

Interim Management Statement – 1 January 2011 to 31 March 2011
PERFORMANCE SUMMARY

The NAV per share decreased from 195.2p at 1 January 2011 to 194.1p at 31 March 2011, net of a 1.5p dividend. For the period under review, the Company recorded a total return (net of fees and expenses) of 0.2%, compared to the objective return of 0.25%, being twice the time weighted Bank of England base rate over the period. Since inception (on 7 July 2004), the Company has achieved a positive total return of 119.2%.

The share price decreased from 207.0p at 1 January 2011 to 201.8p at 31 March 2011. The price-to-NAV moved from a premium of 6.1% at the start of the period to a premium of 3.9% at the end of the period.

Six monthly return history

Date	30 Sep 04**	31 Mar 05	30 Sep 05	31 Mar 06	30 Sep 06	31 Mar 07	30 Sept 07
NAV (p)	101.2	107.2*	117.4*	122.5*	118.8*	118.7*	120.4*
Company growth (%) [†]	3.3	6.4	10.0	4.8	-2.6	1.0	2.5
Twice Bank Rate (%)	2.2	4.8	4.8	4.6	4.7	5.2	5.7

Date	31 Mar 08	30 Sep 08	31 Mar 09	30 Sep 09	31 Mar 10	30 Sept 10	31 Mar 11
NAV (p)	132.8*	131.8*	142.4*	166.8*	181.4*	184.1*	194.1*
Company Growth (%) [†]	11.4	-0.8	10.3	18.1	9.7	2.4	6.2
Twice Bank Rate (%)	5.8	5.2	2.2	0.5	0.5	0.5	0.5

[†] Total return

* Dividend ex date: 0.5p on 30 Mar 05, 30 Sept 05, 22 Mar 06 and 27 Sept 06
1.25p on 21 Mar 07, 26 Sept 07, 5 Mar 08 and 1 Oct 08
1.5p on 4 Mar 09, 30 Sept 09, 3 Mar 10, 1 Sept 10 and 2 Mar 11

** Partial period: Inception (7 July 2004) to 30 September 2004

FINANCIAL POSITION
Ten largest holdings
1 January 2011

Security	% fund
UK Treasury index-linked 1.25% 2017	6.0
USA TIPS 2.375% 2025	5.4
UK Treasury index-linked 1.25% 2055	5.3
USA TIPS 1.625% 2015	4.8
USA TIPS 1.625% 2018	4.8
CF Ruffer Baker Steel Gold Fund	4.4
T&D Holdings	3.8
Vodafone Group	3.6
CF Ruffer Japanese Fund	3.3
Ruffer Illiquid Strategies Fund of Funds	3.0

31 March 2011

Security	% fund
UK Treasury index-linked 1.25% 2017	6.1
USA TIPS 2.125% 2040	5.5
UK Treasury index-linked 1.25% 2055	5.3
USA TIPS 1.625% 2015	4.8
USA TIPS 1.625% 2018	4.8
CF Ruffer Baker Steel Gold Fund	3.9
T&D Holdings	3.6
CF Ruffer Japanese Fund	3.3
Ruffer Illiquid Strategies Fund of Funds	3.0
Vodafone Group	3.0

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Five largest equity holdings
1 January 2011

Security	% fund
T&D Holdings	3.8
Vodafone Group	3.6
BT Group	2.8
Kraft Foods	2.8
Nippon Tel & Tel	2.2

31 March 2011

Security	% fund
T&D Holdings	3.6
Vodafone Group	3.0
Inpex Corp	2.7
Nippon Tel & Tel	2.7
BT Group	2.6

MATERIAL TRANSACTIONS
Five largest purchases

1 January 2011 – 31 March 2011

Date	Security	Cost (£)
11 Feb 2011	USA TIPS 2.125% 2040	12,569,695
3 Feb 2011	Resona Holdings	3,056,880
8 Mar 2011	Cisco Systems	2,817,722
21 Mar 2011	Johnson & Johnson	2,621,229
13 Jan 2011	Tesco	2,018,469

Five largest sales

1 January 2011 – 31 March 2011

Date	Security	Proceeds (£)
11 Feb 2011	USA TIPS 2.375% 2025	12,264,381
8 Mar 2011	Japan index-linked 1.2% 2017	6,162,718
25 Jan 2011	Pfizer	2,934,974
18 Feb 2011	Nomura Holdings	2,839,897
21 Mar 2011	Pfizer	2,583,760

The Company increased its cash weighting during the period from 1.9% at 1 January 2011 to 4.4% at 31 March 2011.

The NAV of the Company at 1 January 2011 was £243.3m and this increased to £243.5m at 31 March 2011. The market capitalisation was £258.0m at the start of the period under review and this decreased to £253.1m at 31 March 2011.

On 25 March 2011 the company paid a dividend per share of 1.5p.

MATERIAL EVENTS

The Board of the Company is not aware of any significant event that has occurred between 31 March 2011 and the date of the publication of this statement that would have a material impact on the financial position of the Company. The Board has approved an investment policy consistent with a highly volatile economic climate.

However, please note the following seven announcements made during the period –

24 February 2011

Declaration of an interim dividend payable in respect of the year ended 30 June 2011 as follows:

Ex date	2 March 2011
Record date	4 March 2011
Pay date	25 March 2011
Dividend per share	1.50 pence (Sterling)

24 February 2011

Publication of Interim Financial Report for the six months ended 31 December 2010.

25 February 2011

Announcement of the appointment of John V. Baldwin as non-executive director to the board.

21 March 2011

Blocklisting Interim Review.

22 March 2011

Announcement of the tap issue of 500,000 Redeemable Participating Preference Shares of £0.01 each at a price of 200.5 pence per share.

29 March 2011

Announcement of the tap issue of 300,000 Redeemable Participating Preference Shares of £0.01 each at a price of 203 pence per share.

31 March 2011

Notice of Extraordinary General Meeting to be held on 28 April 2011.