Ruffer Investment Company Limited

Half-yearly financial report
for the period ended
31 December 2024 (unaudited)

Contents

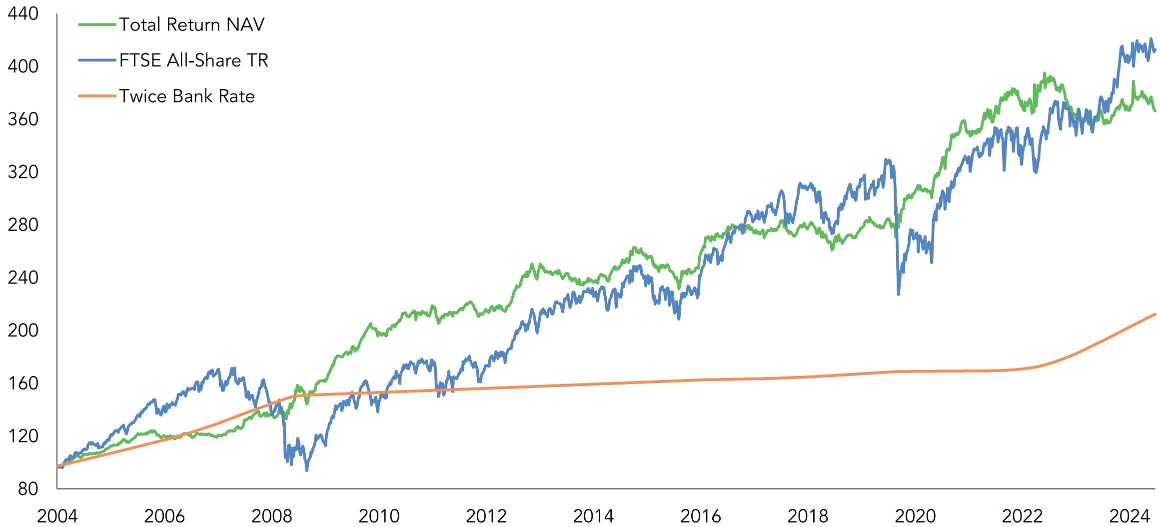
Key performance indicators

Key performance indicators	31 Dec 24 %	31 Dec 23 %
Share price total return over six months[1]	0.2	0.3
NAV total return per share over six months[1]	(0.4)	0.6
Discount of traded share price to NAV	(4.5)	(3.7)
Dividend per share over six months[2]	3.10p	1.65p
Annualised dividend yield[3]	2.31	1.20
Annualised NAV total return per share since launch[1]	6.7	7.0
Ongoing charges ratio[4]	1.08	1.08

Financial highlights

Financial highlights	31 Dec 24	30 Jun 24
Share price	268.00p	270.50p
NAV as calculated on an IFRS basis[5]	£935,069,127	£1,019,738,821
NAV as reported to the LSE	£935,110,679	£1,019,427,621
Market capitalisation[6]	£892,782,408	£968,221,652
Number of shares in issue	333,127,764	357,937,764
NAV per share as calculated on an IFRS basis[5]	280.69p	284.89p
NAV per share as reported to the LSE	280.71p	284.81p

PERFORMANCE TO 31 DECEMBER 2024



Source: RAIFM Ltd, FTSE International, data to 31 December 2024. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

1 Assumes reinvestment of dividends. See appendix for Alternative Performance Measures (APMs).

2 Dividend declared during the period.

3 Annualised dividend yield is calculated using share price at the period end and dividends declared during the period.

5 This is the NAV/NAV per share as per these Financial Statements. Refer to note 12 on page 55 for a reconciliation between this figure and the NAV/NAV per share as reported to the LSE through RNS. See appendix for Alternative Performance Measures (APMs)

6 See appendix for Alternative Performance Measures (APMs).

Chair's statement

It is a privilege to succeed Christopher Russell as Chair of Ruffer Investment Company Limited (RICL or 'the Company'). Christopher retired at the 2024 Annual General Meeting (AGM) after eight years as a Non-Executive Director, including serving four years as Chair, and leaves with the Board's thanks for his contribution.

RICL investment performance in the six months to 31 December 2024 was disappointing. This has tested the patience of investors, and we are grateful for the ongoing support from shareholders. Whilst frustrating, the Board endorses the Investment Manager's view that the key to judging performance is over longer periods and not the results of one 'half-cycle' since the end of 2022. Over the past 5 years, 10 years and the 20 year period since inception, RICL net asset value total return (NAV TR) has exceeded its objective of twice the Bank of England base rate.

The Board has enhanced shareholder value by implementing a significant share buyback programme (13.1% of capital in calendar year 2024 and 4.4% in 2025, a total of 17.5% of share capital since 1 January 2024) and has started to see the benefit of the Investment Manager's improved direct-to-consumer marketing strategy. Both these initiatives help address the current discount of the share price to net asset value (NAV).

Key performance indicators

RICL investment performance broadly preserved shareholder capital in the six and twelve month periods to 31 December 2024.

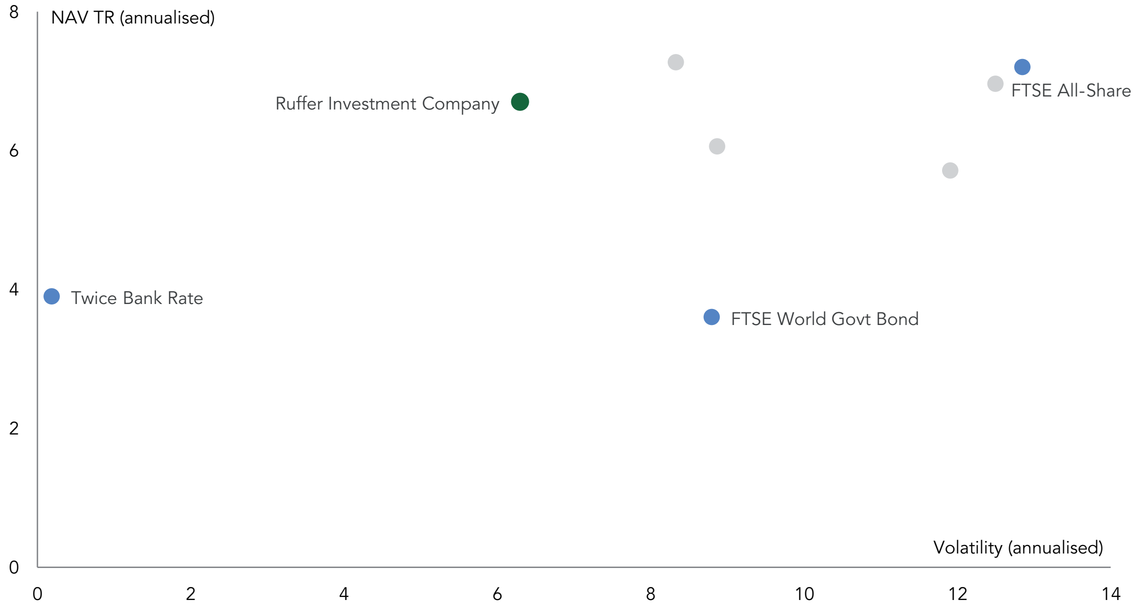
NAV TR per share and share price total return over the six months to 31 December 2024 were -0.4% and +0.2% respectively. The discount of the share price to NAV per share narrowed slightly to 4.5% at 31 December 2024 (30 June 2024: 5.0%).

The NAV TR per share and share price total return for the twelve months to 31 December 2024 were flat and down -0.7% respectively.

In the 20 year period since inception to 31 December 2024 the Company has delivered annualised NAV TR per share of 6.7%, exceeding the objective of 3.9%. The chart below shows this has been achieved with lower volatility than equities and bonds. The Board believes the longer period is the most relevant to judge performance given volatile asset returns and the RICL objective has been a constant.

The Company's annualised dividend yield at 31 December 2024 was 2.3% and the Ongoing Cost Ratio remains 1.1%.

NAV TOTAL RETURNS VERUS VOLATILITY, JULY 2004 TO DECEMBER 2024



Source: RAIFM Ltd, Morningstar. Constituents (represented in the graph but anonymised): Personal Assets, Capital Gearing, BH Macro (data from 2007), RIT Capital Partners. Volatility is not a complete measure of risk but provides a basis for comparison

Investment performance

In the six months to 31 December 2024, performance fell short of the Company's aim 'to generate consistent positive returns, however financial markets are performing'. It was also below the Company's objective.

Why? Put simply, in 2024 markets pulled off the alchemy of holding two opposing ideas at the same time and retaining the ability to function. The Investment Manager correctly foresaw a more inflation-prone and volatile environment, fears over debt sustainability and the risk of higher rates. RICL carried protection accordingly. However, despite the US 10 year bond yield nearly breaching 5% by the end of 2024, there was a counter-intuitive increase in equity markets, concentrated almost entirely in the US and the 'Magnificent 7', driving the S&P 500's valuation (measured by the Shiller P/E) to 38x, the second highest on record. RICL increased its exposure to diverse growth assets substantially, but the level of concentration in equity market returns meant this was not quite enough to deliver a positive investment return by the end of the year. More detail about investment performance can be found in the Investment Manager report on pages 10 to 34.

The Board has thoroughly scrutinised the allocation of the portfolio throughout 2024 with the Investment Manager and is satisfied that it was consistent with the Company's investment aim. The Investment Manager is confident it should perform better in 2025 if the market does not maintain this cognitive dissonance, whether via a market sell-off or rotation.

This is not to say that the period under review did not see cracks in the market consensus and bouts of volatility. On the basis that one is only as good as one's last crisis, it was comforting that RICL delivered strong NAV per share performance during the equity market 'flash crash' on 5 August 2024. At the nadir of the S&P 500 drawdown of 6% on 5 August 2024, the RICL strategy gained 6%. Although this squall was short-lived and portfolio gains were not retained, it served as a reminder of RICL's ability to deliver positive returns in a storm.

The Board is conscious that 2024/2025 is the third financial year in succession that performance has fallen below the Company's aim. Although disappointing, it is perhaps not surprising to long-term observers of Ruffer LLP's ('Ruffer') investment performance. Ruffer's 30 year performance is characterised by a pattern where the Investment Manager has underperformed in the run-up to market falls and outperformed during corrections.

As the Investment Manager outlines, Ruffer's approach to managing the portfolio has remained the same throughout the 20 year history of RICL. However, since 2021 the new market regime where equities and bonds are positively correlated (rather than negatively as in the period 2004 to 2021) means that the Investment Manager needs to find alternative sources of protection, as bonds will no longer naturally diversify an equity market fall. In the six months to 31 December 2024 RICL has continued to own credit funds via the Ruffer Illiquid Multi Strategies Fund and equity derivatives as protection which can cost more to hold than bonds. All things being equal, RICL performance may be more anaemic than in prior periods before market drawdowns.
As the Investment Manager reports, they have been working hard in the first six months of 2024/2025 to adjust the level of growth assets in the portfolio to carry these protections. Hence, the improved performance relative to 2022/2023 and 2023/2024.

Portfolio manager changes

On 12 February 2025 the Board of RICL was notified by Ruffer that co-manager Duncan MacInnes had left Ruffer with immediate effect. As a consequence, it was agreed that Ruffer partner Alexander Chartres and Ian Rees would join current portfolio manager Jasmine Yeo to assume responsibility for management of the Company's portfolio.

Jasmine has been co-manager of the Company since 2022, and Alexander and Ian are long-standing members of the Ruffer fund management team. Alexander joined Ruffer in 2010 and is a lead manager on Ruffer's Total Return and Absolute Return funds, the former since 2019; while Ian joined Ruffer in 2012 and has been a lead manager on WS Ruffer Diversified Return fund since 2021. Jasmine, Alexander and Ian already work closely with the Chief Investment Officer team, led by Henry Maxey and Neil McLeish. Therefore the Board is confident that continuity of the Company's investment strategy and process will be ensured. The Board looks forward to working with Jasmine, Alex and Ian going forward.

Earnings and dividends

The Company's loss per share for the six months to 31 December 2024 was 1.71p (2.42p earnings per share in first half of 2023/2024). The Company continues to invest for total return, which gives the Investment Manager the flexibility to own any asset consistent with achieving the Company's objective. Revenue is therefore only a by-product of the investment portfolio rather than an aim.

The Board is committed to distributing at least 85% of revenue earned in any given year. The Company has declared an interim dividend of 2.85p (2.0p interim dividend 2023/2024). The remaining balance of revenue earned has been retained to add to the revenue reserve which may be used to protect dividends against future fluctuations in revenue.

Discount/premium management

Investment Company premiums and current discounts can be explained by Benjamin Graham's saying that 'in the short run, the market is a voting machine but in the long run it is a weighing machine'. In other words, in the long run the solution to the current discount is better investment performance via NAV TR. In the short run, the Board will take action to enhance shareholder value to manage the difference between the share price and NAV per share. The Board has consulted with shareholders closely on this throughout the past year.

The Board's discount policy is, around a mid-single digit discount, to assess with the broker the market position in the shares: who are the sellers and buyers and what are their reasons; what are volumes which are moving the share price significantly relative to the average liquidity levels; where are and what constitutes potential buyers and at what price level. The Investment Manager is not apprised of this discussion because of potential conflict of interest.

The Board makes its own independent judgement on whether it deems the discount to be a temporary aberration or a longer-term signal for which action other than a share buyback may be required. The objective of the buyback and other measures is to make money for remaining shareholders by adding to the NAV per share, to bring the share price closer to the NAV per share and to help provide liquidity in the shares.

The policy has resulted in the buyback of 24.8 million shares in the six months to 31 December 2024. This is 6.9% of the share capital in issue at beginning of the period. The buyback has occurred at an average discount of 5.1% and has enhanced NAV per share by 1.1p or 0.4%. During the 12 months to 31 December 2024, the Company has bought back 13.1% of its share capital, enhancing NAV per share by 0.8%. Whether measured in terms of aggregate spend (£m) or the proportion of share capital bought back, the Company buyback is one of the largest in the Investment Company sector in the 2024 calendar year.

The Board is committed to have the tools necessary to implement this policy. At the AGM the Board renewed its powers to buy back up to 14.99% of the Company's shares in issue. Since 1 January 2025 the Company has bought back a further 16.9 million shares or 4.4% of the Company's shares in issue at 1 January 2024. If the rate of share buyback meant that the buyback authority would be fully utilised before the next Annual General Meeting, which is expected to be held in December 2025, the Board would seek approval from shareholders for a renewal of the Company's buyback authority. In addition, the Board revised its Articles at the AGM to allow for the operation of a tender mechanism at any time it chooses, if the Board determines it to be necessary.

Marketing

In the 2023 external Board evaluation, direct-to-consumer (D2C) marketing was identified as a key strategic focus and in 2024 Ruffer commenced a review to improve it. Retail shareholders own a significant proportion (c 30%) of the Company, either directly or more commonly via investment platforms. The Board believes the Company is attractive to new retail shareholders, as it offers a diversifier incorporating protection strategies that are only available to much larger clients.

Subsequently, Ruffer has launched a revised website for RICL at ruffer.co.uk/ric and introduced QR codes in both the monthly fund report and Interim/Annual Reports to allow shareholders to sign up to receive direct updates from the Investment Manager. If you are not already signed up but would like to do so, please visit ruffer.co.uk/ric-news or scan the QR code located inside the front cover of the interim report. The website and the shareholder sign-up allow access to Ruffer's differentiated investment thinking: webinars, short videos, the Green Line, The Ruffer Review, the Ruffer Radio podcast and Jonathan Ruffer's quarterly Investment Review.

Later in 2025, the Board plans to use the powers approved at the AGM in the revised Articles to communicate directly to shareholders on investment platforms and invite them to sign up for regular updates from Ruffer.

To fund these initiatives and future undertakings, Ruffer has contributed an enhanced marketing budget for 2024/2025 and the Company is funding the cost of communicating with shareholders.

Responsible investment

The Board outlined Ruffer's approach to Responsible Investment in the 2024 Annual Report and this approach has been applied in the current period. Ruffer's approach was assessed by the Principles for Responsible Investment, the body which represents investors who incorporate environmental, social and governance (ESG) issues into their investments. Ruffer scored enhanced grades relative to 2023, scoring between 3 and 5 out of 5 for the key relevant areas, a stamp of approval for the quality of its process. The Board has also introduced enhanced reporting on Ruffer's voting and engagement every quarter to monitor Ruffer's implementation of the principles, meeting the goal identified in the 2023 external Board evaluation .

The Financial Conduct Authority (FCA) recently finalised Sustainability Disclosure Requirements (SDR) and labels for investment products. Ruffer adheres to the principles of the anti-greenwashing rule when communicating to UK clients. However, RICL is exempt from the label and naming and marketing requirements as it is a Guernsey-domiciled Company.

Board matters

In line with the succession plan, we welcomed Colleen McHugh to the board on 1 June 2024. At the 2024 AGM I succeeded Christopher Russell as Chair and Solomon Soquar succeeded me as Senior Independent Director. Following these changes, the Board has reverted to five Directors and has a range of relevant experience, whilst also meeting all the relevant diversity criteria for a London-listed Investment Company.

The Board completed the review of Directors' fees resulting from the triennial independent review conducted in the first quarter of 2024. The Board has implemented the recommendations outlined in the report for the year ending June 2025 following the 2024 AGM where 99.8% of shareholders voted in favour of the proposed Board remuneration and 99.5% in favour of the proposal to increase the aggregate Directors' fee cap. It remains the Board's intention to conduct an independent review of remuneration at least every three years, coincident with the plan for an independent Board evaluation.

The Board conducted its annual ‘kick the tyres’ session during September 2024. The Board met with Ruffer senior management to conduct due diligence on the following aspects: investment strategy and asset allocation, protection strategies, investment risk, responsible investment, compliance and the marketing strategy of RICL.

Kick the tyres showed that Ruffer continues to have a distinctive partnership culture and still manages just one strategy for clients. This continuity is valued by RICL. Equally, Ruffer has not stood still and is evolving. Ruffer has introduced enhancements to the investment process by adding resources to the Chief Investment Officer team, improved Responsible Investment research and rolled out a new tool to manage investment risk. RICL should benefit from these refinements.

Related share purchase

Henry Maxey (CIO Ruffer LLP) bought 1.85 million shares in RICL in July 2024.

Outlook

In October 2024, the International Monetary Fund (IMF) highlighted that the disconnect between heightened geopolitical risk, economic uncertainty and falling measures of market volatility had risen to the highest level since 2013. It warned of the risks of sudden surges in volatility and sharp asset re-pricing. Arguably these uncertainties have grown with ‘Trump 2.0’.

The IMF warning is important, as ‘those who fail to learn the lessons of history are doomed to repeat it’. Since 1970 there have been five drawdowns greater than 30% in a multi-asset global portfolio. Investor capital is usually restored within five years, but it can take longer. Only one of the drawdowns has occurred since 2009 and the covid recovery to par was the shortest on record since 1970. Investors might therefore be forgiven for ‘forgetting the lessons of history’ as the large, prolonged drawdowns are now almost two decades ago. RICL’s collection of ‘ugly duckling’ assets are designed to protect against this scenario and offer diversification relative to passive global equity portfolios with record levels of concentration risk.

Although performance in 2025 has been encouraging (+3.3% NAV per share since 1 January 2025), the Board is mindful of testing investor patience with disappointing recent returns. One antidote for investor anxiety is the quote from Andy Haldane (former Chief Economist of the Bank of England): ‘in a world of uncertainty it is better to be super safe ex ante than super sorry ex post, roughly right than precisely wrong’. The first half of 2024/2025 was a precise period when RICL’s desire to own protection and narrow markets meant dull performance. The Board is not complacent but continues to have confidence that the Investment Manager is positioning the investment portfolio to be roughly right for the uncertain times ahead.

It is not possible to predict when a drawdown may occur. Over the past 30 years, Ruffer’s periods of dull performance before drawdowns typically lasted 2-4 years. Whilst there is nothing to indicate that this bull market will be longer or shorter than others, the recent unwind of speculative excess and froth might suggest that for RICL shareholders, 2025 will be closer to the end than the beginning. The Board is confident that the Investment Manager can capitalise when markets turn.

Nick Pink
11 March 2025

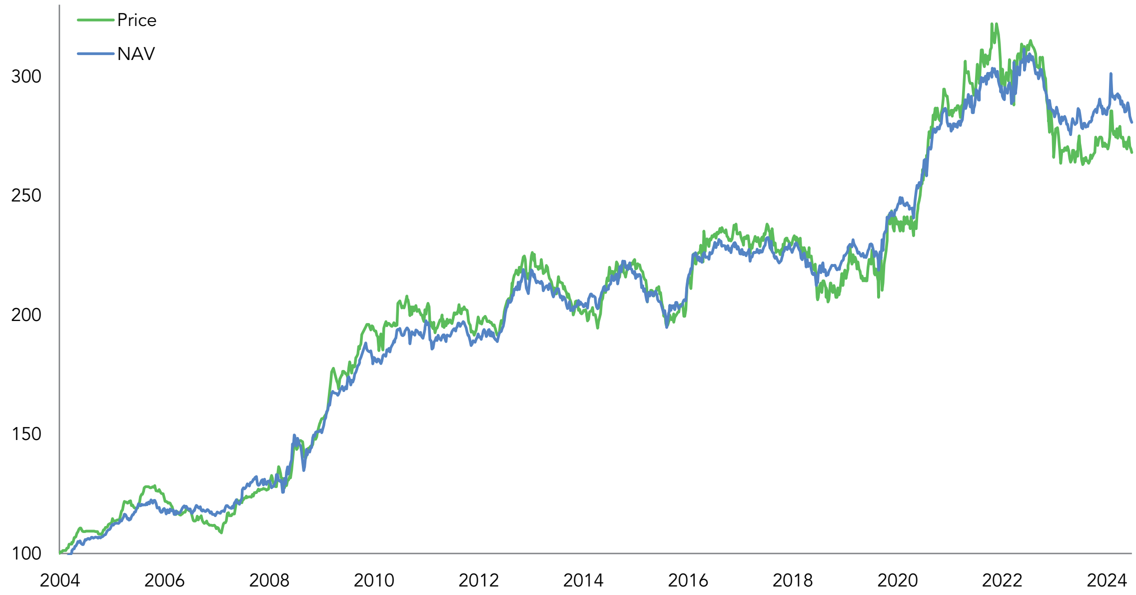
Investment Manager's report

Performance review

The net asset value (NAV) total return for the six months to 31 December 2024 was -0.4%, and the share price total return was +0.2%. The NAV total return for the 12 months to 31 December 2024 was 0.0%, and the share price total return was -0.7%.

The annualised NAV total return since inception of the Company in 2004 is 6.7%. The total return since inception of the Company is 276.6%. Over the same period, the FTSE All-Share has achieved an annualised total return of 7.3%. The gap between the share price and the NAV total return numbers is driven by the Company moving from a discount of -3.7% at 31 December 2023 to a discount of -4.5% at 31 December 2024.

RUFFER INVESTMENT COMPANY PERFORMANCE IN NAV AND PRICE TERMS



Source: RAIFM Ltd, FTSE International, data to 31 December 2024. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

There is no denying we are at a painful moment for Ruffer and our shareholders. After four strong years from 2019 to 2022 when the NAV total return annualised over 10%, investors have now experienced two consecutive losses in share price terms.

So where have we gone wrong? There is a tension between the cyclical and the structural. On the cyclical, we have been proved wrong – there was no recession, but there was an aggressive disinflation and a resurgence in animal spirits. On the structural? Sticky inflation, financial stability preferred to monetary stability, geopolitical fracturing, the rise of populism and state directed capitalism – so far, spot on.

We view this as an intertemporal snag. We currently see the elastic band which tethers prices and fundamentals as stretched taut, with the potential for an aggressive snap back. In that scenario, our view of the fundamentals and prices should converge, and a redemptive performance moment be expected, like ketchup from a glass bottle. We have been in this uncomfortable position before.

The 60:40 portfolio has recovered from 2022, its worst year in a century (-17%), to post +16% in 2023 and +11% in 2024 and reclaim all-time highs. Under the bonnet, this has been driven by a rip-roaring equity rally (more on that later), but the shocker has been the bonds. The US Treasury market, the global safe haven, posted an unprecedented fourth consecutive year of losses in 2024. That the 60:40 can trade at all-time highs whilst the 40% in bonds bleeds speaks to the power of the equity rally.

There is an aphorism that 'prices make opinions'. Perhaps then it is not surprising that opinions on Ruffer are somewhere near rock bottom whilst simultaneously, views on the equity market are as favourable as they ever have been. We are fully aware that we have tested the patience of our shareholders. However, we would ask that you judge us on our full body of work – 30 years for Ruffer LLP, 20 years for Ruffer Investment Company – rather than the results of one-half cycle, yet to be completed, from the fourth quarter of 2022.

There's a circularity to this. We can point out risks until we are blue in the face, but the optimists can point to the S&P 500 at 6,000 and dismiss them.

The level of the index has become both a fundamental and a measure of the fundamentals. Here's a useful thought experiment. If the S&P 500 were trading at 4,000 after falling by a third, many would probably be happier with our current defensive positioning than they are today when it trades at 6,000. But, with the index having risen 66% from the lows of 2022, we would suggest that is precisely the wrong way round to think about it. We are determined not to let our poor performance in 2023 tempt us into abandoning our caution at exactly the wrong time. Just because something hasn't happened, doesn't mean it won't happen.

Why do we think holding Ruffer in your portfolio is important?

Our investment process has been tried and tested over 30 years and through difficult and varied markets, including the dot.com bust, the global financial crisis, covid-19 and the 2022 rate hikes. We have successfully preserved and grown our clients' capital through all four events. This performance has come with a low correlation to equities and other asset classes. Crucially, it has offered genuine protection in times of market stress. In a strong equity market, any allocation to a defensive manager is too much. In a falling market, whatever your allocation, it's not enough. The tricky thing is finding the balance between these two extremes.

Our portfolio today remains biased more towards 'protection'. We do not attempt to time every market turn, but we do seek to ensure the portfolio's protective armoury is in place when we sense moments of danger. This is similar to our positioning in 2007 during the run-up to the global financial crisis. Like then, we believe now is not the time to dial down protection. The US stock market looks to us both dangerously expensive and highly concentrated – neither a good sign for future returns. We have built a portfolio that should thrive if conditions markedly worsen but should deliver a positive, though unexciting, return if the market exuberance continues.

We are often asked, 'Will it all be worth it? How much will Ruffer have to make when the market breaks to justify the pain?' Our answer: if events play out as we expect, we should experience healthy returns (at a time when conventional portfolios are suffering). The often overlooked second part is the pivot of the portfolio to buying distressed assets in the crisis. We did this effectively in 2003, 2009 and 2020. The power of the Ruffer model – what makes it worth it – is to be on the front foot as a buyer when everyone else is a seller, setting the portfolio up for double-digit gains in the recovery years post crisis.

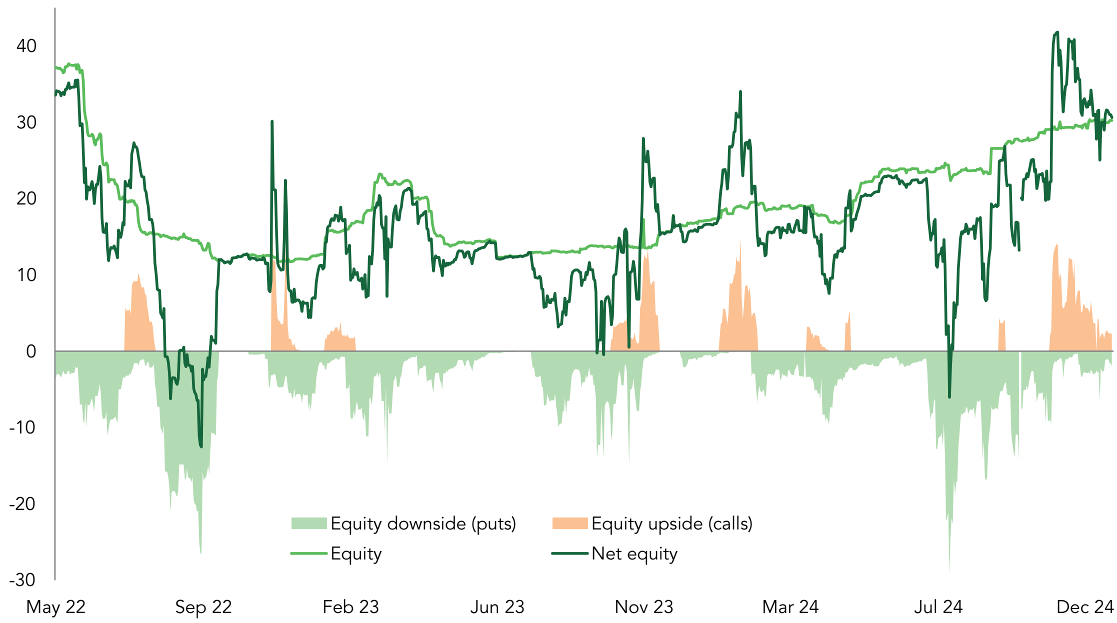
Portfolio changes

We still believe that tighter liquidity conditions and the full impact of higher rates present a significant risk to markets. Our concerns have only grown, with valuation and positioning now both extremely extended. This is why the portfolio remains biased to protection and our basket of defensive derivatives is a core building block.

However, as we were painfully reminded in 2023, it is crucial to have sufficient offsets to carry these protections and keep the portfolio afloat should markets remain benign. To aid this balance, we made several tweaks to the portfolio over the year.

The most notable of these was an increased allocation to growth assets. We took the equity weight from around 17% to 30% by year end, with additions coming primarily in May after the market falls, September before the Federal Reserve (Fed) rate cut and both pre and post the US election. These increases can be seen on the below chart in dark green. Around the election, we also chose to further increase our exposure tactically via call options, seen on the chart in orange.

PORTFOLIO'S NET EQUITY EXPOSURE OVER THE LAST TWO YEARS



Source: RAIFM Ltd, data May 2022 to December 2024

The flavour of those equity additions was broad. In September, we added to China and commodity equities, which boosted returns as stimulus was announced later in the month and we took profits. Around the election, the additions were US centric. We made an allocation to a liquid basket of US stocks that had an attractive free cash flow yield, as well as better value and quality metrics than the overall market, to gain more exposure to a broadening-out within US markets. We also got index exposure from short-dated S&P call options.

Precious metals and commodity exposure is another area we have traded actively this year. In early September, we added c 3.5% to the portfolio's commodity exposure across a range of assets including oil, copper, BP and agricultural commodities in anticipation of a Fed rate cut. That proved prudent, especially given the stimulus from China. We traded in and out of silver successfully in the first half of the year, and retain a 1% exposure to platinum, which like silver trades with a high beta to the gold price, to complement our gold equity holdings.

The portfolio now holds around 33% across equities and commodities which should benefit from a broader market rally and continued economic strength, supported by our bond exposure and gold equities, which should rise in value if yields were to fall.

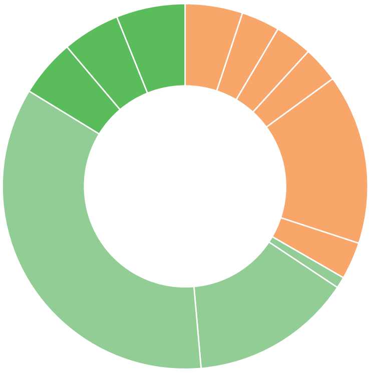
On the protection side of the portfolio, we have been active in both our conventional and our unconventional assets. We temporarily increased duration via 10 year US inflation-linked bonds in late April and early May with real yields of well over 2%, and sold as yields fell sharply again in early August. Towards the end of the year, we added to long-dated UK inflation-linked bonds, taking portfolio duration to 1.9 years. We believe a re-appraisal of long-term inflation expectations is overdue and should be beneficial to the index-linked bonds, or at worst, limit any hit from nominal interest rates rising.

Within our derivative protection strategies, over the last six months we reintroduced VIX call options, as equity market volatility was subdued despite the macroeconomic conditions. These proved valuable in early August, when we monetised a portion of the position. These have since been replaced with index put options. If liquidity conditions and the economy deteriorate, these positions, alongside the credit protection, should appreciate sharply.

The other core part of our protection allocation, the yen, came to life over the summer and we sold our contingent exposure during the August market wobble. Towards the end of the year, we took advantage of yen weakness to re-establish our yen call options to complement the direct exposure to the currency.

Whilst returns remain unsatisfactory, we have been working hard to maintain sufficient portfolio balance, with our base case yet to play out. This recent performance is closer to what we would expect from the Ruffer portfolio at this stage of the cycle – unexciting but treading water – as we favour protection over growth for the time being.

CURRENT PORTFOLIO STRUCTURE



Inflation	%
Gold and precious metals exposure	6.1
Long-dated UK inflation-linked bonds	5.1
Short-dated non-UK inflation-linked bonds	5.1
Protection	
Short-dated nominal bonds	35.0
Credit and derivative strategies	14.3
Cash	1.0
Growth	
Financials equities	5.1
Consumer staples equities	3.4
Energy equities	3.3
Consumer discretionary equities	3.2
Other equities	15.1
Commodity exposure	3.3

Currency allocation	%
Sterling	78.2
Yen	16.6
Euro	4.7
Swiss franc	0.5
Other	0.1
Geographical equity allocation	**%**
UK equities	12.1
North America equities	6.6
Europe equities	5.2
Asia ex-Japan equities	5.2
Other equities	0.9

Source: Ruffer Investment Company as at 31 December 2024. Totals may not equal 100% due to rounding.

1. In dark green, assets to protect against the long-term inflation volatility we expect, including inflation-linked bonds and gold.
2. In light green, a large position in short-dated bonds and cash to provide dry powder and positive carry. Alongside, a potent allocation to derivative protections to address the risk of a sharp market decline.
3. In orange, a wide range of equities and commodities to profit from a broader market rally, benign conditions and continued economic strength.

Investment outlook

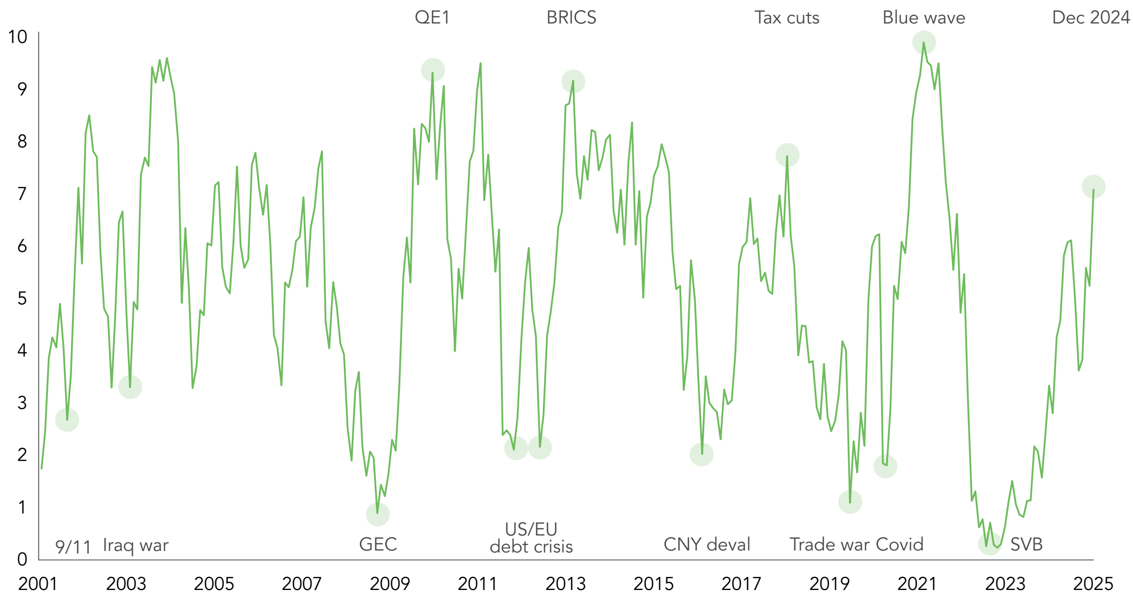
In 2025, we will exit the Year of the Dragon and enter the Year of the Snake. In the Chinese zodiac, people born in the Year of the Dragon are said to be powerful and optimistic. In contrast, those of a serpentine year are masters of reinvention, able to shed their skin amidst change.

Past years of the snake have indeed been transformative: 1929, 1941, 1953, 1965, 1977, 1989, 2001 all saw war, economic pain, or political and financial instability. The stock market is a speculative animal and the average S&P 500 move in the Snake years was -5% with a median of -12%.

In 2024 the US stock market surged effortlessly higher, and the credit spread on US investment grade corporate debt fell to its lowest level since 1997. It was an echo of 2023: the US beat everything, large cap beat small cap, growth beat value, and AI beat non-AI.

As a result, the consensus is now huddled like penguins. As John Maynard Keynes observed, it is better for one's reputation to fail conventionally than to succeed unconventionally. Every investment bank's global outlook is making the same assumptions – markets grind higher, global growth picks up, there's no recession, inflation stays quiescent. Sentiment and risk appetite is high.

GLOBAL FUND MANAGERS' SENTIMENT SEES BIGGEST MONTHLY IMPROVEMENT SINCE JUNE 2020



Source: BofA Global Fund Manager Survey December 2024. Percentile rank of fund managers growth expectations, cash level and equity allocation.

In the original version of the game Snakes and Ladders, players navigate a board of good and bad deeds. The good deeds, such as thrift, penitence and industry, are rewarded with ladders which let players advance quickly. Bad deeds, such as cruelty, indolence and greed, are marked with snake heads. Players who land in a snake square are sent tumbling back down the board. This is thought to be where the phrase 'back to square one' originates. At Ruffer, we are laser focused on ensuring this doesn't happen to our shareholders in a setup where we see lots of snakes in the year ahead.

Before we consider what 2025 and beyond might hold, we think it's helpful to consider the board the Year of the Snake will inherit.

Valuations

Valuation, to the extent it is still used at all, is becoming an anachronistic concept. Optimistic investors see far more ladders than snakes.

In shareholder meetings, we have received pushback on the assertion that equities are expensive, or even that valuation matters, with flows or underlying growth being more predictive factors. Minsky taught us that, when perceived risks are at their most benign, the actual danger is greatest.

The point to make here is that valuations are undeniably expensive. The table below is better than 1,000 words.

US VALUATIONS ARE EXTREME

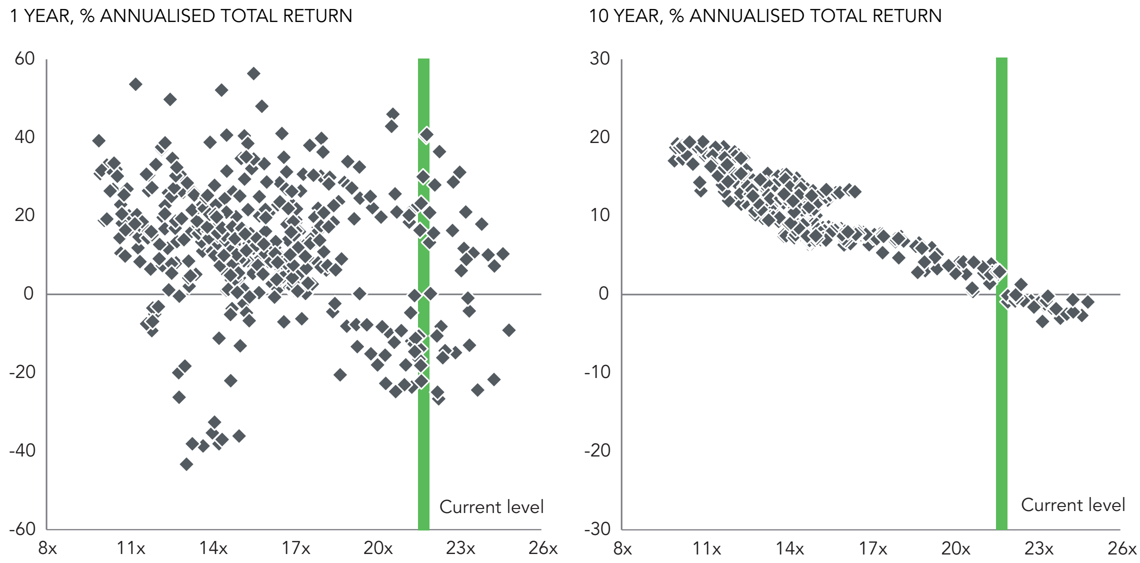
Aggregate index	Valuation metric	Percentile %
EV/sales	3.4x	100
Cash flow yield	5.0%	100
Price/book	5.3x	99
EV/EBITDA	16.7x	97
Forward P/E	22.4x	96
Cyclically adjusted P/E	34.4x	96

Source: Compustat, S&P 500, Goldman Sachs Global Investment Research, data from 1976 to 2024

These valuation metrics use different parts of the financial statements – cash flow, income statement or balance sheets, forward and backward-looking metrics – but they have a uniform message. The S&P 500 trades pretty much as expensively as it ever has, with ruinous forward-looking return expectations.

Unfortunately, this fact doesn't give you a clue about the timing of the market reversal, but it does tell you that we are defying gravity. Gravity does matter, but only in the medium to long run.

S&P 500 FORWARD P/E RATIOS AND SUBSEQUENT RETURNS



Source: IBES, LSEG Datastream, S&P Global, JPMorgan Asset Management. Monthly data points since 1988, which is earliest available. Forward P/E ratio is price to 12 month forward earnings, calculated using IBES earnings estimates. December 2024.

Even saying that the steady state level of valuation is now higher (which is possible) is identical to saying that the likely level of future returns is lower. Remember: paying more for a company's earnings doesn't change the underlying business dynamics that determine how much that company earns.

In summary, given where equity valuations are, you don't have to make a high probability case for an economic or market accident to justify a low-risk portfolio. Investors sticking with their traditional equity allocations remind us of the old Clint Eastwood character Dirty Harry asking just one question: "Do you feel lucky? Well, do you punk?"

Positioning, sentiment and froth

A combination of shorter-term measures on positioning and sentiment can help us assess whether a market move has reached a point of exhaustion.

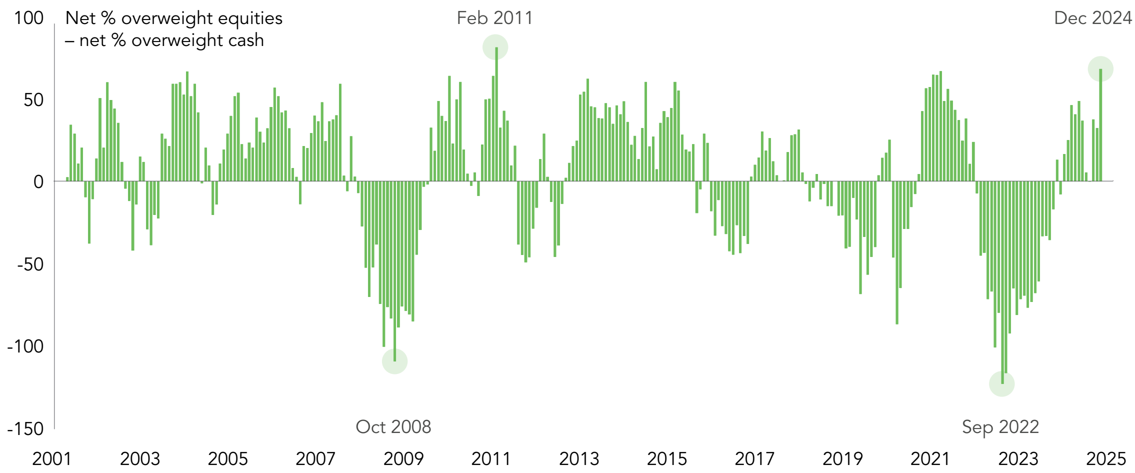
Positioning

In aggregate, we believe investors are about as bullishly positioned as at any time in the last 25 years. Importantly, this is in stark contrast to their positioning at the beginning of 2023.

A recent Naxitis survey found that US retail investors expect their investments to return 15.6% annualised above inflation over the long term. The long-term average annualised real return offered by equities is around 5%. This gulf between expectations and reality is a setup for disappointment.

The BoA Global Fund Manager Survey showed investors are record overweight the US market, which is already at a record size in the benchmark.

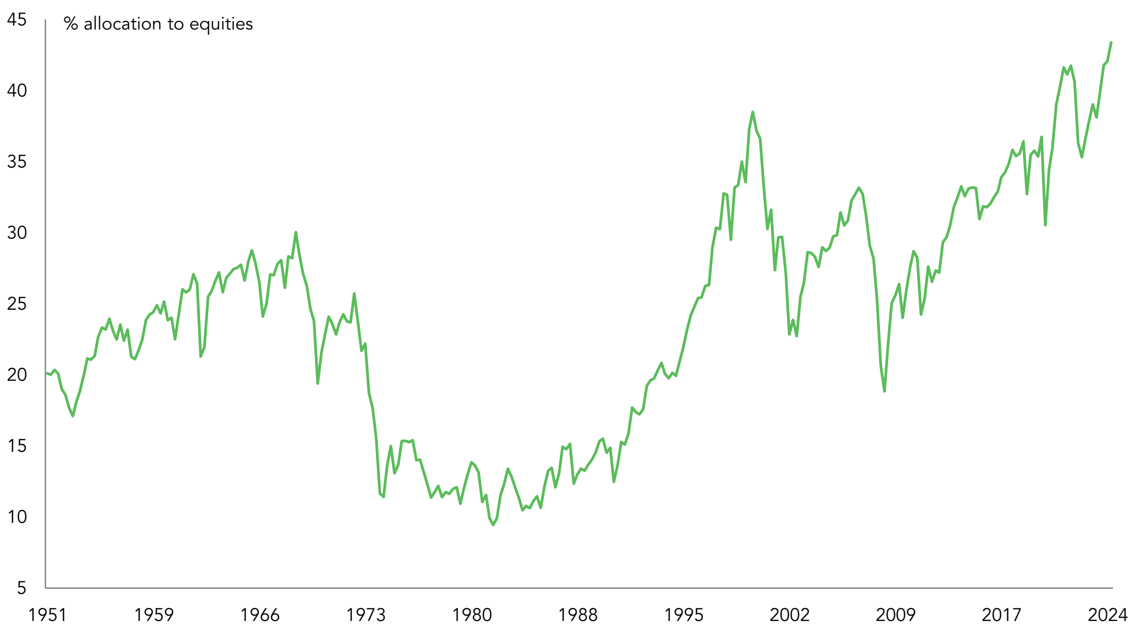
FUND MANAGERS HAVE ROTATED OUT OF CASH AND INTO STOCKS



Source: BofA Global Fund Manager Survey December 2024

From households to hedge funds, financial market exposure and leverage are high. The average US consumer now has over 40% of their net worth in US equities, the highest proportion on record.

US HOUSEHOLD'S ALLOCATIONS TO EQUITIES ARE AT RECORD HIGHS



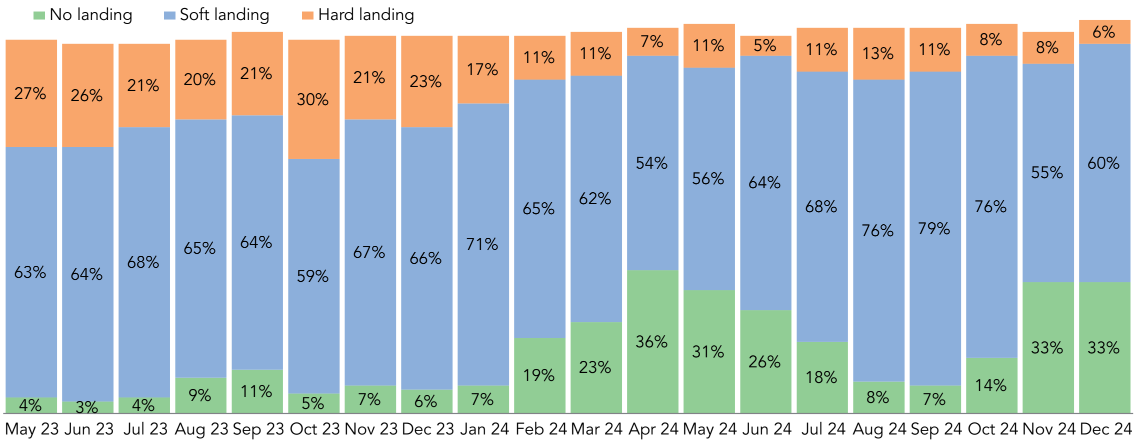
Source: Federal Reserve Economic Data, Federal Reserve Bank of St Louis. Households and nonprofit organizations; directly and indirectly held corporate equities as a percentage of financial assets; assets, level, percent, quarterly, not seasonally adjusted, 1945 to July 2024

Household net worth is now up over 30% from pre-covid levels. This wealth effect, and the leveraging of US households to the fate of the S&P 500, is a double-edged sword, increasing the reflexivity between financial markets and economic conditions.

Sentiment

Having spent 2023 and 2024 climbing an economic wall of worry, there appear few cautious investors out there left to capitulate. Only 6% of the fund managers surveyed believe in a hard landing in 2025, the lowest number in several years.

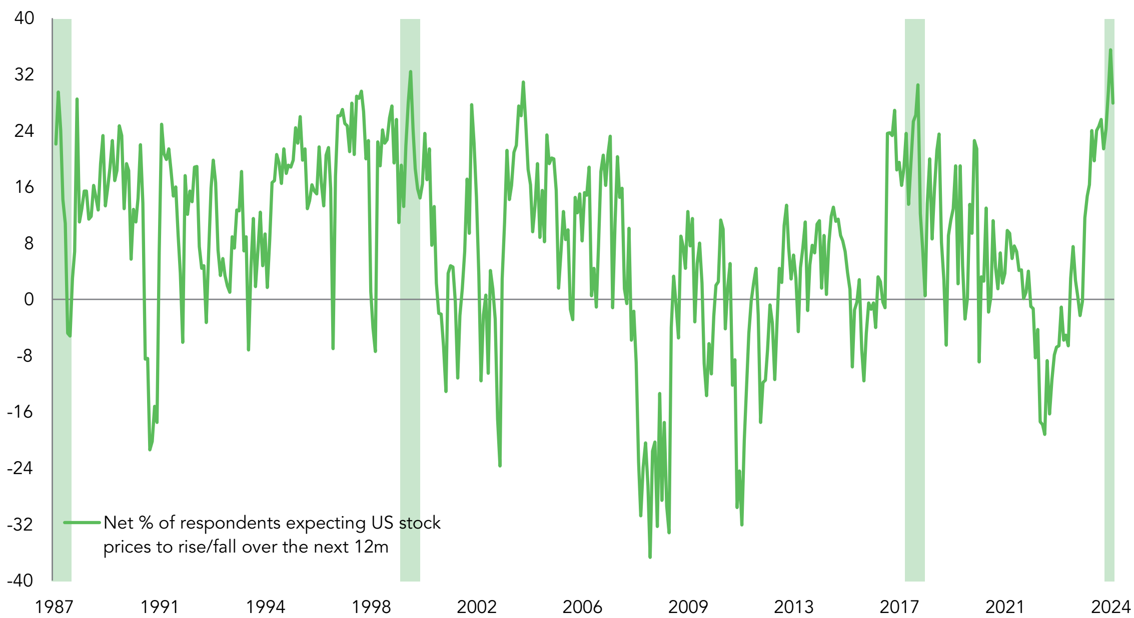
THE MOST LIKELY OUTCOME FOR THE GLOBAL ECONOMY OVER THE NEXT 12 MONTHS?



Source: BofA Global Fund Manager Survey, December 2024

The chart below shows individual investors' exuberance on the stock market. Despite showing only modest optimism on economic growth, retail investors are the most confident ever that stock prices will go up.

US RETAIL INVESTORS ARE THE MOST BULLISH IN 40 YEARS



Source: Conference board survey. Data from June 1987 to December 2024.

No one of these metrics is a guarantee of a correction but, together, they show a market that appears to be free of any gravity – making it vulnerable to drawdown risk.

Froth

They say nobody rings a bell at the top. This is lucky because the president elect rang the bell at the New York Stock Exchange on 12 December 2024.

Once again, there is an excess of excesses, reminiscent of 2021.

Perhaps the most remarkable thing is that these phenomena have returned so quickly, and at a time without zero interest rates and quantitative easing.

Here is a short list of things market participants may look back on and say perhaps there were signs.

- the ratio of insider sales to insider buys hits a record high for any quarter in the last 20 years. There are $25 of sales for every $1 of purchases across the S&P 500
- leveraged Long ETF AUM is 10x larger than Leveraged Short ETF AUM – a strong signal of greed and risk appetite. Double the ratio at the 2021 high
- there are 107 cryptocurrencies with a market cap of over $1 billion
- crypto investor Justin Sun purchases a piece of 'art' which is effectively a banana duct-taped to a wall for $6.2m... and then he eats it
- Microstrategy's attempt to corner the bitcoin market with borrowed money

Photo: Sarah Cascone, artnet.com

The above should give pause for thought about further speculation. If we were to ask where we are on this journey, the following words from value-investing great Sir John Templeton come to mind.

> "Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria.
>
> Sir John Templeton, 1912-2008

Given all this positivity, what does the bull case look like?

Evidently, we believe that equity markets, particularly the US, are irrationally exuberant. Yet there is always a kernel of truth at the essence of these periods. What is the story markets are telling themselves?

Monetary policy

The Federal Reserve is cutting rates, as are the European Central Bank and the Bank of England. In 1995, the Fed cut interest rates 0.75% whilst the S&P 500 was at all-time highs, and it fuelled the dot.com bubble – is that the right parallel?

Inflation

Inflation is currently low enough and falling, so Team Transitory can claim to be winning. Any uptick from here could be viewed as a signal of economic strength, rather than a red flag.

Trump

Trump is a low tax, laissez-faire capitalist. He is assembling as pro-business an administration as you can imagine, and we know that one yardstick he uses for his presidency is the level of the S&P 500. In his first term, he tweeted about the stock market 150 times.

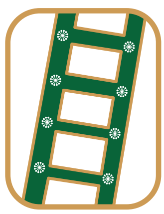
AI

On top of this, the fairy dust encouraging investors to engage in magical thinking is the promise of artificial intelligence. AI clearly has transformational potential for the global economy and productivity. From a corporate perspective, it offers tantalising opportunities to expand margins and save on labour costs. However, markets have a wonderful way of bringing the hopes of the future into the prices of the present.

We expect that, just like internet-related benefits pre-2000, they will not arrive quickly enough to support current enthusiasm. Recent research from Goldman Sachs shows that only 5.9% of US companies are using AI at present, up from only 4% a year ago. Cumulatively, AI is not expected to have a noticeable aggregate impact on the economy until 2028 at the earliest. In today's myopic markets, that is a lifetime away.

Also, it is easy to forget that much of what AI adds will be lost on a net basis. If AI does something better, that will cause displacement, disruption and job losses.

Despite all the society-changing innovations of the past two decades – PCs, the internet, mobile phones, social media – real GDP growth has averaged around 2% annually, which is significantly lower than in any of the five decades before that. The lesson from history is that technological advances have provided durable benefits to consumers, not durable periods of extreme profitability.



US exceptionalism

"We are a people that has experienced something epic together. We were given this brilliant, beautiful thing, this new arrangement… it's all a miracle. I love America because that's where the miracle is."

Peggy Noonan

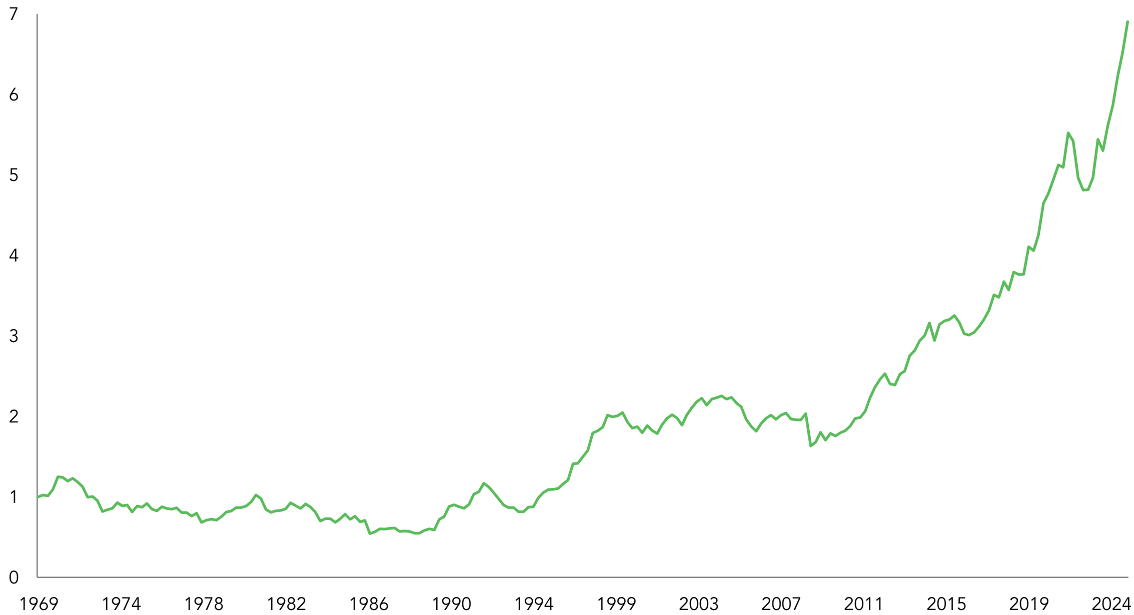
The bull market in US exceptionalism is perfectly rational.

The US economic powerhouse has many unique institutional and geographical advantages. Beginning after the GFC, the bull market grew on American technology leadership, energy independence and superior demographics. Latterly, it was given a shot in the arm by huge relative fiscal stimulus in response to the pandemic and during the Biden administration.

So why are we not investing in exceptionalism and innovation? Has America not always been exceptional?

The outperformance of the US relative to global equities this cycle is truly staggering but it's entirely a post financial crisis phenomenon.

US EQUITY PRICES RELATIVE TO GLOBAL EQUITY PRICES (USD TERMS)

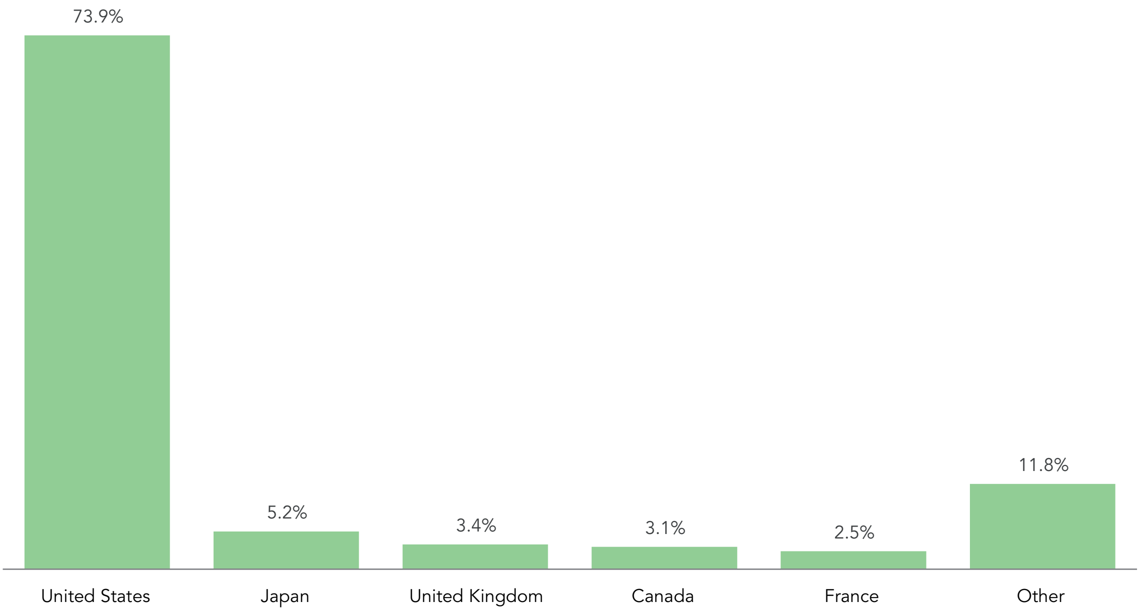


Source: Bank of America Global Investment Strategy, GFD Finaeon. Data to December 2024.

What has changed? America has always led global innovation, but it has not always traded at almost twice the valuation to the rest of the world. Indeed, 2024 was the best year for US stocks versus Europe since the early 1980s.

The US now exceeds 70% of the MSCI World Index.

MSCI WORLD INDEX WEIGHTINGS BY COUNTRY

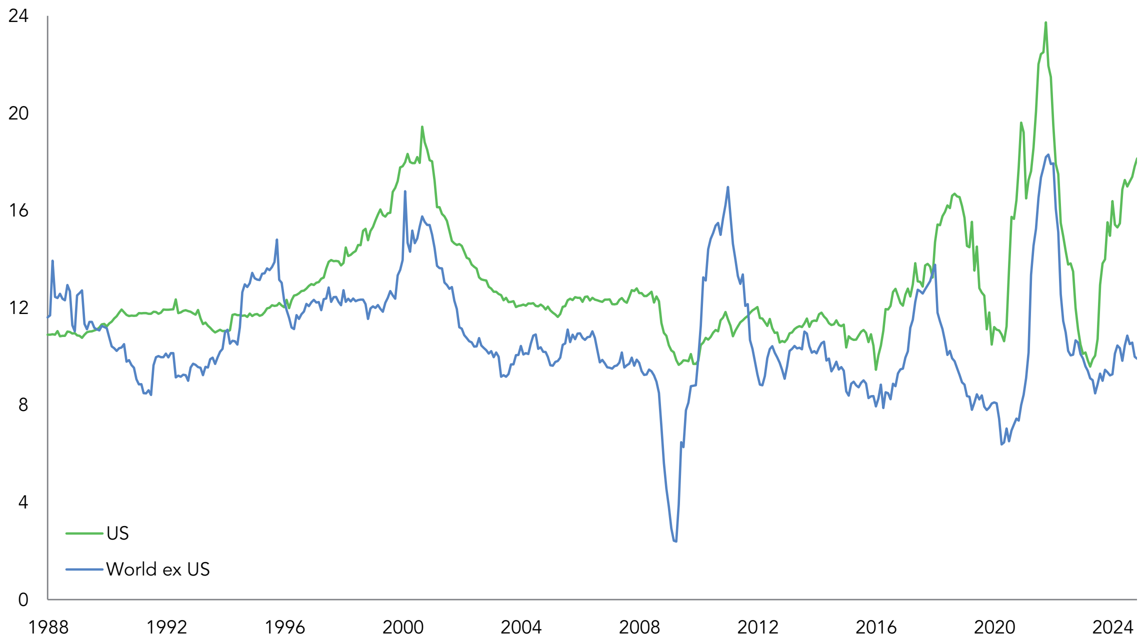


Source: MSCI, November 2024

This superiority has been earned. The US has better companies, with better growth and better profit margins, operating in the most shareholder friendly jurisdiction. These points have been true for several years and do justify a premium, but we have reached a point of extremity. What the wise man does in the beginning, the fool does in the end.

The chart below shows the MSCI US Index is forecast to have 17% long-run earnings per share (EPS) growth, hugely outperforming the rest of the world. That seems almost completely implausible at an index level from current record profits, with record margins and low tax rates.

US EXCEPTIONALISM, CONSENSUS LONG-TERM EPS FORECASTS %



Source: MSCI, IBES/DataStream, NBER; Minack Advisors

A country that makes up 4% of the global population, 26% of global GDP and a third of global profits accounts for a staggering 70% of global equity indexes. We have not seen such an imbalance for many decades. The only comparison was late 1980s Japan, which contributed less than 20% of global GDP, but made up 45% of MSCI World.

The seven biggest US companies in the MSCI World Index are a larger weighting (at 20%) than the weightings of Japan, India, Switzerland, France, China and the UK combined.

In 2024 alone, the value of the Magnificent Seven has risen by $6 trillion – greater than the entire market cap of the Nikkei or around twice the FTSE 100.

There are three companies (Apple, Microsoft and NVIDIA) whose market cap is greater than 10% of US GDP. This is more than double the 5% of US GDP that Cisco achieved in the dot.com bubble.

The US dominates the largest 10 companies in the world. These things are always more cyclical than they feel at the time.

The world's top 10 largest companies by market capitalization

1980: Peak oil	1990: Japan will take over the world	2000: TMT bubble	2010: China will take over the world	2024: US tech (and US waistlines)
IBM	NTT	Microsoft	ExxonMobil	Apple
AT&T	Bank of Tokyo-Mitsubishi	General Electric	PetroChina	Microsoft
Exxon	Industrial Bank of Japan	NTT DoCoMo	Apple	Nvidia
Standard Oil	Sumitomo Mitsui Banking	Cisco Systems	BHP Billiton	Alphabet
Schlumberger	Toyota Motors	Walmart	Microsoft	Amazon
Shell	Fuji Bank	Intel	ICBC	Saudi Aramco
Mobil	Dai-Ichi Kangyo Bank	NTT	Petrobras	Meta
Atlantic Richfield	IBM	ExxonMobil	China Construction Bank	Berkshire Hathaway
General Electric	UFJ Bank	Lucent Technologies	Royal Dutch Shell	Eli Lilly
Eastman Kodak	Exxon	Deutsche Telekom	Nestlé	TSMC

Gavekal Research

Back in the late 1980s, all sorts of theories justified the Japanese dominance of global markets – better growth, better management techniques, more unique or disruptive companies. Another example of 'prices make opinions' we see everywhere today.

We can often look to public consciousness for signs that we are reaching a peak. Michael Crichton's 1992 book *Rising Sun* encapsulated many of the fears of the day – powerful Japanese businesses outcompeting and taking over US corporations. In the same period, Japanese investors made deals for US landmarks such as Rockefeller Center, the Empire State Building and Pebble Beach Golf Course. At the time, it felt like Japanese ascendancy was unassailable.

In hindsight, we know the Nikkei had already peaked and wouldn't reach those prices again for 35 years.

Today's equivalent might be seen in European companies re-listing in the US, or in former Treasury Secretary Larry Summers' quote: "Europe is a museum, Japan is a nursing home, China is a jail." That leaves the US as the only game in town.

> "When someone shows you who they are, believe them the first time."
>
> Maya Angelou

Beyond valuations, what are the risks we see that inform the portfolio's defensive posture?

Trump 2.0

The consensus view: a second Trump administration is poised to drive profound economic consequences, amplifying US exceptionalism into hyper-exceptionalism. Despite Trump's radical campaign agenda markets are generally assuming an Art of the Deal presidency. As Salena Zito memorably said, "Take Trump seriously, but not literally."

Trump 1.0 in 2016 was positive for markets, and many investors are reaching for the same playbook again. However, today's starting point is diametrically different to Trump's first term.

TRUMP 1.0 VERSUS TRUMP 2.0

	TRUMP 1.0	TODAY
Output gap	Negative	Positive
Budget deficit %	3.0	7.0
Fed balance sheet	Expanding	Contracting
Nominal GDP growth %	3.0	6.0
Core CPI %	2.1	3.3
Bond equity correlation	Negative	Positive
Implied tax rate %	28	19

Source: UBS, Bloomberg, Federal Reserve, November 2024

In 2016, the US was grappling with secular stagnation and low inflation. Markets were receptive to fiscal expansion, facilitated by global central banks eager to buy bonds at low yields. Trump's tax cuts and deregulation unleashed animal spirits, fuelling higher asset prices and growth. Today, however, that backdrop is different. The US is already running a fiscal deficit at peacetime highs, inflation has been above target for four years, and the economy has little spare capacity.

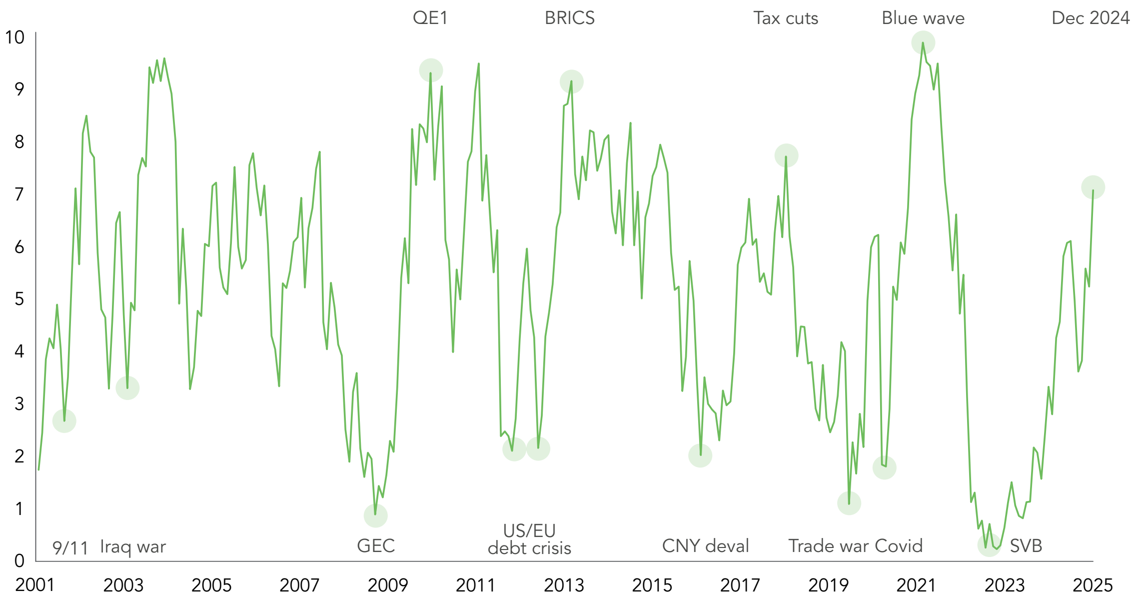
In our mind, this change in starting conditions makes Trump's policies – whether expansionary, deflationary or both – a likely destabilising force for markets and the global economy. Trump throws more ladders and more snakes onto the board.

Policy contradictions

Trump's potential economic policies are expansive but contradictory. Markets appear willing to price the positives but heavily discount the risks. These include –

The US dollar: does Trump want it stronger or weaker? It's already very strong.

THE PATH FOR THE US DOLLAR



Source: Factset. Data 1989 to December 2024

Tariffs for those who try to move away from the reserve currency would suggest he likes it strong. A desire for lower interest rates, the embracing of cryptocurrencies and the goal of fostering an industrial renaissance in Middle America would suggest a weaker dollar.

Deficit rationalisation: the rhetoric about slashing government waste and downsizing the federal bureaucracy is at odds with tax reductions that exacerbate funding pressures. Any meaningful attempt to tackle government spending risks a deflationary shock or a recession.

Regulatory reduction: a continuation of aggressive deregulation could boost corporate margins and productivity. Deregulation, tax reform and government rationalisation could theoretically produce a Cambrian explosion of productivity gains. However, translating such potential into actionable policy without triggering recessionary disruptions and mass unemployment remains a dangerous tightrope walk.

These objectives also intersect with geopolitical, bureaucratic and market realities. Whilst massive tax cuts and infrastructure spending are politically palatable, they heighten inflation risks, particularly at a point where Federal Reserve independence may be curtailed and monetary policy politicised via the appointment of a 'shadow Fed Chair' early in 2025.

In sum, Trump's second term promises an agenda of high ambition but even higher uncertainty. The juxtaposition of strong asset pricing and significant policy risk sets the stage. Whether Trump's hyper-exceptionalism is a boon or a destabilising force will depend on the sequencing and execution. When the cast of characters is led by two of the most capricious, strong-minded tycoons we have ever seen, fireworks are guaranteed. Significant reform seems unlikely to be pulled off without a hitch.

The path to the second wave of inflation

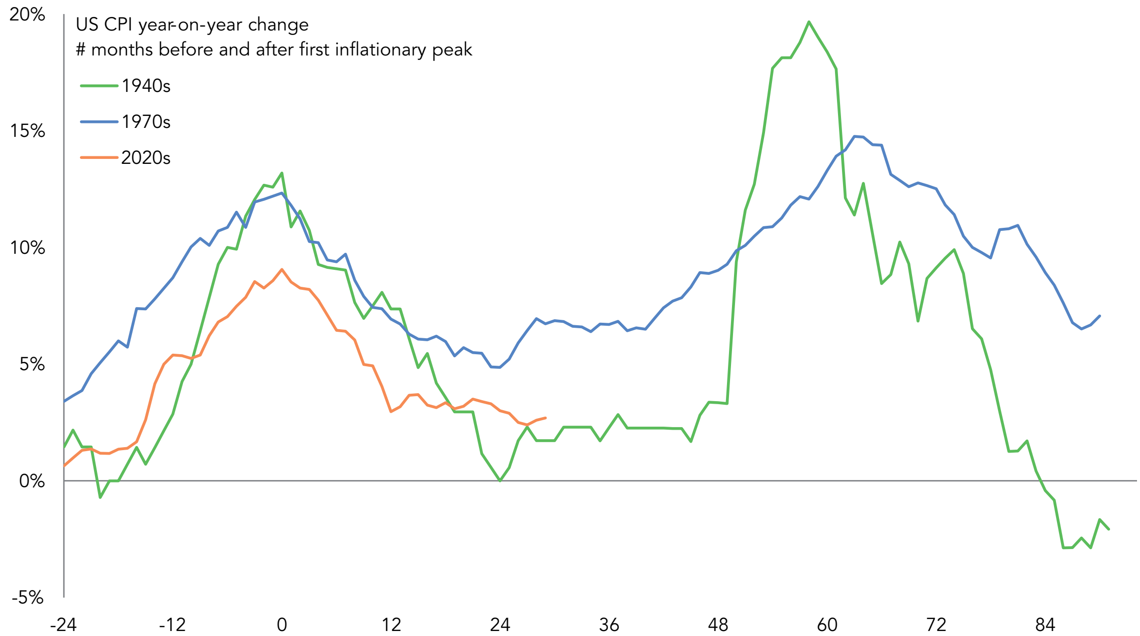
Our view is that 2% has become a floor for inflation, rather than a ceiling.

In 1980, President Reagan called inflation as ‘deadly as a hit man’ – and so it has proved for incumbent governments all around the world in 2024. A record number were taken out at the ballot box due to voter backlash over the cost of living and sticky inflation.

In the cyclical theatre of monetary policy, financial markets and fiscal profligacy, we now find ourselves staring down the barrel of a second wave of inflation. Far from being an abstraction, this looming wave appears to be less an if than a when and yet financial markets are ambivalent.

As this chart shows, waves have been the historic pattern, with today’s experience in orange versus the post-war in green and the 1970s in blue.

INFLATION TENDS TO COME IN WAVES



Source: US Bureau of Labor Statistics. US CPI year-on-year percentage change. Bottom axis shows months before and after first inflationary peak. Data to November 2024.

If one were concocting a recipe for the next inflationary surge, the ingredients would resemble our current circumstances.

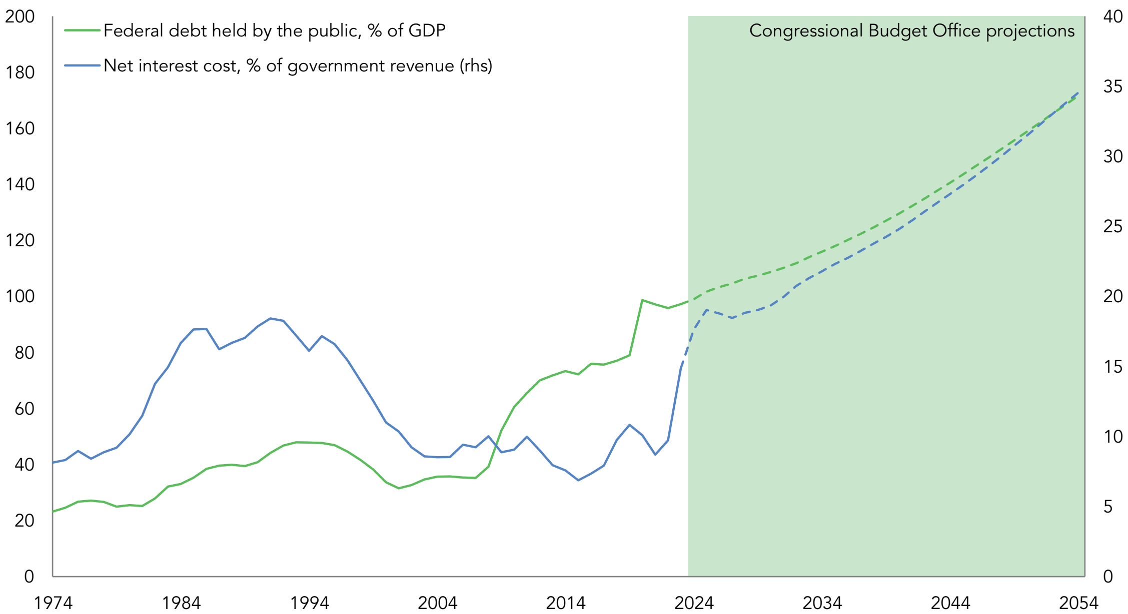
- big fiscal stimulus injected into a global economy that has, for now, sidestepped recession
- central banks reversing course from tightening to easing, emboldened by a temporary victory over inflation’s first wave
- imminent tariffs to push up goods prices
- robust wage growth and labour bargaining power
- geopolitical tension simmering, yet never distant from full-blown crises
- commodity prices parked at relatively low levels, awaiting the spark of demand revival

Central bankers regard their efforts as Herculean and decisive, proudly hanging their hats on falls in headline CPI during 2024. A global rate cutting cycle has begun. Yet there are reasons to have doubts – inflation has lingered above target for four years. US CPI appears to have bottomed in September 2024 and is now above target and rising.

As it stands, governments worldwide are wielding fiscal policy with enthusiasm. Witness China, committed to pulling policy levers to end a balance sheet recession. In Europe, Mario Draghi resurrected the fiscal debate to propose investments amounting to €800 billion annually. Such a level of spending would require the share of investment to GDP to rise by around five percentage points, to levels not seen since the 1960s and 1970s.

America does not disappoint in its fiscal excess. As shown in the chart below, under current plans, US debt/GDP and the cost of servicing that debt are set to rise inexorably.

THE PUBLIC DEBT PROBLEM IS GETTING WORSE



Source: Long-term budget projections. Congressional Budget Office. Data released in February 2024. Its assumptions: 10 year yield constant at 3.8%, inflation returns to 2%, real GDP growth averages 1.8-2.4%

The second wave and its portfolio implications

Are we in an environment of reflation until inflation? Are investors the frog being slowly boiled? The policymakers' task appears more Sisyphean than Herculean.

The second wave of inflation might well differ in scale or surprise from its predecessors. Perhaps this is the lesson markets must relearn: inflation, like history itself, neither dies nor forgets. It lingers, quietly waiting for the exact mix of hubris, policy and events to transform stagnation into its insidious second wind.

Whilst the market continues to give policymakers the benefit of the doubt, we have positioned the portfolio to benefit from what we see as a creeping inevitability, not yet priced in. As we saw in 2022, an increase in inflation leads to an increase in risk premiums and uncertainty.

S&P 500 protection becomes crucial. With US equities facing poor risk-reward dynamics, a significant market decline would create fireworks in the portfolio's S&P put options and volatility plays.

Credit protection adds further insulation. Credit spreads are the tightest we have seen since the GFC, offering significant upside in any stress event.

A diversified basket of commodities amounts to an 8% allocation in the portfolio. Research has shown a diversified basket of commodities is one of the best performing asset classes in periods of inflation, historically delivering 15% when inflation is high and rising.

Index-linked bonds are exciting. With the duration element already repriced much lower, the real yields of around 2% look attractive as an each-way bet on normalisation of rates or inflation protection. It is remarkable to us that inflation expectations remain anchored in line with the central bank targets of 2%.

Yen exposure is a valuable hedge against a potential unravelling in equity markets. With carry trades under scrutiny, foreign exchange dynamics might prove an invaluable stabiliser.

Summary

Most market forecasts for the year ahead are narrowly bunched around the following outlook: resilient economic growth (recessionary tail risks are gone), inflation converging on central banks' 2% targets, gradual monetary easing, US yields in the 3.5-4.5% range and low double-digit gains in the S&P 500. There is high certainty in market pricing and crowding into what has worked.

Our predominant contention in the short term is that investor positioning is yet to adjust to reflect a higher cost of money. Investors are currently paid a positive real rate for not taking risk. How long can investors continue to look through longer bond yields rising? For years, we were told stocks were going up because bond yields were low. Now it appears that surging bond yields don't matter to long duration assets like stocks, alternatives, crypto and gold.

In summary, here is how we measure whether the rewards on offer in global equities today justify the risks investors are taking.

Valuation: At extreme levels that imply significantly lower future returns – only higher in dotcom bubble and 2021.

Sentiment: Wildly bullish, US dominates, inflation is dead.

Positioning: Super long US equities, underweight almost everything else.

Fundamentals: this is the one area where the US looks very strong and arguably the only game in town. However margins are high and tax rates are already low. The outlook is complicated by the new presidential regime.

We have placed our chips accordingly. Broadly, we see three potential paths for markets from here, which inform how we might expect the portfolio to perform.

1. US-led rally continues – a small group of stocks continue to absorb capital at the expense of the rest of the world – an extension of 2023 and 2024. The Ruffer portfolio is unlikely to perform strongly – but the expectation would be that our growth assets offset the cost of protection (which would not be needed.).
2. Significant market sell-off. Markets sell off under the weight of valuation gravity, higher bond yields and re-accelerating inflation. In this scenario, the portfolio's protective assets more than make up for losses on growth assets. Credit spreads, equity downside protection, precious metals, volatility, Yen and duration could all work.
3. Rotation within markets. The market broadens into neglected sectors and geographies but continues to advance. The volatility this would create would provide us with lots of tactical opportunities. Our portfolio would benefit from this rotation into unloved assets, the Ugly Ducklings we have discussed previously, and we would expect to perform satisfactorily and in a diversified and uncorrelated manner.

It has been a painful two years for the Ruffer Investment Company, but we think that the prospective rewards for having a portfolio deliberately positioned as the antithesis of all the excesses we see in financial markets will fully reward our shareholders' patience.

Attribution

Performance contributions for 12 months

Whilst a period of flat performance as equity markets rose is nothing to be proud of, it is a much-improved outturn given we remain defensively positioned and continue to carry similar levels of protection as in 2023. This protection proved its worth twice in 2024: markets wobbled in April and August, and on both occasions the portfolio was quick to respond and delivered a negative correlation to equities. With the benefit of hindsight these were tremors, rather than the earthquake we had expected. But the conditions in financial markets remain fragile enough that we think earthquake-type protection is still warranted.

Better balance in the portfolio was something we were intently focused on this year given imbalance was a key source of frustration in 2023. It is evident in the 12-month performance attribution where the portfolio's broader range of growth assets delivered meaningful positive contributions.

Equity upside exposure was the largest of these, contributing 2.3% to performance. Almost half came from our Asia ex-Japan holdings, including a China A shares ETF (+17%), Alibaba (+12%) and TSMC (+71%). A small but concentrated allocation to some US names, the likes of Amazon (+46%) and Citigroup (+42%), delivered strong returns, as well as stock picks in the UK such as British American Tobacco (+37%) and Rolls Royce (+90%). Our small basket of investment trust companies also saw reasonable contributions from the likes of Aberforth Smaller Companies, PRS REIT, Taylor Maritime and Tufton Oceanic.

Gold (+27%) was one of the best performing assets in 2024, outshone only by European banks (+35%) and the NASDAQ (+30%) by way of major asset class returns. Our roughly 5% allocation to gold mining companies, as well as a tactical allocation to silver bullion, allowed us to benefit from the (unusual) rise in the metal as yields remained high, to the tune of a +1.2% contribution. Elsewhere, a combination of direct commodity exposure via copper and oil ETCs delivered a +1.1% contribution despite Brent crude falling -3.1% over the year. That reflected the success of our trading activity in this part of the portfolio.

Finally, the large cash allocation – around a third of the portfolio is held across US and UK government bonds – produced a +1.8% contribution from the short-dated fixed income yielding 4-5%.

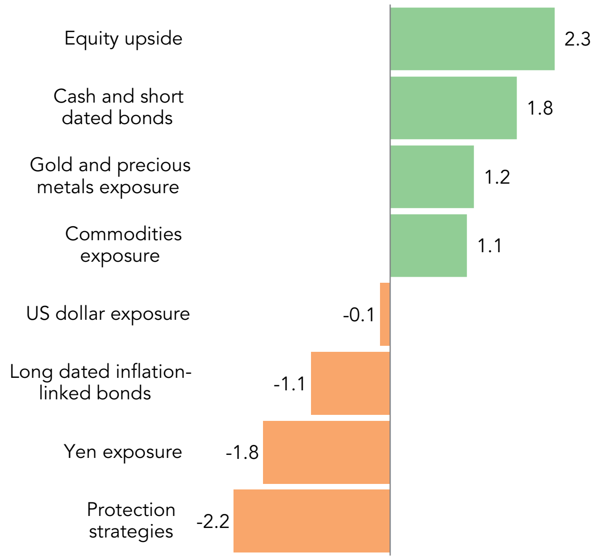
In terms of our protective assets, the index linked bonds, the yen and protection strategies have overall been detractors, despite having been invaluable during the market tremors.

The largest cost to the portfolio was the equity downside protections (index puts, VIX calls) detracting -1.4% as global equity markets rose and volatility, for the most part, remained subdued. The credit protections were also costly, to the tune of -0.8% as credit spreads narrowed and market borrowing costs fell.

Long-dated index-linked gilts had another challenging year as real yields in the UK rose sharply off the back of sticky inflation and now sit just below the Truss highs. However, the losses here were partly offset by successful trading of 10 year US inflation-linked bonds, resulting in an overall contribution of -1.1%.

The other main detractor was the yen, which we hold in size in anticipation of further policy tightening in Japan, as well as for its protective characteristics in market crises. This was shown in early August when the currency spiked as equity markets sold off. However, in benign markets and with continued dispersion between the Bank of Japan and western central banks' monetary policy, the yen weakened -10% versus sterling over the period, costing the portfolio -1.8%. The yen remains at multi-decade lows on several valuation metrics.

PERFORMANCE ATTRIBUTION 31 DECEMBER 2023 TO 31 DECEMBER 2024 (12 MONTHS)



Source: Ruffer Investment Company

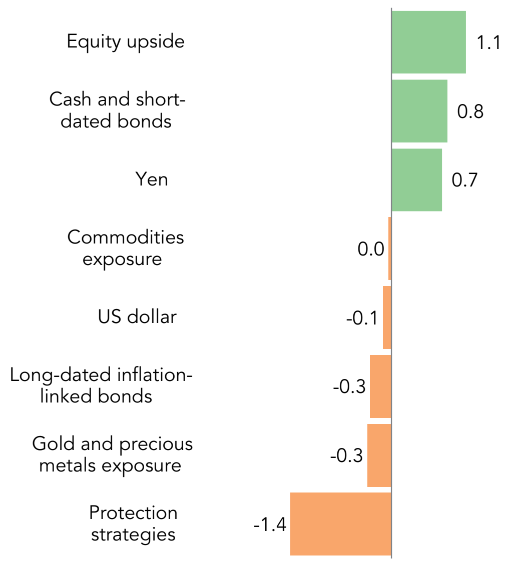
Performance contributions for six months

The performance drivers over the second half of the period look like the first: derivative protections cost almost 1.4% as equity markets continued to make new all-time highs and credit spreads narrowed to pre-GFC levels, but with equities delivering an equal and opposite return to offset the losses. In contrast to the first half of the year, Asia ex-Japan equities, one of the largest themes within our growth book, helped us participate in the global rally. A tactical allocation to S&P call options before the US election allowed equity upside exposure to register a 1.1% contribution, despite minimal exposure to US equities. This made up +0.1% of performance over the period and +0.3% over 2024.

In contrast to the full year, the yen was a positive contributor. Yen appreciation started in mid-July ahead of an interest rate hike from the Bank of Japan and continued as markets wobbled in August. Despite giving up much of those gains into year end, we had taken profits in some of our contingent yen exposure against the US dollar and Swiss franc so that, overall, the currency contributed +0.7 % in the second half of the year.

Another contrast to the 12 month period was in precious metals (where gold and precious metals exposure detracted -0.3%) and in commodities where oil failed to perform despite the ongoing geopolitical tensions, and contributions from both our copper and brent exposures were flat. Finally, over the six month period, the moves in the long dated inflation-linked bonds were more muted, though they still cost the portfolio -0.3%.

PERFORMANCE ATTRIBUTION 30 JUNE 2024 TO 31 DECEMBER 2024 (SIX MONTHS)



Source: Ruffer Investment Company

Ruffer AIFM
11 March 2025

Top ten holdings

Investments	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Ruffer Illiquid Multi Strategies Fund 2015†	GBP	137,134,973	79,500,984	8.50
US Treasury floating rate bond 31/07/2026	USD	72,019,000	57,578,949	6.16
US Treasury floating rate bond 30/04/2026	USD	71,402,000	57,044,014	6.10
Ruffer Protection Strategies International†	GBP	8,658,000	54,292,589	5.81
US Treasury floating rate bond 31/01/2026	USD	59,439,000	47,537,428	5.07
WS Ruffer Gold Fund*	GBP	11,080,000	37,855,274	4.04
Japan 0.005% 01/08/25	JPY	7,331,950,000	37,198,941	3.98
Japan 0.005% 01/09/25	JPY	7,295,700,000	37,000,564	3.96
iShares China	EUR	9,581,715	33,696,557	3.60
Japan 0.005% 01/06/25	JPY	6,255,300,000	31,762,264	3.40

† Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 are classed as related parties as they share the same Investment Manager as the Company.

* WS Ruffer Gold Fund is also classed as a related party as its investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

Statement of principal risks and uncertainties

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board, through its Audit and Risk Committee, has carried out a robust assessment of the principal risks and uncertainties facing the Company by using a comprehensive risk matrix as the basis for analysing the Company's system of internal controls while monitoring the investment limits and restrictions set out in the Company's investment objective and policy.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2024. The principal risks disclosed relate to investment performance, investment strategy, geopolitical/economic factors, share price discount to NAV, climate change, interest rates, market prices, reputational damage, service provider continuity, fraud & cybersecurity and legal and regulatory issues. The Board and Investment Manager have not identified any new principal risks or emerging risks that will impact the remaining six months of the financial year. A detailed explanation of these can be found on pages 16 to 23 of the 2024 Annual Financial Report. The Board and Investment Manager do not consider these risks to have materially changed during the six months ended 31 December 2024.

Going concern

The Directors have considered the Company's investment objective (see the Strategic Report on page 12 of the 2024 Annual Financial Report), financial risk management and associated risks (see note 19 to the Financial Statements on pages 127 to 139 of the 2024 Annual Financial Report). In view of the liquidity of the Company's investments (assuming, as the Board does, that market liquidity continues), the income deriving from those investments and its holdings in cash and cash equivalents, the Directors believe that the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least 12 months from the date of approval of these Interim Financial Statements. The Directors also note that overall, due to the nature of the Company's portfolio, which comprises both equities and other more defensive assets, it has not been materially adversely affected in terms of value or cashflows by the impacts of geopolitical conflicts, or the continuing high level of interest rates.

Responsibility statement

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge

- the half-yearly financial report and Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and
- the half-yearly financial report and Unaudited Condensed Interim Financial Statements (including the Chair's Statement and the Investment Manager's Report) meet the requirements of an interim management report and include a fair review of the information required by
  - a DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of principal risks and uncertainties for the remaining six months of the year and
  - b DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last Annual Financial Report that could do so.

On behalf of the Board

Susie Farnon, Director

11 March 2025

Independent review report to the shareholders of Ruffer Investment Company Limited

Conclusion

We have been engaged by Ruffer Investment Company Limited ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2024 which comprises the condensed statement of comprehensive income, condensed statement of financial position, the condensed statement of changes in equity and the condensed statement cash flows and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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 Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
St Peter Port
Guernsey

11 March 2025

Condensed statement of financial position (unaudited)

As at 31 December 2024

	Notes	31 Dec 24 £ (unaudited)	30 Jun 24 £ (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	10, 11	925,764,325	1,004,731,917
Current assets			
Cash and cash equivalents		14,931,349	18,788,529
Trade and other receivables		1,845,242	3,518,082
Derivative financial assets	11	38,812	36,246
Total current assets		16,815,403	22,342,857
Total assets		942,579,728	1,027,074,774
Liabilities			
Current liabilities			
Trade and other payables		1,509,583	3,967,386
Derivative financial liabilities	11	6,001,018	3,368,567
Total liabilities		7,510,601	7,335,953
Net assets		935,069,127	1,019,738,821
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	4	655,161,454	723,100,329
Capital reserve		166,271,230	182,591,777
Retained revenue reserve		18,586,884	18,997,156
Other reserves		95,049,559	95,049,559
Total equity		935,069,127	1,019,738,821
Net assets attributable to holders of redeemable participating preference shares (per share)	12	2.8069	2.8489

The Unaudited Condensed Interim Financial Statements on pages 40 to 55 were approved on 11 March 2025 and signed on behalf of the Board of Directors by

Susie Farnon, Director

The notes on pages 44 to 55 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of comprehensive income (unaudited)

For the period ended 31 December 2024

		1 Jul 24 to 31 Dec 24 £			1 Jul 23 to 31 Dec 23 £		
	Notes	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Fixed interest income		6,538,339	–	6,538,339	5,376,386	–	5,376,386
Dividend income		4,547,347	–	4,547,347	3,574,727	–	3,574,727
Bank interest income		307,762	–	307,762	592,260	–	592,260
Net changes in fair value of financial assets at fair value through profit or loss	5	–	(4,567,985)	(4,567,985)	–	(382,003)	(382,003)
Other net (losses)/gains	6	–	(6,471,872)	(6,471,872)	–	6,488,483	6,488,483
Total income/(loss)		11,393,448	(11,039,857)	353,591	9,543,373	6,106,480	15,649,853
Management fees	7	–	(4,876,677)	(4,876,677)	–	(5,335,295)	(5,335,295)
Other expenses	8	(580,498)	(175,042)	(755,540)	(524,116)	(211,079)	(735,195)
Total expenses		(580,498)	(5,051,719)	(5,632,217)	(524,116)	(5,546,374)	(6,070,490)
(Loss)/profit for the year before tax		10,812,950	(16,091,576)	(5,278,626)	9,019,257	560,106	9,579,363
Withholding tax		(404,601)	(228,971)	(633,572)	(299,355)	–	(299,355)
(Loss)/profit for the year after tax		10,408,349	(16,320,547)	(5,912,198)	8,719,902	560,106	9,280,008
Total comprehensive (loss)/income for the year		10,408,349	(16,320,547)	(5,912,198)	8,719,902	560,106	9,280,008
Basic and diluted (loss)/earnings per share		3.00p	(4.71)p	(1.71)p	2.27p	0.15p	2.42p

* Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit after taxation by the weighted average number of redeemable participating preference shares in issue during the period. The weighted average number of shares for the period was 346,598,634 (31 Dec 23: 383,410,971). As there are no items which would cause a dilution to occur, the basic and diluted (loss)/earnings per share are the same.

The 'Total' columns of this statement represent the Company's condensed statement of comprehensive income, prepared in accordance with IFRS Accounting Standards as adopted by the European Union. The revenue and capital return columns are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 44 to 55 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of changes in equity (unaudited)

For the period ended 31 December 2024

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 24 to 31 Dec 24 £
Balance at 30 June 2024		723,100,329	182,591,777	18,997,156	95,049,559	1,019,738,821
Total comprehensive loss for the period		–	(16,320,547)	10,408,349	–	(5,912,198)
Transactions with Shareholders						
Share buy-backs	4	(67,938,875)	–	–	–	(67,938,875)
Distribution in the period	3	–	–	(10,818,621)	–	(10,818,621)
Balance at 31 December 2024		655,161,454	166,271,230	18,586,884	95,049,559	935,069,127

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 23 to 31 Dec 23 £
Balance at 30 June 2023		791,710,799	193,130,681	12,149,296	95,049,559	1,092,040,335
Total comprehensive income for the period		–	560,106	8,719,902	–	9,280,008
Transactions with Shareholders						
Share buy-backs	4	(395,270)	–	–	–	(395,270)
Distribution in the period	3	–	–	(6,328,043)	–	(6,328,043)
Balance at 31 December 2023		791,315,529	193,690,787	14,541,155	95,049,559	1,094,597,030

*Under the Companies (Guernsey) Law, 2008, the Company can distribute dividends from share capital and reserves, subject to satisfying a solvency test. However, the Company's dividend policy is that dividends will only be paid from accumulated revenue reserve. In order to provide clearer information relating to this reserve, the Company has separately identified it in these financial statements as a 'Retained revenue reserve' in the Statement of Financial Position and the Statement of Changes in Equity. 'Other reserves' represents amounts converted from share premium in 2004 and 2008.

The notes on pages 44 to 55 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of cash flows (unaudited)

For the period ended 31 December 2024

	Notes	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Cash flows from operating activities			
(Loss)/profit for the period after tax		(5,912,198)	9,280,008
Adjustments for			
Net changes in fair value of financial assets at fair value through profit or loss	5,10	4,567,985	382,003
Realised losses/(gains) on forward foreign exchange contracts	6	4,211,773	(3,962,811)
Movement in unrealised (gains)/losses on forward foreign exchange contracts	6	2,629,885	(3,162,893)
Foreign exchange (gains)/losses on cash and cash equivalents	6	(369,786)	637,221
Decrease/(increase) in trade and other receivables		1,670,879	(1,461,509)
Increase in trade and other payables		45,031	54,195
		6,843,569	1,766,214
Net cash (paid)/received on closure of forward foreign exchange contracts		(4,211,773)	3,962,811
Purchases of investments		(485,299,900)	(891,833,758)
Sales of investments		559,554,875	865,761,356
Net cash generated from/(used in) operating activities		76,886,771	(20,343,377)
Cash flows from financing activities			
Share buybacks	4	(70,295,116)	(395,270)
Dividend paid	3	(10,818,621)	(6,328,043)
Net cash used in financing activities		(81,113,737)	(6,723,313)
Net decrease in cash and cash equivalents		(4,226,966)	(27,066,690)
Cash and cash equivalents at beginning of the period		18,788,529	50,508,224
Exchange gains/(losses) on cash and cash equivalents	6	369,786	(637,221)
Cash and cash equivalents at end of the period		14,931,349	22,804,313

The notes on pages 44 to 55 form an integral part of these Unaudited Condensed Interim Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period ended 31 December 2024

1 The Company

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008. The Company is listed on the Main Market of the London Stock Exchange (LSE) and was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005.

2 Material accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's Unaudited Condensed Interim Financial Statements.

Basis of preparation

The Unaudited Condensed Interim Financial Statements for the period ended 31 December 2024 have been prepared using accounting policies consistent with IFRS Accounting Standards (IFRS) as adopted by the European Union and in accordance with IAS 34 as adopted by the European Union, and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

They have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

This half-yearly financial report, covering the period from 1 July 2024 to 31 December 2024, is not audited.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Report and should be read in conjunction with the Annual Financial Report for the year ended 30 June 2024, which was prepared in accordance with IFRS as adopted by the European Union. The Audit Report on those accounts was not qualified.

Significant judgements and estimates

In the financial period under review, there were no changes to the significant accounting judgements, estimates and assumptions from those applied in the Annual Financial Report for the year ended 30 June 2024.

Standards, amendments and interpretations effective during the period

The accounting policies adopted are consistent with those used in the Annual Financial Report for the year ended 30 June 2024. There are no new standards, interpretations or amendments to standards issued and effective for the period that are expected to materially impact the Company in the year ending 30 June 2025.

3 Dividends to shareholders

Dividends, if any, are declared semi-annually, usually in September/October and February/March each year. The Company declared and paid the following dividend during the period.

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Interim dividend of 3.10p per share (2023: 1.65p)	10,818,621	6,328,043

An interim dividend of 2.85p (of which 0.01p is in respect of the Company's financial year ended 30 June 2024) was declared on 12 March 2025. The dividend is payable on 4 April 2025 to shareholders on record at 21 March 2025.

4 Share capital

Authorised share capital	31 Dec 24 £	30 Jun 24 £
Unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.10p each	75,000	75,000
	75,000	75,000

	Number of shares		Share capital	
Issued share capital	1 Jul 24 to 31 Dec 24	1 Jul 23 to 30 Jun 24	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 30 Jun 24 £
Redeemable Participating Preference Shares of 0.01p each				
Balance at start of period/year	357,937,764	383,517,764	723,100,329	791,710,799
Share buybacks during the period/year	(24,810,000)	(25,580,000)	(67,938,875)	(68,610,470)
Balance as at end of period/year	333,127,764	357,937,764	655,161,454	723,100,329

Unclassified shares

Unclassified shares can be issued as nominal shares or redeemable participating preference shares. Nominal shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for nominal shares for cash at par when redeemable participating preference shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on redeemable participating preference shares. The holder or holders of nominal shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal shares shall carry no right to dividends. In a winding-up, holders of nominal shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company. There were no nominal shares in issue at period end (30 June 2024: Nil).

The holders of fully paid redeemable participating preference shares are entitled to one vote at all meetings of the relevant class of shareholders. Participating preference shares carry the right to receive dividends or other distributions declared by the Company. In a winding-up, participating preference shareholders shall be entitled, firstly, to an amount equal to the nominal value of their shareholding, and, secondly, to a proportionate share of the balance of assets remaining in the Company after settlement of amounts due to nominal shareholders.

C shares

There were no C shares in issue at period end (30 June 2024: Nil).

Block listing and additional shares issued

At the start of the period, the Company had the ability to issue 9,341,551 redeemable participating shares under a block listing facility. During the period, no new redeemable participating preference shares were allotted and issued under the block listing facility (30 June 2024: no new shares issued during the year).

New redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 31 December 2024, the Company had the ability to issue a further 9,341,551 (30 June 2024: 9,341,551) redeemable participating preference shares under the block listing facility.

Purchase of own shares by the Company

A special resolution was passed on 10 December 2024 which authorised the Company in accordance with The Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01p each, provided that –

a the maximum number of shares the Company can purchase is no more than 14.99% of the Company’s issued share capital at the date of the resolution b the minimum price (exclusive of expenses) which may be paid for a share is 0.01p, being the nominal value per share

c the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 5% above the average market value of a share for the five business days prior to the day the purchase is made and (ii) the value of a share calculated on the basis of the higher of the price quoted for the last independent trade and the highest independent bid for any number of the shares on the trading venue where the purchase is carried out

d purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the LSE at a discount to the prevailing NAV per share

e the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2025 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

f the Company may make a contract to purchase shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract.

Redeemable participating preference shares in issue

As at 31 December 2024, the Company had 383,517,764 (30 June 2024: 383,517,764) redeemable participating preference shares of 0.01 pence each in issue, of which 50,390,000 (30 June 2024: 25,580,000) were held in treasury. During the period, the Company has bought back into treasury 24,810,000 redeemable participating preference shares at an average price of £2.7356. Therefore, the total voting rights in the Company at 31 December 2024 were 333,127,764 (30 June 2024: 357,937,764. Subsequent to the period end, the Company has bought back a further 16,905,000 shares into treasury at an average purchase price of £2.7434.

5 Net changes in financial assets at fair value through profit or loss

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Net changes in financial assets at fair value through profit or loss during the period comprise		
Gains realised on investments sold during the period	19,483,548	14,694,528
Losses realised on investments sold during the period	(12,114,024)	(29,446,461)
Net realised gains/(losses) on investments sold during the period	7,369,524	(14,751,933)
Movement in unrealised gains/(losses) arising from changes in fair value	(11,937,509)	14,369,930
Net changes in fair value on financial assets at fair value through profit or loss	(4,567,985)	(382,003)

6 Other (losses)/gains

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Movement in unrealised gains/(losses) on forward foreign currency contracts	(2,629,885)	3,162,893
Realised (losses)/gains on forward foreign currency contracts	(4,211,773)	3,962,811
Foreign exchange gains/(losses) on cash and cash equivalents	369,786	(637,221)
	(6,471,872)	6,488,483

7 Other expenses

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Expenses charged to revenue		
Administration fee*	129,469	128,216
Directors' fees† (note 8)	162,761	114,000
Custodian and Depositary fees*	97,418	85,469
Broker's fees	21,250	21,250
Audit fee	32,468	28,000
Auditor's remuneration for interim review	22,000	21,000
Legal and professional fees	20,218	24,071
Registrar fees	30,492	42,723
General expenses	64,422	59,387
	580,498	524,116
Expenses charged to capital		
Investment transaction costs	175,042	211,079
Total other expenses	755,540	735,195

* The basis for calculating the Administration fee as well as the Custodian and Depositary fees are set out in the General Information on pages 63 to 64.

† Directors' fees for the period reflect the impact of both fee rate increases and also the engagement of six Directors for the majority of the period until the retirement of the Chair at the AGM held in December 2024.

Ongoing charges ratio

The ongoing charges ratio (OCR) of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges, gains or losses on investments and any other expenses of a non-recurring nature. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Management fee (see note 8)	4,876,677	5,335,295
Other expenses (see above)	755,540	735,195
	5,632,217	6,070,490
Excluded expenses*	(185,810)	(225,700)
Total ongoing expenses	5,446,407	5,844,790
Average NAV†	1,002,301,212	1,080,601,064
Annualised ongoing charges ratio (using AIC methodology)	1.08%	1.08%

* Excluded expenses in the period comprise investment transaction costs and one-off legal and professional costs.

† Average NAV is calculated as the average of all the NAVs published on the LSE during the period

8 Related party transactions and material contracts

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities, and are therefore regarded as related parties.

Investment Management Agreement

The Company is managed by Ruffer AIFM Ltd, a subsidiary of Ruffer LLP, a privately owned business registered in England and Wales as a limited liability partnership. The Company and the Investment Manager have entered into an Investment Management Agreement under which the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Investment Management Agreement and the Company's Articles of Incorporation.

The market value of holdings in the Ruffer Funds where an investment management fee is already charged from within that fund are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information, refer to the Portfolio Statement on pages 56 to 62.

Total management fees charged to the capital reserves of the Company, including the outstanding management fees at the end of the period, are detailed below.

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Management fees for the period	4,876,677	5,335,295
	31 Dec 2024 £	30 Jun 2024 £
Payable at end of the period	794,746	759,478

Directors

As at 31 December 2024, the Company had five non-executive Directors, all of whom were independent from the Investment Manager and its parent entity, Ruffer LLP.

The Directors of the Company are remunerated for their services at such a rate as the Directors determine, provided that the aggregate amount of such fees does not exceed £390,000 (30 June 2024: £300,000) per annum.

During the period, each Director was paid a fee of £48,000 (30 June 2024: £39,000) per annum, except for the Chair, who was paid £72,000 (30 June 2024: £58,000) per annum, the Chair of the Audit Committee, who was paid £58,000 (30 June 2024: £48,000) per annum, the Senior Independent Director, who was paid £53,000 (30 June 2024: £41,500) per annum, and the Chair of the Management Engagement Committee, who was paid £52,000 (30 June 2024: £41,500) per annum.

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 31 Dec 23 £
Directors' fees for the period	162,761	114,000
	31 Dec 2024 £	30 Jun 2024 £
Payable at end of the period	88,011	–

Shares held by related parties

As at 31 December 2024, Directors of the Company held the following numbers of shares beneficially.

Directors	31 Dec 24 shares	30 Jun 24 shares
Nicholas Pink	65,695	63,206
Susie Farnon	21,700	16,200
Shelagh Mason	14,698	14,698
Solomon Soquar	10,000	10,000
Colleen McHugh	12,000	7,000
Christopher Russell	N/A	125,000
	124,093	236,104

As at 31 December 2024, Ruffer LLP (the parent entity of the Company's Investment Manager) and other entities within the Ruffer Group held 7,975,785 (30 June 2024: 6,769,224) shares in the Company on behalf of its discretionary clients.

As at 31 December 2024, Henry Maxey, Chief Investment Officer of Ruffer LLP (the parent entity of the Company's Investment Manager), owned 3,850,000 (30 June 2024: 2,000,000) shares in the Company.

As at 31 December 2024, Jonathan Ruffer, chairman of Ruffer LLP, owned 499,335 (30 June 2024: 499,335) shares in the Company.

As at 31 December 2024, Jasmine Yeo, Fund Manager of the Investment Manager owned 15,000 (30 June 2024: 15,000) shares in the Company.

As at 31 December 2024, Duncan MacInnes, former Fund Manager of the Investment Manager owned 58,100 (30 June 2024: 58,100) shares in the Company. Mr MacInnes left the employment of the Investment Manager with effect from 12 February 2025.

Investments in related funds

As at 31 December 2024, the Company held investments in four (30 June 2024: four) related investment funds valued at £193,941,184 (30 June 2024: £189,046,709). Refer to the Portfolio Statement on pages 56 to 62 for details.

9 Operating segment reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business in a single geographical area, Guernsey, being investment in a portfolio of equity, equity-related and debt assets, in order to provide a return for shareholders. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

The Company receives no revenues from external customers. The Company holds no non-current assets in any geographical area other than Guernsey.

10 Investments at fair value through profit or loss

	1 Jul 24 to 31 Dec 24 £	1 Jul 23 to 30 Jun 24 £
Cost of investments at the start of the period/year	1,014,111,944	1,064,658,652
Acquisitions at cost during the period/year	485,153,307	1,508,572,677
Disposals during the period/year	(559,552,914)	(1,538,493,622)
Gains/(losses) on disposals during the period/year	7,369,524	(20,625,763)
Cost of investments held at the end of the period/year	947,081,861	1,014,111,944
Fair value below cost	(21,317,536)	(9,380,027)
Fair value of investments held at the end of the period/year	925,764,325	1,004,731,917

11 Fair Value Measurement

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value, and requires the Company to classify its financial instruments into the level of the fair value hierarchy that best reflects the significance of the inputs used in making fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows –

Level 1: Quoted prices, based on bid 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 (that is, as prices) or indirectly (that is, derived from prices) and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Company's financial assets and liabilities by level within the fair value hierarchy as at 31 December 2024.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 24 total £
Financial assets at fair value through profit or loss				
Long-dated index-linked gilts	47,507,709	–	–	47,507,709
Short-dated bonds	374,769,507	–	–	374,769,507
Credit and derivative strategies	–	133,793,573	–	133,793,573
Gold and precious metals exposure	18,797,019	39,105,552	–	57,902,571
Commodity exposure	30,698,338	–	–	30,698,338
Equities	258,800,290	22,292,337	–	281,092,627
Derivative financial assets	–	38,812	–	38,812
Total financial assets at fair value through profit or loss	730,572,863	195,230,274	–	925,803,137
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	6,001,018	–	6,001,018
Total financial liabilities at fair value through profit or loss	–	6,001,018	–	6,001,018

The following table presents the Company's financial assets and liabilities by level within the fair value hierarchy as at 30 June 2024.

	Level 1 £	Level 2 £	Level 3 £	30 Jun 24 total £
Financial assets at fair value through profit or loss				
Long-dated index-linked gilts	167,491,254	–	–	167,491,254
Short-dated bonds	357,740,165	–	–	357,740,165
Credit and derivative strategies	–	130,176,596	–	130,176,596
Gold and precious metals exposure	40,847,653	36,259,655	–	77,107,308
Commodity exposure	25,039,480	–	–	25,039,480
Equities	224,566,656	22,610,458	–	247,177,114
Derivative financial assets	–	36,246	–	36,246
Total assets	815,685,208	189,082,955	–	1,004,768,163
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	3,368,567	–	3,368,567
Total liabilities	–	3,368,567	–	3,368,567

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. During the period ended 31 December 2024, one investment with a value of £1,250,278 was transferred from level 1 to level 2. In the prior year ended 30 June 2024, no transfers were made.

Assets classified in Level 1 consist of listed or quoted equities or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are principally investments in funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Where these funds are invested in equity type products, they are classified as equity in the table above. Convertible bonds are measured using a jump-diffusion pricing model available through Bloomberg. Options and foreign exchange forwards are fair valued using publicly available data. The foreign exchange forwards are shown as derivative financial assets and liabilities in the fair value hierarchy table.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

12 NAV reconciliation

The Company announces its NAV, based on bid value, to the LSE after each weekly and month end valuation point. At the time of releasing the closing NAV for the financial period to the LSE, not all the latest prices for the investments are available. Once these prices became available, adjustments are made to the NAV in the Financial Statements where the price differences are material. Adjustments may also be made to expense accruals where the last working day of the financial period (and therefore the date of the NAV) is not the financial period end date. The following is a reconciliation of the NAV per share attributable to redeemable participating preference shareholders as presented in these Financial Statements, using IFRS, to the NAV per share reported to the LSE.

	31 Dec 24		30 Jun 24	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV per share published on the LSE as at the period/year end	935,110,679	2.8071	1,019,427,621	2.8481
Adjustments to expense accruals	(8,011)	(0.0000)	–	–
Adjustments to valuations	(33,541)	(0.0002)	311,200	0.0008
Net assets attributable to holders of redeemable participating preference shares	935,069,127	2.8069	1,019,738,821	2.8489

13 Subsequent events

These Financial Statements were approved for issuance by the Board on 11 March 2025. Subsequent events have been evaluated up until this date.

Subsequent to the period end, the Company has bought back 16,905,000 shares into treasury at an average purchase price of £2.7434.

An interim dividend of 2.85p per share was declared on 12 March 2025. The dividend is payable on 4 April 2025 to shareholders on record at 21 March 2025.

Portfolio statement (unaudited)

As at 31 December 2024

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Government bonds 45.16%				
(30 Jun 24: 51.50%)				
Long-dated index-linked gilts				
UK index-linked gilt 0.125% 10/08/2048	GBP	2,872,000	2,745,447	0.29
UK index-linked gilt 0.125% 22/03/2051	GBP	2,921,000	2,478,918	0.27
UK index-linked gilt 1.25% 22/11/2054	GBP	2,933,000	2,594,284	0.27
UK index-linked gilt 0.375% 22/03/2062	GBP	8,461,000	8,692,225	0.93
UK index-linked gilt 0.125% 22/11/2065	GBP	9,083,000	7,258,386	0.78
UK index-linked gilt 0.125% 22/03/2068	GBP	14,447,000	11,748,468	1.26
UK index-linked gilt 0.125% 22/03/2073	GBP	17,192,000	11,989,981	1.28
Total long-dated index-linked gilts			47,507,709	5.08
Short-dated bonds				
Japan 0.005% 01/05/25	JPY	5,835,250,000	29,640,664	3.17
Japan 0.005% 01/06/25	JPY	6,255,300,000	31,762,264	3.40
Japan 0.005% 01/08/25	JPY	7,331,950,000	37,198,941	3.98
Japan 0.005% 01/09/25	JPY	7,295,700,000	37,000,564	3.96
Japan 0.005% 01/12/25	JPY	4,000,000,000	20,257,161	2.17
US Treasury index-linked bond 0.125% 15/04/2026	USD	12,600,000	11,823,620	1.26
US Treasury index-linked bond 0.125% 15/10/2026	USD	13,200,000	11,842,053	1.27
US Treasury index-linked bond 0.125% 15/04/2027	USD	13,800,000	11,813,217	1.26
US Treasury index-linked bond 1.625% 15/10/2027	USD	13,900,000	11,762,802	1.26
US Treasury floating rate bond 31/07/2025	USD	11,900,000	9,507,830	1.02
US Treasury floating rate bond 31/01/2026	USD	59,439,000	47,537,428	5.07
US Treasury floating rate bond 30/04/2026	USD	71,402,000	57,044,014	6.10
US Treasury floating rate bond 31/07/2026	USD	72,019,000	57,578,949	6.16
Total short-dated bonds			374,769,507	40.08
Total government bonds			422,277,216	45.16

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Equities 30.06%				
(30 Jun 24: 24.24%)				
Europe				
Accor	EUR	53,336	2,074,742	0.22
AIB	EUR	679,340	2,993,368	0.32
Arcelormittal	EUR	310,000	5,748,531	0.61
Banco Santander	EUR	553,689	2,038,822	0.22
Bayer	EUR	340,586	5,439,230	0.58
Canal+	GBP	258,635	525,029	0.06
Dassault Aviation	EUR	7,655	1,249,124	0.18
DHL Group	EUR	60,993	1,712,952	0.13
Groupe Danone	EUR	30,521	1,637,552	0.18
Havas	EUR	856,246	1,140,717	0.12
Heineken	EUR	40,048	2,274,634	0.24
JDE Peet's	EUR	156,492	2,140,515	0.23
Louis Hachette	EUR	258,635	323,031	0.03
Nestle	CHF	25,409	1,676,309	0.18
Orange	EUR	150,790	1,200,830	0.13
Prosegur Cash	EUR	987,877	447,140	0.05
Roche	CHF	12,000	2,697,781	0.29
Ryanair ADR	USD	57,871	2,015,035	0.22
Smurfit Westrock	GBP	140,447	6,061,693	0.65
Stellantis	EUR	94,482	979,611	0.10
TUI	EUR	207,890	1,436,737	0.15
Vallourec	EUR	115,892	1,574,156	0.17
Vivendi	EUR	258,635	550,656	0.06
Yara International	NOK	24,830	522,827	0.06
Total Europe equities			48,461,022	5.18
United Kingdom				
Aberforth Smaller Companies	GBP	270,000	3,942,000	0.42
Admiral	GBP	122,951	3,249,595	0.35

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
BAE Systems	GBP	110,300	1,266,244	0.14
Balfour Beatty	GBP	294,430	1,339,068	0.14
Barclays	GBP	402,290	1,078,942	0.12
Barratt Redrow	GBP	657,150	2,892,117	0.31
Beazley	GBP	275,891	2,252,650	0.24
BP	GBP	5,678,557	22,316,729	2.39
British American Tobacco	GBP	201,195	5,792,404	0.62
Castings	GBP	750,000	1,905,000	0.20
Conduit	GBP	262,960	1,230,653	0.13
Deliveroo	GBP	797,440	1,129,972	0.12
Glencore	GBP	607,570	2,147,152	0.23
JD Sports	GBP	1,351,093	1,294,347	0.14
Jet2	GBP	117,444	1,859,139	0.20
Marks & Spencer	GBP	275,982	1,036,312	0.11
PRS REIT	GBP	2,870,000	3,088,120	0.33
Prudential	GBP	1,988,554	12,726,792	1.36
Reckitt Benckiser	GBP	122,464	5,917,460	0.63
Rio Tinto	GBP	78,000	3,683,940	0.39
Rolls-Royce Holdings	GBP	272,994	1,552,244	0.17
RS Group	GBP	197,225	1,340,144	0.14
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	8,812,245	22,292,337	2.39
Science Group	GBP	355,800	1,586,868	0.17
Shell	GBP	98,718	2,444,258	0.26
Unilever	GBP	63,969	2,908,670	0.31
Vodafone	GBP	1,953,700	1,334,377	0.14
Total UK equities			113,607,534	12.15
North America				
Academy Sports	USD	3,346	153,826	0.02
AGNC Investment	USD	677,800	4,982,231	0.53
Alpha Metallurgical Resource	USD	1,195	191,290	0.02
Amazon	USD	44,958	7,878,785	0.85

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Archer Daniels Midland	USD	56,870	2,295,065	0.25
Atkore	USD	2,466	164,341	0.02
Bank of America	USD	110,779	3,891,781	0.42
Best Buy	USD	2,271	155,791	0.02
Blue Bird	USD	3,646	112,474	0.01
Bunge Global	USD	5,530	343,350	0.04
CF Industries	USD	21,613	1,474,022	0.16
Cheesecake Factory	USD	13,369	506,518	0.05
Cigna	USD	17,697	3,906,461	0.42
Citigroup	USD	147,893	8,319,867	0.90
Coca Cola	USD	280	280,915	0.03
Consol Energy	USD	2,522	215,164	0.02
Copa Holdings	USD	3,920	275,145	0.03
Corteva	USD	32,992	1,500,930	0.16
CoStar	USD	10,640	608,170	0.07
Coty A	USD	138,300	767,965	0.08
Deere	USD	10,800	3,655,743	0.39
Dorman Products	USD	1,703	176,192	0.02
Exelixis	USD	5,680	151,122	0.02
Exxon Mobil	USD	17,521	1,506,700	0.16
First Solar	USD	1,559	219,526	0.02
Fox	USD	12,578	488,006	0.05
Gates Industrial	USD	14,954	245,768	0.03
General Electric	USD	8,000	1,066,219	0.11
General Motors	USD	3,098	131,856	0.01
Gilead Sciences	USD	3,594	265,185	0.03
Gulfport Energy	USD	2,427	357,011	0.04
H&R Block	USD	4,068	171,775	0.02
Harmony Biosciences	USD	3,837	105,490	0.01
Herc	USD	981	148,208	0.02
Hewlett Packard	USD	20,965	357,624	0.04

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Incyte	USD	4,087	225,575	0.02
Jazz Pharmaceuticals	USD	3,000	294,799	0.03
KB Home	USD	2,187	114,854	0.01
Lennar	USD	1,210	131,828	0.01
Livanova	USD	8,806	325,546	0.03
Maximus	USD	6,995	417,151	0.04
Merck	USD	3,710	294,909	0.03
Mosaic	USD	59,251	1,163,149	0.12
Nextracker	USD	5,522	161,213	0.02
Noble	USD	19,700	494,074	0.05
Nutrien	USD	36,218	1,294,658	0.14
Owens Corning	USD	1,561	212,598	0.02
Pagseguro Digital	USD	34,923	174,671	0.02
Pfizer	USD	153,181	3,249,405	0.35
Philip Morris International	USD	15,805	1,519,255	0.16
Pilgrim's Pride	USD	9,498	344,299	0.04
PNC Financial	USD	6,300	971,476	0.10
PulteGroup	USD	1,493	129,928	0.01
Revelyst	USD	3,855	59,199	0.01
Stride	USD	2,003	166,437	0.02
Suncor Energy	CAD	69,791	1,985,607	0.21
Taylor Morrison	USD	2,555	124,953	0.01
TD Synnex	USD	4,417	413,997	0.04
Toll Brothers	USD	1,173	117,993	0.01
United Therapeutics	USD	585	164,745	0.02
Ziff Davis	USD	7,473	324,570	0.03
Total North America equities			61,947,405	6.62
Asia (ex-Japan)				
Alibaba Group ADR	USD	150,000	10,161,793	1.09
iShares China	EUR	9,581,715	33,696,557	3.60

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Samsung Electronics	KRW	44,638	1,281,112	0.14
Taiwan Semiconductor Manufacturing	USD	20,000	3,157,079	0.34
Total Asia (ex-Japan) equities			48,296,541	5.17
Other equities				
AMBEV ADR	USD	1,836,047	2,713,876	0.29
Renn Universal Growth Trust	GBP	937,500	–	–
Taylor Maritime Investments	GBP	5,000,000	3,800,000	0.41
Tufton Oceanic Assets	USD	2,383,561	2,266,249	0.24
Total other equities			8,780,125	0.94
Total equities			281,092,627	30.06
Commodity exposure 3.28% (30 Jun 24: 2.46%)				
Wisdomtree Brent crude oil	USD	283,469	11,423,918	1.22
Wisdomtree copper	USD	532,544	15,475,092	1.65
Yellow Cake	GBP	764,760	3,799,328	0.41
Total commodity exposure			30,698,338	3.28
Gold and precious metals exposure 6.19% (30 Jun 24: 7.56%)				
Barrick Gold	USD	231,592	2,866,219	0.31
Denarius Metals 12% 19/10/2028	CAD	1,800,000	1,250,278	0.13
Newmont	USD	177,710	5,283,309	0.57
WS Ruffer Gold Fund*	GBP	11,080,000	37,855,274	4.04
Wisdomtree Platinum	USD	160,000	10,647,491	1.14
Total gold and precious metals exposure			57,902,571	6.19

	Currency	Holding at 31 Dec 24	Fair value £	% of total net assets
Credit and derivative strategies 14.31%				
(30 Jun 24: 12.77%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	137,134,973	79,500,984	5.81
Ruffer Protection Strategies*	GBP	8,658,000	54,292,589	8.50
Total credit and derivative strategies			133,793,573	14.31
Total investments			925,764,325	99.00
Cash and other net current assets			9,304,802	1.00
			935,069,127	100.00

* Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 Ltd are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. WS Ruffer Gold Fund and Ruffer SICAV UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

General information

Ruffer Investment Company Limited was incorporated in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The Company launched on the London Stock Exchange on 8 July 2004, with a launch price of 100p per share and an initial net asset value of 98p per share. 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 invests predominantly in internationally listed or quoted equities or equity related securities (including convertibles) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's redeemable participating preference shares are listed on the London Stock Exchange.

The Company reports its audited annual results each year for the year ended 30 June, and its unaudited interim results for the six months ended 31 December. These Unaudited Condensed Interim Financial Statements were authorised for issue on 11 March 2025 by the Directors.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope Alternative Investment Fund Manager (AIFM). The Investment Manager is entitled to an investment management fee payable to the AIFM monthly in arrears at a rate of 1% of the NAV per annum.

The Investment Manager and the Board intend to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Company will not be subject to United Kingdom Corporation Tax or Income Tax.

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this required the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis.

Apex Fund and Corporate Services (Guernsey) Limited (formerly Sanne Fund Services (Guernsey) Limited) (the 'Administrator')* is entitled to receive an annual fee equal to 0.08%. per annum on the first £100 million; 0.04%. per annum between £100 million and £200 million; 0.02%. per annum between £200 million and £300 million; and 0.015%. per annum thereafter; based on the NAV of the Company on a mid-market basis, subject to a minimum fee of £100,000 per annum.

* Effective 31 January 2025, Sanne Fund Services (Guernsey) Limited completed an amalgamation of corporate bodies pursuant to Part VI of the Companies (Guernsey) Law, 2008 with Apex Fund and Corporate Services (Guernsey) Limited (the 'Amalgamation'). As a result of the Amalgamation, the name of the Administrator changed to Apex Fund and Corporate Services (Guernsey) Limited. There are no further material changes arising from the Amalgamation and all pre-existing contractual arrangements in place between the Company and the Administrator remain in force.

Northern Trust (Guernsey) Limited (the ‘Custodian’) is entitled to receive from the Company a fee of £2,000 per annum. The Custodian is also entitled to charge for certain expenses incurred by it in connection with its duties.

Northern Trust (Guernsey) Limited (the ‘Depositary’) is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the NAV of the Company up to £100 million, 0.008% on the next £100 million and 0.006% thereafter as at the last business day of the month subject to a minimum fee of £20,000 per annum.

Management and administration

Directors

Nicholas Pink (Chair)
Susie Farnon
Shelagh Mason
Colleen McHugh
Solomon Soquar

Registered office

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Auditor

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Investment Manager and Alternative Investment Fund Manager

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London SW1E 5JL

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London EC2V 7QP

Solicitors to the Company as to UK law

Gowling WLG
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Company Secretary and Administrator

Apex Fund and Corporate Services (Guernsey) Limited (formerly Sanne Fund Services (Guernsey) Limited)
1 Royal Plaza
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St Peter Port
Guernsey GY1 2HL

CREST agent

Computershare Investor Services (Jersey) Limited Queensway House
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Custodian

Northern Trust (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

Depositary

Northern Trust (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

Appendix (unaudited)

Regulatory performance data

To 31 Dec %		†2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RIC NAV TR		8.9	12.9	0.9	6.0	23.8	15.1	16.5	0.7	3.4	9.5	1.8
FTSE All-Share TR		12.3	22.0	16.8	5.3	-29.9	30.1	14.5	-3.5	12.3	20.8	1.2
Twice UK Bank Rate		9.9	9.5	9.5	11.3	9.6	1.3	1.0	1.0	1.0	1.0	1.0
To 31 Dec %	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		Annualised
RIC NAV TR	-1.0	12.4	1.6	-6.0	8.4	13.5	11.4	8.0	-6.2	0.0		6.7
FTSE All-Share TR	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	0.3	7.9	9.5		7.2
Twice UK Bank Rate	1.0	0.8	0.6	1.2	1.5	0.5	0.2	2.9	9.6	10.5		3.9

† From July 2004

Source: RAIFM Ltd, FTSE International. Please note that past performance is not a reliable indicator of 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. Calendar quarter data has been used up to the latest quarter end. This document is issued by Ruffer AIFM Limited (RAIFM), 80 Victoria Street, London SW1E 5JL. Ruffer LLP and Ruffer AIFM Limited are authorised and regulated by the Financial Conduct Authority. Ruffer AIFM is a wholly owned subsidiary of Ruffer LLP. This document, and any statements accompanying it, are for information only and are not intended to be legally binding. Unless otherwise agreed in writing, our investment management agreement, in the form entered into, constitutes the entire agreement between Ruffer and its clients, and supersedes all previous assurances, warranties and representations, whether written or oral, relating to the services which Ruffer provides. The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of RAIFM at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. RAIFM has not considered the suitability of this investment against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

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Alternative performance measures used in the Interim Report

Total NAV/Share price return

Total NAV return and total share price return are calculations showing how the NAV/share price per share has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV/share price on the last day of the month that the shares first trade ex-dividend. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

		Period ended 31 Dec 24		Period ended 31 Dec 23	
		Total NAV return	Total share price return	Total NAV return	Total share price return
Opening IFRS NAV/share price per share		284.89p	270.50p	285.78p	276.00p
Closing IFRS NAV/share price per share	(a)	280.69p	268.00p	285.73	275.00p
Dividends paid	(b)	3.10p	3.10p	1.65p	1.65p
Weighted average IFRS NAV/share price per share on ex-dividend date	(c)	283.95	270.40	273.81	262.35
Dividend adjustment factor (d = b/c +1)	(d)	1.0109	1.0115	1.0060	1.0063
Adjusted closing NAV per share (e = a x d)	(e)	283.75	271.07	287.45	276.73
Total NAV/share price return		(0.4)%	0.2%	0.6%	0.3%

Share premium/(discount) to NAV

Share premium or (discount) to NAV is the amount by which the share price is higher/lower than the NAV per share, expressed as a percentage of the NAV per share, and provides a measure of the Company's share price relative to the NAV.

NAV per share

NAV per share is a calculation of the Company's NAV divided by the number of shares in issue and provides a measure of the value of each share in issue.

Market capitalisation

Market capitalisation is the value of a company that is traded on the stock market, calculated by multiplying the total number of shares by the present share price.