

**SEPTEMBER 2013**

ISSUE 100

Share price as at 30 Sep 2013**220.75p****NAV as at 30 Sep 2013**

Net Asset Value (per share)

213.68p**Premium/(discount) to NAV**

As at 30 Sep 2013

3.3%**NAV total return¹**

Since inception

149.1%**£ Statistics since inception %**Standard deviation² 1.98Maximum drawdown³ -7.36¹Including 20.8p of dividends²Monthly data (Total Return NAV)³Monthly data (Total Return NAV)**Percentage growth in total return NAV**

30 Sep 2012 – 30 Sep 2013 11.7

30 Sep 2011 – 30 Sep 2012 2.3

30 Sep 2010 – 30 Sep 2011 5.6

30 Sep 2009 – 30 Sep 2010 12.3

30 Sep 2008 – 30 Sep 2009 30.3

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
30 Jun 13	215.0	245.6	10.1
31 Dec 12	196.8	223.1	3.4
30 Jun 12	191.9	215.8	0.0
30 Dec 11	193.5	215.8	-0.3
30 Jun 11	195.6	216.5	1.0
31 Dec 10	195.2	214.4	7.8
30 Jun 10	182.6	198.9	8.1
31 Dec 09	170.3	184.0	12.6
30 Jun 09	152.6	163.3	2.2
31 Dec 08	150.9	159.8	16.0
30 Jun 08	131.3	137.7	6.7
31 Dec 07	124.2	129.0	7.5
29 Jun 07	116.7	120.0	-1.4
29 Dec 06	119.6	121.7	0.6
30 Jun 06	119.4	121.0	-0.5
30 Dec 05	120.5	121.6	7.9
30 Jun 05	112.2	112.7	5.6
31 Dec 04	106.7	106.7	8.9

*includes re-invested dividends

Source: Ruffer LLP

Dividends ex date: 0.5p 30 Mar 05, 7 Sep 05, 22 Mar 06 and 27 Sep 06, 1.25p 21 Mar 07, 26 Sep 07, 5 Mar 08 and 1 Oct 08, 1.5p 4 Mar 09, 30 Sep 09, 3 Mar 10, 1 Sept 10, 2 Mar 11 and 5 Oct 11, 1.6p on 29 Feb 12, 26 Sep 12 and 6 Mar 13

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

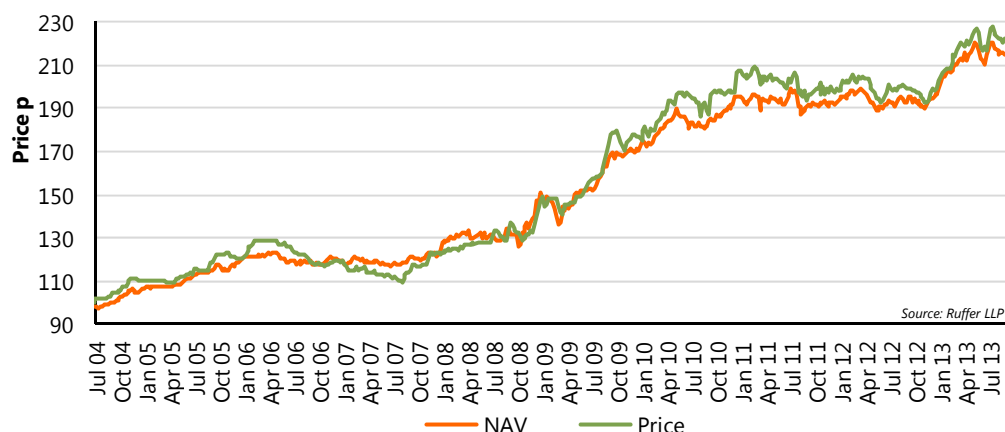
RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

Investment objective

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England Bank Rate by investing predominantly in internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supranationals or government organisations.

RIC performance since launch on 8 July 2004



Investment report

Performance details

The net asset value at 30 September was 213.7p, representing a fall of 0.9% during the month. On a total return basis the FTSE All-Share rose by 1.1% in September. The share price was unchanged at 220.75p.

During the third quarter the net asset value fell by 0.6% and year to date the total return NAV is +9.4%.

Investment review

A strong base currency is a menace for investors who shop overseas and this risk was evident for sterling investors during September. Sterling rose 4.5% against the dollar and the yen and 2% against the euro. Our European and Japanese exposure is currency hedged but we are 24% exposed to the dollar and this shaved 1% off the month's return. Elsewhere, index-linked bonds made modest progress as the rise in government bond yields was temporarily halted with the Fed's decision on 18 September not to proceed with the anticipated reduction in their quantitative easing programme. This has muddied the water on the short term direction of US monetary policy but the decision was likely influenced by the angst in Washington over the approval of the Federal Budget and raising of the debt ceiling; issues which are still unresolved and are causing some anxiety in financial markets.

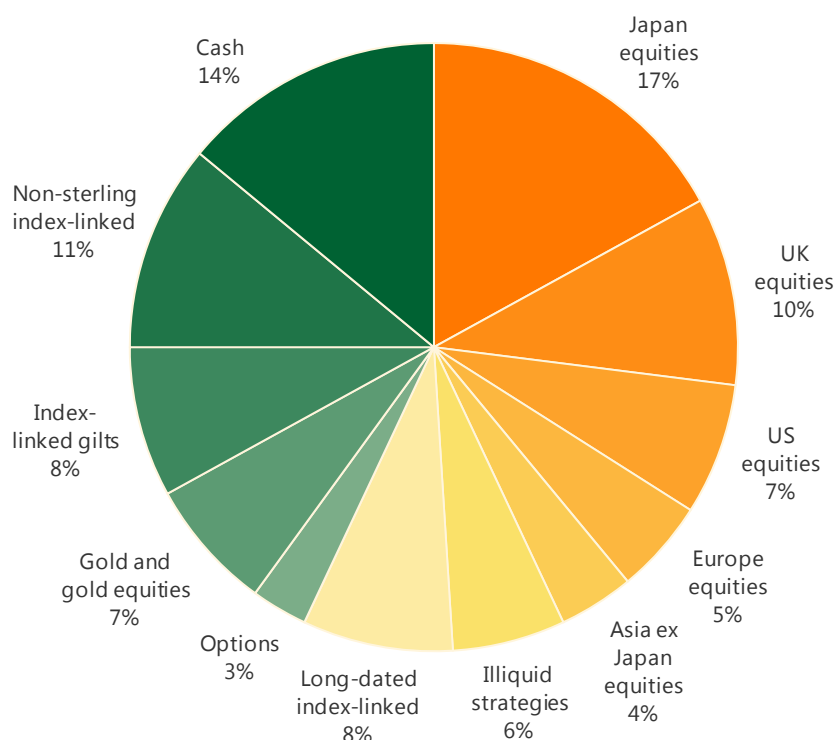
Japan was the best performing part of the portfolio during the month and added 1% to the return. Tokyo was successful in its bid to host the Olympic Games in 2020 and on the back of improved business sentiment the government announced that it would push ahead with an increase in the sales tax from 5% to 8% in April 2014. This will be

offset by a number of stimulative measures aimed mostly at the corporate sector but the finer details are yet to emerge. Is this significant? It demonstrates further progress on Abe's three pronged approach to economic reform, but as we have previously mentioned, the rate of change will likely be slower from here on in. The Olympics is not a game-changer in itself but it does dovetail nicely with the proposed infrastructure and tourism investment plan outlined in Abe's second arrow proposals. The tax rise shows that the government is serious about pushing through unpopular but necessary changes to tackle the debt side of the equation.

There has not been a great amount of activity on the trading front during the month. We reduced Vodafone after a strong run; it had previously been one of our top five equity holdings. Japan has been marginally reduced and we have added to some small cap names and IBM on recent weakness. The cash balance remains high at 14% reflecting our nervousness of both equity markets and the short term outlook. This may prove to be the wrong thing to do if the gridlock in the US is resolved favourably, but it feels like a time to have some dry powder to deploy.

On 25 September the Board announced a final dividend of 1.7p and approved the annual accounts for the company, which can be downloaded from www.ruffer.co.uk. The block-listing, managed by Cenkos, continues to be available to issue shares and 1.225m shares were issued during the month.

Portfolio structure as at 30 Sep 2013



Source: Ruffer LLP

Ten largest holdings as at 30 Sep 2013

Stock	% of fund
1.25% Treasury index-linked 2017	7.0
1.25% Treasury index-linked 2055	5.1
Gold Bullion Securities	4.9
US Treasury 1.625% TIPS 2018	3.8
US Treasury 0.125% TIPS 2022	3.1
0.375% Treasury index-linked 2062	3.1
Ruffer Protection Strategies	2.7
T&D Holdings	2.7
US Treasury 2.125% TIPS 2041	2.7
CF Ruffer Japanese Fund	2.2

Five largest equity holdings* as at 30 Sep 2013

Stock	% of fund
Gold Bullion Securities	4.9
T&D Holdings	2.7
IBM	1.9
BP	1.9
Japan Residential Investment Company	1.7

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV

£324.4m (30 Sep 2013)

Shares in issue

151,813,416

Market capitalisation

£335.1m (30 Sep 2013)

No. of holdings

57 equities, 8 bonds (30 Sep 2013)

Share price

Published in the Financial Times

Market makers

Canaccord Genuity
Cenkos Securities | Numis Securities
JPMorgan Cazenove | Winterflood Securities

Company information

Company structure	Guernsey domiciled limited company
Share class	£ sterling denominated preference shares
Listing	London Stock Exchange
Settlement	CREST
Wrap	ISA/SIPP qualifying
Discount management	Share buyback Discretionary redemption facility
Investment Manager	Ruffer LLP
Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited
Custodian	Northern Trust (Guernsey) Limited
Ex dividend dates	March, September
Stock ticker	RICA LN
ISIN	GB00B018CS46
SEDOL	B018CS4
Charges	Annual management charge 1.0% with no performance fee

Enquiries

Ruffer LLP	Tel +44 (0)20 7963 8254
80 Victoria Street	Fax +44 (0)20 7963 8175
London SW1E 5JL	rif@ruffer.co.uk
	www.ruffer.co.uk

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2013, assets managed by the group exceeded £15.9bn.



HAMISH BAILLIE Investment Director

Joined Ruffer in 2002. Founded and manages the Edinburgh office of Ruffer LLP which opened in September 2009 and is a director of Ruffer (Channel Islands) Limited. As well as acting as the lead manager on the Ruffer Investment Company he also manages investment portfolios for individuals, trusts, charities and pension funds. He is a member of the Chartered Institute for Securities & Investment and a graduate of Trinity College Dublin.



STEVE RUSSELL Investment Director

Started as a research analyst at SLC Asset Management in 1987, where he became Head of Equities in charge of £5bn of equity funds. In 1999 moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in September 2003. Became a non-executive director of JPMorgan European Investment Trust in 2005 and is co-manager of the CF Ruffer Total Return Fund.