

Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



The portfolio delivered a positive return over the month before what looks set to be an eventful second half of summer.

The beginning of July was broadly unremarkable until a slew of softer economic data raised hopes that the US Federal Reserve would ease monetary policy earlier and more than had previously been anticipated. This triggered a rotation out of the 'Magnificent 7' tech stocks into smaller companies, which are typically more economically sensitive than their larger peers. So far, this initial rotation has been orderly. The S&P 500 was positive for the month, helped by the soothing words of Federal Reserve Chair Jerome Powell on the final day of July. Whilst the market may currently cheer the prospect of lower interest rates, it is prudent to challenge the notion that bad news for the economy will be good for risk assets.

Gains for the month were led by the portfolio's interest rate sensitive assets, such as the long-dated inflation-linked government bonds and gold mining companies, which enjoyed the move lower in bond yields. Another source of volatility and interest rate sensitivity was the yen, which appreciated 7% against the US dollar during July. The portfolio faced a headwind from its derivative protections as equity markets largely remained stable despite the movements under the surface.

Whilst the overriding theme from central banks is one of monetary easing, the Bank of Japan stood out from the crowd as it raised interest rates for the second time this year. We have previously written about the asymmetry we see in the yen. The size of likely interest rate hikes and their terminal level may be modest, yet they would partly close the yawning gap in monetary policy with other central banks. However, the yen's primary role in the portfolio is protection. The plumbing of global financial markets makes the yen, in our opinion, a prime beneficiary of market turmoil. It is a favoured source of financing for investors borrowing to invest in higher returning assets overseas. If market conditions change for the worse, we expect the yen to benefit from a flight to safety as other assets struggle.

We do not attempt to time every market turn, but we do seek to increase the portfolio's protective armoury when we sense moments of danger. In today's environment, we see a lot of value in out of favour areas, such as volatility and the yen, rather than among conventional growth seeking assets. Equities, dominated by the US mega-caps, look expensive and have enjoyed a prolonged improvement in corporate profitability. Although there may be no predetermined cap on valuations and high prices do not offer any meaningful signal in the short term, they do point to a vulnerability should reality fall short of the market's lofty expectations. At that point, valuations will matter. We have built a portfolio that should thrive – thanks to derivative protection – if conditions markedly worsen but should also deliver a positive, though perhaps unexciting, return should the exuberance continue.

JULY 2024

Performance %	Net Asset Value	Share price
July	2.2	2.2
Year to date	2.6	1.3
1 year	3.3	0.6
3 years pa	2.6	-0.1
5 years pa	5.9	5.6
10 years pa	4.7	4.3
Since inception pa	7.0	6.5

Share price

RIC	276.50
Net Asset Value (NAV) per share	291.21

	Net	Gross
Duration (years)	2.8	3.0
Equity exposure %	15.2	24.6

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.1	-0.1	-0.1
5 years	6.5	0.6	1.1
10 years	6.0	0.6	1.0
Since inception	6.4	0.8	1.5

	%
Premium/discount to NAV	-5.1
NAV total return since inception ¹	286.6
Standard deviation ²	1.84
Maximum drawdown ²	-9.59

12 month performance to 30 June 2024

%	2020	2021	2022	2023	2024
RIC NAV total return	10.1	15.3	6.0	-1.7	1.0
FTSE All-Share TR £	-13.0	21.5	1.6	7.9	13.0
Twice Bank Rate	1.1	0.2	0.8	6.4	10.7

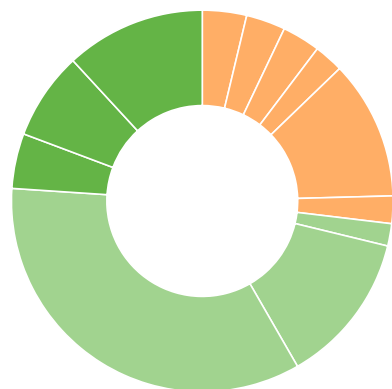
¹ Including 50.0p of dividends ² Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information 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.

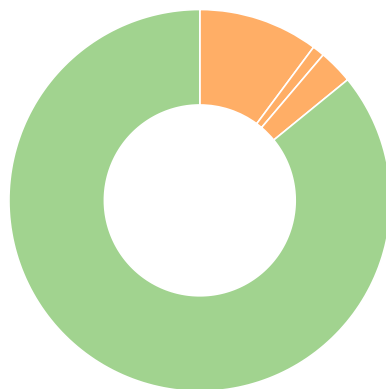
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ASSET ALLOCATION



Inflation	%
Long-dated non-UK inflation-linked bonds	11.9
Gold and precious metals exposure	7.4
Long-dated UK inflation-linked bonds	4.7
Protection	%
Short-dated nominal bonds	34.4
Cash	1.9
Credit and derivative strategies	12.9
Growth	%
Financials equities	3.7
Consumer staples equities	3.3
Energy equities	3.2
Consumer discretionary equities	2.5
Other equities	11.8
Commodity exposure	2.3

CURRENCY ALLOCATION



Currency allocation	%
Sterling	85.9
Yen	10.2
Euro	1.0
Other	2.9
Geographical equity allocation	%
UK equities	11.8
Asia ex-Japan equities	4.4
Europe equities	3.7
North America equities	3.6
Other equities	1.0

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	2.9
BP	2.3
Alibaba Group ADR	1.3
British American Tobacco	0.8
Prudential	0.6

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 30 June 2024, assets managed by the Ruffer Group exceeded £21.2bn.

NAV **£1,031.0M**

SHARES **354,037,764**

MARKET CAPITALISATION **£978.9M**

FUND INFORMATION

Annual management charge %	(no performance fee) 1.00	
Ongoing Charges Ratio %	(audited at 30 Jun 23) 1.08	
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



Duncan MacInnes

FUND MANAGER

Joined Ruffer in 2012. He graduated from the University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and co-manager of two of Ruffer's flagship funds.



Jasmine Yeo

FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.

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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