

Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



Positive corporate earnings, easing geopolitical tensions, and better inflation data in the US helped equities and bonds rise in May. Investors pivoted from fears of a reacceleration (which drove April's sell-off) back to hopes of a benign disinflation, albeit at a slower pace than was expected at the start of the year. The Federal Reserve all but ruled out interest rate hikes at their May meeting, pushing equity indices back to all-time highs. However, the latter half of May was less friendly to asset prices as we saw yields rising, some sector weakness in equity markets and volatility moving off its lows.

The fund protected investors in April as markets fell and it continued to deliver positive performance in May. Precious metals exposure (to which we added, and then took profits within the month) delivered a strong contribution as silver and platinum rallied 16% and 11% respectively. Chinese stocks were mixed but individual holdings such as Alibaba delivered gains alongside tech (where we have some exposure via TSMC and Amazon). In fixed income, we rotated part of our UK inflation-linked bond exposure into US 10 year inflation-linked treasuries (TIPS), which proved helpful as yields have remained higher in the UK following a hotter inflation print.

Our derivative positions detracted from performance – namely the credit protections, as corporate spreads tightened. After four consecutive positive months, oil fell 7% in May, as geopolitical tensions eased. This hurt the fund's energy equities. The portfolio's yen and US dollar exposure also dragged on performance, as sterling strengthened following the announcement of a general election that could deliver some political certainty, amidst signs of a more robust UK economy.

Acknowledging that equity markets had weathered the April showers and the passing of several risk events (inflation and labour market data, Bank of Japan intervention, liquidity contractions), we have slightly increased the gross risk of the portfolio. We added about 5% to our equity exposure, took the position in 10 year TIPS to over 11% and made further additions to precious metals. To maintain portfolio balance, we also added to the protective assets in the portfolio. Given spreads remain near record lows, despite signs of weakening economic fundamentals in the US, we increased our credit protection. We also took on more yen exposure, viewing it as a two-way asset that can work in a benign environment of falling US yields, or as powerful protection in a risk-off event.

Whilst some position sizes in the portfolio are now higher, we remain cautious overall. We maintain conviction that the path for a soft landing is narrow, as we head towards a summer of uncertainty driven by elections, central bank policy decisions, liquidity risks, and a softening US economy. However, attractive risk-reward can be found in growth assets across certain geographies and sectors, whilst the cost of protection remains at multi-decade lows. This all helps in building a balanced portfolio of offsetting and asymmetric assets.

MAY 2024

Performance %	Net Asset Value	Share price
May	0.7	0.5
Year to date	1.1	0.6
1 year	1.5	-1.1
3 years pa	1.1	-1.3
5 years pa	6.5	6.5
10 years pa	4.5	4.1
Since inception pa	7.0	6.6

Share price

RIC	274.50
Net Asset Value (NAV) per share	286.85

	Net	Gross
Duration (years)	2.6	2.8
Equity exposure %	21.4	23.4

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.2	-0.3	-0.4
5 years	6.5	0.7	1.3
10 years	5.9	0.6	1.0
Since inception	6.4	0.8	1.5

	%
Premium/discount to NAV	-4.3
NAV total return since inception ¹	280.8
Standard deviation ²	1.84
Maximum drawdown ²	-9.59

12 month performance to 31 March 2024

%	2020	2021	2022	2023	2024
RIC NAV total return	4.3	22.7	9.8	1.4	-5.3
FTSE All-Share TR £	-18.5	26.7	13.0	2.9	8.4
Twice Bank Rate	1.4	0.2	0.4	4.6	10.3

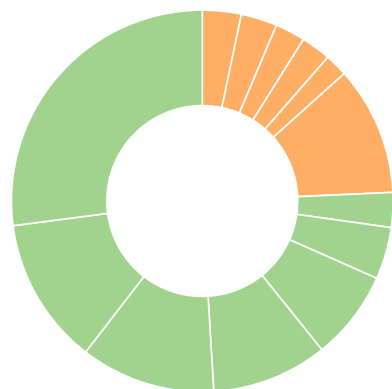
¹ Including 50.0p of dividends ² Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information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

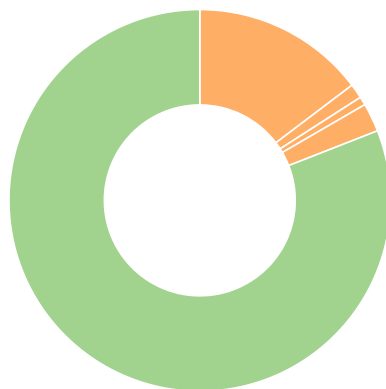
The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company predominantly invests in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which 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



CURRENCY ALLOCATION



Asset allocation	%
Short-dated bonds	27.1
Credit and derivative strategies	12.5
Non-UK index-linked	11.4
Gold and precious metals exposure	9.8
Cash	7.6
Long-dated index-linked gilts	4.4
Index-linked gilts	3.0
Energy equities	3.3
Financials equities	3.1
Consumer staples equities	2.5
Consumer discretionary equities	2.5
Other equities	11.9
Commodity exposure	0.9

Currency allocation	%
Sterling	80.9
Yen	14.7
Euro	1.2
AU dollar	0.7
Other	2.4
Geographical equity allocation	%
UK equities	10.7
Asia ex-Japan equities	4.5
North America equities	3.7
Europe equities	3.5
Other equities	0.9

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	3.0
BP	2.2
Alibaba Group ADR	1.1
British American Tobacco	0.7
Smurfit Kappa	0.5

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 April 2024, assets managed by the Ruffer Group exceeded £22.1bn.

NAV **£1,043.1M**

SHARES **363,637,764**

MARKET CAPITALISATION **£998.2M**

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)

DISCLAIMER

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