



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

MARCH 2011

ISSUE 70

Share price as at 31 Mar 2011

201.75p

NAV as at 31 Mar 2011

Net Asset Value (per share)

194.1p

Premium/(discount) to NAV

As at 31 Mar 2011

3.9%

Launch price as at 8 Jul 2004

100.00p

RIC A Class since inception

Total Return (NAV)¹

119.2%

£ 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

31 Mar 2010 – 31 Mar 2011	8.7%
31 Mar 2009 – 31 Mar 2010	29.6%
31 Mar 2008 – 31 Mar 2009	9.4%
31 Mar 2007 – 31 Mar 2008	14.1%
31 Mar 2006 – 31 Mar 2007	-1.7%

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
31 Dec 10	195.2	214.4	7.8
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, 1 Sept 10 and 2 Mar 11

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



Investment report

The net asset value at 31 March 2011 was 194.1p. Allowing for the dividend which was declared and paid in the course of last month, the value of the fund went down by 0.2%. The share price dropped by more than this, dropping from a premium of 6% to one of just under 4% during the period.

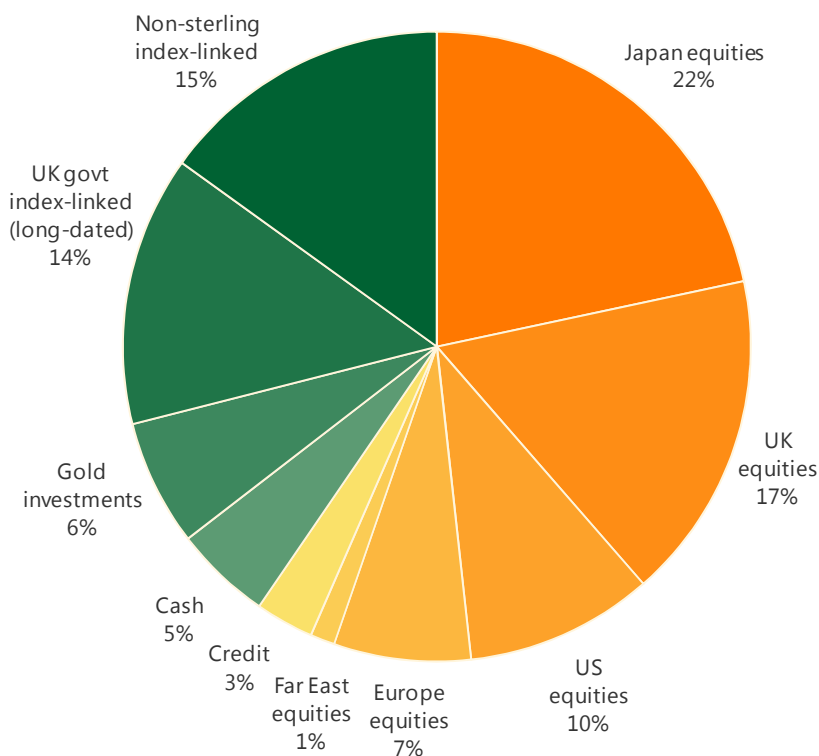
The most striking feature of the last month was being caught out mid-bamboo, by the Japanese earthquake. This cost the portfolio 1.4% in value; we were saved from worse losses by the fact that our third biggest holding there, INPEX, went up quite sharply. INPEX is the integrated oil major with a significant Liquefied Natural Gas (LNG) project in Australia. It was exceptionally cheap anyway, but the realisation that Japanese industry is likely to second-source away from nuclear-powered utilities has meant that the outlook for INPEX has improved greatly. In practical terms the worries that the Australian venture might be too big easily to be accommodated even by the firepower of INPEX is assuaged by the thought that INPEX could well sell off participation rights in this exciting project. The worst performing stock was our old favourite T&D which, together with the stockbroker Daiwa, dropped sharply; it highlighted the excellence of our sale of Nomura at pretty much a peak price about six weeks ago.

There has been some publicity regarding our attitude to Japan following the earthquake, so it is perhaps unnecessary to go through it again. To sum up: at the end of last year we saw the exciting possibility of a tradeable rally in Japan with the fear that, if and when this rally materialised, it would take the pressure off the Bank of Japan to need to tackle the structural problems of the Japanese economy. The combination of a high oil price, high yen and the certainty of economic contraction in the short term means that Japan will be forced to address these structural problems which means pursuing an unambivalently inflationary policy. Thus the outlook now is reversed from end-year: an uncertain short-term future for the stockmarket, but a much increased likelihood of a structural bull market in Japan. It is the only market in the world of which this can be said.

Not much to report otherwise. We sold the rest of the Pfizer, switching into Johnson & Johnson, and reinforcing this theme with some further Glaxo shares. This has been broadly positive.

TIPS did well, and there was a satisfactory performance from the UK index-linked. Elsewhere, there was nothing very interesting to report.

Portfolio structure as at 31 Mar 2011



Source: Ruffer LLP

Ten largest holdings as at 31 Mar 2011

Stock	% of fund
1.25% Treasury index-linked 2017	6.1
US Treasury 2.125% TIPS 2040	5.5
1.25% Treasury index-linked 2055	5.2
US Treasury 1.625% TIPS 2015	4.8
US Treasury 1.625% TIPS 2018	4.8
CF Ruffer Baker Steel Gold Fund	3.8
T&D Holdings	3.6
CF Ruffer Japanese Fund	3.3
Ruffer Illiquid Strategies Fund 2009 Ltd	3.0
Vodafone	2.9

Five largest equity holdings* as at 31 Mar 2011

Stock	% of fund
T&D Holdings	3.6
Vodafone	2.9
INPEX	2.7
Nippon Telegraph & Telephone	2.6
BT	2.5

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV

£243.5m (31 Mar 2011)

Shares in issue

125,438,416

Market capitalisation

£253.1m (31 Mar 2011)

No. of holdings

49 equities, 6 bonds (31 Mar 2011)

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 31 March 2011, funds managed by the group exceeded £11.3bn, of which over £4.8bn was managed in open-ended Ruffer funds.