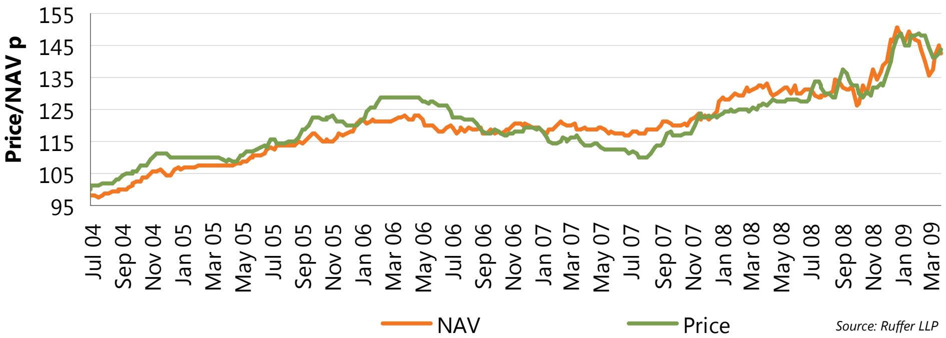
RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

Share price	143.75p	31 Mar 09
Net Asset Value (NAV)	142.4p	31 Mar 09
Premium (Discount) to NAV	0.9%	31 Mar 09
Launch price	100.00p	8 July 2004

RIC performance



Source: Ruffer LLP

Performance since inception RIC A Class

Total return (NAV)[1]	+55.5%

£ Statistics since inception

Standard deviation[2]	2.5%
Sharpe ratio[3]	0.66
Maximum drawdown[4]	-5.7%

[1]Including 8.5p dividend
[2]Monthly data
[3]Monthly data annualised
[4]Monthly data including 8.5p 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 net asset value of the portfolio at 31 March was 142.4p, giving a positive total return of 1.9% for the month, including a 1.5p dividend.

March unsurprisingly saw US fourth quarter GDP revised down from -3.8% to -6.2% and an announcement that the US would add quantitative easing and "credit easing" to their list of policy responses. The Fed will spend $300bn over the next three months buying two to ten year government bonds, $750bn on agency MBS and a further $100bn on direct agency debt. The Fed's money printing operation now totals $1.75tn which is double the amount committed to the Obama fiscal stimulus.

The Bank of England has cut its base rate to 0.5% and announced that it too will begin quantitative easing. It has announced that it intends to spend £75bn. The first reverse gilt auction saw £2bn bonds bought back at market prices from total offers of £10.5bn. However, gilt markets quickly gave up their knee-jerk gains following a failed forty year gilt auction and a nearly-failed thirty year auction soon after.

UK consumer inflation figures for February saw one of the biggest consensus misses on inflation for at least ten years. The headline CPI rate was expected to moderate from 3.0% in January to 2.6% in February but it instead rose to 3.2%. Evidence of deflation was expected in a fall in the RPI rate from 0.1% to -0.7% helped along by falling mortgage interest payments but it instead edged down to zero. Annual inflation rates rose in almost every category of spending on goods and services.

Equity markets enjoyed a bounce in March and our Japanese financial holdings benefited from this rally, including our holding in Nomura, which we had topped up at the beginning of the month.

The Yen continued to fall in March and has fallen almost 12% since the beginning of 2009 but our currency hedge has largely protected the portfolio from this move.

There has been quite a bit of activity in the portfolio this month. We banked a £540k profit in the Norwegian government bond of 2017 which we bought last month. Our 46% weighting in bonds is now entirely index-linked and this contributed to our positive performance during March.

We have switched our holdings in the shorter dated 2013 and 2016 UK index-linked bonds in favour of the 2022s and the ultra-long 2055s. Our central case of sharply negative real yields will see the longer duration index-linked bonds benefit the most and this is exactly what would have happened in the 1970's, we think, had they existed. The UK ultra-longs no longer look expensive against their shorter siblings, as they have always done in the past.

The Swedish Kroner fell by almost ten percent in a week at the beginning of March and we initiated a position in the Swedish index-linked bond of 2028 to take advantage of what we believe to be unfair punishment for its massive fiscal response to the crisis. We believe that Sweden will see an early return to inflationary conditions following the 350% increase in the central bank balance sheet since the end of last year.

Ten largest holdings at 31 Mar 09

Stock	% of fund
UK Treasury index-linked 1.25% 2017	10.1
US TIPS 2.375% 2025	7.9
Japan index-linked 1.3% 2017	6.0
UK Treasury index-linked 1.25% 2055	5.9
Japan index-linked 1.4% 2018	5.4
Annaly	4.6
Sweden index-linked 3.5% 2028	4.4
Newmont Mining	3.6
UK Treasury index-linked 1.875% 2022	3.5
Mitsubishi UFJ	3.1

Five largest equity holdings at 31 Mar 09

Stock	% of fund
Annaly	4.6
Newmont Mining	3.6
Mitsubishi UFJ	3.1
Nippon Telegraph & Telephone	2.7
Nomura	2.6

Percentage growth in Total Return NAV to 31 March 2009

31 Mar 08 – 31 Mar 09	31 Mar 07 – 31 Mar 08	31 Mar 06 – 31 Mar 07	31 Mar 05 – 31 Mar 06	31 Mar 04 – 31 Mar 05
+9.4%	+14.1%	-1.7%	+15.2%	n/a

Source: Ruffer LLP

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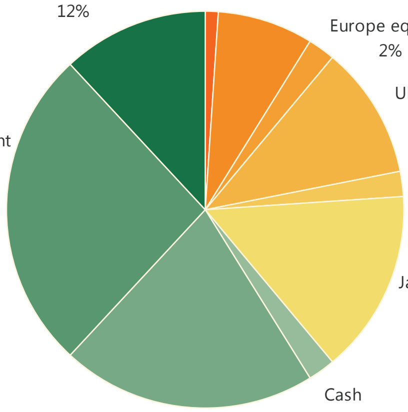
Six monthly return history

Date	31 Dec 04	30 Jun 05	30 Dec 05	30 Jun 06	31 Dec 06	30 Jun 07	31 Dec 07	30 Jun 08	31 Dec 08
NAV	106.7p	112.2p	120.5p	119.4p	119.6p	116.7p	124.2p	131.30p	150.90p
% growth	+8.9%	+5.6%	+7.9%	-0.5%	+0.6%	-1.4%	+7.5%	+6.7%	+16.0%

Dividends paid 0.5p 30 Mar 05, 7 Sept 05, 31 Mar 06, 27 Sept 06, 1.25p 30 Mar 07, 28 Sept 07, 31 Mar 08 and 01 Oct 08, 1.5p 27 Mar 09

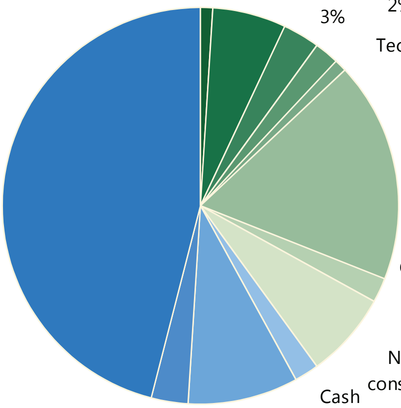
Source: Ruffer LLP

Geographical allocation 31 Mar 09



Source: Ruffer LLP

Asset allocation 31 Mar 09



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.*

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	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 www.ruffer.co.uk

RUFFER LLP
Ruffer LLP manages funds exceeding £3.7bn on an absolute return basis, including over £1.2bn in open-ended Ruffer funds (as at 31 March 2009).

Charges	Annual management charge 1.0% with no performance fee
NAV valuation point	Weekly – Friday midnight Last business day of the month
NAV	£126.9m (31 Mar 09)
Shares in issue	89,129,703
Market capitalisation	£128.1m (31 Mar 09)
No. of holdings	41 equities, 8 bonds (31 Mar 09)
Share price	Published in the Financial Times
Market makers	Winterflood Securities ABN AMRO Cenkos Securities Cazenove Numis Securities

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.