



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

NOVEMBER 2010

ISSUE 66

Share price as at 30 Nov 2010

198.00p

NAV as at 30 Nov 2010

Net Asset Value (per share)

190.01p

Premium/(discount) to NAV

As at 30 Nov 2010

4.2%

Launch price as at 8 Jul 2004

100.00p

RIC A Class since inception

Total Return (NAV)¹

112.9%

£ Statistics since inception

Standard deviation ²	2.10%
Maximum drawdown ³	-7.36%

¹Including 13p of dividends

²Monthly data (Total Return NAV)

³Monthly data (Total Return NAV)

Source: Ruffer LLP

Percentage growth in total return NAV

30 Sep 09 – 30 Sep 10	12.3%
30 Sep 08 – 30 Sep 09	30.3%
30 Sep 07 – 30 Sep 08	10.5%
30 Sep 06 – 30 Sep 07	3.5%
30 Sep 05 – 30 Sep 06	2.0%

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
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
30 Jun 07	116.7	120.0	-1.4
31 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 LLP

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 and 1 Sept 10

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, supra-nationals or government organisations.

RIC performance



Source: Ruffer LLP

Investment report

The asset value of the Ruffer Investment Company rose by 2.2% during November. The premium over net asset value dropped to 4.2%, reflecting the barely changed share price on the month. The total return for the year to date (on NAV) is 13.5%.

It was a slightly scrappy month for asset value generally. The index-linked market was weak, particularly at the short end, and a timely switch from the UK index linked 2022s to a five year maturity proved a success. The 2022s produced the best performance of all maturity dates over its period of retention; we took the view that as short-dated stocks became increasingly prized, there would be a stretching-out of maturity dates into the select category of 'riskless'. The yield basis looked vulnerable to a setback in short dated stocks, which is why the sale was made.

We were not similarly astute with the American equivalents, which saw weakness across the maturity dates. The recovery in the value of the dollar kept the overall sterling valuation of this part of the portfolio positive.

The high yielding equities, such a stand out performer in October, duly gave ground in the last month. Vodafone, the biggest holding gave up most ground, but dishonourable mentions also go to RSA Insurance, Charles Taylor and Kraft. The weakness of the euro, coupled with a tendency to weaker stock prices were also a feature. On the positive side BT was the stand out, a big holding with a double digit gain, whilst a few of our American stocks

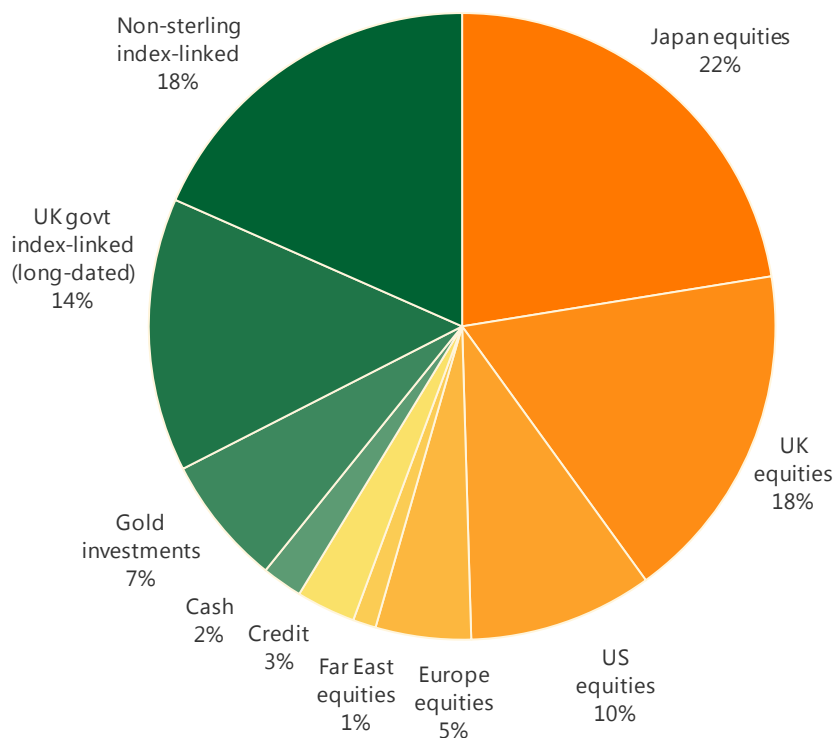
made money for us. Texas Instruments has had an excellent run, and we took a profit there.

Having predicted good conditions in Japan, we were astonished when it transpired that in November we turned out to be correct. This was where the money was made during the period, with no less than half the stocks giving double digit gains. Promise, our October dog, bounced back – the bounce turned out to be a dead cat, but we were out before gravity regained the upper hand.

This review coincides with a return of our investment team from a fortnight in Japan. The news, against our backcloth of optimism, was mixed. The stasis in the political arena means that everybody is looking to the Bank of Japan to produce conditions favourable to an equity rally; this will probably happen, and will clearly be beneficial to 21.8% of the portfolio currently held in Japan. Nevertheless, the team was disappointed that Japan is still a long way from the conditions which would argue for a sustained bull market lasting many years. It remains the nickel-and-dime machinations of the establishment, combined with exceptional cheapness of that market, which persuades us to keep our oversize position. Perhaps we will have to sell in to strength before we have quite managed the five-bagger which we mentioned a couple of months ago.

At the Annual General Meeting of the Company held on 23 November 2010, all Ordinary and Special Resolutions set out in the AGM Notice sent to shareholders dated 11 October 2010 were duly passed.

Portfolio structure as at 30 Nov 2010



Source: Ruffer LLP

Ten largest holdings as at 30 Nov 2010

Stock	% of fund
1.25% Treasury index-linked 2017	6.1
US Treasury 2.375% TIPS 2025	5.7
1.25% Treasury index-linked 2055	5.3
US Treasury 1.625% TIPS 2018	5.0
US Treasury 1.625% TIPS 2015	5.0
CF Ruffer Baker Steel Gold Fund	4.0
Vodafone Group	3.6
T&D Holdings	3.5
BT	3.2
CF Ruffer Japanese Fund	3.2

Five largest equity holdings* as at 30 Nov 2010

Stock	% of fund
Vodafone	3.6
T&D Holdings	3.5
BT	3.2
Kraft Foods	2.8
Nippon Telegraph & Telephone	2.3

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV

£236.83m (30 Nov 2010)

Shares in issue

124,638,416

Market capitalisation

£246.78m (30 Nov 2010)

No. of holdings

53 equities, 8 bonds (30 Nov 2010)

Share price

Published in the Financial Times

Market makers

ABN AMRO
Cazenove
Cenkos Securities
Collins Stewart
Numis Securities
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

RBC Dexia Investor Services

Ex dividend dates

March, September

Pay dates

April, November

Stock ticker

RICA LN

ISIN Number

GB00B018CS46

Sedol Number

B018CS4

Charges

Annual management charge 1.0%
with no performance fee

Enquiries

Alexander Bruce
Tel +44 (0)20 7963 8104
Ruffer LLP Fax +44 (0)20 7963 8175
80 Victoria Street rif@ruffer.co.uk
London SW1E 5JL www.ruffer.co.uk



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 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 JP Morgan Fleming Continental Investment Trust in 2005 and is co-manager of the CF Ruffer Total Return Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2010, funds managed by the group exceeded £9.7bn, of which over £4.1bn was managed in open-ended Ruffer funds.