



# *Ruffer Investment Company Limited*

Investment Manager's Year End Review  
for the year ended  
30 June 2023 (unaudited)

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**Key performance indicators**

	30 June 2023 %	30 June 2022 %
Share price total return over 12 months <sup>1</sup>	(7.2)	5.6
NAV total return per share over 12 months <sup>1,2</sup>	(1.7)	6.0
(Discount)/premium of share price to NAV	(3.4)	1.7
Dividends per share <sup>3</sup>	2.60p	3.05p
Annualised dividend yield <sup>4</sup>	0.9	1.0
Annualised NAV total return per share since launch <sup>1,2</sup>	7.2	7.7
Ongoing charges ratio <sup>5</sup>	1.07	1.07

**Financial highlights**

	30 June 2023	30 June 2022
Share price	276.00p	300.00p
NAV as calculated on an IFRS basis <sup>6</sup>	£1,095,373,836	£952,784,773
NAV as reported to the LSE	£1,096,014,803	£947,554,437
Market capitalisation	£1,058,509,029	£969,008,292
Number of shares in issue	383,517,764	323,002,764
NAV per share as calculated on an IFRS basis <sup>6</sup>	285.61p	294.98p
NAV per share as reported to the LSE	285.78p	293.36p

1 Assumes reinvestment of dividends

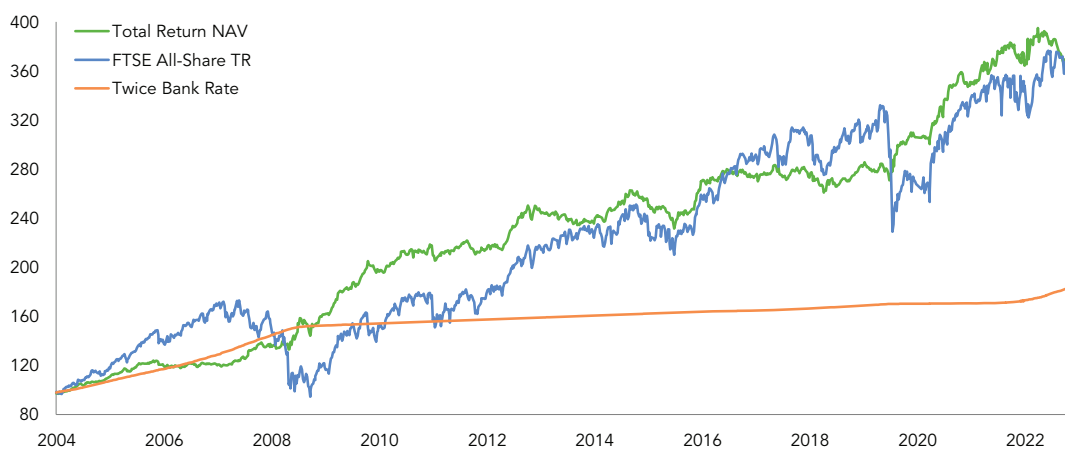
2 Based on NAVs as reported to the LSE

3 Dividends paid during the year

4 Dividends paid during the year divided by closing share price

5 Calculated in accordance with AIC guidance

6 The Company announces its NAV to the LSE after each weekly and month end valuation point. At the time of releasing the year end NAV, not all 30 June prices of the Company's investments may be available. Adjustments are made to the NAV to conform with IFRS once these prices become available.

**1 PERFORMANCE TO 30 JUNE 2023**

Source: RAIFM Ltd, FTSE International, data to 30 June 2023. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

# Investment Manager's report

## Performance review

The NAV total return for the financial year to 30 June 2023 was -1.7% and the share price total return was -7.2%.

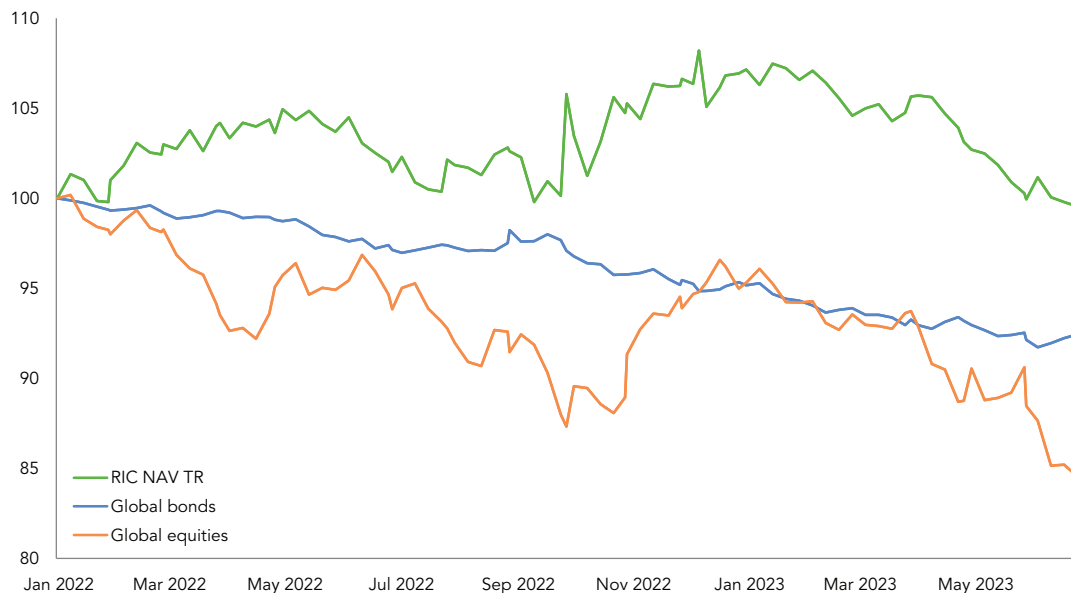
The NAV total return for the six months to 30 June 2023 was -6.8% and the share price total return was -10.9%.

The annualised NAV total return since inception of the Company in 2004 is 7.2%, which is in line with UK equities, but with a much lower level of volatility and drawdowns.

The notable gaps between the share price and the NAV total return numbers are driven by the Company swinging from a peak premium of 3.7% in September 2022 to a discount of 4.6% during June 2023. The shares closed the period at a discount to NAV of 3.4%. This is the first time the Company has traded on a sustained discount since 2020.

On the back of several strong years, there is no hiding from the disappointing numbers delivered during this period. Since the beginning of the current rate hiking cycle – an inflection point in the market regime – performance is still ahead of global bonds and equities.

## 2 RUFFER PERFORMANCE VERSUS GLOBAL EQUITIES AND FIXED INCOME



Source: Ruffer Investment Company Limited, Bloomberg, data to June 2023. Global equities represented by FTSE All World Index Total Return, GBP. Global bonds represented by Bloomberg Global Aggregate Total Return, GBP.

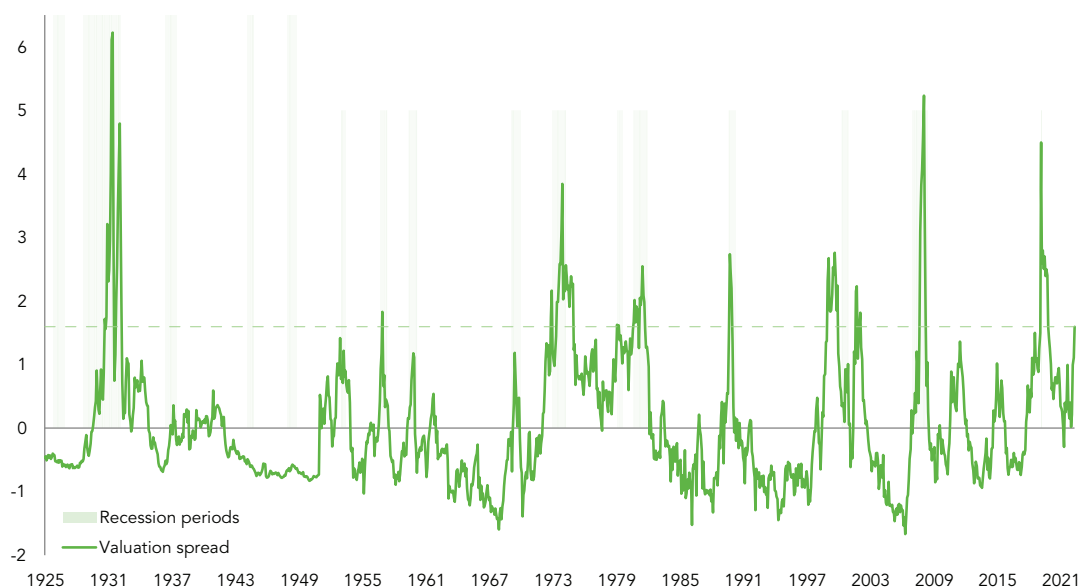
We share in the pain of our shareholders in having lost money over the past year and acknowledge this represents a failure of our objectives. We hope that this report will allow you to share in our optimism for the coming period.

However, as NFL Hall of Fame Quarterback Troy Aikman said, “Things are never as good as you think they are or ever as bad as you think they are.”

We should not do a post-match analysis when the game is still ongoing, but it is worth reflecting on the drivers of negative performance in the year to date. We came into the year concerned about liquidity withdrawal and recession risks. We would contend these concerns were justified then and are still justified now. Our principal mistakes arose in the expression of these views. If one was bearish, it was possible to sit in treasury bills and earn 4%. We held around 35% of the portfolio in cash or equivalents during the period whilst also pursuing our usual balance of protection and growth assets. Unfortunately our protection and growth scales have been miscalibrated for much of the latter part of the reporting period.

Two factors have hurt the portfolio. Firstly, the surge in dispersion, so that only a narrow element of growth and equity assets, dominated by technology (as in 1999 and 2020), powered the indices higher. As a result, the oil and commodity exposure held did not offset the costs of protection. Worse, they increased the drag on performance. The silver lining is that current high levels of dispersion should offer rich pickings for active managers going forward.

### 3 US VALUATION SPREADS, TOP QUINTILE COMPARED TO THE MARKET AVERAGE



Source: Empirical Research

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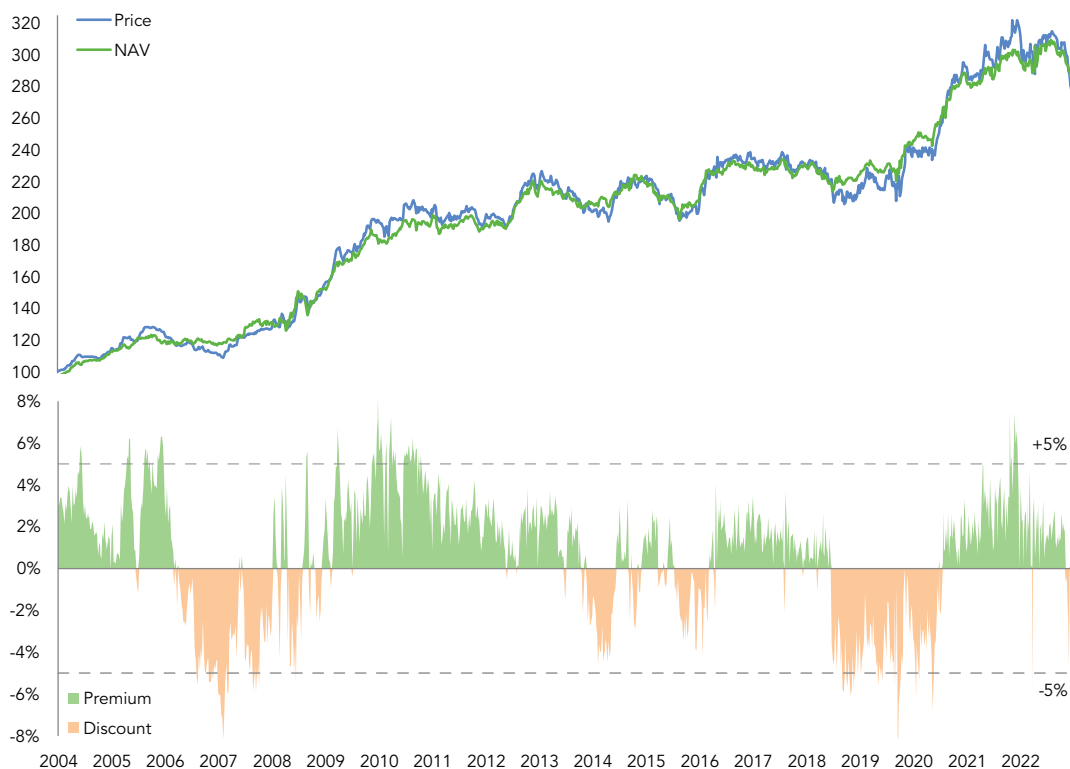
Secondly in currencies, a double whammy – yen weakness and surprising sterling strength. This is a direct echo of our experience in 2007, where holding the Swiss franc and yen cost the portfolio until the crisis came and they rose spectacularly, just when we needed them.

So, in 2023 we have faced a combination of the headwinds that made life difficult before the last two major market crises. The challenge is that we face them concurrently today and with the additional cost of holding credit and equity protection that has a negative carry. But we have been here before. Feeling uncomfortable is necessary if seeking to perform differently from the crowd. Crucially though, a significant chunk of the losses are unrealised and we believe we these are still in play.

### Premium/discount

There have been four significant periods where Ruffer Investment Company has traded on a discount since 2004, including today.

#### 4 PREMIUM/DISCOUNT



Source: Ruffer Investment Company Limited, data to 30 June 2023

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Buying RICL on a discount has been a strategy with a high hit rate. On those four significant occasions, the three year share price performance invariably bounced back handsomely.

#### Performance contributions for six months to 30 June 2023

Given the Company's defensive posture coming into 2023 and the unexpected strength of equity markets, our protective assets dragged in the six months to 30 June. Option protection via the Ruffer Protection Strategies Fund cost -2.6%, driven mostly by equity puts and VIX call options (equity volatility has fallen remarkably, down 30% since its May peak and back to pre-pandemic levels). Credit protection, held via the Ruffer Illiquid Multi-Strategies Fund 2015 Ltd, also cost as spreads remained tight, contributing -1.4%. Sterling strength, particularly against the yen, weighed on performance. Non-sterling currency exposure cost -2.7% to performance.

What has perhaps been more frustrating is the lack of offset. Firstly, a low equity weight has been insufficient to balance out the cost of protection. Secondly, as noted, performance in equity markets has become increasingly concentrated, with markets driven by a very narrow group of stocks to which we have had limited exposure. The small bright spot has been modest allocations to Meta Platforms (+138%) and Amazon (+55%), along with the positions in Japanese equities such as Sony (+35%) and Mitsubishi Electric (+56%). Additionally, our exposure to commodities and equities more geared to the real economy have suffered from recession fears and a lacklustre China re-opening. Our exposure to Brent crude oil and copper ETCs cost -0.6% over the period in question.

Finally, higher long-term interest rates in the UK and the US have hurt the allocation to inflation-linked bonds, the long-dated index-linked gilts costing -0.7% in performance terms. Despite the rise in real yields, gold exposure and gold equities were a positive contributor adding +0.2%.

#### Performance contributions for 12 months to 30 June 2023

The drivers of performance over 12 months were broadly similar to those shaping the first half of 2023. Equities delivered +2.3% to performance, with BP being the largest single contributor (+0.5%). The position has gone from a 2.4% weighting to 0.5% over the period, with energy being one of the key areas reduced as part of a wider de-risking of the portfolio.

Gold exposure and gold equities added +0.2%. We were active in trading the metal over the 12-month period, reducing exposure by 6% over the first three months as we became nervous of a liquidation in asset markets. The position was rebuilt at the start of 2023 back up to 7.5% but we steadily took some profits as dangerous liquidity dynamics have reasserted themselves.

As with the last six months, the credit protections and commodity exposures dragged performance, costing -3.2% and -0.5% respectively.

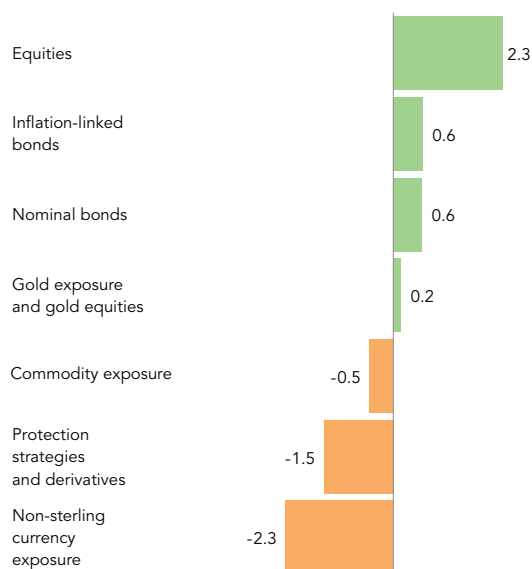
The exceptions were our index-linked exposure and our derivatives.

In the last quarter of 2022, we actively traded index-linked gilts (including through the September turmoil) which added meaningful performance. We also increased exposure to long-dated US inflation-linked bonds at the lows and enjoyed the recovery as real yields fell in the last few months of the calendar year.

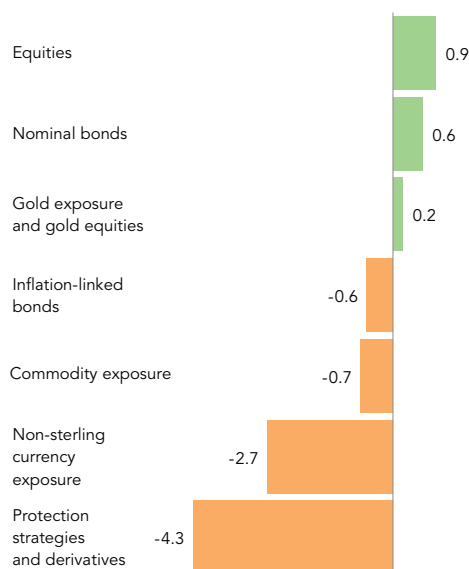
With regards to the derivatives, interest rate option protection continued to benefit as it did in the first half of 2022 from sharply rising interest rates, as well as our equity downside protection – a Tesla put adding +0.9%. In the period, we also used upside derivative exposure to tactically increase equity exposure into the bear market rallies, with an S&P500 call spread contributing +0.6%.

## 5 PERFORMANCE ATTRIBUTION

30 JUNE 2022 – 30 JUNE 2023 (12M)  
% CONTRIBUTIONS



31 DECEMBER 2022 – 30 JUNE 2023 (6M)  
% CONTRIBUTIONS



Source: Ruffer Investment Company Limited. Percentage contribution to portfolio returns. Totals may not equal NAV total return performance due to rounding, attributions showing gross of fees and in local currency terms.



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### Portfolio changes

In recent months, we have further moved the portfolio into a defensive posture, given we believe investors face the twin threats of recession and a withdrawal of liquidity from financial markets. These adjustments included

- 1 Reducing equities to a 14% weighting, whilst simultaneously increasing equity downside protection by adding index put options and VIX call options, the first time we have allocated to these instruments since 2020.
- 2 Increasing portfolio duration, primarily by adding to long-dated US inflation-linked bonds. We have high conviction that the rise in real yields is likely to prove temporary and too much for financial markets (and the economy) to handle and thus expect lower real yields to follow.
- 3 Increasing exposure to the yen and US dollar, currencies we expect to appreciate in a period of market stress.
- 4 Reducing gold and copper exposure.

### Investment outlook

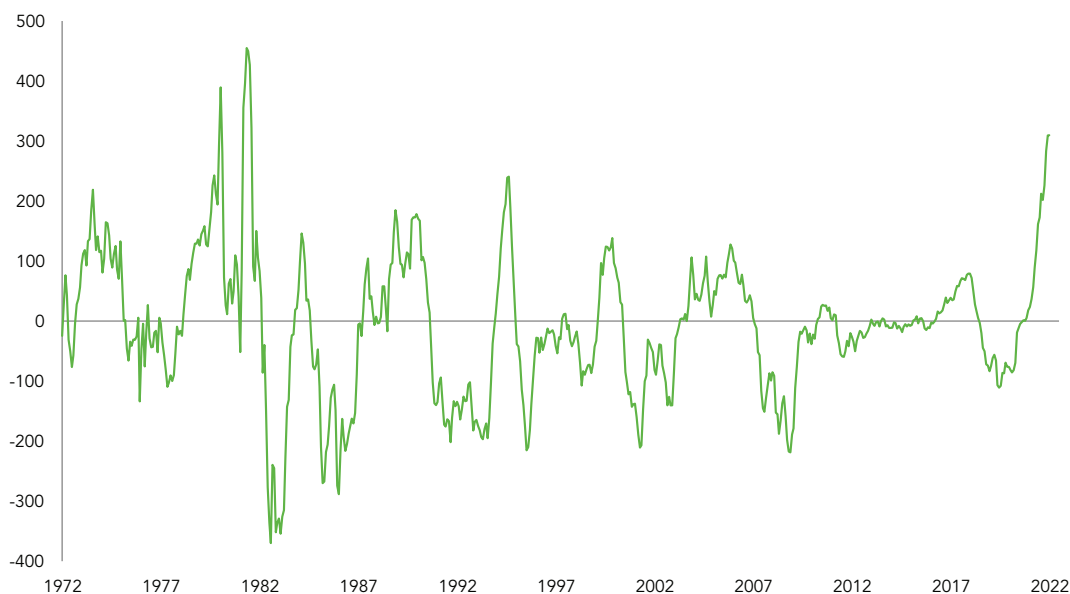
#### The cyclical

The recession, when it comes, will arrive with a sudden thud. Sentiment, valuation and market narratives are akin to an echo-bubble of 2021. The pessimism of 2022 has been forgotten and the markets are pricing a soft landing fuelled by AI-driven productivity improvements.

The key dynamic is that monetary policy and liquidity withdrawal work with Milton Friedman's infamous long and variable lags, but their inevitable bite on economic activity and asset prices is coming. Perhaps, in our caution, we underestimated the willingness of the US consumer to keep spending in a strong labour market. The evolution of the UK mortgage market from predominantly variable, to predominantly fixed rate deals, has increased the time between a rate rise and the impact on consumer finances. Further, accumulated lockdown savings have offset the cash flow squeeze from inflation and interest rates. This buffer could either attenuate the pain or delay the reckoning; having been mostly spent it now seems likely it will be the latter.

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## 6 CHANGE IN MONETARY STANCE ACROSS DEVELOPED MARKETS, LAST 12M, BPS



Source: Datastream, data to November 2022.

The past 18 months have seen the largest globally synchronised, monetary tightening cycle for over a generation – and it isn't over yet. There are more hikes to come. Furthermore, the market has yet to price in the higher for longer rates that policymakers are now promising.

Not many would have predicted rates could rise 500 basis points in the US and markets would be within 10% of their all-time highs and the economy would not be in recession. If the economy and markets can handle higher rates, why did we spend 14 years at zero interest rates? But remember we still have negative real rates in the UK and Europe and barely positive real rates in the US so arguably policy is too loose. No interest rate cycle in history has ever ended with negative real rates, so either inflation has to come down hard or rates are going to keep going up.

And it isn't just rates either – there are other monetary policy levers at play draining liquidity from the system – we also have the unwind of quantitative easing via quantitative tightening at US\$95bn per month and the refilling of the Treasury General Account which will take net bill issuance to circa US\$550bn in the third quarter of 2023.

In addition to which, earlier this year we published [Blood on the tracks](#) about the no-win situation currently faced by policymakers. Central bankers have competing goals: on the one hand, efforts to forestall a banking crisis; on the other, bringing inflation down to target. The first requires monetary policy easing, the second monetary policy tightening. Policymakers face an impossible but unavoidable choice – let inflation take root, or act and risk a financial system calamity.

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There is an old aphorism that the Fed always tightens until something breaks. Despite the ebullient backdrop there is no doubt that the highly leveraged financial system is creaking, and cracks are emerging. In Q4 2022 we had the LDI meltdown in the UK gilt market, followed swiftly by the collapse of FTX in one of the largest corporate frauds in history. The first quarter of 2023 made those look rather sedate as three of the top 30 US banks succumbed to deposit flight and Credit Suisse was hastily shotgun wedded to UBS over a weekend in a bailout eerily reminiscent of the financial crisis.

These things are a process, not an event. When referencing the global financial crisis, one likely thinks of September 2008. Yet events began to unfold in September 2007 with Northern Rock, then there were six months before Bear Stearns, then another six months before Lehman Brothers and then another six months before the market bottomed in March 2009. The S&P 500 had several rallies of greater than 10% but each one was a false dawn as crisis re-asserted itself and dominos began to fall. Experienced investors were lulled into believing the worst had passed, that sub-prime was contained and that a soft landing was assured.

Currently markets are increasingly certain that policy makers will be able to bring inflation back to target and will do so without creating any financial instability; the much-fabled soft landing alongside an immaculate disinflation. Yet it would be highly unusual for the inflation bogeyman to be slain with household net worth rising, unemployment still at record lows and without a recession.

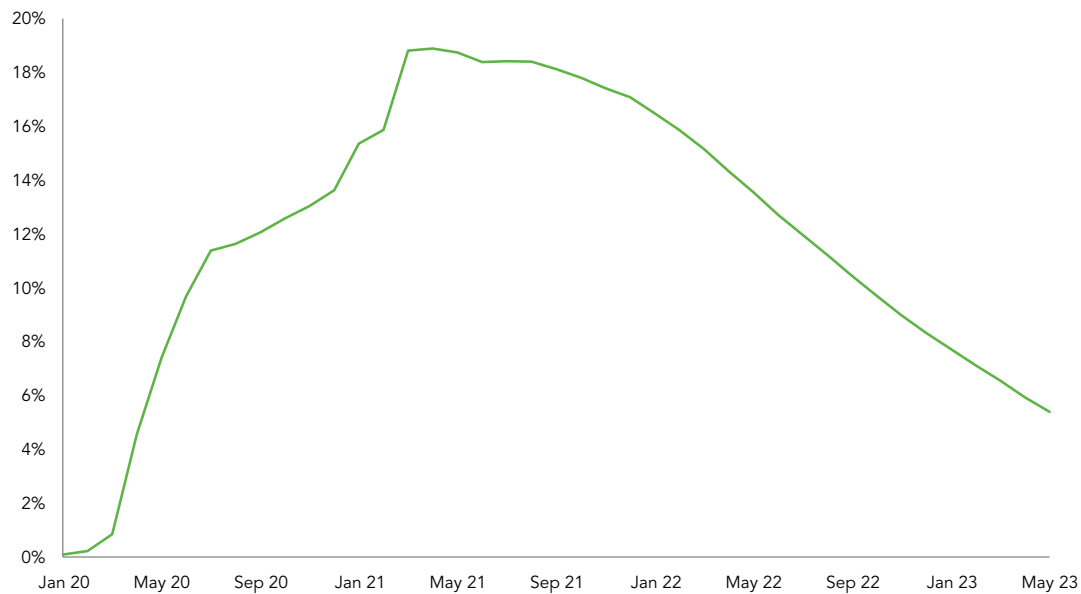
### The case for a recession

The evidence is strong that we are approaching a developed world recession. We will look back and say the signs were there; markets chose, temporarily, to ignore them. Specifically, what are we referring to?

- yield curves are deeply inverted around the globe – a reliable predictor of recessions
- a substantial and abrupt hiking cycle – 500bps on Fed Funds Rate plus quantitative tightening, probably amounts to at least 600bps of effective ‘tightening’. Plug that tightening into any macro model and you get a substantial drag on growth
- the Fed and other central banks have admitted a recession is a price worth paying to tame inflation
- the US personal savings rate has collapsed to the lowest level since 2013 and pandemic excess savings are running out (chart 7).
- savings and Loan Officers Survey showing significant tightening of credit conditions/banks willingness to lend only previously seen in recessions (chart 8).

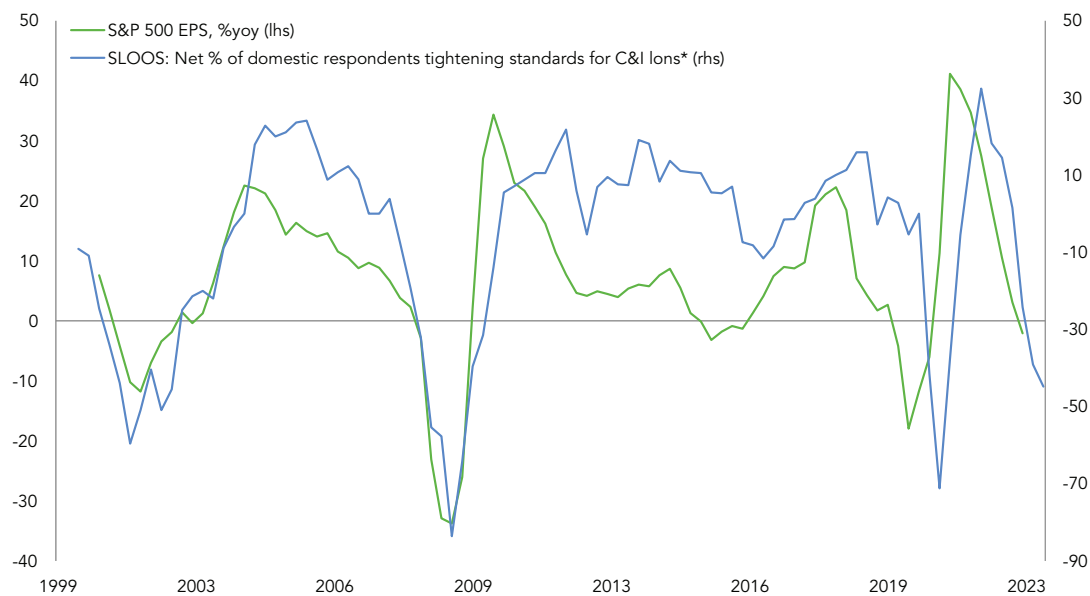
- bank failures, deposit flight and tightening of capital requirements are constraining ability to lend
- cracks appearing in the US labour market with average hours worked falling, and temporary worker reductions at 30-year highs
- the inventory to sales ratio in the US is at a 25-year high
- broadly measured economic activity is heading in the wrong direction (chart 9).

### 7 ESTIMATED STOCK OF US PERSONAL SECTOR 'EXCESS SAVINGS', % OF PCE



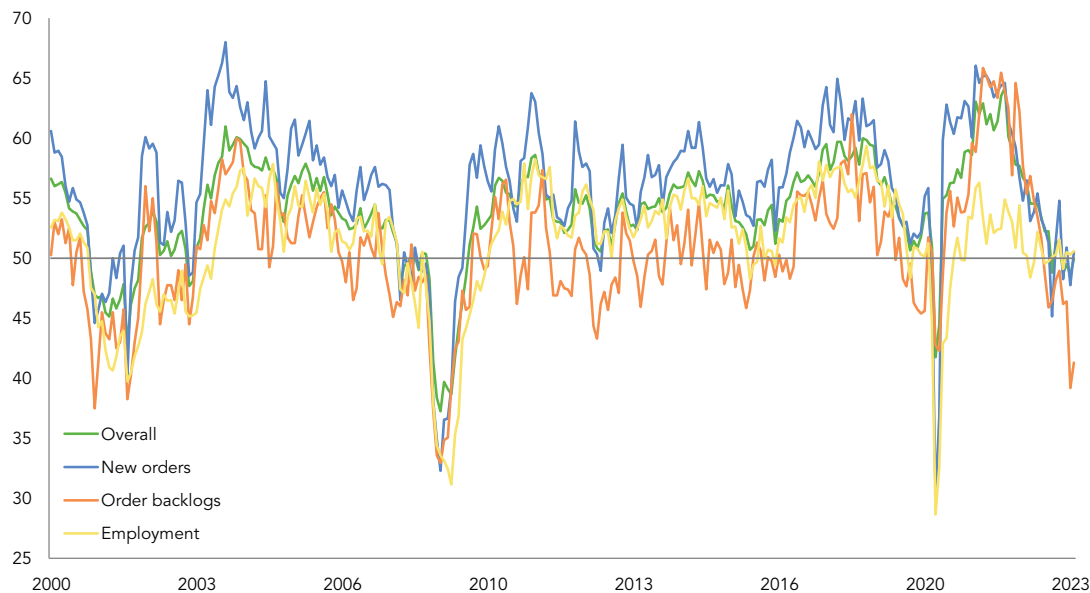
Source: BEA, Ruffer calcs, sum of gaps between current value and pre-covid trend of underlying components of personal sector income/outlays, PCE excludes imputed outlays

## 8 CREDIT CONDITIONS ARE WORSENING



\* Large and medium firms (inverted, 6m forward). Source: S&P Global, Federal Reserve System. Data to September 2023

## 9 US ECONOMIC ACTIVITY



Source: FactSet, data to June 2023

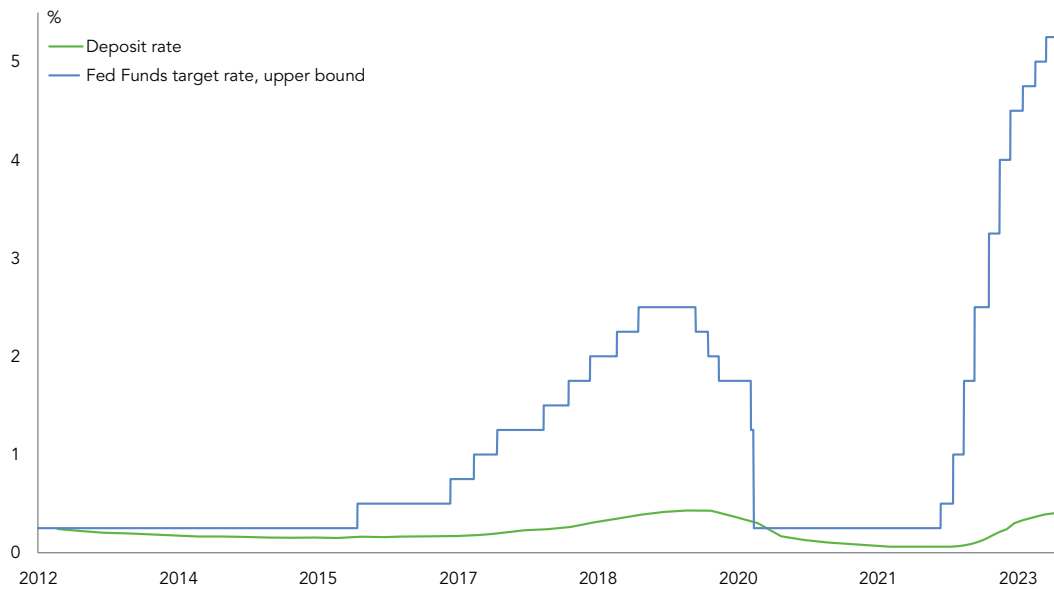
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## An update on the liquidation thesis

Last summer our CIO Henry Maxey wrote that **markets were vulnerable to a liquidation**.

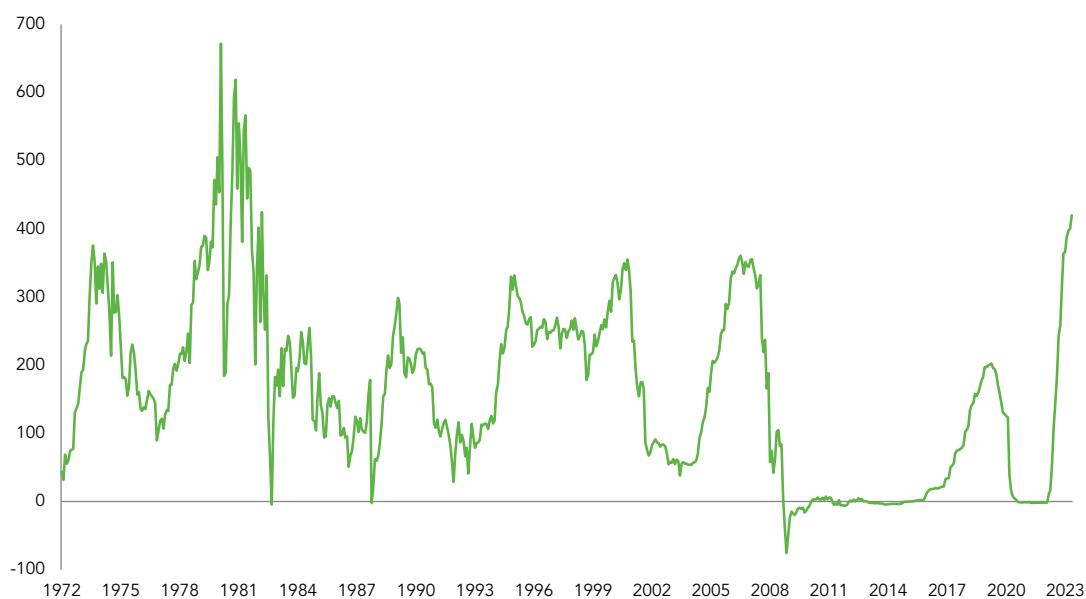
Like the recession, this is taking slightly longer than we expected to materialise, but events are moving our way. It might not feel like it, but we are in a banking crisis. This chart shows the gap between the Fed funds rate offered via money market mutual funds and the rate offered on deposit by banks. It is at a 40 year high.

### 10 FED FUNDS RATE AND US NATIONAL DEPOSIT RATES



Source: FactSet. Federal Reserve Bank of New York. US Federal Deposit Insurance Corporation. Data to June 2023

## 11 EXCESS YIELD ON MMMFS



Source: SEC, Refinitiv, Centre for Financial Stability, Federal Reserve, bankrate.com. Data to May 2023

Investors can achieve a huge uplift in yield and reduce their counterparty risk by moving money from bank deposits to money market funds or Treasuries. It is therefore no surprise that US\$750bn has fled US bank deposits since June 2022. This flight is entirely rational. But like a tragedy of the commons, what is good for one, will be deleterious to the whole.

This is important. In caricature, if cash is deposited at JPMorgan then it is used to fund their investment bank and is fired around financial markets. Money at a regional bank might be used to fund small enterprise loans and commercial property. If that money ups sticks and moves to money market funds and government bonds – it loses its monetary velocity. Money is being sucked towards the centre of the financial system which reduces the risk-taking capacity of the system as a whole and reveals fragilities in the peripheral institutions.

Another element of the liquidation process is that investor portfolios have not yet moved to reflect the new economic reality.

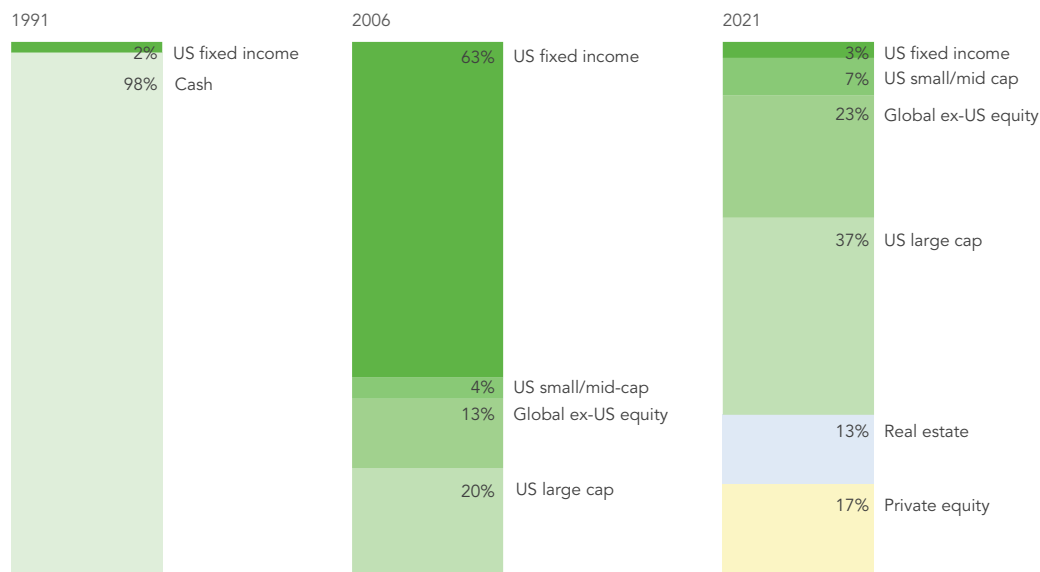
The chart below shows what portfolio an investor would have to own to earn a 7% expected return. In 1991, effectively all cash. In 2006 a low-risk multi-asset blend. By 2021 investors had to be all-in on risk assets.

Originally, we used this chart as a warning that investors were taking too much risk in a world of zero interest rates, the entire investment industry had iterated towards the riskiest end of their mandates to chase those returns. This was beautifully put to us by an American endowment who

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said their “public market guys were doing privates, their privates were doing venture and their venture guys were doing crypto.”

## 12 ESTIMATES FOR PORTFOLIO INVESTORS TO EARN A 7% RETURN



Source: Callan Associates

Today, we are on a journey to reverse the excess of risk taking forced by zero interest rates. We have gone from a world of ‘there is no alternative’ to a world of many alternatives – this is a profound change.

Every asset allocator or investment committee in the world is looking at this data. The conclusion is that they no longer need to own the same quantity of risk assets to hit their expected return target. A 7% expected return portfolio could have a near zero weighting in equity.

So what? The danger is that everyone is pointing in the same direction, seeking to move from risky assets to less risky assets, potentially all at once. If everyone is a seller, who is the buyer? We worry about a global, synchronised de-risking of portfolios. This isn’t about the investment merits of individual asset classes, this is a profound change in the landscape in which people seek to achieve their investment objectives.



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## The secular

The evidence continues to mount that we have entered a new investment regime of higher and more volatile inflation. The economic landscape has shifted to deglobalisation, renewed labour bargaining power and conflict between the ‘great powers’.

It is clearer than ever that we have shifted to a more interventionist, age of emergencies. First it was covid, then empty supermarket shelves, the climate emergency, Ukraine, the energy crisis, the cost-of-living crisis, the regional banking meltdown and the mortgage apocalypse. Each iteration is met with a clamour for government action to whack-a-mole the problem with a fiscal response. Political parties both left and right have become interventionists, with only the flavour of the solutions varying. The ‘invisible hand’ is being replaced by the ‘visible hand’ of government directed capitalism.

*“So inflation must go. Ending it cannot be painless. The harsh truth is that if policy isn’t hurting, it isn’t working.”*

Sir John Major, 1989

This austere sentiment is hard to imagine from a politician today. The Bank of England raises rates, and the government responds to knee-jerk popular demands to implement an offsetting relief package thereby short circuiting the effects of the tightening. There is simply not the political or popular appetite for the sustained restrictive monetary policy that would be needed to properly deal with these new inflationary forces. The consequence is an ameliorated recession, stickier inflation and ever-growing debt and deficits.

There are two near certainties for which we believe the evidence is mounting. Democracies choose inflation as the least painful path of deleveraging, and politics trumps economics. The inflation fighting orthodoxy and resolve of central bankers will be much harder to maintain in the face of recession and political pressures as we get closer to the 2024 elections on both sides of the pond. The track record of incumbents winning when the economy is in recession is very poor.

Looking through short-term cyclical oscillations, we expect nominal interest rates to stay elevated for longer but could see negative real yields and unstable correlations between asset classes for quite some time to come.

What is so interesting is that this is all beginning to feel inevitable and yet the market remains incredibly sanguine about this new world dis-order with prices reflecting the opposite end state. This is the 30 year US breakeven inflation rate – what the market thinks inflation will be on average plus a risk premium for uncertainty about the future path of inflation.

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### 13 US 30 YEAR BREAKEVEN RATE, %



Source: FactSet, Federal Reserve of St Louis, data to June 2023

We think this is either a remarkable endorsement of central banker credibility or a failure of imagination on the part of the market. Despite the litany of surprising events in the last few years from Brexit to Trump to lockdowns and 40 year highs on realised inflation, long term inflation expectations are anchored and in line with the ‘old regime’ average of the last 20 years of around 2%.

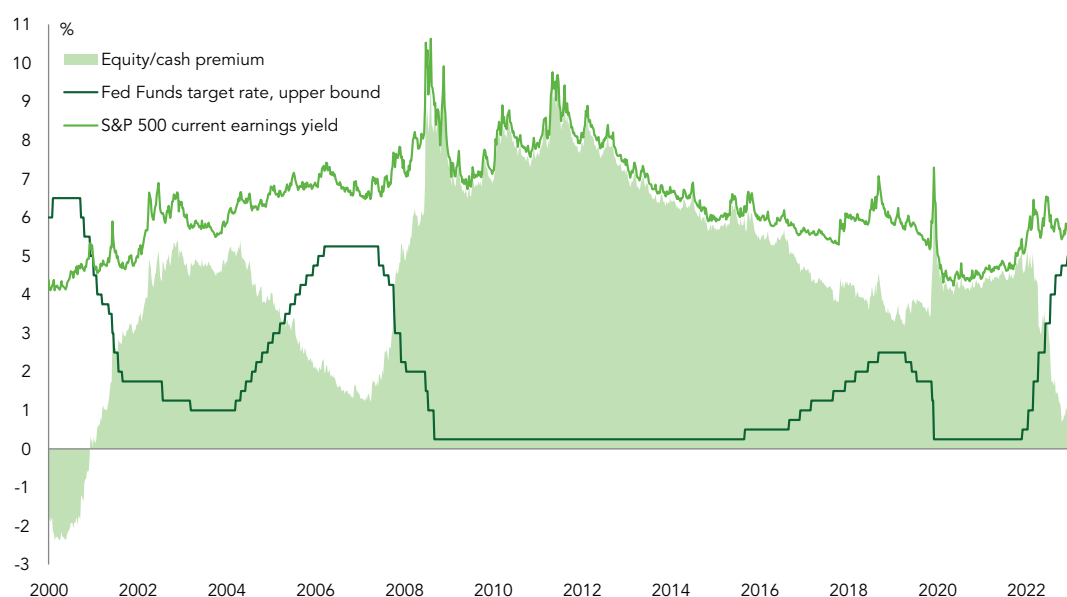
This is the opportunity. We have a variant perception from the market and if that is right there is significant money to be made. One of the most attractive investment themes in coming years will be finding various ways to be long realised inflation versus implied inflation. But first we must navigate the disinflationary lurch of a recession.

#### Portfolio shape

The uncertainty of the economic, inflation and policy outlook, in the context of an unusual cycle, means we must acknowledge the possibility of the immaculate disinflation. But we wouldn’t want to bet on it. We have high conviction in our view, even if sentiment and pricing have moved against us in the short term.

Not participating in risk assets is easier when valuations don't reflect the risks we observe. The portfolio has a record low equity weighting of 14% because the equity risk premium looks remarkably low.

#### 14 US EARNINGS YIELD VERSUS FED FUNDS



Source: FactSet, Ruffer LLP, data to June 2023

Howard Marks has said that you can have good news or good prices, but not both. We believe US equities in particular offer bad news and bad prices.

Where we are taking risk is in commodities. What if stability is maintained? For this to happen economic growth will need to surprise on the upside. This makes oil and other commodities a key component of our growth assets. We have around 7% in energy assets. The US Strategic Petroleum Reserve has been run down and will need to be rebuilt. There are strong hints the Chinese Strategic Petroleum Reserve may also have been opened. OPEC+ production cuts are imposing supply discipline on the market. Financial positioning has been blown out, sinking to levels not seen since 2007. We believe the asymmetry is in our favour: commodities seem to be pricing in a recession; equities are not.

## 15 WTI CRUDE OIL, \$/BBL



Source: FactSet. Data to June 2023

On the other side of the book, the protections in the portfolio are of three types. Structural protection against a new regime which is likely to be characterised by rising and more volatile levels of inflation; shorter-term (and powerful) unconventional protections against the potential financial instability caused by tighter liquidity and higher interest rates; and protection against the likely recession that will follow. Taking a cautious view can be painful, but history tells us that not long after these periods the risks emerge which lead to significant drawdowns in markets.

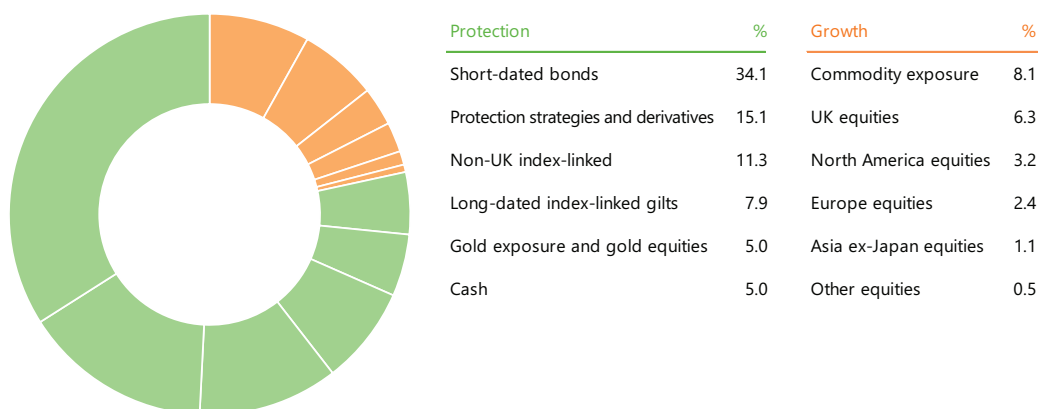
We have a 16% exposure to the yen which offers a very interesting situation. Historically, the yen has been a safe haven currency – it rose by 48% against GBP in the GFC. Therefore, a yen allocation should add defensive characteristics to a portfolio. The setup is attractive because the currency is cheap on conventional valuation metrics and sits at its lowest level against GBP since 2015 and since 1998 against the USD. We have an imminent catalyst in that there has been significant monetary policy divergence recently and the new Bank of Japan Governor will likely be forced to end yield curve control – the main driver of yen weakness. This should lead to Japanese bonds down and currency up, which should also benefit our small position in Japanese rate payer swaptions.

In the unconventional toolkit, the prospects from here for VIX calls, equity puts and credit protection to punch as hard as they did in 2018, 2020 or 2022 is tantalising.

The portfolio remains highly liquid and defensive as we wait for better opportunities to emerge, we believe in the coming quarters. After a 2023 rebound, asset allocators can convince themselves 2022 was an aberration for the 60/40 portfolio and therefore new, more thoughtful portfolio construction and diversification efforts are not required. We believe this is a mistake – gold, commodities, negative duration (via payer swaptions), asymmetric hedges and the ability to be short equities will all be useful tools in the toolkit.

In summary, the portfolio needed today – low gross, defensive – to survive the oncoming recession and liquidation is not the portfolio needed in 12-18 months when the economy is recovering and stimulus is back on the table. It’s not the Fed that needs to pivot, it will be investors.

## 16 ASSET ALLOCATION



Source: Ruffer Investment Company Limited, data as at 30 June 2023

# Portfolio statement

as at 30 June 2023 (unaudited)

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Government bonds 53.10%				
(30 Jun 22: 36.42%)				
Non-UK index-linked bonds				
US Treasury inflation indexed bond 0.625% 15/01/2026	USD	45,000,000	43,061,439	3.93
US Treasury inflation indexed bond 0.625% 15/02/2051	USD	26,467,000	16,109,479	1.47
US Treasury inflation indexed bond 0.625% 15/02/2052	USD	69,810,000	39,501,057	3.61
US Treasury inflation indexed bond 0.625% 15/02/2053	USD	32,523,000	25,308,007	2.31
<b>Total non-UK index-linked bonds</b>			<b>123,979,982</b>	<b>11.32</b>
Long-dated index-linked gilts				
UK index-linked gilt 0.375% 22/03/2062	GBP	10,744,368	14,677,291	1.34
UK index-linked gilt 0.125% 22/11/2065	GBP	9,800,000	11,099,223	1.01
UK index-linked gilt 0.125% 22/03/2068	GBP	19,020,000	22,440,548	2.05
UK index-linked gilt 0.125% 22/03/2073	GBP	37,500,000	38,225,049	3.49
<b>Total long-dated index-linked gilts</b>			<b>86,442,111</b>	<b>7.89</b>
Short-dated bonds				
Australia 0.25% 21/11/2024	AUD	36,200,000	17,982,361	1.64
Australia 2.75% 21/04/2024	AUD	42,000,000	21,769,089	1.99
UK gilt 2.25% 07/09/2023	GBP	24,000,000	23,867,280	2.18
UK gilt 0.75% 22/07/2023	GBP	23,152,000	23,097,361	2.11
Japan 0.005% 01/04/2024	JPY	6,379,450,000	34,863,578	3.18
Japan 0.005% 01/05/2024	JPY	6,378,900,000	34,861,268	3.18
Japan 0.005% 01/06/2024	JPY	6,379,450,000	34,866,363	3.18
Japan 0.005% 01/07/2024	JPY	6,380,300,000	34,871,706	3.18
Japan 0.005% 01/08/2024	JPY	6,391,900,000	34,939,991	3.19
US Treasury floating rate bond 31/10/2024	USD	69,862,000	55,027,255	5.03
US Treasury floating rate bond 31/01/2024	USD	69,923,800	55,037,952	5.03
<b>Total short-dated bonds</b>			<b>371,184,204</b>	<b>33.89</b>
<b>Total government bonds</b>			<b>581,606,297</b>	<b>53.10</b>

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Corporate bonds 0.20%				
(30 Jun 22: 0.22%)				
PFCLN 9.75% 15/11/2026	USD	3,600,000	2,211,380	0.20
<b>Total corporate bonds</b>			<b>2,211,380</b>	<b>0.20</b>
Equities 13.54%				
(30 Jun 22: 26.66%)				
<b>Europe</b>				
Arcelormittal	EUR	144,081	3,086,654	0.28
Banco Santander	EUR	410,000	1,192,442	0.11
Bank of Ireland	EUR	341,790	2,566,435	0.24
Bayer	EUR	113,200	4,929,944	0.45
Dassault Aviation	EUR	12,600	1,985,770	0.18
Grifols	EUR	35,480	357,940	0.03
Groupe Bruxelles Lambert	EUR	24,100	1,494,420	0.14
Danone	EUR	38,600	1,862,167	0.17
Hellenic Telecom	EUR	43,650	589,652	0.05
JDE Peets	EUR	66,690	1,561,086	0.14
Orange	EUR	55,016	505,862	0.05
Prosegur Cash	EUR	720,973	368,014	0.03
Vallourec	EUR	250,541	2,326,283	0.21
Vivendi	EUR	225,000	1,625,290	0.15
Volkswagen	EUR	15,200	1,604,510	0.15
<b>Total Europe equities</b>			<b>26,056,469</b>	<b>2.38</b>

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
<b>United Kingdom</b>				
Admiral Group	GBP	89,675	1,866,137	0.17
Ashmore	GBP	530,000	1,101,340	0.10
BAE Systems	GBP	177,010	1,640,883	0.15
Balfour Beatty	GBP	305,000	1,039,440	0.09
Beazley	GBP	272,700	1,604,840	0.15
BP	GBP	1,123,582	5,150,500	0.47
British American Tobacco	GBP	19,527	509,167	0.05
Conduit	GBP	274,000	1,263,140	0.12
GSK	GBP	115,800	1,608,230	0.15
Glencore	GBP	691,356	3,073,077	0.28
Grit Real Estate	GBP	3,743,544	1,123,063	0.10
Haleon	GBP	232,500	749,115	0.07
Hipgnosis Songs Fund	GBP	5,000,000	3,980,000	0.36
Jet2	GBP	124,200	1,547,532	0.14
Man Group	GBP	345,600	754,790	0.07
Marks & Spencer	GBP	1,102,630	2,123,665	0.19
PRS REIT	GBP	2,500,000	2,007,500	0.18
Reckitt Benckiser	GBP	22,200	1,312,464	0.12
Renn Universal Growth Trust	GBP	937,500	0	0.00
Rolls-Royce Holdings	GBP	941,455	1,422,539	0.13
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	8,812,245	21,462,431	1.96
Science Group	GBP	345,250	1,450,050	0.13
Taylor Maritime Investments	GBP	4,515,000	3,386,250	0.31
Trident Royalties	GBP	7,557,947	3,401,076	0.31
Tufton Oceanic Assets	USD	2,562,500	1,976,895	0.18
Unilever	GBP	50,000	2,048,750	0.19
Vodafone Group	GBP	686,500	508,010	0.05
Whitbread	GBP	27,000	914,220	0.08
<b>Total UK equities</b>			<b>69,025,104</b>	<b>6.30</b>



	Currency	Holding at 30 June 23	Fair value £	% of total net assets
<b>North America</b>				
Amazon	USD	34,259	3,513,550	0.32
Bank of America	USD	36,500	824,360	0.08
Cigna	USD	16,533	3,650,848	0.33
Coty A	USD	283,000	2,735,763	0.25
Exxon Mobil	USD	15,800	1,333,479	0.12
General Electric	USD	19,500	1,686,275	0.15
General Motors	USD	54,000	1,638,747	0.15
GoDaddy A	USD	22,285	1,318,013	0.12
Grifols ADR	USD	66,561	478,916	0.04
Jackson Financial	USD	103,525	2,493,793	0.23
M&T Bank	USD	5,000	486,972	0.04
Meta Platforms	USD	9,260	2,091,026	0.19
Noble	USD	19,700	640,642	0.06
NOV	USD	123,100	1,554,376	0.14
Pfizer	USD	62,000	1,789,766	0.16
Pioneer Natural	USD	20,000	3,260,647	0.30
PNC Financial	USD	8,900	882,013	0.08
Ryanair ADR	USD	32,900	2,864,473	0.26
Suncor Energy	CHD	47,000	1,083,413	0.10
Synchrony	USD	14,299	381,704	0.04
<b>Total North America equities</b>			<b>34,708,776</b>	<b>3.16</b>
<b>Asia (ex-Japan)</b>				
Alibaba Group ADR	USD	72,655	4,767,216	0.44
Taiwan Semiconductor Manufacturing	USD	80,000	6,353,775	0.58
Weiss Korea	GBP	800,000	1,400,000	0.13
<b>Total Asia (ex-Japan) equities</b>			<b>12,520,991</b>	<b>1.15</b>

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
<b>Other equities</b>				
AMBEV SA	USD	2,422,044	6,044,147	0.55
<b>Total other equities</b>			<b>6,044,147</b>	<b>0.55</b>
<b>Total equities</b>			<b>148,355,487</b>	<b>13.54</b>
<b>Commodity exposure 8.08%</b>				
(30 Jun 22: 3.13%)				
Wisdomtree Brent crude oil	USD	1,812,000	61,935,795	5.66
Wisdomtree copper	USD	773,502	20,313,333	1.85
Yellow Cake	GBP	1,521,220	6,218,747	0.57
<b>Total commodity exposure</b>			<b>88,467,875</b>	<b>8.08</b>
<b>Gold and gold equities 5.00%</b>				
(30 Jun 22: 8.17%)				
Ishares Physical Gold	USD	907,624	26,664,983	2.43
LF Ruffer Gold Fund*	GBP	11,158,837	28,201,683	2.57
<b>Total gold and gold equities</b>			<b>54,866,666</b>	<b>5.00</b>
<b>Protection strategies and derivatives 15.10%</b>				
(30 Jun 22: 17.99%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	110,392,473	91,963,633	8.40
Ruffer Protection Strategies*	GBP	9,334,953	73,401,877	6.70
<b>Total protection strategies and derivativess</b>			<b>165,365,510</b>	<b>15.10</b>
<b>Total investments</b>			<b>1,040,873,215</b>	<b>95.02</b>
<b>Cash and other net current assets</b>			<b>54,500,621</b>	<b>4.98</b>
			<b>1,095,373,836</b>	<b>100.00</b>

\* 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. LF Ruffer Gold Fund and Ruffer SICAV Global Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

# Appendix

## Regulatory performance data

To 30 Jun %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RIC NAV TR	8.9	14.0	0.1	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	9.4	11.0	11.2	3.4	1.0	1.0	1.0	1.0	1.0	1.0
FTSE All-World	13.6	13.6	15.2	16.5	-8.0	-13.2	23.8	21.7	-4.0	21.4	9.6
Bloomberg Global Agg	-4.8	3.1	-5.7	-1.2	-0.1	3.4	3.4	-1.8	3.5	-1.7	1.9
	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annualised	
	-1.0	12.4	1.6	-6.0	8.4	13.5	11.4	3.0	-1.7		7.2
	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	-4.6	7.9		7.0
	1.0	1.0	0.5	1.0	1.5	0.5	0.2	0.7	6.5		3.2
	10.2	14.0	23.0	9.4	10.1	5.7	25.0	-3.6	11.7		8.3
	-0.3	4.1	-4.1	-2.1	3.5	2.2	-3.1	-11.4	-3.3		2.3

Source: Ruffer, Bloomberg, 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. © RAIFM 2023 © Ruffer LLP 2023.

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