

# Ruffer Investment Company Limited

An alternative to alternative asset management

During April, the net asset value of the Company fell by 0.5%. This compares with a rise of 0.3% in the FTSE All-Share index.

April turned out not to be the kindest month. After a dismal first quarter, when investors lost money in both bonds and global equities, April gave us more of the same, only worse. Bond yields resumed their upward march as inflation hit new highs, making this year the worst period for benchmark US 10 year treasuries since 1788 - just before George Washington became president! Equity markets also disappointed with the S&P 500 off 8.8% in the month and the Nasdaq dropped 13.3%. The UK equity market outperformed again, holding steady in April. This is due to the sectoral composition – with a heavy bias to energy, miners and value - rather than a vote of confidence in the UK economy. Sterling fell almost 5% against the dollar, although admittedly most other currencies were also weak versus the greenback.

Against this backdrop the Company performed relatively well in April. Looking further back at year-to-date performance, there is some cause for satisfaction – up over 4% when almost all asset classes are well into negative territory. This month's gold stars for achievement went once again to the protection assets; interest rate options and credit protections. An honourable mention should go to the Company's equity holdings as energy stocks and what we call 'value defensives' (telecoms, healthcare and pharmaceuticals) made gains. Importantly of course, in any kind of bear market, it is what you don't own that matters more than what you do own. Our avoidance not just of profitless tech, but also of outrageously profitable (but expensive) tech, has allowed our equities in aggregate to make a positive return so far in 2022.

Having predicted the return of inflation for many years, we now doubt the resolution of central banks to raise rates sufficiently far to choke it off. However, there is little doubt that interest rates are set to rise further. This means the key question right now is what will break first, the market or the economy? With unemployment at record lows, it seems most likely to us that stock markets, bonds and credit snap before the economy hits recession, but we cannot be certain of this. There is also the risk that the bursting of over inflated bubbles in one part of the market can drag everything else down. Accordingly, we remain cautiously positioned with 36% in equities and now almost half of that in more defensive stocks. Should a recession be triggered we have positions in credit protection that should benefit the portfolio as corporate defaults rise.

The world has turned out to be more uncertain and more unpleasant than we expected at the start of the year. However, even as we watch what seems like a slow-motion car crash in equities, we remain confident that we can continue to protect investors' capital and make a reasonable return.

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.

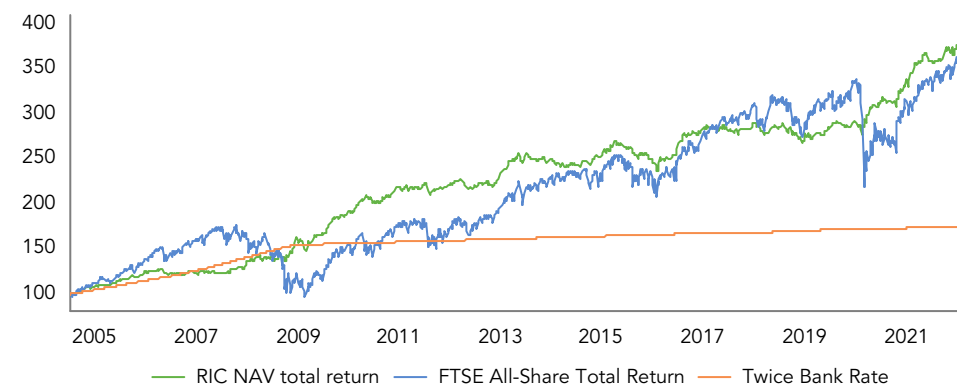


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## Investment objective

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.

## Performance since launch on 8 July 2004



Performance %	Net Asset Value	Share price	As at 29 April 2022	p
April 2022	-0.5	5.6	Share price	322.00
Year to date	4.6	9.4	Net Asset Value (NAV) per share	299.59
1 year	7.7	13.4		%
3 years	38.1	53.0	Premium/discount to NAV	7.5
5 years	36.1	42.9	NAV total return since inception <sup>2</sup>	286.7
10 years	74.6	81.0	Standard deviation <sup>3</sup>	1.87
Performance calculated on a total return basis (including reinvestment of income)			Maximum drawdown <sup>3</sup>	-8.62
			<sup>2</sup> Including 43.8p of dividends <sup>3</sup> Monthly data (total return NAV)	

12 month performance to March %	2018	2019	2020	2021	2022
RIC NAV total return	-1.4	-0.6	4.3	22.7	9.2
FTSE All-Share Total Return	1.2	6.4	-18.5	26.7	13.0
Twice Bank Rate	0.7	1.3	1.3	0.2	0.2

Source: Ruffer LLP, FTSE International (FTSE) †

# Ruffer Investment Company Limited as at 29 Apr 2022

## Asset allocation



## Asset allocation

	%
● Illiquid strategies and options	13.5
● Gold exposure and gold equities	10.6
● Long-dated index-linked gilts	10.3
● Index-linked gilts	9.1
● Cash	7.8
● Non-UK index-linked	7.4
● Short-dated bonds	5.1
● UK equities	16.6
● North America equities	7.4
● Japan equities	6.0
● Europe equities	4.5
● Asia ex-Japan equities	1.4
● Other equities	0.4

## Currency allocation

	%
● Sterling	65.0
● US dollar	15.5
● Yen	7.0
● Australian dollar	5.1
● Other	7.4

## Currency allocation



## 10 largest equity holdings\*

Stock	% of fund
BP	3.2
Shell	1.6
Cigna	1.3
Alibaba Group ADR	1.2
Vodafone Group	1.1
Mitsubishi UFJ Financial Group	1.0
Bayer	0.9
GlaxoSmithKline	0.9
Activision Blizzard	0.9
ORIX	0.8

## 5 largest bond holdings

Stock	% of fund
US Treasury 0.625% TIPS 2023	6.5
UK Treasury index-linked 0.125% 2068	4.0
UK Treasury index-linked 0.125% 2024	3.9
UK Treasury index-linked 1.875% 2022	3.3
UK Treasury index-linked 0.125% 2065	2.3

\*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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NAV £873.8m Market capitalisation £938.2m Shares in issue 291,375,637

## Company information

Annual management charge (no performance fee)		1.0%
Ongoing Charges Ratio*		1.08%
Ex dividend dates		March, October
NAV valuation point	Weekly, every Tuesday and the last business day of the month	
Stock ticker		RICA LN
ISIN	GB00B018CS46	SEDOL B018CS4
Administrator	Sanne Fund Services (Guernsey) Limited	
Broker		Investec
Custodian	Northern Trust (Guernsey) Limited	
Company structure		Guernsey domiciled limited company
Share class		£ sterling denominated preference shares
Listing		London Stock Exchange
NMPI status		Excluded security
Wrap		ISA/SIPP qualifying
Discount management	Share buyback Discretionary redemption facility	

\* Audited as at 31 December 2021

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## Fund Managers

### Hamish Baillie

#### INVESTMENT DIRECTOR

A graduate of Trinity College Dublin, he joined the Ruffer Group in 2002. Founded and manages the Edinburgh office of Ruffer LLP and is a director of Ruffer (Channel Islands) Limited. He is a member of the Chartered Institute for Securities & Investment.



### Duncan MacInnes

#### INVESTMENT DIRECTOR

Joined Ruffer in 2012. He graduated from University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and is co-manager of two of Ruffer's flagship funds.



## Enquiries

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## Ruffer LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2022, assets managed by the group exceeded £26.0bn.