

# Ruffer Investment Company Limited

## SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



Hot on the heels of January's bond market wobble, in February it was the turn of US equities to struggle. A combination of sticky inflation prints and increasingly volatile tariff news flow proved painful, with the dominant mega-cap tech stocks down almost double digits from their December peak. This time, however, bonds acted as an offset, as concerns over the economic impact of Trump's policies raised expectations of interest rate cuts in the US this year.

Meanwhile, on this side of the Atlantic, geopolitics clearly dominated the agenda. Amidst all the many headlines, the passing of the German election, hopes for an end to the Russia-Ukraine war, and a brighter economic outlook saw European equities outperform for a second month.

The fund continued to benefit from this rotation in markets, with equity exposure the largest single contributor over the month, delivering around 1%. Within this, our Chinese equities, particularly Alibaba, were key as the latest AI developments from China challenged the dominance of US technology companies. We have since taken some profits and resized the position. Oil fell almost 5% over the month, as geopolitical tensions eased, yet the fund's energy equities, focused on BP, rose as an activist entered the space. Alongside our equities, copper had another strong month, benefitting our c 2% position in the metal. Finally, the portfolio's yen exposure delivered as the currency strengthened almost 3% versus the dollar and 1.5% versus sterling, with inflation data in Japan continuing to point towards further monetary policy normalisation.

Our derivatives detracted from performance, despite a small positive contribution from credit protection as spreads started to widen. Disappointingly, the portfolio's precious metals exposure did not reflect the positive momentum in the gold price as gold miners paused for breath after a strong start to the year, and silver and platinum both fell.

As for portfolio activity, alongside the trimming of Chinese equities, the recent fall in yields led us to take gains on our 10 year TIPS holding purchased last month, as US real yields fell back towards and eventually below 2% (down from 2.3% in mid-January). This took the duration of the portfolio back to around two years.

So far, the new US administration seems to have convinced the market that tariffs are merely a bargaining chip, and that DOGE will find sufficient savings to allow the desired tax cuts (without worsening the deficit). This may prove to be a triumph of hope over experience. The inconsistencies and uncertainties that remain, combined with elevated valuations in the US, leave markets feeling accident prone. This has started to become evident in consumer confidence data (the latest reading is the lowest for three and a half years) and investor sentiment (the AAI survey is the most bearish since September 2022). What the catalyst might be – whether a turn in the fundamentals, a resurgence in inflation or some kind of shock – remains to be seen. But, with uncertainty and volatility likely to persist, we remain focused on protecting investors' capital.

## FEBRUARY 2025

Performance %	Net Asset Value	Share price
February	0.7	0.9
Year to date	3.3	3.5
1 year	5.5	7.1
3 years pa	0.4	-2.1
5 years pa	6.9	7.1
10 years pa	4.0	3.4
Since inception pa	6.8	6.4

### Share price

RIC	277.50
Net Asset Value (NAV) per share	289.91
Yield	1.80

	Net	Gross
Duration (years)	1.9	1.9
Equity exposure %	33.3	32.6

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.3	-0.7	-0.8
5 years	6.4	0.7	1.2
10 years	6.0	0.4	0.7
Since inception	6.3	0.8	1.4

	%
Premium/discount to NAV	-4.3
NAV total return since inception <sup>1</sup>	289
including dividends of	53.1p
Standard deviation <sup>2</sup>	1.83
Maximum drawdown <sup>2</sup>	-9.59

### 12 month performance to 31 December 2024

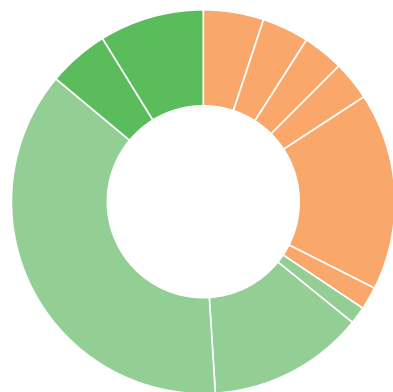
%	2020	2021	2022	2023	2024
RIC NAV total return	13.5	12.0	8.0	-6.2	0.0
FTSE All-Share TR £	-9.8	18.3	0.3	7.9	9.5
Twice Bank Rate	0.5	0.2	2.9	9.6	10.5

<sup>1</sup> Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table. One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

## INVESTMENT OBJECTIVE

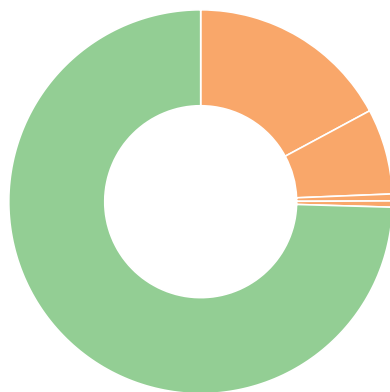
The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company predominantly invests in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

## ASSET ALLOCATION



Inflation	%
Gold and precious metals exposure	8.9
Long-dated UK inflation-linked bonds	5.1
Protection	
Short-dated nominal bonds	36.9
Cash	1.5
Credit and derivative strategies	13.2
Growth	
Financials equities	5.1
Consumer discretionary equities	4.0
Materials equities	3.5
Energy equities	3.3
Other equities	16.6
Commodity exposure	1.9

## CURRENCY ALLOCATION



Currency allocation	%
Sterling	74.5
Yen	17.1
Euro	7.2
Swiss franc	0.6
Other	0.5
Geographical equity allocation	%
UK equities	12.3
North America equities	6.7
Europe equities	5.9
Asia ex-Japan equities	5.1
Japan equities	2.0
Other equities	0.6

## 5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China EUR H acc	3.6
BP	2.3
Prudential	1.5
Alibaba Group ADR	1.4
Amazon	0.8

The credit and derivatives strategies allocation is calculated using market value. In some cases, this allocation might be negative due to the nature of how the instruments, in particular credit default swaps, are priced. Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

## RUFFER LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 January 2025, assets managed by the Ruffer Group exceeded £19.4bn.

NAV **£923.6M**

SHARES **318,572,764**

MARKET CAPITALISATION **£884.0M**

## FUND INFORMATION

Annual management charge %	(no performance fee) 1.00	
Ongoing Charges Ratio %	(audited at 30 Jun 24) 1.06	
Valuation point	Weekly, every Tuesday and the last business day of the month	
Ex dividend dates	March, October	
Administrator	Apex Fund and Corporate Services (Guernsey) Limited	
Custodian	Northern Trust (Guernsey) Limited	
Broker	Investec	
Structure	Guernsey domiciled limited company	
Discount management	Share buyback Discretionary redemption facility	
Listing	London Stock Exchange	
NMPI status	Excluded security	
Stock ticker	RICA LN	
Wrap	ISA/SIPP qualifying	
Share class	ISIN	SEDOL
RIC	GB00B018CS46	B018CS4

## ENQUIRIES

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## FUND TEAM



### Jasmine Yeo

#### FUND MANAGER

Joined Ruffer in 2017, graduating with a degree from Warwick Business School. She is a member of the CISI, having completed the CISI Masters in Wealth Management.

Jasmine was previously a manager on our private client team, becoming an investment specialist, then a fund manager in our investment team.



### Ian Rees

#### FUND MANAGER

Joined Ruffer in 2012, graduating from the University of Bath with an honours degree in economics. Ian managed portfolios for institutional investors and worked on equity research in our Hong Kong office, becoming a fund manager on our investment team. He is a CFA charterholder.



### Alexander Chartres

#### FUND MANAGER

Joined Ruffer in 2010, graduating from Newcastle University with a first class honours degree in history and politics. He was a manager on our private client team, becoming a long-standing fund manager in our investment team and a Partner in the firm. He is a Fellow of the CISI.

## GLOSSARY

**Volatility** measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

**Duration** measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

**UK Bank Rate** the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

**Sharpe ratio** measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

**Sortino ratio** measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

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