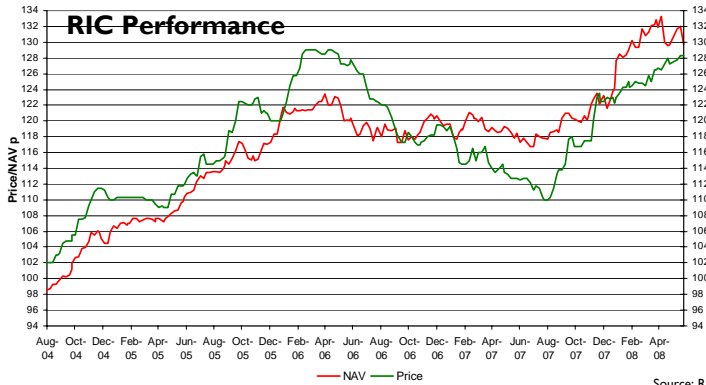




RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

Share price	128.25p	30 May 2008
Net Asset Value (NAV)	129.70p	30 May 2008
Premium (Discount) to NAV	-1.1%	30 May 2008
Launch price	100.00p (8 July 04)	



Source: Ruffer LLP

Performance since inception - RIC A Class

Total return (NAV)¹ +38.2%

£ Statistics since inception

Standard Deviation² 1.34%

Sharpe ratio³ 1.03

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 May was 129.7p per share, exactly unchanged on a month ago.

The portfolio has barely moved over the month, and somewhat remarkably, this has been reflected by only very small moves in each of the individual stocks. The STOXX 50 put is extremely volatile, since it is trading almost exactly at the level at which it will be in the money on maturity on 20 June. This holding cost the fund 0.5% in May, and were the stock market to be out of the money on 20 June (assuming we did not sell it earlier) the most that we could lose would be the same again. Overall this investment has been an extremely good one for the fund, with profits taken at each of the market low-points earlier in the year.

The fixed interest stocks were somewhat weaker, but only marginally.

The equities too were placid. No equity was responsible for a loss of more than 0.1% in the portfolio, but there were one or two bright spots, especially Japan (Nippon Telegraph & Telephone and T&D Holdings) which clawed back the money lost elsewhere.

It was a very quiet time, too, in the world of dealing. A few BP bought, a very few Sterling Energy sold, and a small increase in Tohoku, the Japanese utility. We took a tiny bit of money out of Invensys, consolidating a good profit there, and reinvesting some of the proceeds in Ericsson.

It takes quite a lot of non-eventfulness for us to have little to say, and we invite our readership to rejoice that this report is finished before the bottom of the page.

Ten largest holdings

30 May 2008

Stock	% of Fund
Austria Govt 3% 2009	10.4
UK Treasury I/L 1.25% 2017	9.8
US TIPS 2.375% 2025	6.3
Swiss Govt 4% 2028	5.5
Swiss Govt 1.75% 2009	5.5
UK Treasury 5% 2012	5.2
UK Treasury 4.25% 2011	5.1
Gold Bullion	3.8
Swisscom	3.7
Nippon Tel & Tel	2.8

Five largest equity holdings

30 May 2008

Stock	% of Fund
Swisscom	3.7
Nippon Tel & Tel	2.8
BP	2.3
Newmont Mining	2.2
Central Japan Railway	2.1

Source: Ruffer LLP

Percentage Growth in NAV to 31 March 2008

31 March 07 - 31 March 08	31 March 06 - 31 March 07	31 March 05 - 31 March 06	31 March 04 - 31 March 05	31 March 03 - 31 March 04
+15.0%	-2.1%	+14.7%	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

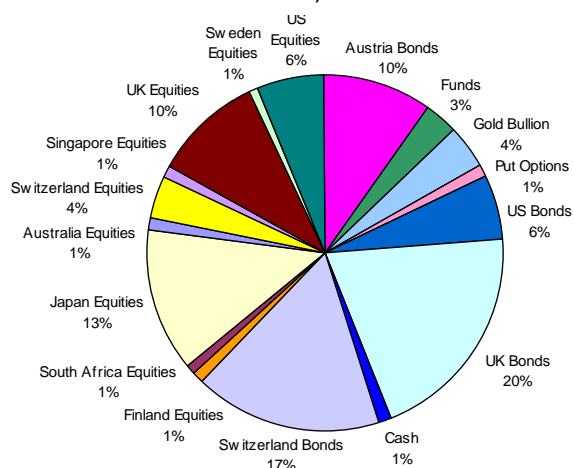
Quarterly return history

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
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*
% 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%

*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

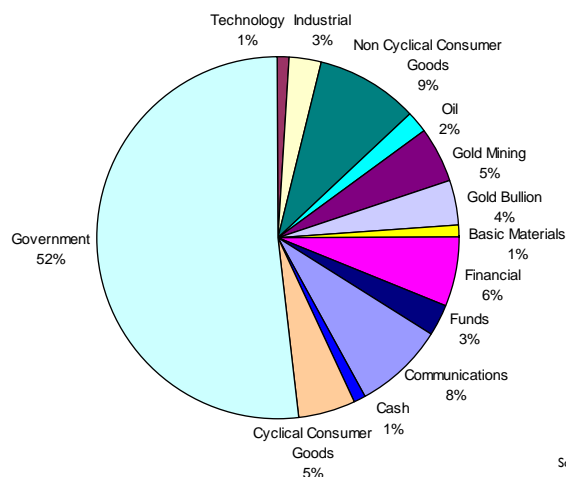
Geographical Allocation 30 May 2008



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 30 May 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

GB00B018C546

Sedol Number

B018CS4

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RUFFER LLP

Ruffer LLP manages funds exceeding £2.85bn on an absolute return basis, including over £789m 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

£115.6m (30 May 08)

Shares in issue

89,129,703

Market capitalisation

£114.3m (30 May 08)

No. of holdings

38 equities, 10 bonds (30 May 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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