instruments (continued)

Specific valuation techniques used will typically include the value of recent transactions, earnings multiples, discounted cash flow analysis, and, where appropriate, industry specific methodologies. The acquisition cost, if determined to be fair value, may be used to calibrate inputs to the valuation. The valuations will often reflect a synthesis of a number of distinct approaches in determining the final fair value estimate. The individual approach for each investment will vary depending on relevant factors that a market participant would take into account in pricing the asset. These might include the specific industry dynamics, the company's stage of development, profitability, growth prospects or risk as well as the rights associated with the particular security.

Borrowings at 31 December 2023 comprise bank loans and senior loan notes. The bank loans are revolving credit facilities paying floating interest, and are typically drawn in tranches with a duration of three or six months. The loans are therefore short-term in nature, and their fair value approximates their nominal value. The loan notes were issued in 2015 with tenors of between 10 and 20 years with a weighted average of 16 years. They are valued on a monthly basis using a discounted cash flow model where the discount rate is derived from the yield of similar tenor UK Government bonds, adjusted for any significant changes in either credit spreads or the perceived credit risk of the Company.

The fair value of investments in non-consolidated subsidiaries is considered to be the net asset value of the individual subsidiary as at the balance sheet date. The net asset value comprises various assets and liabilities which are fair valued on a recurring basis and is considered to be level 3.

On a semi-annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and property, plant and equipment held at fair value. Further information is shown in Notes 10 and 15.

The following table analyses the Group's assets and liabilities within the fair value hierarchy, at 31 December 2023:

As at 31 December 2023

£ million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVPL):				
Portfolio investments	668.4	1,065.8	1,628.1	3,362.3
Non-consolidated subsidiaries	–	–	137.1	137.1
Investments held at fair value	668.4	1,065.8	1,765.2	3,499.4
Derivative financial instruments	8.7	62.6	–	71.3
Total financial assets at FVPL	**677.1**	**1,128.4**	**1,765.2**	**3,570.7**
Non-financial assets measured at fair value:				
Investment property	–	–	34.1	34.1
Property, plant and equipment	–	–	21.6	21.6
Total non-financial assets measured at fair value	**–**	**–**	**55.7**	**55.7**
Financial liabilities at FVPL:				
Borrowings	–	–	(280.8)	(280.8)
Derivative financial instruments	(1.8)	(1.0)	–	(2.8)
Total financial liabilities at FVPL	**(1.8)**	**(1.0)**	**(280.8)**	**(283.6)**
Total net assets measured at fair value	**675.3**	**1,127.4**	**1,540.1**	**3,342.8**
Other non-current assets				0.1
Cash at bank				204.3
Other current assets				71.3
Other current liabilities				(39.3)
Other non-current liabilities				(5.9)
Net assets				**3,573.3**

Notes to the Financial Statements

13. Financial instruments (continued)

Movements in level 3 assets

Year ended 31 December 2023 £ million	Investments held at fair value	Properties	Total
Opening balance	1,875.3	58.6	1,933.9
Purchases	187.2	–	187.2
Sales	(159.0)	–	(159.0)
Gains/(losses) through profit or loss[1]	(143.2)	(2.9)	(146.1)
Unrealised gains/(losses) through other comprehensive income	–	0.3	0.3
Other	4.9	(0.3)	4.6
Closing balance	**1,765.2**	**55.7**	**1,820.9**

1 *Included within gains/(losses) through profit or loss is £23.3 million (2022: £60.1 million loss) of unrealised losses, including currency translation, relating to those level 3 assets held at the end of the reporting period.*

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

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 estimating the fair value of the investment. As a range of valuation methods and inputs may be used in the valuation process, selection of a primary method is subjective, and designed primarily to assist the subsequent sensitivity analysis.

Primary valuation method/approach £ million	2023	2022
Third-party valuations[1]	259.7	246.3
Recent transaction	60.0	23.6
Other industry metrics	28.9	21.7
Discount to recent transaction[2]	22.3	90.5
Discount to sale proceeds	13.3	10.8
Earnings multiple	7.5	49.8
Total	**391.7**	**442.7**

1 *Included in this method are directly-held private investments within the non-consolidated subsidiaries with a total of £25.1 million (2022: £24.5 million).*

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

The majority of the direct private investments are structured as co-investments, managed by a GP. For these investments, the valuation approach is to typically use the latest quarterly fair valuations provided by the GP, adjusted for any subsequent investments/distributions and currency moves as well as pricing events, where there is sufficient information to suggest the period-end valuation should be adjusted.

Where the Manager has sufficient information to undertake its own valuation, a range of methods will typically be used. For companies with positive earnings, this will usually involve an earnings multiple approach, typically using EBITDA or similar. The earnings multiple is assessed by reference to similar listed companies or transactions involving similar companies. When an asset is undergoing a sale and the price has been agreed but not yet completed or an offer has been submitted, the agreed or offered price will be used, often with a discount as appropriate to reflect the risks associated with the transaction completing or any price adjustments. Where a company has been the subject of a recent financing round which is viewed as representative of fair value, this transaction price will be used. Other methods employed include discounted cash flow analysis and industry metrics such as multiples of assets under management or revenue, where market participants use these approaches in pricing assets.

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

Valuation method/approach	Sensitivity analysis
Third-party valuations	A 5% change in the value of these assets would result in a £13.0 million or 0.4% (2022: £12.3 million, 0.3%) change in net assets.
Recent transaction	A 5% change in the value of these assets would result in a £3.0 million or 0.08% (2022: £1.2 million, 0.03%) change in net assets.
Other industry metrics	A 5% change in the value of these assets would result in a £1.4 million or 0.04% (2022: £1.1 million, 0.03%) change in net assets.
Discount to recent transaction	Assets in this category are valued using a discount applied to a recent financing round or secondary transaction. Discounts range between 9% and 67%, reflecting factors such as the elapsed time since the transaction and the movement in prices of broadly similar listed companies. A 5% change to the discount would result in a £1.1 million or 0.03% (2022: £4.5 million, 0.12%) change in net assets.
Discount to sale proceeds	The asset in this category is valued using a 15% discount to an agreed offer. A 5% change in the discount would result in a £0.03 million or <0.001% (2022: £0.1 million, <0.01%) change in net assets.
Earnings multiple	Assets in this category are valued using EV/sales multiples in the range of 2.0x to 5.2x.If the multiple used for valuation purposes is increased or decreased by 5% then the net assets would increase/decrease by £0.5 million or 0.02% (2022: £2.5 million, 0.07%).

Notes to the Financial Statements

13. Financial instruments (continued)

The investment property and property, plant and equipment with an aggregate fair value of £55.7 million (2022: £58.6 million) were valued using a third-party valuation provided by JLL. The properties were valued using weighted average capital values of £1,499 per square foot (2022: £1,580) developed from rental yields and supported by market transactions. A £25 per square foot increase/decrease in capital values would result in a £0.8 million increase/decrease in fair value (2022: £0.8 million increase/decrease).

The non-consolidated subsidiaries are held at their fair value of £137.1 million (2022: £101.1 million) representing £138.1 million of portfolio investments (2022: £104.7 million) and £1.0 million of remaining liabilities (2022: £3.3 million of remaining liabilities). A 5% change in the value of these assets would result in £6.9 million or 0.2% (2022: £5.1 million, 0.1%) change in total net assets.

The remaining investments held at fair value and classified as level 3 of £1,261.5 million (2022: £1,355.7 million) were valued using third-party valuations from a GP, administrator or fund manager. A 5% change in the value of these assets would result in a £63.1 million or 1.77% (2022: £67.8 million, 1.82%) change in net assets.

In aggregate, the sum of the direct private investments, investment property, property, plant and equipment, non-consolidated subsidiaries and the remaining fund investments represents the total level 3 assets of £1,820.9 million (2022: £1,933.9 million).

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

As at 31 December 2022

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

Movements in level 3 assets

Year ended 31 December 2022 £ million	Investments held at fair value	Properties	Total
Opening balance	1,914.3	61.4	1,975.7
Purchases	222.2	0.1	222.3
Sales	(210.3)	–	(210.3)
Gains/(losses) through profit or loss	(51.0)	(0.4)	(51.4)
Unrealised gains/(losses) through other comprehensive income	–	(2.1)	(2.1)
Transfer in to level 3	–	–	–
Transfer out of level 3	–	–	–
Other	0.1	(0.4)	(0.3)
Closing balance	**1,875.3**	**58.6**	**1,933.9**

Notes to the Financial Statements

13. Financial instruments (continued)

13.5 Capital management
The Group's primary objectives in relation to the management of capital are:

- to deliver long-term capital growth for its shareholders, while preserving shareholders' capital;
- to deliver for shareholders increases in capital value in excess of the relevant indices over time through an appropriate balance of equity capital and gearing; and
- to ensure the Group's ability to continue as a going concern.

The Company is subject to externally imposed capital requirements:

- the Company's Articles of Association restrict borrowings to a maximum of five times share capital and reserves; and
- the Company's borrowings are subject to covenants limiting the total exposure based on a minimum net assets and a cap of borrowings as a percentage of adjusted net assets.

All these conditions were met during this year and the previous financial year.

In addition, JRCM is subject to capital requirements imposed by the FCA and must ensure that it has sufficient capital to meet these requirements. JRCM was compliant with those capital requirements throughout the year.

The Group's capital at 31 December 2023 and 31 December 2022 comprised:

£ million	2023	2022
Equity share capital	156.8	156.8
Retained earnings and other reserves	3,416.5	3,564.9
Net asset value	3,573.3	3,721.7
Borrowings	280.8	370.6
Total capital	**3,854.1**	**4,092.3**

There have been no significant changes to the Group's capital management objectives, policies and processes in the year, nor has there been any change in what the Group considers to be its capital.

14. Financial commitments

Financial commitments to invest additional funds which have not been provided for are as follows:

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Commitments	**307.1**	**307.1**	**385.0**	**385.0**

The financial commitments are principally uncalled commitments to private funds, typically established as 10-year funds with a five-year investment period, are diversified across multiple funds and vintage years, and may be called, with customary notice, at any time during the investment period. The majority are denominated in US dollars and therefore subject to currency fluctuation.

15. Investment property

The Group and Company's investment property as at 31 December 2023 was £34.1 million (2022: £37.9 million).

£ million	2023	2022
Rental income from investment properties	1.8	2.1
Direct operating expenses arising from investment properties that generated rental income during the year	(1.5)	(1.4)
Cash outflow from leases	(0.5)	(0.4)

The Group and Company is committed to making the following payments under non-cancellable leases over the periods described.

£ million	2023	2022
Within one year	0.4	0.4

Under non-cancellable leases the Group and Company will receive the following:

£ million	2023	2022
Within one year	0.6	1.1
Between one and two years	0.3	0.6
Between two and three years	0.1	0.1
Between three and four years	0.0	0.1
Between four and five years	–	–
Over five years	–	–

All investment properties held by the Group during the year generated rental income.

The Company leases Spencer House from the Spencer Trustees (the Trustees). The terms of this lease include provisions such that: any assignment or sale of the lease can occur only with the consent of the Trustees, there are limits on event frequency and that the Trustees retain certain (de minimis) usage rights over the 'fine rooms'. The Company is required to externally redecorate every three years and to internally redecorate every seven years. The property is typically open to the public for viewing every Sunday, except during August. The investment property portfolio is valued by JLL on a six-monthly basis in accordance with current RICS Valuation – Global Standards, published by the Royal Institution of Chartered Surveyors, on the basis of open market value. The most recent valuation, which reflects the factors highlighted above, was undertaken as at 31 December 2023.

16. Other receivables

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Cash margin	37.8	37.8	85.4	85.4
Amounts receivable	1.2	1.2	0.6	0.6
Prepayments and accrued income	4.2	3.6	7.0	6.6
Sales for future settlement	28.0	28.0	152.3	152.3
Total	**71.2**	**70.6**	**245.3**	**244.9**

The carrying amount of other receivables approximates their fair value, due to their short-term nature.

17. Related party transactions

In the normal course of its business, the Group has entered into a number of transactions with related parties. All arrangements with related parties are monitored by the Conflicts Committee, which is comprised solely of independent non-executive Directors.

Transactions with Hannah Rothschild or parties related to her
During the current and prior year the Group transacted with entities classified as related to Hannah Rothschild as a result of her having significant influence over them, a beneficial interest in them, or otherwise in accordance with IAS 24 – Related Party Disclosures (IAS 24).

The Group had arrangements with these related parties covering the provision and receipt of administrative, support and supply services. Under these arrangements the Group received £72,193 (2022: £61,757) and paid £94,257 (2022: £74,077).

Certain of these related parties occupy office space in St. James's Place which is owned or leased by the Group. The rent, rates and services charged by the Group for the year ended 31 December 2023 amounted to £186,232 (2022: £203,539).

Nothing was owed by the Group to the parties related to Hannah Rothschild at either 31 December 2023 or 31 December 2022. The balance due to the Group from these related parties at 31 December 2023 was £12,303 (2022: £11,693).

Other
No subscriptions were made to its associate, JRCM (London) LLP in the year (2022: Company £nil; JRCM management £nil) and the Company has a remaining commitment of £50,000 (2022: £50,000).

Group undertakings
JRCM acts as the Company's manager, administrator and corporate secretary. During the year ended 31 December 2023, the charge for these services from JRCM to the Company amounted to £42.6 million (2022: £49.7 million). JRCM incurred rent charges of £580,000 (2022: £580,000) from the Company. During the year SHL (also a wholly-owned subsidiary of the Company) earned property management revenues of £89,191 from JRCM (2022: £98,827) and £1,830,681 from the Company (2022: £1,597,394).

Amounts due from subsidiaries and to subsidiaries are disclosed on the face of the Group's balance sheet. The balances outstanding at the year ends are show below:

	Amounts owed by/(to) Group undertakings	
£ million	2023	2022
RIT Investments US, Inc	0.0	4.5
RIT Investments GP Limited	(0.1)	(0.1)
J. Rothschild Capital Management US, Inc	0.1	0.0
Total	**0.0**	**4.4**

	Amounts owed by/(to) Company undertakings	
£ million	2023	2022
RIT Investments US, Inc	0.0	4.5
JRCM	(119.7)	(94.7)
J. Rothschild Capital Management US, Inc	0.1	0.0
Total	**(119.6)**	**(90.2)**

RITCP Pension and Life Assurance Scheme
The Group's pension scheme is deemed to be a related party of the Company pursuant to IAS 24. Details of the pension contributions made during the year are disclosed in Note 11. There was £48,894 owing to the pension scheme by the Company at 31 December 2023 (31 December 2022: £nil). Nothing was owed by the Group's pension scheme to the Company at 31 December 2023 (31 December 2022: £nil).

Directors and key management personnel
Details of the remuneration and benefits attributable to Directors and key management personnel are set out below.

£ million	2023	2022
Short-term employee benefits	4.2	3.6
Share-based payment	11.5	14.0
Social security costs	2.3	2.5
Total	**18.0**	**20.1**

The Group has no ultimate controlling party.

18. Borrowings

	Group and Company	
£ million	2023	2022
Unsecured loans payable within one year:		
Revolving credit facilities	142.9	236.2
Unsecured loans payable in more than one year:		
Fixed rate loan notes	137.9	134.4
Total borrowings	**280.8**	**370.6**

At 31 December 2023 the Company had two revolving credit facilities (RCFs): an £85 million, three-year facility with BNP Paribas SA agreed in December 2022 and a £100 million three-year facility with Industrial and Commercial Bank of China agreed in December 2022. These are flexible as to currency, duration and number of drawdowns, and pay floating interest linked to SONIA, SOFR or equivalent relevant to the period and currency drawn. As they are drawn in tranches with tenors less than one year they are classified as current liabilities. The fair value and par value of the drawn borrowings at the year end was £142.9 million (2022: £236.2 million). A change in interest rates is not expected to have a significant impact on the fair value of the RCFs. No bank loans are held within subsidiaries. The weighted average interest rate on drawn down RCFs at the year end was 7.28% (2022: 5.85%).

Notes to the Financial Statements

18. Borrowings (continued)

On 1 June 2015 the Company issued £151.0 million of fixed rate loan notes with tenors between 10 and 20 years and coupons from 3.00% to 3.56%. These Notes are held at fair value and pay interest on a semi-annual basis. The fair value of this debt at the end of the year was £137.9 million (2022: £134.4 million) calculated using a discount rate of 5.13% (2022: 5.24%). A 5% increase/decrease in the underlying discount rate would result in an increase/decrease in net assets of approximately £2.0 million (2022: £2.3 million) or 0.06% (2022: 0.06%). The weighted average interest rate payable on these Notes is 3.45% and their remaining weighted average tenor is 7.2 years (2022: 8.2 years).

The overall weighted average interest rate on drawn borrowings at the year end was 5.32% (2022: 4.93%).

19. Other payables

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Accruals	15.2	8.3	14.5	5.3
Other creditors	21.3	20.9	24.9	24.7
Purchases for future settlement	2.7	2.7	24.1	24.1
Total	**39.2**	**31.9**	**63.5**	**54.1**

The carrying value of the Group's other payables approximates their fair value, due to their short-term nature.

20. Provisions

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Opening balance	1.8	2.2	1.1	1.1
Additional provision	1.7	1.3	1.0	1.4
Amounts utilised	(0.4)	(0.4)	(0.4)	(0.4)
Foreign exchange movements	(0.1)	(0.1)	0.1	0.1
Total	**3.0**	**3.0**	**1.8**	**2.2**

As at 31 December 2023 there are no provisions in respect of investments which are expected to settle within the next 12 months (as at 31 December 2022: £nil). It is anticipated that provisions noted above will be settled more than 12 months after the balance sheet date.

Indemnity provision
The provision above relates to an indemnity provided by the Company in 1991 when it profitably disposed its indirect interest in Cavenham Forest Industries (CFI). The sellers (including the Company) indemnified the purchasers of CFI against certain ongoing costs being incurred by CFI. The indemnity provision has been estimated based on the net present value of the Company's share of the projected indemnified costs.

21. Share capital

£ million	Shares in issue	2023 Nominal value of total shares in issue	2022 Nominal value of total shares in issue
Allotted, issued and fully paid:			
At 1 January	156,848,065	156.8	156.8
At 31 December	**156,848,065**	**156.8**	**156.8**

The Company has one class of ordinary shares which carry no right to fixed income. The share capital is not distributable.

In 2023, 8,617,954 shares were bought back at a cost of £163.1 million and held in treasury (2022: 514,634 shares at a cost of £11.0 million) meaning at 31 December 2023, 9,307,817 shares were held in treasury (2022: 689,863 shares).

22. Share premium

£ million	2023	2022
At 1 January	45.7	45.7
At 31 December	**45.7**	**45.7**

The share premium is not distributable.

23. Capital redemption reserve

£ million	2023	2022
Balance at start of year	36.3	36.3
At 31 December	**36.3**	**36.3**

The capital redemption reserve is not distributable and represents the cumulative nominal value of shares cancelled.

24. Own shares reserve

£ million	2023	2022
Opening cost	(46.3)	(23.0)
Own shares acquired	(9.8)	(40.4)
Own shares transferred	19.4	17.1
Closing cost	**(36.7)**	**(46.3)**

The Group has established an Employee Benefit Trust (EBT) which purchases shares in order to meet the anticipated value of equity-settled, share-based awards. At the year end, the EBT held 1,611,339 shares with a cost of £36.7 million and market value of £30.3 million (2022: 1,988,580 shares, cost £46.3 million, market value £42.3 million). The own shares reserve is not distributable.

Notes to the Financial Statements

25. Share-based payments

The Group utilises share-based awards for employees, the vast majority of which are equity-settled, and designed to align the interests of employees with those of shareholders.

Restricted share units (RSUs) were awarded to employees during the year. These are widely used long-term incentive awards that comprise awards of shares made to employees that will vest after a three-year service period and then are typically subject to a further two-year holding period or lock-up. There are also a small number of legacy share appreciation rights (SARs) remaining. These are no longer awarded to employees since the conversion to RSUs was made in 2021.

In addition, 60% of annual bonuses over £250,000 are made in deferred shares which vest over three years (based on a service condition).

The total expense for share-based awards is based on the fixed, initial fair value at the time the award is made. The ultimate impact on the net asset value is the cost of the shares acquired by the EBT and then transferred to employees if and when they vest. For 2023, the cost recognised in the income statement (excluding national insurance) for share-based awards was £14.7 million (2022: £17.6 million) of which £8.7 million relates to RSUs and £6.0 million to deferred shares.

The movement in share-based awards is as follows:

Number (thousand)	2023	2022
Outstanding at the start of the year:		
SARs	315	342
RSUs	1,483	1,397
Deferred shares	988	841
Total	2,786	2,580
Granted during the year:		
RSUs	424	352
Deferred shares	91	553
Total	515	905
Exercised/vested during the year:		
SARs	–	(3)
RSUs	(377)	(256)
Deferred shares	(452)	(406)
Total	(829)	(665)
Lapsed/forfeited during the year:		
SARs	(206)	(24)
RSUs	(330)	(10)
Deferred shares	–	–
Total	(536)	(34)
Outstanding at the end of the year:		
SARs	109	315
RSUs	1,200	1,483
Deferred shares	627	988
Total	1,936	2,786
SARs exercisable at year end	109	122
Intrinsic value of SARs exercisable at year end (£ million)	**0.0**	**0.1**

For share-based awards granted during the year, the weighted average fair value of each award was 1,770 pence (2022: 2,470 pence).

Share-based awards with service conditions attached (deferred shares and RSUs) were valued using the prevailing market price and a lock-up discount factor as applicable.

26. Capital reserve

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Balance at start of year	3,548.9	3,578.6	4,174.4	4,203.4
Gains/(loss) for the year	110.7	110.7	(535.3)	(535.3)
Dividend paid	(56.7)	(56.7)	(57.6)	(57.6)
Other capital items	(209.8)	(196.8)	(32.6)	(31.9)
Taxation	–	–	–	–
Total capital return	(155.8)	(142.8)	(625.5)	(624.8)
Balance at end of year	**3,393.1**	**3,435.8**	**3,548.9**	**3,578.6**

The Company's Articles of Association allow distribution by dividends of realised capital reserves.

£ million	2023	2022
Capital reserve:		
in respect of investments realised	2,557.3	2,542.3
in respect of investments held	878.5	1,036.3
Balance at end of year	**3,435.8**	**3,578.6**

27. Revenue reserve

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Balance at start of year	(29.1)	(209.5)	(11.4)	(176.1)
Loss for the year	(2.9)	(16.7)	(14.3)	(33.4)
Actuarial gain/(loss)	(0.4)	–	(4.5)	–
Deferred tax (charge)/credit	0.2	–	1.1	–
Balance at end of year	**(32.2)**	**(226.2)**	**(29.1)**	**(209.5)**

As permitted by Section 408 of the Companies Act 2006, the Company has not published a separate income statement or statement of comprehensive income. The Company's revenue loss after tax amounted to £16.7 million (2022: loss £33.4 million). The Company's total comprehensive income for the year was £61.2 million (2022: expense of £591.7 million).

28. Revaluation reserve

	31 December 2023		31 December 2022	
£ million	Group	Company	Group	Company
Balance at start of year	9.4	9.4	11.5	11.5
Revaluation gain/(loss) on property, plant and equipment	0.9	0.9	(2.1)	(2.1)
Balance at end of year	**10.3**	**10.3**	**9.4**	**9.4**

The revaluation reserve is not distributable.

Notes to the Financial Statements

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

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

31 December	2023	2022
Net assets (£ million)	3,573.3	3,721.7
Number of shares in issue (million)	156.8	156.8
Shares held in EBT (million)	(1.6)	(2.0)
Shares held in treasury (million)	(9.3)	(0.7)
Basic shares (million)	145.9	154.1
Effect of share-based payment awards (million)	1.4	1.7
Diluted shares (million)	**147.3**	**155.8**

31 December	2023 pence	2022 pence
Net asset value per ordinary share – basic	2,449	2,414
Net asset value per ordinary share – diluted	2,426	2,388

30. Investments in subsidiary undertakings

£ million	
Carrying value at 1 January 2023	107.2
Additions	21.0
Disposals	(25.2)
Fair value movements in year	40.2
Carrying value at 31 December 2023	**143.2**

£ million	
Carrying value at 1 January 2022	107.5
Additions	2.5
Disposals	–
Fair value movements in year	(2.8)
Carrying value at 31 December 2022	**107.2**

Investments in subsidiary undertakings are stated at cost or fair value where appropriate.

At 31 December 2023 the Company held investments in the following subsidiaries, which, unless otherwise stated, are wholly-owned, share the same accounting reference date as the Company and operate principally in their country of incorporation. The voting share capital, unless otherwise stated, is held directly by the Company.

In accordance with IFRS 10 the subsidiary below is consolidated by the Group and held by the Company at cost:

Name	Issued share capital
JRCM[1]	£6,250,001 divided into 6,250,000 ordinary shares of £1 each and one special share of £1 which provides rights over the use of the "J. Rothschild" name.

[1] *Registered office and principal place of business: 27 St. James's Place, London SW1A 1NR.*

In accordance with IFRS 10 the Company and Group holds the following subsidiaries at fair value at 31 December 2023:

Name	Principal place of business	Ownership interest
Spencer House Limited[1,5]	England	100%
RIT US Value Partnership LP[1,6]	England	100%
RIT Investments GP Limited[2,3,5]	Scotland	100%
J. Rothschild Capital Management US Inc[4,5]	United States	100%
RIT Investments US Inc[3,4,5]	United States	100%
RIT US Holdings LLP[3,4,6]	United States	100%

[1] *Registered office and principal place of business: 27 St. James's Place, London SW1A 1NR.*
[2] *Registered office and principal place of business: 50 Lothian Road, Edinburgh EH3 9WJ.*
[3] *Held indirectly.*
[4] *Registered office: 251 Little Falls Drive, Wilmington, Delaware 19808, USA.*
[5] *Ownership interest is ordinary shares.*
[6] *Ownership interest is partnership capital.*

For all of the above the proportion of voting rights held is equivalent to the ownership interest.

There are no significant restrictions arising from any contractual arrangements or regulatory requirements that would affect the ability of any of the above entities to transfer funds to or repay loans made by the Company.

There are no other current commitments or contractual arrangements to provide financial support to any of the entities above other than in the normal course of business (e.g. funding of investment transactions/capital calls). The Company has not assisted any of the above entities in obtaining financial support in any way over the year.

31. Dividends

	2023 Pence per share	2022 Pence per share	2023 £ million	2022 £ million
Dividends paid in year	**38.0**	**37.0**	**56.7**	**57.6**

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 27 February 2023 the Board declared a first interim dividend of 19.0 pence per share in respect of the year ended 31 December 2023 that was paid on 28 April 2023. A second interim dividend of 19.0 pence per share was declared by the Board on 31 July 2023 and paid on 27 October 2023.

The Board declares the payment of a first interim dividend of 19.5 pence per share in respect of the year ending 31 December 2024. This will be paid on 26 April 2024 to shareholders on the register on 5 April 2024, and funded from the accumulated capital profits.

32. Reconciliation of profit/(loss) before finance costs and taxation to net cash inflow/(outflow) from operating activities before taxation and interest

	Group	
£ million	2023	2022
Profit/(loss) before dividend and interest income, finance costs and taxation	73.0	(569.2)
Dividend income	10.1	7.2
Interest income	17.4	9.8
Profit/(loss) before finance costs and taxation	**100.5**	**(552.2)**
(Increase)/decrease in other receivables	174.1	17.5
Increase/(decrease) in other payables	(24.3)	(105.3)
Other movements	20.0	30.1
(Gains)/losses on borrowings	3.6	(34.5)
Realised foreign exchange (gains)/losses on repayments and drawings of borrowings[1]	(15.3)	29.1
Unrealised foreign exchange (gains)/losses on repayments and drawings of borrowings	3.3	(5.2)
Purchase of investments held at fair value	(853.4)	(886.3)
Sale of investments held at fair value	951.9	1,395.6
(Gains)/losses on fair value investments	(11.2)	192.4
(Increase)/decrease in derivatives[1]	(20.6)	(23.5)
Net cash inflow/(outflow) from operating activities before taxation and interest	**328.6**	**57.7**

[1] *These line items have been disaggregated from 'other movements' in the current year. The 2022 comparative figures have been re-presented to align with this updated format.*

	Company	
£ million	2023	2022
Profit/(loss) before dividend and interest income, finance costs and taxation	67.2	(581.6)
Dividend income	10.1	7.2
Interest income	17.4	9.8
Profit/(loss) before finance costs and taxation	**94.7**	**(564.6)**
(Increase)/decrease in other receivables	174.3	17.5
Increase/(decrease) in other payables	(22.2)	(89.7)
Other movements	1.2	9.0
(Gains)/losses on borrowings	3.6	(34.5)
Realised foreign exchange (gains)/losses on repayments and drawings of borrowings[1]	(15.3)	29.1
Unrealised foreign exchange (gains)/losses on repayments and drawings of borrowings	3.3	(5.2)
(Increase)/decrease in investments in subsidiary undertakings[1]	(40.2)	0.3
Increase/(decrease) in amounts owed to group undertakings[1]	29.5	(34.9)
Purchase of investments held at fair value	(832.5)	(883.8)
Sale of investments held at fair value	926.7	1,395.6
(Gains)/losses on fair value investments	28.6	192.4
(Increase)/decrease in derivatives[1]	(20.6)	(23.5)
Net cash inflow/(outflow) from operating activities before taxation and interest	**331.1**	**7.7**

[1] *These line items have been disaggregated from 'other movements' in the current year. The 2022 comparative figures have been re-presented to align with this updated format.*

Reconciliation of liabilities arising from financing activities:

£ million	2022	Non-cash changes in fair value[1]	Net (drawdowns)/ repayments	2023
Borrowings – current	(236.2)	12.0	81.3	(142.9)
Borrowings – non-current	(134.4)	(3.5)	–	(137.9)
Total	**(370.6)**	**8.5**	**81.3**	**(280.8)**

[1] *Including currency translation.*

33. Material investments and related undertakings

Further information regarding investments is shown here.

Disclosed below are the ten largest investments in the portfolio (excluding investments in non-consolidated subsidiaries) shown at fair value:

As at 31 December 2023	£ million
3D Opportunities	182.2
HCIF Offshore	156.8
BlackRock Strategic Equity	112.3
Attestor Value	97.5
ARCM IV	96.9
Tresidor Credit Opportunities	89.9
Motive	78.0
RIT US Value Partnership	77.8
Springs Opportunities	70.7
Caxton Dynamis	68.5
Total	**1,030.6**

As at 31 December 2022	£ million
Attestor Value	148.6
HCIF Offshore	131.0
3D Opportunities	130.1
Tresidor Credit Opportunities	108.0
BlackRock Strategic Equity	97.1
ARCM IV	95.6
Springs Opportunities	92.7
Motive	76.2
RIT US Value Partnership	72.4
Caxton Dynamis	71.8
Total	**1,023.5**

Further to the disclosures in Note 30 (Investments in subsidiary undertakings), the table on the following page shows a list of significant related undertakings of the Group as at 31 December 2023. For the investments shown the principal place of business is considered to be the place of registration and the proportion of voting rights held is considered to be the ownership interest.

The Directors do not consider that any of the portfolio investments shown in the table on the following page fall within the definition of an associated company (aside from the entities noted below the table) as the Group does not exercise significant influence over their operating and financial policies as it is a passive investor.

Notes to the Financial Statements

33. Material investments and related undertakings (continued)

In a number of cases the Group owns more than 50% of a particular class of shares or partnership interest. The Group does not consider these holdings, although greater than 50%, provide control of the investee entities concerned as firstly the Group's position as a passive investor in these entities acts as a substantive barrier to its exercising any power over the investee and secondly the nature of the Group's holding does not give it the ability to direct the relevant activities of the investee because it does not control or participate in the governing bodies of these entities.

Unconsolidated structured entities

The Group holds interests in closed-ended limited partnerships which invest in underlying companies or securities for the purpose of capital appreciation. The Group, alongside the other limited partners, makes commitments to finance the investment programme of the relevant GP or manager, who may draw down this committed amount either upfront or over a period of years.

The table below shows the Group's carrying value of such investments and represents the maximum exposure to loss based on the Group's contributions to date.

£ million	2023	2022
Total[1]	1,729	2,034

[1] *Included within Investments held at fair value.*

The list of significant related undertakings below is pursuant to the requirements of Companies Act 2006, Statutory Instrument 2015 No. 980 The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, IFRS and the SORP.

Disclosed below for the year ended 31 December 2023 are:

- Entities classified as significant holdings (20% or greater interest in a class of shares or partnership);
- Material investee undertakings in which the Group had an interest of over 3% of the allotted shares of any class; and
- Material investment funds in which the Group had an interest of 10% or more in any class of share or unit.

All the investments in the table below are held at FVPL.

Investment name	Place of registration	Registered address	Fair value £ million	% interest
1992 Co-Invest (Offshore) LP	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104	30.1	55.4%
3D Opportunities	Cayman Islands	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	182.2	18.2%
Browning West Cayman SPV 2 LP	Cayman Islands	Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands	22.5	20.7%
Darwin Private Equity I LP	Scotland	50 Lothian Road, Festival Square, Edinburgh EH3 9WJ	0.6	23.9%
Firebird New Russia Fund Ltd, Class A1	Cayman Islands	PO Box 897, Windward 1, Grand Cayman KY1-1103	1.3	25.0%
Fortress Credit Opportunities Fund (C) LP	Cayman Islands	Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	0.7	33.3%
ICQ Holdings 6 LLC	Delaware, USA	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	25.6	100.0%
Infinity SDC Ltd[1]	England & Wales	500-600 Witan Gate West, Milton Keynes MK9 1SH	13.3	23.9%
JRCM (London) LLP[1]	England & Wales	27 St James's Place, London SW1A 1NR	0.0	50.0%
LCV Fund III LP	Delaware, USA	3500 South Dupont Highway, Dover, Kent, Delaware, 19901	17.2	31.3%
Media Technology Ventures IV LP	California, USA	185 Berry Street, Suite 3600, San Francisco, California 94107	1.6	38.5%
RR Capital Partners LP	Delaware, USA	One Maritime Plaza, Suite 2100, San Francisco, California 94111	0.3	20.5%
Sand Grove Tactical Fund LP	Cayman Islands	PO Box 309, Ugland House, Grand Cayman, KY1-1104	20.6	100.0%
Springs Global Strategic Partners Fund – Anchor Class	Ireland	2nd Floor, 2 Custom House Plaza, Harbourmaster Place, Dublin 1	0.4	30.2%
Springs Opportunities Fund LP, Series A	Cayman Islands	4th Floor, Willow House, Cricket Square, Grand Cayman KY1-9010	70.7	58.2%
Tresidor Credit Opportunities Fund	Ireland	2nd Floor, 2 Custom House Plaza, Harbourmaster Place, Dublin 1	89.9	100.0%
Xander Seleucus II LP	Cayman Islands	PO Box 309, Ugland House, Grand Cayman KY1-1104	0.2	41.9%
Xander Seleucus LP	Cayman Islands	PO Box 309, Ugland House, Grand Cayman KY1-1104	0.0	43.3%
Xander Seleucus Retail LP	Cayman Islands	PO Box 309, Ugland House, Grand Cayman KY1-1104	1.3	48.8%

[1] *The Directors consider these entities, in which the Group holds ordinary shares, or limited partnership interests, as associated companies as the Group has significant influence due to circumstances particular to the investment. The Group has chosen to account for associated companies held for investment purposes at FVPL in accordance with IAS 28 Investments in Associates and Joint Ventures and IFRS 9 Financial Instruments.*

Independent Auditor's Report

RIT Capital Partners plc

Independent Auditor's Report to the Members of RIT Capital Partners plc

Report on the audit of the Financial Statements

Opinion

In our opinion:

- RIT Capital Partners plc's Group financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of RIT Capital Partners plc (the 'Parent Company') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2023 which comprise:

Group	*Parent Company*
Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year to 31 December 2023	Parent Company Balance Sheet as at 31 December 2023
Consolidated Balance Sheet as at 31 December 2023	Parent Company Statement of Changes in Equity for the year to 31 December 2023
Consolidated Statement of Changes in Equity for the year to 31 December 2023	Consolidated and Parent Company Cash Flow Statement for the year to 31 December 2023
Consolidated and Parent Company Cash Flow Statement for the year to 31 December 2023	Related notes 1 to 33 to the financial statements, including a summary of significant accounting policies
Related notes 1 to 33 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Directors' processes and controls for determining the appropriateness of the use of the going concern basis. This included discussions with J. Rothschild Capital Management Limited (the 'Manager') on the governance structure, corroborating our understanding with the Audit and Risk Committee and obtaining the Directors' going concern assessment, including cashflow forecasts, stress tests and covenant calculations, covering the period to 30 June 2025, which is 16 months from the date these financial statements were authorised for issue;
- Reviewing the Group's cashflow forecasts and stress tests, assessing the completeness of the severe scenarios that consider the key risks identified by the Group. We considered the appropriateness of the methods used to calculate the cashflow forecasts, stress tests and covenant calculations and determined through inspection and review of the methodology and calculations that the methods utilised were appropriate to be able to make an assessment for the entity;
- Obtaining the Group's reverse stress tests and identifying the factors that would lead to the Group utilising all liquidity or breaching financial covenants during the going concern period;
- Considering the actions the Group can take to mitigate the impact of the reverse stress test scenarios. This included evaluating the Parent Company's ability to prevent a breach of financial covenants using mitigating actions if required, such as the repayment of borrowings. We also verified credit facilities available to the Parent Company by obtaining third party confirmations;
- Reviewing the liquidity and regulatory capital position of the Group, including an assessment of the liquidity profile of the Group's portfolio;
- Making enquiries of the Manager and reviewing board minutes and key regulatory documents for risks, events or contrary evidence that may impact the Group's ability to continue as a going concern; and
- Reviewing the Group's going concern disclosures included in the Report & Accounts in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period assessed by the Directors, being the period to 30 June 2025, which is 16 months from the date these financial statements were authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Overview of our audit approach

Key audit matters	▶ Risk of inaccurate recognition of investment income and gains/(losses) on investments held at fair value. ▶ Risk of incorrect valuation of investments held at fair value.
Audit scope	▶ The Group is principally managed from one location in London. All core functions are located in London. ▶ The Group comprises one consolidated subsidiary and six subsidiaries held at fair value. Monitoring and control over the operations of these subsidiaries, including those located overseas, is centralised in London. ▶ The London based Group audit team directly performed audit procedures on all items material to the Group and Parent Company financial statements.
Materiality	▶ Overall Group materiality of £35.7m which represents 1% of net assets.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each entity.

The investment portfolio balance is the most material part of the Consolidated Balance Sheet. Monitoring and control over the valuation of investments is exercised by the Manager centrally in London, and as such is audited wholly by the London based Group audit team. Monitoring and control over the operations of the subsidiaries within the Group is also centralised in London. The Group audit team performed all the work necessary to issue the Group and Parent Company audit opinion, including undertaking all of the audit work on the risks of material misstatement identified above. There were no component audit teams.

In establishing our audit approach, we considered the type of audit procedures required to be performed and the audit evidence required to obtain sufficient and appropriate audit evidence as a basis of our opinion on the Group. All audit evidence was received electronically and there were regular on-site visits to the Manager's offices. Meetings with the Manager and the Directors were conducted in person or over video conferencing. The audit team encountered no difficulties in connecting with the Manager or the Directors and were able to execute the audit fieldwork effectively.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Group has determined that the most significant future impacts from climate change on its operations may be from environmental exposure, and existing or proposed regulation that may adversely affect their underlying portfolio investments. This is explained on page 28 in the Principal Risks and Viability section of the Strategic Report, which forms part of the "Other information", rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

Our audit effort in considering climate change was focused on the adequacy of the Group's disclosures in the financial statements as set out in Note 1 and concluded that there was no material impact from climate change on the financial statements. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	*Our response to the risk*
Risk of inaccurate recognition of investment income and gains/(losses) on investments held at fair value (2023: £139.2m, 2022: £(536.4)m) *Refer to the Audit and Risk Committee Report (pages 52 to 55); Accounting policies (pages 70 to 73); and Notes 2 and 3 of the Consolidated Financial Statements (page 74)* The Group's revenue consists of investment income and gains/(losses) on investments held at fair value. The accuracy of recognition and measurement of revenue is material to the Group's financial statements. Shareholder expectations may place pressure on the Manager to influence the recognition of revenue. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations.	We obtained an understanding of the Manager's processes and controls around the investment income process and valuation process to ascertain whether realised and unrealised gains/(losses) and investment income are appropriately calculated by performing walkthroughs. For gains/(losses) on investments held at fair value, on a sample basis, we have: ▶ recalculated the unrealised gains/(losses), considering the procedures performed on the valuations where relevant; ▶ agreed purchases and sales of investments during the year to trade tickets, sales agreements, call and distributions notices, and to the corresponding cash movements in bank statements; and ▶ recalculated realised gains/(losses) from disposals in the year. For investment income, on a sample basis, we have: ▶ agreed dividend income to an independent source and to corresponding receipts in bank statements; ▶ agreed distributions received to the notices from the fund managers and to bank statements; ▶ recalculated interest income based on the terms of underlying agreements; ▶ agreed accrued dividends at the period end to an external source and post year end bank statements, where received as at the date of this report, for occurrence and measurement; ▶ tested the completeness of income receipts by verifying that income declared during the period, per an independent source, has been correctly recorded as an income receipt; and ▶ recalculated income from investment properties based on the terms of the underlying agreements. We have also performed journal entry testing and made enquiries of management in order to address the residual risk of management override.

Key observations communicated to the Audit and Risk Committee
The results of our procedures identified no material misstatements in relation to the risk of inaccurate recognition of investment income and gains/(losses) on investments held at fair value.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Risk	*Our response to the risk*
Risk of incorrect valuation of investments held at fair value (2023: £3,602.0m, 2022: £3,672.1m) *Refer to the Audit and Risk Committee Report (pages 52 to 55); Accounting policies (pages 70 to 73); and Note 13 of the Consolidated Financial Statements (pages 78 to 87).* Investments held at fair value are material, and are the primary driver of the Group's net asset value and total profit. The Group's investment portfolio is diverse and includes both listed and unlisted investments. Unlisted investments are held in the form of both direct private and illiquid fund investments. There is also exposure to investment property and derivative financial instruments. The Group's investments are held at fair value through profit and loss. Fair value is determined using prices readily available on an exchange where the investments are listed. Investments in illiquid funds are valued based on latest information provided by the relevant fund administrator or investment manager. The valuation of direct private investments are either prepared by the Manager or General Partner ('GP') (and assessed by the Manager), and ultimately determined by the independent Valuation Committee, and are complex and include estimates and significant judgements. Where the Manager has sufficient information to undertake its own valuations, these are prepared in accordance with International Private Equity and Venture Capital Valuation ('IPEV') guidelines. The Manager has engaged a specialist to prepare valuations of their investment property, in accordance with Royal Institution of Chartered Surveyors ('RICS') guidelines. There is the risk that inaccurate judgements made in the assessment of fair value could lead to the incorrect valuation of investments. In turn, this could materially misstate the Financial assets at fair value in the Consolidated and Parent Company Balance Sheet, and the Gains/(losses) on fair value investments in the Consolidated Income Statement. There is also a risk that the Manager may influence the judgements and estimations in respect of unlisted investments in order to meet market expectations.	We obtained an understanding of the Manager's processes and controls for determining the fair valuation of investments by performing walkthroughs. Our procedures also included reviewing the governance structure and protocols around oversight of the valuation process, including their oversight of the valuations performed by the underlying GPs and funds and corroborating our understanding by attending Valuation Committee meetings in an observational capacity. We assessed the Manager's valuation methodology against applicable reporting frameworks, including UK-adopted international accounting standards and the IPEV and RICS Guidelines. We sought explanations from the Manager where there were judgements applied in its application of the guidelines and assessed their appropriateness. For listed investments, we verified market prices and exchange rates applied by the Manager to an independent pricing vendor and recalculated the investment valuations as at the year end. For a sample of illiquid fund investments, we: ▶ confirmed the most recently available fund valuation to third party statements, including from the GP, fund manager or fund administrator; ▶ where the most recently available fund valuation was not at the year end date, reviewed the Manager's approach to address the timing difference and challenged any adjustments made to the last valuation received. Where applicable, we corroborated these adjustments by agreeing any cash flows between the date of the fund valuation and the Group's year end valuation date to supporting documentation; and ▶ challenged the Manager on the IFRS 13 levelling classification of the illiquid fund portfolio, focusing on those which are considered to be subjective. For the valuation of a sample of direct private investments determined by the Manager, we: ▶ challenged the appropriateness of assumptions made in the underlying valuation models; ▶ verified inputs to the valuation models to source data; ▶ tested the mathematical accuracy of the valuation models; ▶ assessed the impact of contradictory evidence, to ensure an appropriate valuation was determined; ▶ for a sub-set of our sample, engaged our valuation specialists to form an independent range for the key assumptions used in the valuation, with reference to relevant industry and market valuation considerations; and ▶ considered the impact of the current macroeconomic climate throughout the procedures performed on the valuation of direct private investments, by challenging whether the valuation methodologies and assumptions used remained appropriate.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Risk	*Our response to the risk*
	For a sample of illiquid fund and direct private investments we: ▶ assessed prior year valuations which were based on unaudited net asset statements by reference to their respective audited financial statements, and obtained explanations for all material movements; ▶ discussed with the Manager the rationale for any differences between the exit prices of investments realised during the year and the prior year fair value, to further verify the reasonableness of the current year valuation models and methodology adopted by the Manager. ▶ obtained and assessed the due diligence performed by the Manager for new investments made in the year. With the assistance of our valuation specialists, we formed an independent range for the fair value of the Group's investment properties and a sample of unquoted derivative instruments. During the post year end period, we monitored the receipt by the Manager of updated valuation statements and other financial information relevant to the valuation of the illiquid fund investments in order to assess whether any material differences arose. We have also performed journal entry testing and made enquiries of management in order to address the residual risk of management override.
Key observations communicated to the Audit and Risk Committee	
The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation of investments held at fair value.	

In the prior year, our auditor's report included a key audit matter in relation to the 'Risk of incorrect valuation of direct private and illiquid fund investments'. This key audit matter was expanded in the year to cover the risk of incorrect valuation of the entire investment portfolio and our procedures performed are reported above in the 'Risk of incorrect valuation of investments held at fair value'.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Our application of materiality
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £35.7m (2022: £37.2m), which is 1% (2022: 1%) of net assets. We believe that net assets provides us with a consistent year on year basis for determining materiality, and is the most relevant measure to the stakeholders of the entity.

We determined materiality for the Parent Company to be £34.6m (2022: £36.2m), which is 1% (2022: 1%) of net assets.

We calculated materiality during the planning stage of the audit and then during the course of our audit, we reassessed materiality based on 31 December 2023 net assets, and adjusted our audit procedures accordingly.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £26.8m (2022: £27.9m). We have set performance materiality at this percentage based on the fact that there were no material prior year misstatements, that the internal control environment is consistent with the prior year and there have been no significant changes in circumstances.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £1.8m (2022: £1.9m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 30;
- Directors' explanation as to its assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate set out on page 30;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 30;
- Directors' statement on fair, balanced and understandable set out on page 51;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 25;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 24; and
- The section describing the work of the audit committee set out on page 52.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 51, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and the Manager.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, the Companies Act 2006, the AIC code, the 2018 UK Corporate Governance Code and the Companies (Miscellaneous Reporting) Regulations 2018) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may influence the determination of the amounts and disclosures in the financial statements including the Listing Rules of the UK Listing Authority.
- We understood how RIT Capital Partners plc is complying with those frameworks by making enquiries of the Manager, including the General Counsel and Company Secretary, Chief Financial and Operating Officer, Head of Compliance and Internal Audit and also the Non-Executive Directors including the Chairs of the Audit and Risk Committee, and Valuation Committee. We corroborated our understanding through our review of Board minutes, Remuneration Committee minutes, papers provided to the Audit and Risk Committee, including Valuation Committee packs, minutes of the Board's Conflicts Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with Directors and the Manager to understand where they considered there was susceptibility to fraud. We also considered performance targets and their potential influence on efforts made by Directors and the Manager to manage the net asset value ('NAV') per share or the NAV per share total return. We identified a fraud risk with respect to management override in relation to the risk of inaccurate recognition of investment income and gains/(losses) on unquoted investments held at fair value and the risk of incorrect valuation of direct private investments. Our audit procedures stated above in the 'Key audit matters section' of this Auditor's report were performed to address each identified fraud risk. In order to address the residual risk of management override we have performed journal entry testing and enquiries of senior management as detailed below.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved; journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of the directors of the Manager and of the Audit and Risk Committee at the planning and completion stages of the audit; and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of RIT Capital Partners plc

Other matters we are required to address

- We were appointed by the Parent Company on 26 April 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 31 December 2018 to 31 December 2023.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Gaylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor, London
4 March 2024

Notes:

1. The maintenance and integrity of the RIT Capital Partners plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Other Information

31 December 2023

(Unaudited)

RIT Capital Partners plc

Investment Portfolio Reconciliation

Investment portfolio reconciliation

The following table shows a summary reconciliation between the amounts reported within the Investment Portfolio, as shown on pages 21 to 23, and the 31 December 2023 consolidated balance sheet, as shown on page 65:

	31 December 2023				
£ million	Quoted equity	Private investments	Uncorrelated strategies	Net liquidity/ borrowing/ other	Consolidated balance sheet
Non-current assets					
Portfolio investments at fair value	1,357.1	1,251.0	754.2	–	3,362.3
Non-consolidated subsidiaries	0.1	33.5	104.5	(1.0)	137.1
Investments held at fair value	1,357.2	1,284.5	858.7	(1.0)	3,499.4
Investment property	–	–	34.1	–	34.1
Property, plant and equipment	–	–	21.6	–	21.6
Retirement benefit asset	–	–	–	0.1	0.1
Derivative financial instruments	5.9	–	–	–	5.9
	1,363.1	1,284.5	914.4	(0.9)	3,561.1
Current assets					
Derivative financial instruments	26.8	–	6.0	32.6	65.4
Other receivables	–	–	0.5	70.7	71.2
Amounts owed by group undertakings	–	–	–	0.1	0.1
Cash at bank	2.3	–	–	202.0	204.3
	29.1	–	6.5	305.4	341.0
Total assets	**1,392.2**	**1,284.5**	**920.9**	**304.5**	**3,902.1**
Current liabilities					
Borrowings	–	–	–	(142.9)	(142.9)
Derivative financial instruments	(0.3)	–	(1.8)	(0.7)	(2.8)
Other payables	(21.0)	–	(2.1)	(16.1)	(39.2)
Amounts owed to group undertakings	–	–	–	(0.1)	(0.1)
	(21.3)	–	(3.9)	(159.8)	(185.0)
Net current assets/(liabilities)	**7.8**	**–**	**2.6**	**145.6**	**156.0**
Total assets less current liabilities	**1,370.9**	**1,284.5**	**917.0**	**144.7**	**3,717.1**
Non-current liabilities					
Borrowings	–	–	–	(137.9)	(137.9)
Provisions	–	–	–	(3.0)	(3.0)
Finance lease liability	–	–	(2.9)	–	(2.9)
	–	–	(2.9)	(140.9)	(143.8)
Net assets	**1,370.9**	**1,284.5**	**914.1**	**3.8**	**3,573.3**

Glossary and Alternative Performance Measures

Glossary

Within this 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 2022, 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	2023	2022
Total assets	3,902.1	4,171.5
Less: cash	(204.3)	(218.0)
Sub total	3,697.8	3,953.5
Net assets	3,573.3	3,721.7
Gearing	**3.5%**	**6.2%**

Leverage: Leverage, as defined by the UK Alternative Investment Fund Managers Directive (AIFMD), is any method which increases the exposure of the portfolio, whether through borrowings or leverage embedded in derivative positions or by any other means.

MSCI All Country World Index: The MSCI All Country World Index is a total return, market capitalisation-weighted equity index covering major developed and emerging markets. Described in this report as the ACWI or the ACWI (50% £), this is one of the Company's KPIs or reference hurdles and, since its introduction in 2013, has incorporated a 50% sterling measure. This is calculated using 50% of the ACWI measured in sterling and therefore exposed to translation risk from the underlying foreign currencies. The remaining 50% uses a sterling-hedged ACWI from 1 January 2015 (from when this is readily available). This incorporates hedging costs, which the portfolio also incurs, to protect against currency risk and is an investable index. Prior to this date it uses the index measured in local currencies. Before December 1998, when total return indices were introduced, the index is measured using a capital-only version.

Net asset value (NAV) per share: The NAV per share is calculated by dividing the total value of all the assets of the trust less its liabilities (net assets) by the number of shares outstanding. Unless otherwise stated, this refers to the diluted NAV per share, with debt held at fair value.

NAV total return*: The NAV total return for a period represents the change in NAV per share, adjusted to reflect dividends paid during the period. The calculation assumes that dividends are reinvested in the NAV at the month end following the NAV going ex-dividend. The NAV per share at 31 December 2023 was 2,426 pence, an increase of 38 pence, or 1.6%, from 2,388 pence at the previous year end. As dividends totalling 38 pence per share were paid during the year, the effect of reinvesting the dividends in the NAV is 1.6%, which results in a NAV total return of +3.2%.

Net quoted equity exposure: This is the estimated level of exposure that the trust has to listed equity markets. It includes the assets held in the quoted equity category of the portfolio adjusted for the notional exposure from quoted equity derivatives, as well as estimated cash balances held by externally-managed funds and estimated exposure levels from hedge fund managers.

Notional: In relation to derivatives, this represents the estimated exposure that is equivalent to holding the same underlying position through a cash security.

Ongoing charges figure (OCF): As a self-managed investment trust with operating subsidiaries, the calculation of the Company's OCF requires adjustments to the total operating expenses. In accordance with AIC guidance, the main adjustments are to remove 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	2023	2022
Operating expenses	42.7	43.6
Adjustments	(15.0)	(7.6)
Ongoing charges	27.7	36.0
Average net assets	3,614	4,045
OCF	**0.77%**	**0.89%**

In addition to the above, managers charge fees within the external funds (and in a few instances directly to RIT in relation to segregated accounts). We have estimated that, based on average net assets across the year and annual management fee rates per fund (excluding performance fees), these represent an additional 0.94% of average net assets (2022: 0.88%).

Glossary and Alternative Performance Measures

Premium/discount: The premium or discount (or rating) is calculated by taking the closing share price on 31 December 2023 and dividing it by the NAV per share at 31 December 2023, expressed as a net percentage. If the share price is above/below the NAV per share, the shares are said to be trading at a premium/discount.

Share price total return or total shareholder return (TSR)*: The TSR for a period represents the change in the share price adjusted to reflect dividends paid during the period. Similar to calculating a NAV total return, the calculation assumes the dividends are notionally reinvested at the daily closing share price following the shares going ex-dividend. The share price on 31 December 2023 closed at 1,882 pence, a decrease of 243 pence, or 11.4%, from 2,125 pence at the previous year end. Dividends totalling 38 pence per share were paid during the year, and the effect of reinvesting the dividends in the share price is 1.8%, which results in a TSR of -9.6%. The TSR is one of the Company's KPIs.

Historical Information and Financial Calendar

Historical information

	Diluted net assets £ million	Diluted NAV per share pence	Closing share price pence	Premium/ (discount) %	Diluted earnings per share pence	Dividend per share pence
02 August 1988	280.5	105.9	81.5	(23.0)	n/a	n/a
31 March 1989	344.4	134.2	114.0	(15.1)	29.3	1.7
31 March 1990	334.0	131.0	97.0	(26.0)	(2.5)	2.6
31 March 1991	318.0	131.7	92.0	(30.1)	0.7	2.4
31 March 1992	305.5	140.7	85.2	(39.4)	6.6	1.1
31 March 1993	385.9	181.1	117.0	(35.4)	40.5	1.1
31 March 1994	468.6	221.6	171.0	(22.8)	41.5	1.6
31 March 1995	450.2	213.4	174.0	(18.5)	(8.1)	1.7
31 March 1996	560.8	283.2	223.0	(21.3)	63.3	1.6
31 March 1997	586.1	303.5	242.5	(20.1)	17.2	1.8
31 March 1998	737.5	384.1	327.0	(14.9)	81.5	2.0
31 March 1999	759.7	398.6	341.0	(14.5)	14.6	2.2
31 March 2000	811.4	509.0	439.0	(13.8)	100.2	3.1
31 March 2001	759.8	484.3	436.5	(9.9)	(28.8)	3.1
31 March 2002	758.3	483.4	424.5	(12.2)	2.2	3.1
31 March 2003	674.7	430.2	371.5	(13.6)	(50.2)	3.1
31 March 2004	981.1	628.2	577.5	(8.1)	195.9	3.1
31 March 2005	1,113.1	712.7	694	(2.6)	90.0	3.1
31 March 2006	1,534.7	982.7	1,020	3.8	270.3	3.1
31 March 2007	1,635.6	1,047.3	1,000	(4.5)	67.0	3.1
31 March 2008	1,690.0	1,091.6	1,147	5.1	50.6	4.0
31 March 2009	1,350.5	874.3	831	(5.0)	(205.2)	7.5
31 March 2010	1,815.7	1,180.1	1,082	(8.3)	306.3	4.0
31 March 2011	1,984.0	1,289.4	1,307	1.4	111.7	4.0
31 March 2012	1,920.0	1,249.3	1,220	(2.3)	(35.7)	4.0
31 December 2012	1,847.2	1,191.4	1,131	(5.1)	(29.6)	28.0
31 December 2013	2,146.0	1,383.6	1,260	(8.9)	215.7	28.0
31 December 2014	2,299.6	1,483.0	1,397	(5.8)	129.8	29.4
31 December 2015	2,441.3	1,572.5	1,681	6.9	121.4	30.0
31 December 2016	2,692.1	1,730	1,885	9.0	195.0	31.0
31 December 2017	2,858.3	1,839	1,962	6.7	142.4	32.0
31 December 2018	2,830.2	1,821	1,910	4.9	17.5	33.0
31 December 2019	3,145.6	2,004	2,115	5.5	220.8	34.0
31 December 2020	3,590.4	2,292	2,065	(9.9)	321.0	35.0
31 December 2021	4,390.3	2,794	2,750	(1.6)	545.5	35.25
31 December 2022	3,721.7	2,388	2,125	(11.0)	(371.3)	37.0
31 December 2023	**3,573.3**	**2,426**	**1,882**	**(22.4)**	**43.8**	**38.0**

Notes:

1. The Company commenced its business as an approved investment trust on 3 August 1988, following the listing of its share capital on the London Stock Exchange.
2. Prior to 31 March 2000, the diluted net assets were measured on the assumption that all convertible stock was converted at the balance sheet date. By 31 March 2000, all convertible stock had been converted or redeemed.
3. Dividends per share represent the amounts paid in the relevant financial year or period.
4. Since 31 March 2005 the closing share price has been displayed to the nearest pence and from 31 December 2016 the diluted net assets per share has been disclosed to the nearest pence.

Financial calendar:

2 May 2024, 12:00pm:	Annual General Meeting.
26 April 2024:	Payment of interim dividend.

Investor Information

Share price information
The Company's £1 ordinary shares are listed on the London Stock Exchange and may be identified using the following codes:

TIDM:	RCP LN
SEDOL:	0736639 GB
ISIN:	GB0007366395

Daily and 15 minute delay share price information is displayed on the Company's website: www.ritcap.com, as well as numerous online platforms.

Registrar
The Company's registrar may be contacted as follows:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0370 703 6307
Overseas: +44 370 703 6307

Shareholders may contact the registrar should they need to notify a change of name or address, or have a query regarding the registration of their holding or the payment of a dividend. Shareholders who wish to have dividends credited directly to their bank account rather than paid by cheque may do so by arrangement with the registrar. Shareholders may also arrange with the registrar to have their dividend payment invested in additional RIT Capital Partners plc ordinary shares purchased in the market.

Registered holders of ordinary shares of RIT Capital Partners plc may elect to receive communications from the Company electronically as an alternative to receiving hard copy accounts and circulars. This facility is provided by the registrar and shareholders will need to go online at www.investorcentre.co.uk and select the 'eComms' signup section to participate. To complete the registration process shareholders will need their postcode or country of residence, along with their shareholder reference number (as shown on their share certificates or dividend advices). Shareholders will also be asked to agree to the terms and conditions for electronic communication.

Registered shareholders also have the facility to check their shareholding, change their address or update their bank mandate instruction by registering to become a member of 'Investorcentre'.

Regardless of whether shareholders sign up for 'eComms' or become a member of 'Investorcentre', they are able to cast proxy votes in respect of general meetings electronically if they wish by using the link provided on their proxy form or in their email notification.

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RIT Capital Partners plc