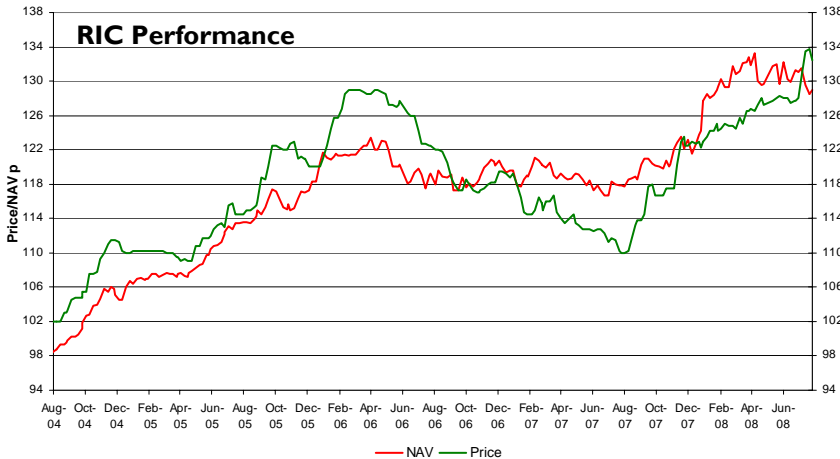




RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

Share price	132.50p	31 Jul 2008
Net Asset Value (NAV)	129.00p	31 Jul 2008
Premium (Discount) to NAV	2.7%	31 Jul 2008
Launch price	100.00p (8 July 04)	



Performance since inception - RIC A Class

Total return (NAV)¹ +37.5%

£ Statistics since inception

Standard Deviation² 1.35%

Sharpe ratio³ 1.07

Maximum drawdown⁴ -3.5%

1—Including 5.75p dividend; 2—Monthly data

3—Monthly data annualised; 4—Monthly data. Including 5.75p dividend

Source: Ruffer LLP

Investment Objective

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

Investment Report

The valuation of the portfolio at the end of July was 129.0p per share, down by 1.8% on the month.

Connoisseurs of absolute return strategies will know that the last month was a stinker for the sector, since all the relationships which had worked well in the first six months of the year reversed with a vengeance. The Mouton tasted more like meths, and we were not immune from this development. In fact, the worst parts of the portfolio were surprisingly diverse: a collapse in the price of Clean Diesel (for no apparent reason), a persistent reinforcing of our position in BP when 'any fule no' that BP is having a certain amount of difficulty with its Russian affiliate, and a couple of gold stocks (Newmont and Lihir). Some fortunate stock picking in Japan and North America (particularly Kraft Foods) helped the performance.

The sharp reversal in inflation expectations could have caused considerably more mayhem than it actually did. The gold shares were weak, but gold bullion was roughly flat during the month – as a result the damage was superficial. The index-linked markets were all over the place, but the intrinsically stable nature of the asset class meant that the damage even at the worst point (which happened in the middle of the month) was not severe.

Overall, the equity market exposure is looking altogether more disciplined than it did a year ago. I confessed at that point that our UK stocks, particularly, had no particular rhyme or reason, and we have addressed that. There are still some bad mistakes, such as Premier Foods, but a gradual sale of the small stocks has meant that the exposure there is modest indeed. We now have the majority of the equity exposure in big-cap stocks, which is where it should be in these difficult times.

Ten largest holdings

31 Jul 2008

Stock	% of Fund
Austria Govt 3% 2009	10.5
UK Treasury I/L 1.25% 2017	10.0
US TIPS 2.375% 2025	6.4
Swiss Govt 4% 2028	5.5
Swiss Govt 1.75% 2009	5.5
UK Treasury 5% 2012	5.3
UK Treasury 4.25% 2011	5.1
Gold Bullion	4.0
Swisscom	3.4
Nippon Tel & Tel	2.9

Five largest equity holdings

30 Jul 2008

Stock	% of Fund
Swisscom	3.4
Nippon Tel & Tel	2.9
BP	2.4
Newmont Mining	2.3
Kao	2.0

Source: Ruffer LLP

Percentage Growth in NAV to 30 June 2008

30 Jun 07 - 30 Jun 08	30 Jun 06 - 30 Jun 07	30 Jun 05 - 30 Jun 06	30 Jun 04 - 30 Jun 05	30 Jun 03 - 30 Jun 04
+14.7%	-2.3%	+6.4%	n/a	n/a

Source: Ruffer LLP

Past performance is not a guide to the future. 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.

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RUFFER INVESTMENT COMPANY

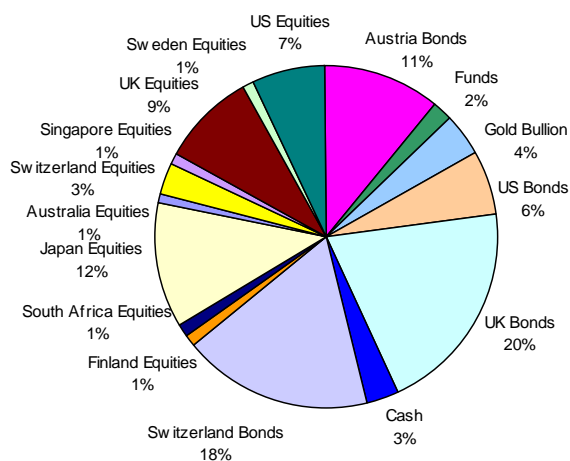
Quarterly return history

Date	30 Sep 04	31 Dec 04	31 Mar 05	30 Jun 05	30 Sep 05	30 Dec 05	31 Mar 06	30 Jun 06	30 Sep 06	31 Dec 06	31 Mar 07	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	30 Jun 08
NAV	101.2p	106.7p	107.2p*	112.2p	117.4p*	120.5p	122.5p*	119.4p	118.8p*	119.6p	118.7p*	116.7p	120.4p*	124.2p	132.8p*	131.30p
% Growth	+3.3%	+5.4%	+0.9%	+4.7%	+5.1%	+2.6%	+2.1%	-2.5%	-0.1%	+0.7%	+0.3%	-1.7%	+4.2%	+3.2%	+7.9%	-1.1%

*Ex dividend 0.5p 30 Mar 05, 7 Sept 05, 31 Mar 06, 27 Sept 06, 1.25p 30 Mar 07, 28 Sept 07 and 31 Mar 08

Source: Ruffer LLP

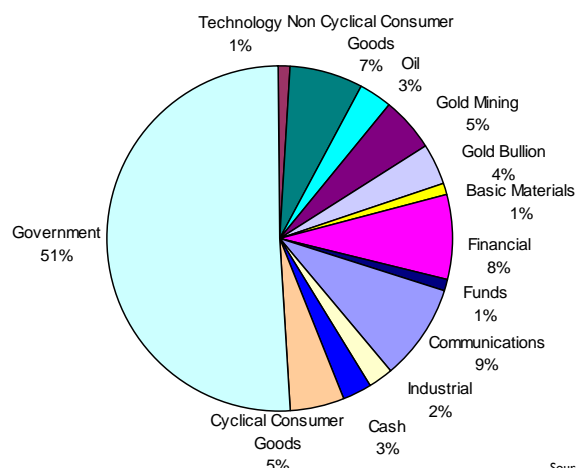
Geographical Allocation 31 Jul 2008



Source: Ruffer LLP

- Notes: (i) The Company may invest up to 10% in other listed collective vehicles although in certain circumstances the Company may invest up to 15% in other listed collective vehicles (see Prospectus for details).
(ii) Currency risk actively managed within the Company.

Asset Allocation 31 Jul 2008



Source: Ruffer LLP

Company Structure	Guernsey domiciled limited company
Share class	£ sterling denominated preference shares
Listing	London Stock Exchange
Settlement	CREST
Wrap	ISA/PEP/SIPP qualifying
Discount Management	Share buyback Discretionary redemption facility
Investment Manager	Ruffer LLP
Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited
Custodian	RBC Dexia Investor Services
Ex dividend dates	March, September
Pay dates	April, November
Stock ticker	RICA LN
ISIN Number	GB00B018CS46
Sedol Number	B018CS4
Enquiries	Ruffer LLP 80 Victoria Street London SW1E 5JL Alexander Bruce Tel: 020 7963 8215 Fax: 020 7963 8175 Email: abruce@ruffer.co.uk Web: www.ruffer.co.uk

RUFFER LLP

Ruffer LLP manages funds exceeding £2.80bn on an absolute return basis, including over £756m in open-ended Ruffer funds.

Sponsoring Broker

UBS Investment Bank
1 Finsbury Avenue
London EC2M 2PP

Charges

Annual management charge 1.0% with no performance fee

NAV Valuation Point

Weekly: Friday midnight
Last business day of the month

NAV

£115.0m (31 Jul 08)

Shares in issue

89,129,703

Market capitalisation

£118.1m (31 Jul 08)

No. of holdings

38 equities, 10 bonds (31 Jul 08)

Share price

Published in the Financial Times

Market Makers

UBS Investment Bank
Winterflood Securities
Panmure Gordon
ABN AMRO



JONATHAN RUFFER, Chief Executive

Trained as a stockbroker and barrister before moving into private client investment management in 1980, with Dunbar Fund Managers. Formerly Chief Investment Officer of Rathbone Bros plc, in 2001 became an independent non-executive director of Electric and General Investment Trust PLC. He established Ruffer Investment Management Ltd in 1994, which transferred its investment business to Ruffer LLP in 2004.



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 he moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer LLP in September 2003. He became a non-executive director of JP Morgan Fleming Continental Investment Trust in 2005.

Past performance is not a guide to the future. 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.

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