



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

NOVEMBER 2012

ISSUE 90

Share price as at 30 Nov 2012

194.00p

NAV as at 30 Nov 2012

Net Asset Value (per share)

193.84p

Premium/(discount) to NAV

As at 30 Nov 2012

0.1%

RIC A Class since inception

Total Return (NAV)¹

124.3%

£ Statistics since inception

Standard deviation ²	2.00%
Maximum drawdown ³	-7.36%

¹Including 19.2p of dividends

²Monthly data (Total Return NAV)

³Monthly data (Total Return NAV)

Percentage growth in total return NAV

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
30 Sep 2007 – 30 Sep 2008	10.5

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
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

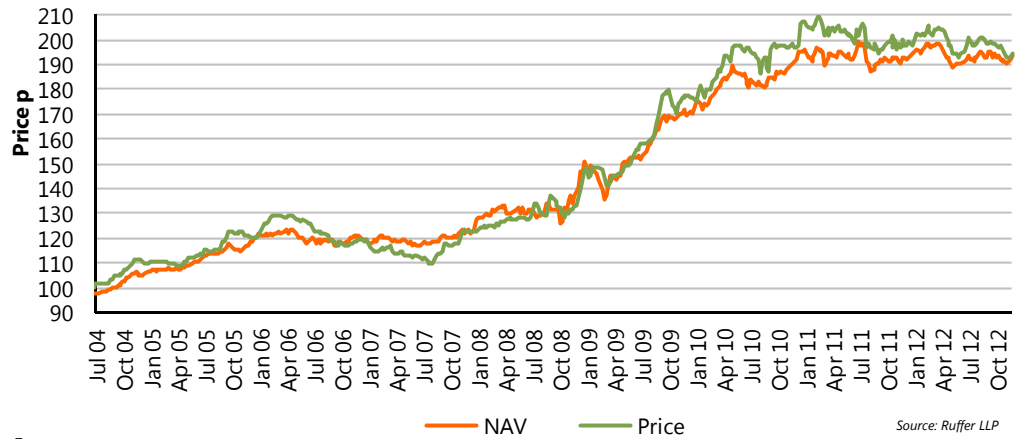
Dividends ex date: 0.5p 30 Mar 05, 30 Sep 05, 22 Mar 06 and 27 Sep 06, 1.25p 21 Mar 07, 26 Sep 07, 5 Mar 08 and 1 Oct 08, 1.5p 4 Mar 09, 30 Sep 09, 3 Mar 10, 1 Sept 10, 2 Mar 11 and 5 Oct 11, 1.6p on 29 Feb 12 and 26 Sep 12

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.

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 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



Source: Ruffer LLP

Investment report

Performance details

The net asset value at 30 November was 193.84p, representing a rise of 1.2% during the month. The FTSE All-Share rose by 1.8% on a total return basis.

Performance contributions and market commentary

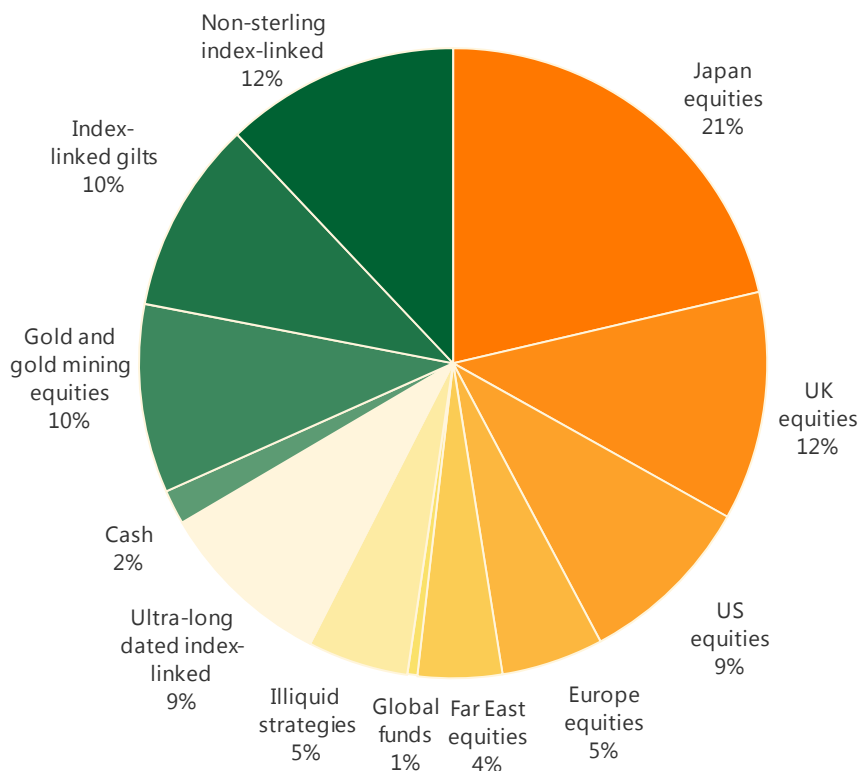
An early Christmas present was delivered by Prime Minister Noda in Japan when he unexpectedly called a general election for 16 December. The uncertainty created by an election is often accompanied by a fall in equity markets but in this case Japanese equities responded positively to the announcement; the yen weakened (by 3% against the dollar over the month) and equities rose with the Nikkei outperforming the S&P by 5.5%. With the currency hedged, our positions in Japan benefited as the equity returns were not diluted by the weakening currency. The reason for the reaction was that Shinzo Abe, the leader of the opposition and front runner in the polls, is a proponent of more aggressive (read looser) monetary policy in Japan. He favours an inflation target of 2-3% rather than the current 1% target and he would like to reform the law governing the Bank of Japan such that its ability to block the government's economic policies is reduced. This change may never be required as Shirakawa, the head of the Bank of Japan, will step down in the spring of 2013 and is likely to be replaced by a more pro-active and pro-stimulus committee member. If we think of Japan as an anaemic economy then this combination of events could well be the iron supplement that allows oxygen to start to move through the system. Japanese companies will benefit disproportionately from even a small amount of nominal growth; exporters and banks will likely gain most and this was seen in their performance in November.

We have witnessed many false dawns in Japan in recent years, but there does appear to be a new sense of urgency and a growing feeling that inaction cannot continue indefinitely. At the risk of administering the kiss of death there is good reason to be optimistic about this part of the portfolio.

Most other asset classes made small positive contributions; index-linked gilts rose as the CPAC consultation came to a conclusion; an announcement will be made in January. We topped up our long dated index-linked gilts at the end of October and thus far this purchase looks to have been well timed. Elsewhere, a long-awaited bid came in for the rail division of Invensys; the price offered by Siemens was generous and Invensys shares rose 38% during the month as the bid demonstrated the relative undervaluation of the company and it increases the likelihood of other parts of the business also being sold.

In terms of trading activity, it has been a relatively quiet period. We marginally lengthened the duration of our US index-linked bonds (switching from the 2015 issue to the 2022 issue) and topped up our holding in the dialysis provider Fresenius Medical Care. We took some money out of Mazda at a healthy 32% profit and reinvested the proceeds in an old favourite, Mitsui & Co, which has lagged the rise in the market due to softening demand for raw materials from China. It trades on a PE of 6.7, yields 3.8% and its balance sheet is healthier than those of its competitors. It is well positioned to benefit from even a marginal improvement in the outlook for the Chinese economy and will also be a beneficiary of a weaker yen.

Portfolio structure as at 30 Nov 2012



Source: Ruffer LLP

Ten largest holdings as at 30 Nov 2012

Stock	% of fund
1.25% Treasury index-linked 2017	8.1
US Treasury 0.125% TIPS 2022	5.8
1.25% Treasury index-linked 2055	5.6
US Treasury 1.625% TIPS 2018	4.7
Gold Bullion Securities	4.5
0.375% Treasury index-linked 2062	3.3
CF Ruffer Japanese Fund	2.8
T&D Holdings	2.7
Johnson & Johnson	2.4
BT	2.4

Five largest equity holdings* as at 30 Nov 2012

Stock	% of fund
Gold Bullion Securities	4.5
T&D Holdings	2.7
Johnson & Johnson	2.4
BT	2.4
Vodafone	2.2

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point	Weekly – Friday midnight Last business day of the month
NAV	£277.8m (30 Nov 2012)
Shares in issue	143,338,416
Market capitalisation	£278.1m (30 Nov 2012)
No. of holdings	57 equities, 7 bonds (30 Nov 2012)
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

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Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2012, funds managed by the group exceeded £13.8bn.



HAMISH BAILLIE
Investment Director

Joined Ruffer in 2002. He founded and manages the Edinburgh office of Ruffer LLP which opened in September 2009. He manages investment portfolios for individuals, trusts, charities and pension funds and is part of the team managing the Ruffer Investment Company which is listed on the London Stock Exchange. 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.