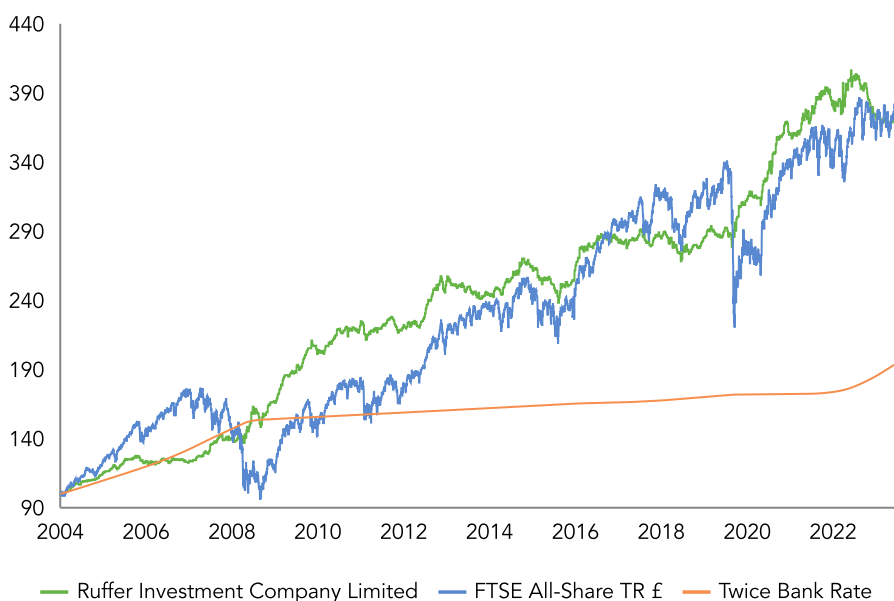


Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



Christmas arrived early for asset owners last year, as December saw US equities approach all-time highs and the bond rally continue. The Federal Reserve provided the festive cheer, by pivoting their message from 'higher for longer' interest rates to 'lower, sooner', projecting three cuts in 2024 thanks to falling inflation. This reinforced the market's soft-landing narrative and drove a US-centric Santa rally. Elsewhere, the Bank of Japan left policy unchanged despite significant noise, and investors remained unimpressed by the lack of concrete stimulus measures in China.

As was the case in November, the fund's fixed income holdings were the largest contributor – adding over 1.5% to performance. Yields continued to fall as the Chair of the Federal Reserve assured markets that they were unlikely to raise interest rates any further, taking the US ten year bond yield to 3.9%, down more than 1% since October. Our US exposure participated in the rally as the market broadened out from the 'Magnificent 7' technology stocks. Gold exposure was helpful, as the metal reached new highs. Meanwhile, the yen managed to gain over 4% against both the US dollar and the pound, despite the Bank of Japan leaving their loose monetary policy intact, adding over half a percent to performance in addition to gains from our yen call options. However, despite making positive returns in both December and the final quarter of 2023, the fund continued to face headwinds from its protective positions, which suffered as equities rose and credit spreads narrowed.

It continues to be our belief that tighter liquidity conditions present a significant risk to markets. Accordingly, we have reduced the fund's duration by roughly half from its recent peak, with sales of US bonds and gold bullion. This felt prudent given the bond market is now pricing six interest rate cuts in 2024, double the amount anticipated by the Fed. We believe a soft landing is now close to fully priced, leaving the market exposed to any pushback from policymakers or the data.

We maintain the view that it is too early to declare a soft-landing victory. Even if the probability of this outcome has increased, market pricing has moved even further, creating an asymmetry in asset prices. We think the scenario in which the market's six interest rate cuts are validated, is the arrival of recession. However, a soft landing is not an impossibility, and the fund holds over 20% across equities and commodities which should benefit from a broader market rally and further economic strength. This is also supported by the remaining fixed income positions and gold equities, which should rise in value if yields fall further.

Portfolio balance, which was painfully elusive at points last year, is now much more secure – evident in recent months as markets have rallied and the fund has delivered a positive return, despite its defensive positioning. Crucially though, if liquidity conditions and the economy do deteriorate, our derivative holdings – primarily credit protection and exposure to the VIX, should appreciate sharply. There were glimmers of this mid-month, as a small but sharp one day sell-off in the S&P saw the VIX index spike 12% intraday.

Overall, we enter the new year with the mindset that we are continuing to travel towards the danger, rather than away from it, and we will not let a disappointing 2023 obscure what we see in front of us.

DECEMBER 2023

Performance %	Net Asset Value	Share price
December	2.1	4.2
Year to date	-6.2	-10.6
1 year	-6.2	-10.6
3 years pa	4.3	2.7
5 years pa	6.9	6.8
10 years pa	4.2	3.9
Since inception pa	7.0	6.7

Share price

RIC	275.00
Net Asset Value (NAV) per share	285.73

	Net	Gross
Duration (years)	2.5	2.9
Equity exposure %	17.9	18.4

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.9	0.4	0.6
5 years	6.7	0.8	1.5
10 years	5.9	0.6	1.0
Since inception	6.4	0.8	1.6

	%
Premium/discount to NAV	-3.8
NAV total return since inception ¹	276.6
Standard deviation ²	1.85
Maximum drawdown ²	-9.59

12 month performance to 31 December 2023

%	2019	2020	2021	2022	2023
RIC	8.4	13.5	12.0	8.0	-6.2
FTSE All-Share TR £	19.2	-9.8	18.3	0.3	7.9
Twice Bank Rate	1.5	0.5	0.2	2.9	9.6

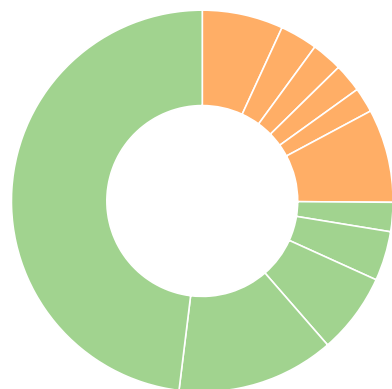
¹ Including 46.4p of dividends ² Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table. One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of overseas investments will be influenced by the rate of exchange. An error in calculation of the NAV total return since inception has led to the figure being understated by c 3% in the monthly reports published between July and December 2023. The performance methodology has been updated to remediate this error and the NAV total return since inception figure in this report is correct. Please note that this notice does not affect any of the published NAVs.

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. The Company predominantly invests 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. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

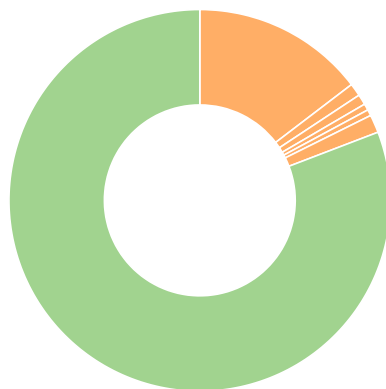
Ruffer Investment Company Limited 31 Dec 23

ASSET ALLOCATION



Asset allocation	%
Short-dated bonds	48.0
Credit and derivative strategies	13.3
Long-dated index-linked gilts	6.8
Gold exposure and gold equities	4.2
Cash	2.5
Commodity exposure	6.8
Financials equities	3.2
Consumer discretionary equities	2.6
Energy equities	2.4
Consumer staples equities	2.1
Other equities	7.9

CURRENCY ALLOCATION



Currency allocation	%
Sterling	80.8
Yen	14.6
US dollar	1.1
Hong Kong dollar	0.9
AU dollar	0.5
Euro	0.5
Other	1.5
Geographical equity allocation	%
UK equities	8.0
Asia ex-Japan equities	3.8
North America equities	3.5
Europe equities	2.6
Other equities	0.5

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
BP	1.6
iShares MSCI China A UCITS ETF	1.1
Alibaba Group ADR	1.0
TSMC ADR	0.8
Swire Pacific	0.6

Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

RUFFER LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2023, assets managed by the Ruffer Group exceeded £23.4bn.

NAV **£1,095.4M**

SHARES **383,367,764**

MARKET CAPITALISATION **£1,054.3M**

FUND INFORMATION

Annual management charge %	(no performance fee) 1.00	
Ongoing Charges Ratio %	(audited at 30 Jun 23) 1.08	
Valuation point	Weekly, every Tuesday and the last business day of the month	
Ex dividend dates	March, October	
Administrator	Apex Fund and Corporate Services (Guernsey) Limited	
Custodian	Northern Trust (Guernsey) Limited	
Broker	Investec	
Structure	Guernsey domiciled limited company	
Discount management	Share buyback Discretionary redemption facility	
Listing	London Stock Exchange	
NMPI status	Excluded security	
Stock ticker	RICA LN	
Wrap	ISA/SIPP qualifying	
Share class	ISIN	SEDOL
RIC	GB00B018CS46	B018CS4

ENQUIRIES

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FUND TEAM



Duncan MacInnes

FUND MANAGER

Joined Ruffer in 2012. He graduated from the 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 co-manager of two of Ruffer's flagship funds.



Jasmine Yeo

FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

Sharpe ratio measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

Sortino ratio measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

DISCLAIMER

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