Ruffer Investment Company Limited

Investment Manager's Period End Review
for the period ended
31 December 2021 (unaudited)

Contents

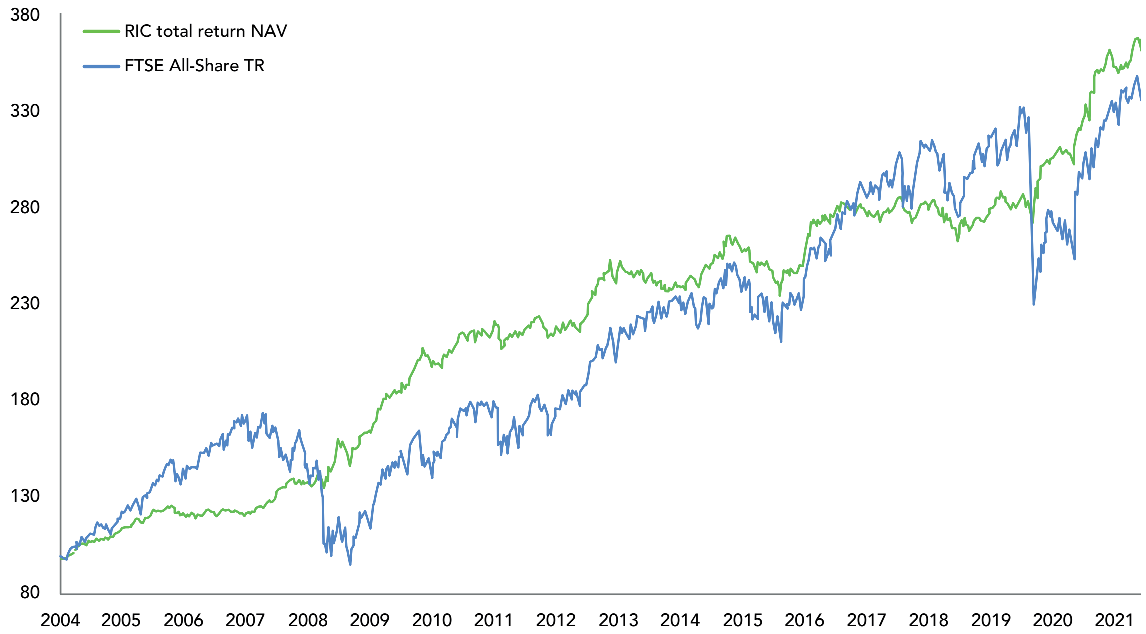
Key performance indicators

Key performance indicators	31 Dec 21 %	31 Dec 20 %
Share price total return over 6 months[1]	2.61	9.11
NAV total return per share over 6 months[1 5]	2.84	6.42
Premium of share price to NAV[5]	1.83	0.94
Dividends per share over 6 months[2]	1.55p	0.95p
Annualised dividend yield[3]	1.06	0.77
Annualised NAV total return per share since launch[1]	7.8	7.5
Ongoing charges ratio[4]	1.08	1.09

Financial highlights

Financial highlights	31 Dec 21	30 June 21
Share price	293.00p	287.00p
NAV[5]	£708,921,258	£575,913,008
Market capitalisation	£721,880,616	£587,541,854
Number of shares in issue	246,375,637	204,718,416
NAV per share[5]	287.74p	281.32p

1 Assumes reinvestment of dividends
2 Dividends paid during the period
3 Dividends paid during the period divided by closing share price
4 Calculated in accordance with AIC guidance
5 NAV per share as released on the London Stock Exchange



Source: RAIFM Ltd, FTSE International (FTSE). Data to 31 December 2021. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

Investment Manager's report

Performance review

The NAV total return for the six months to 31 December 2021 was 2.8% and the share price total return was 2.6%.

The calendar year share price total return of 12.7% and the NAV total return of 11.4% mark three consecutive years of good returns for shareholders (+37% in NAV total return performance over 2019-2021). The annualised NAV total return since inception of the Company in 2004 is 7.8%, which is ahead of UK equities with a much lower level of volatility and drawdowns.

Performance contributions for the six months to 31 December 2021

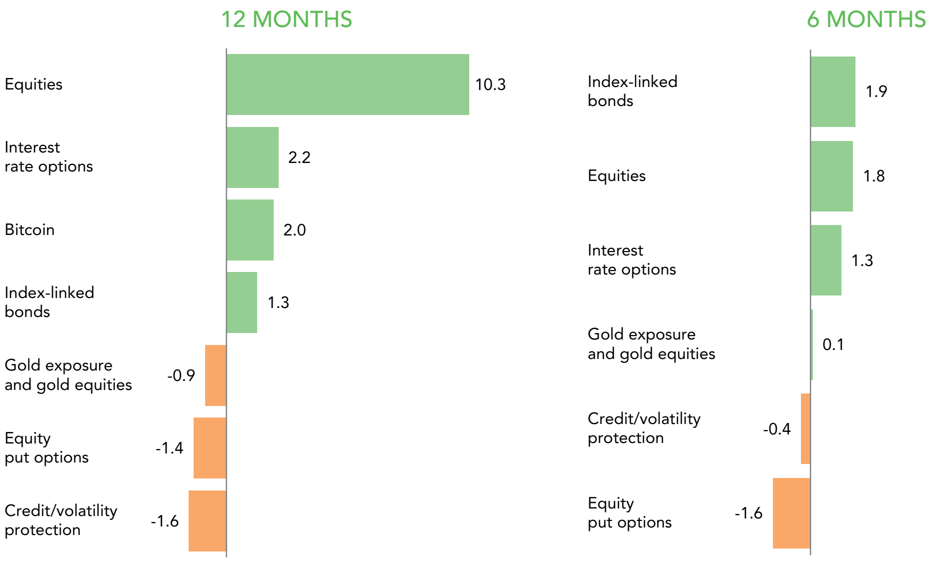
In the six months to 31 December 2021 the largest contributor to performance was index-linked bonds, which added 1.9% (see chart below). This return was boosted by some active trading and duration management during the period. Purchases were made of long-dated index-linked gilts in June and these were trimmed in August. In November we bought the new 2073 issue and then reduced other long dated index-linked bonds in December. The long-dated gilts rose more than 10% over the six months.

This was a period of rising inflation and interest rates and thus it was crucial we had interest rate protection to offset the portfolio duration. This added 1.3% to performance. Gains in equities (+1.8% contribution) were almost entirely offset by the increased use of equity put protection which cost 1.6%

Standout contributions came from Marks & Spencer (+54%) and Tesco (+29%) as private equity bid for Morrisons and Asda.

The period was characterised by a rotation within rising markets back towards 'old regime' trades of growth and quality outperforming value. Bond yields behaved in a more benign fashion.

KEY PERFORMANCE CONTRIBUTIONS IN 2021,%



Source: Ruffer Investment Company Limited

Performance contributions for 2021

For the calendar year 2021 the key driver of returns was equities. With an average of 40% of the portfolio in equities through the year and a contribution of 10.3%, it can be inferred that the average equity rose by more than 20%. Since the summer of 2020 we have been increasingly focusing the portfolio on stocks which will benefit from recovery, re-opening and cyclical growth. These stocks have also tended to be 'value' in nature. They have been the best performing part of equity markets.

Energy stocks (BP, Royal Dutch Shell, Equinor and Chesapeake Energy) contributed handsomely, adding 2.0% to performance and rising around 40% on average – they remain key portfolio holdings. UK and European banks (Lloyds, NatWest, Barclays, Unicredit and Banco Santander) added 1.8% to performance with the standout being the Italian bank, Unicredit, rising 59% since purchase in April 2021.

Idiosyncratic opportunities were aplenty in the aftermath of covid disruption. Europcar Mobility (+70%) was purchased in April and bid for at a large premium by Volkswagen in July. It is a rare situation where the acquiror and the acquiree are both in the portfolio but Volkswagen (+19%) and General Motors (+40%) both also grew profits handsomely. The two UK listed shipping companies – Tufton Oceanic Assets (+58%) and Taylor Maritime Investments (+46%) – took full advantage of the boom in charter rates because of supply chain chaos. It says more about the buoyant market than our stock picking genius that it is hard to find a stock we lost a meaningful amount of money in.

On the protective side of the portfolio, equity puts were a drag on performance, costing 1.4% over the 12 months. However, we remain positioned here to guard against the sky-high valuations and the resulting risk of a market sell-off.

Ruffer Multi-Strategies Fund added 0.4% for the year. In simple terms this amounts to a contribution of 2.0% from bitcoin and losses of 1.6% from credit protection.

Gold exposure cost the portfolio 0.9% over the year. The safe-haven characteristics of gold failed to fully materialise during the covid crash, and with the growing interest in cryptocurrency potentially usurping gold's position as an inflationary hedge, the perception of this asset class has changed. While the 'barbarous relic' appears to lack many allies, we have maintained our interest, along with our conviction of its protective qualities.

Portfolio changes

1. We continue to actively manage the duration of the portfolio using interest rate options to protect the portfolio against rising interest rates and bond yields.
2. Profits have been taken in equities to keep the overall weighting close to 40%.
3. We have reinforced the unconventional protections in the portfolio by adding to Ruffer Multi-Strategies Fund and Ruffer Protection Strategies.

ASSET ALLOCATION

	%
Long-dated index-linked gilts	12.4
Index-linked gilts	10.8
Cash and other net current assets	9.3
Non-UK index-linked	8.4
Gold exposure and gold equities	7.6
Illiquid strategies and options	6.2
Short-dated bonds	3.0
UK equities	19.6
North America equities	8.5
Japan equities	7.2
Europe equities	6.1
Asia ex-Japan equities	0.3
Other equities	0.6

As at 31 December 2021. Source: Ruffer Investment Company Limited

Investment outlook

Summary

1 An excess of excesses – it appears that markets have become untethered even from the robust economic growth of the post-covid economy. There are plentiful signs of irrational exuberance.

2 The inflation conundrum – we have transitioned into a new economic regime of higher inflation and volatility and this will force hard decisions upon policymakers.

3 The devil and the deep blue sea – we are resolutely bullish on the prospects for economic growth in 2022, but the delicious irony is that the stronger the economy is, the more vulnerable fragile capital markets look as policymakers will have to press the brakes harder. What the economy needs, markets can't handle.

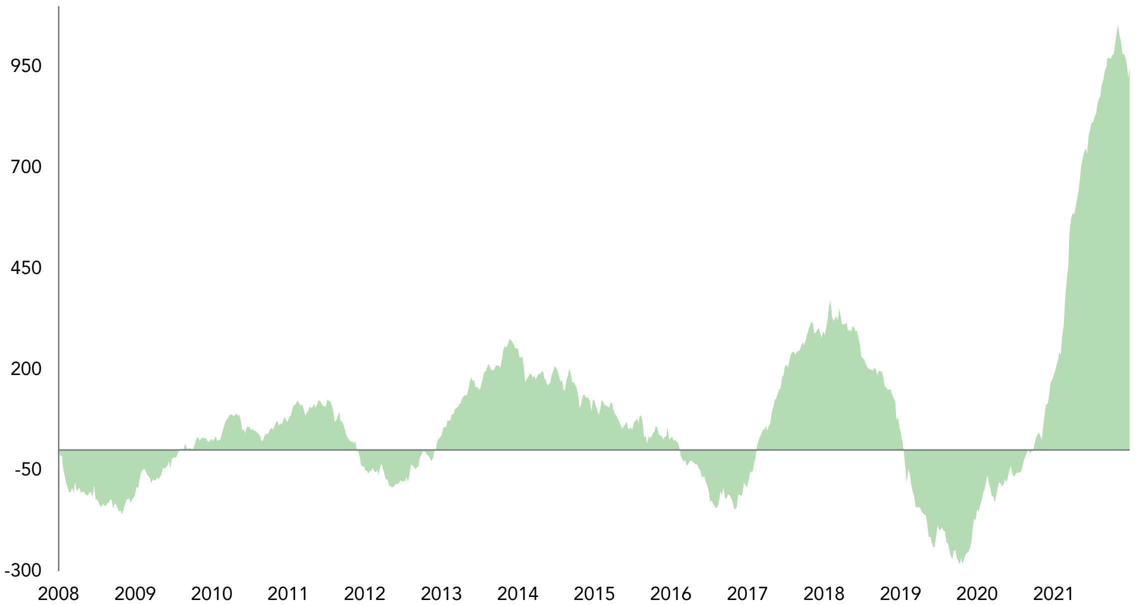
4 Hard choices – given the uncertainty of the journey from here it is essential that investors have an all-weather portfolio with appropriate hedges in place. A resumption of the 'old normal' is the least likely outcome.

An excess of excesses

At Ruffer we always focus on capital preservation and eschewing the mania. A significant source of outperformance has been not owning the frothiest areas of the market when the cycle turns. Today there appears to be a lot of froth. To set the scene it is worth recapping some of the extraordinary things that happened in 2021.

2021 might be remembered as the year investors tumbled down a rabbit hole and entered financial wonderland. The stock market went mainstream in a fashion not seen since the late 1990s. Investors have poured more than US$1 trillion into equity funds in the past 12 months – more than the combined inflows of the past 19 years.

FLOWS INTO GLOBAL EQUITY FUNDS (ROLLING 53-WEEK PERIODS, US$BN)



Source: Goldman Sachs, data to 31 December 2021

Global M&A topped US$5.8 trillion, surging more than 50% and marking the fastest year over year growth since the 1990s.[1] IPO capital raised and stock buyback volumes also broke to record highs.

SPACs (Special Purpose Acquisition Companies), effectively blank cheque shells, were all the rage. In 2021, more than 500 – double the previous record year – underwent their initial public offering, raising just over US$100bn.[2] These were often backed by celebrities (Serena Williams, Andre Agassi, Shaquille O'Neill, and Jay-Z) and operate in hot sectors such as space exploration or electric vehicles.

Celebrities were also courted by cryptocurrency companies flush with cash from their own boom. Matt Damon and Tom Brady starred in high profile television commercials and crypto.com paid US$700m for the naming rights for the LA Lakers stadium.[3] This venture capital tsunami helped cryptocurrencies to a total market capitalisation of US$3 trillion.[4]

Events like the GameStop or AMC short squeezes revealed a tribal, anarchic and often bizarre mix of new participants for whom apps like RobinHood had gamified trading.

1 Financial Times, 30 Dec 2021

2 Reuters, 23 Dec 2021

3 LA Times, 16 Nov 2021

4 Bloomberg, 8 Nov 2021

Billion-dollar start-ups, colloquially known as 'Unicorns' because of their rarity, became customary. 2021 saw more than 300 minted. Of these Rivian, a new electric truck manufacturer, became the first company in history to achieve a US$100bn valuation with less than US$1m of revenue.[5]

The previously arcane world of derivatives was popularised, with the value of options traded surpassing stocks for the first time ever. Tesla alone trades more than US$200bn notional value per day, which is several multiples of the entire UK or European exchanges.[6] Lastly, Elon Musk was named Time magazine Person of the Year – echoing Jeff Bezos in 1999 at the peak of the dot.com bubble (after which the Amazon share price fell more than 90%).

In short, there was an excess of excesses, and this makes us cautious. As venture capitalist Josh Wolfe said "Overloaded with credulity and fuelled by greed. The masses have thrown caution to the wind and diligence to the dogs."

It was the best of times

As you might expect, underneath all these signs of rampant capitalism, the underlying economy is doing well; pent-up demand, strong growth and household net worth at all-time highs have combined with continuing monetary and fiscal stimulus to produce this environment.

The Atlanta Federal Reserve 'NowCast' has US Q4 2021 real GDP at 7%; add 6% CPI inflation and you get a 13% nominal growth rate. The growth picture is similarly robust in Europe and the UK. One would have to go back around 50 years to find a similar surge.

With this backdrop, does the US really need the easiest financial conditions on record? Of course, this is helping us, and many others, make good returns for their investors, but policymakers are still running emergency levels of monetary and fiscal policy support when the economy is firing on all cylinders with a tight labour market.

The Goldman Sachs Financial Conditions Index is a composite including interest rates, equity valuations, borrowing costs and currency data to assess how 'easy' or 'tight' financial conditions are. This offers a broader gauge than the blunt tool of interest rates. As you can see below, the message is clear – we've never had it so easy.

5 The Guardian, 10 Nov 2021

6 Financial Times, 23 Nov 2021

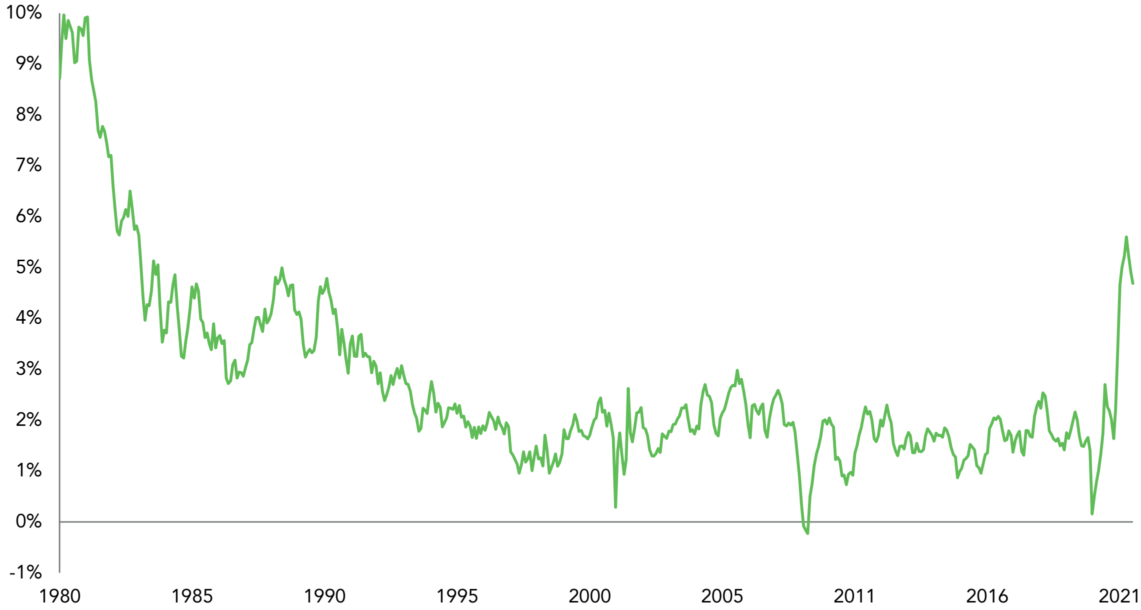
GOLDMAN SACHS US FINANCIAL CONDITIONS INDEX

Source: Goldman Sachs. Data to 30 November 2021

The inflation conundrum

Looking at 2022, the fly in the ointment is inflation – from energy and housing to wages, raw materials, and food. In a nutshell, too much money is chasing too few goods. There is no denying the inflationary impulse has endured longer than many expected. Inflation is currently at its highest level in around 40 years and has made a clear break from the previous trend.

US CORE PERSONAL CONSUMPTION EXPENDITURES (PCE) INFLATION RATE



Source: Bureau of Economic Analysis, % change over the last six months at annual rate. Data to 15 November 2021

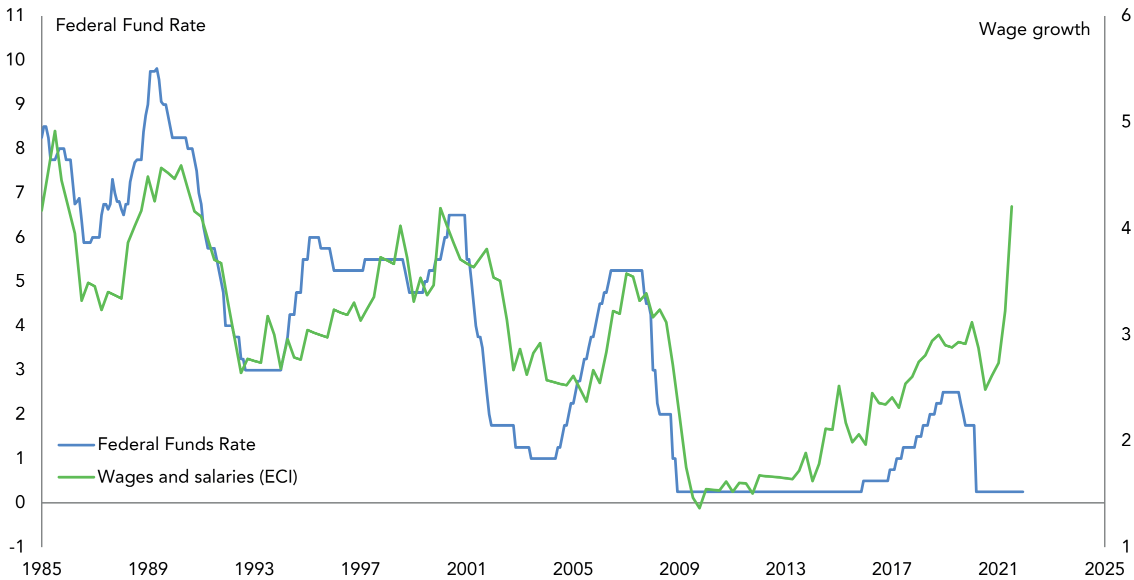
We are now experiencing the common knowledge of inflation; it is dinner party chatter. Everyone knows that everyone knows there is inflation, which makes raising prices or asking for a pay rise that much more palatable. This is how reflexive processes are born and many are risking their credibility by failing to acknowledge it. Former Treasury Secretary and Harvard Professor Larry Summers said, "I believe the gap between the Treasury & Fed statements and the everyday experience of businesses and consumers has perhaps never been wider."

The Federal Reserve and several administrations have spent a decade post-financial crisis trying to create inflation and now, like tomato ketchup from a glass bottle, they've got too much all at once.

The Biden Administration (and others around the world) will struggle to implement their high spending, deficit-fuelled big society, or climate change programs, if inflation stays elevated. Additional stimulus at this point would be like pouring gasoline on a fire. Even the Modern Monetary Theorists confess the only constraint on government spending is the emergence of inflation. Thus, putting this genie back in the bottle is imperative.

Perhaps because of these political pressures, the reaction function of the Federal Reserve is different this cycle. The Fed has moved from pre-emptive to reactive with a lag. They are deliberately behind the curve.

FED FUND TARGET AND WAGE GROWTH



Source: Minack Advisers

The devil and the deep blue sea

If, and it remains an if, inflation in advanced economies persists above 2%, central banks will have to decide between the devil and the deep blue sea. Do they stick with the current run-it-hot strategy, out of concern for financial stability and encouraging a broad and inclusive labour market recovery? Or do they revert to their more traditional policy approach, getting 'ahead of the curve', tightening those easy financial conditions but running the risk of a policy-induced recession, market tremors and the accompanying political fallout?

As former Federal Reserve Chair McChesney Martin once said – "the job of the Fed is to take away the punch bowl just as the party gets going". We believe they are coming under increasing pressure to poop the party. This is relevant because the economic boom and asset prices have floated higher on a sea of abundant liquidity and stimulus.

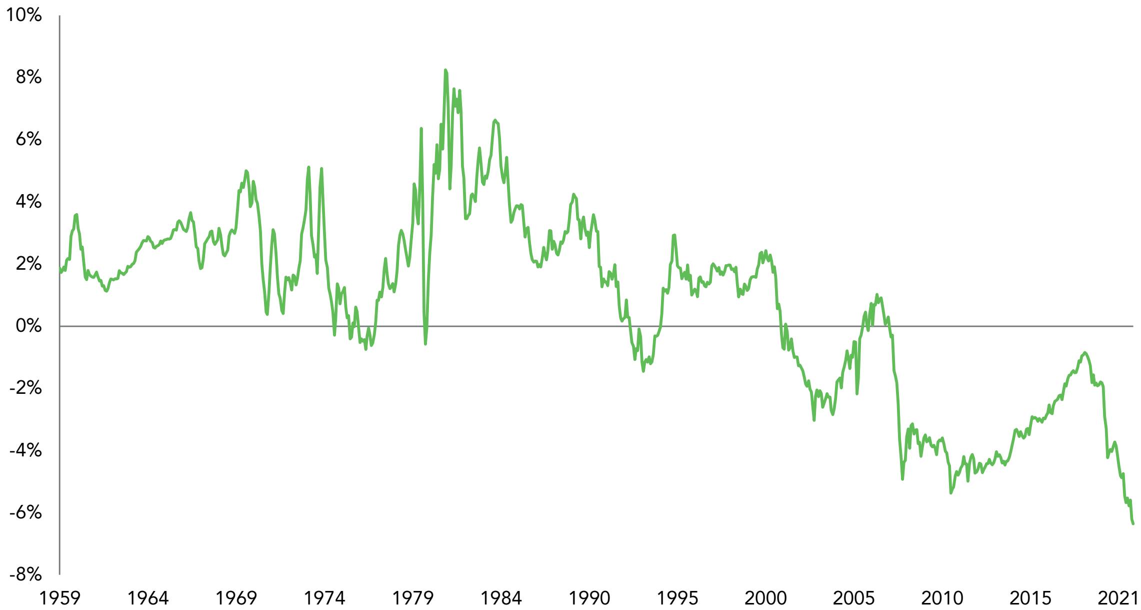
The Fed may have to choose between either financial market pain or inflation pain. To tackle the inflation pain they need to withdraw liquidity and raise rates – but that will almost certainly cause market pain. What the real economy needs today (higher interest rates), financial markets can't stomach. Stock markets are up 40% over two years,[7] yet wealth inequality is at all-time highs in a boiling hot economy.

7 Ruffer LLP, Factset

In reality, tapering amounts to less easing rather than meaningful tightening; interest rates will remain negative in real terms and near multi-century lows. But prices are set at the margin – markets respond as much to flows as they do to the stock – and financial conditions will tighten. Flows and liquidity have been crucial to this bull market, and they may be about to reverse.

Alternatively, if they don't tighten then the inflation pain will continue and will arguably get worse because the economy is strong, inflation is a reflexive phenomenon and policy remains extremely stimulative. The real risk-free rate is around -6% (see chart below). As Jerome Powell famously said before the 2018 market wobble – we are a long way from neutral. The last time the Fed tried to raise interest rates meaningfully the S&P 500 promptly fell 18%,[8] forcing Governor Powell to reverse course.

US REAL RISK-FREE SHORT-MATURITY INTEREST RATE %



Source: US Federal Reserve, Conference Board, NY Fed, University of Michigan, 12m constant maturity US Treasury yield less survey-based estimate of one-year ahead inflation rate

In a highly financialised world, the conundrum for policy makers is that in taming inflation and moderating growth they must reverse the very conditions that have been so beneficial for markets.

Investment consequences

The return of inflation has brought with it a new dilemma. Markets love certainty, but pricing uncertainty is hard. The long-standing complacency around low and stable inflation can be seen in

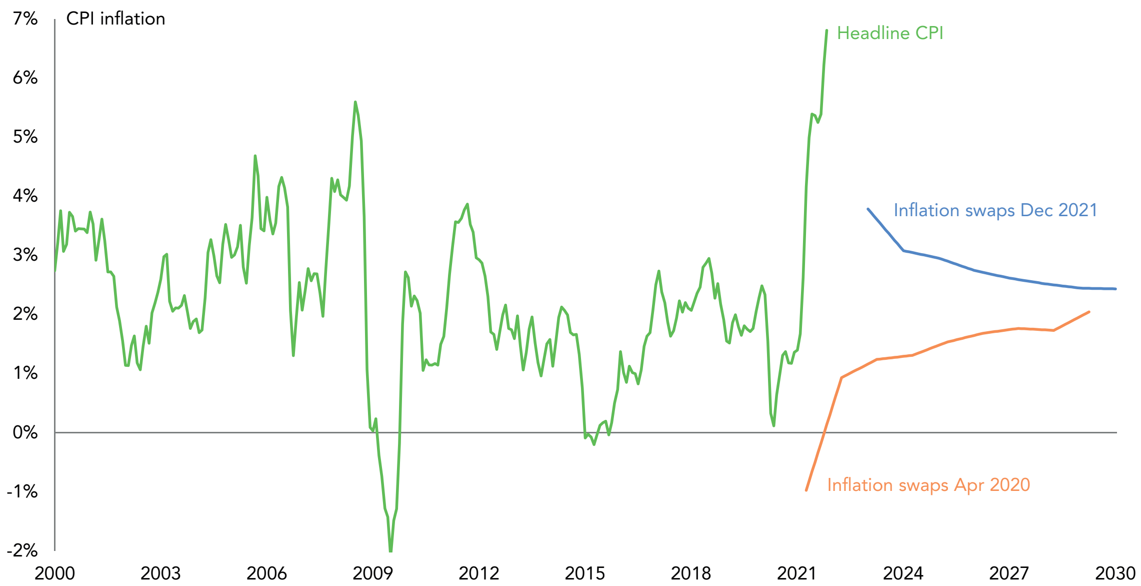
8 Ruffer LLP, Factset

term premium – the extra yield earned as compensation for the uncertainty that comes with lending for longer periods – which has progressively fallen and is now zero or negative. The end of this certainty points to asset prices falling and yield curves steepening.

Inflation insouciance

The wisdom of crowds ensures that usually the consensus opinion in markets is correct, but occasionally markets are poor at predicting the future – particularly at turning points.

US INFLATION AND EXPECTED INFLATION



Source: Minack Advisers, using inflation swap data from year end swap rates

The chart above shows US headline inflation from the year 2000 up to today where we currently have the highest reported inflation since 1982.

What is really fascinating, however, is the orange line and the blue line. These are forward looking inflation expectations priced into the inflation swaps market. Markets don't believe the world has changed. They are priced for a return to the low growth, low inflation, low rate post-GFC environment.

The orange line shows that at the market bottom in April 2020 (the peak of lockdowns), the market was seeing deflation in the short term, but looking out a few years our magical, miracle-working policy makers would have inflation right back at their 2% long term target.

The market was completely wrong – it thought we would be experiencing deflation and very low inflation in 2021, instead we got 6% inflation. Now looking at the light blue line (today) with inflation already high, the inflation swaps market is saying inflation will stay high for a while but looking out a few years will gravitate back to 2%.

This is the power of the paradigm of central banker omnipotence. This is the insouciance of markets undeterred despite a glaring forecast error in recent history.

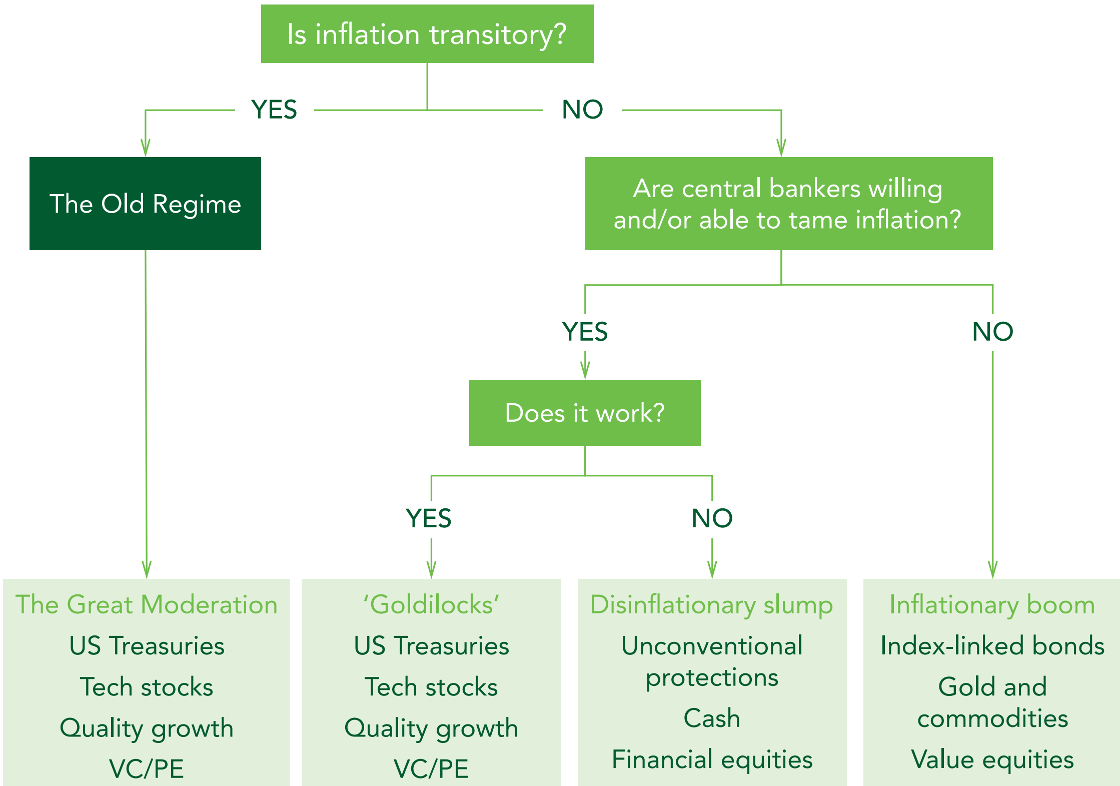
We believe the macroeconomic environment has changed, but the investment environment has not yet caught up. This is the opportunity – because the market is complacent about these risks, they are not priced in. Long term inflation expectations rising would be hugely beneficial for inflation-linked bonds.

Hard choices

Longer term, our conviction is high that a new regime of more persistent and malign inflationary pressures has begun, but the journey before us is still unclear. This means we are as worried about inflation volatility as we are a higher average level of inflation.

One pathway involves a direct route to our inflationary destination; the other a path first through financial disruption and disinflationary dangers.

HARD CHOICES



Starting on the left, if we have not entered a new regime, we return to The Great Moderation of low and stable growth and inflation. Our portfolio will underperform equities in this benign scenario, but we still believe we have enough to generate a positive return. We believe this would be a fleeting scenario rather than an endpoint because of the changes to the political economy post-covid-19. There is now a populist desire and a political mandate for greater levels of stimulus to kickstart the economy, tackle climate change, increase wages and to redistribute wealth to those with a higher propensity to spend, which moves you back to the first question.

If we have moved into a new regime, our base case, there are two likely scenarios depending on whether policymakers try to tame inflationary pressures.

1 Tightening induced slump – inflation stays high and policymakers stem inflation with a sharp tightening of both monetary and fiscal policies. This could trigger declines in most asset classes, but especially in more highly valued, speculative sectors. In the portfolio we believe our unconventional protections in equity puts and credit protections would spring to life and help the portfolio as they did in Q1 2020.

2 Inflationary boom – inflation remains high but central bankers keep monetary and fiscal policy loose due to political pressure and to assist achieving soft goals like redistributive wage growth and climate change. Bonds and bond proxies look vulnerable in this environment. In the portfolio inflation-linked bonds with the duration hedged via payer swaptions and gold exposure would be two pure expressions of rising inflation. Value stocks and those sensitive to real GDP growth would do very well.

Regardless of the path, inflation risk, an absent concern throughout the careers of most investors, will need to be priced once again. Therefore, we have built a portfolio robust to both 'left-tail' and 'right-tail' outcomes.

What does a financial tightening look like?

Quantitative easing is being withdrawn and asset purchases are scheduled to stop by March 2022 (in the US). Interest rates are likely to begin rising after that and many smaller central banks globally are already moving in this direction including the Bank of England. The fiscal impulse is likely to turn negative as large covid-related stimulus packages roll off and taxes increase. The US dollar is rising, the DXY index up 7% for 2021.[9] Rising commodity prices, particularly energy, are squeezing cash flows at a corporate and household level.

Homer Simpson's ideal investments

Homer Simpson once observed that beer was the cause of, and solution to, all of life's problems. We view the 15% of the portfolio allocated to energy stocks and financials as having similar characteristics.

Beginning with energy, given current economic strength one of the few visible risks to derail the economy in the short term is rising energy prices. This naturally acts as a brake on growth, and as a tax on the consumer (particularly in Europe and Asia). Our allocation to energy stocks, covered in the June 2021 Annual Report, offers a neat hedge to this risk and an interesting each-way bet – one major source of crisis could be a spike in the asset we own, or alternatively, the stocks are highly geared to a continuation of economic growth and re-opening. We continue to engage with the companies we own to help and encourage them on the energy transition journey.

With financials, it is simply that these assets benefit from rising rates or a steepening yield curve. This is a rare and valuable characteristic. One clear risk to the economy and market is that the Fed raises rates too fast. In this scenario bank earnings will be mechanically rising due to a widening net interest margin and the banks are still highly provisioned due to unused covid loss reserves. In

9 Ruffer LLP, Factset

the event the economy keeps performing, banks are an excellent proxy for improving economic prospects and will continue to benefit from rising collateral values and diminishing loan losses.

These two themes exemplify what we try to achieve in the portfolio. We have strong views, and we express them boldly in our asset allocation. However, we are not return maximising, we are regret minimising. Rather than thinking about how much we might make if we are right, we start by thinking how we can ensure we preserve capital if we are wrong. From that foundation, we can build the rest of the portfolio to capture returns.

Conclusion

One thing is clear – no one asset, nor single strategy, can guarantee success in this path-dependent world. We are in uncharted waters from a market and economy perspective, nobody knows how all of this will play out.

Instead, for a new regime, investors will require a diverse toolkit – flexible, adaptable, and robust. At Ruffer, we believe we have built exactly that. How are we positioned for this world?

For bad market outcomes we've got the unconventional toolkit – index-linked bonds, credit protection, payer swaptions, gold exposure, and equity put options. This is what you would expect from Ruffer: a preoccupation with downside protection.

For rosier outcomes – because there's a chance we have another roaring twenties, we've got attractively priced GDP- and inflation-sensitive equities.

Where we think investors don't want to be is in the middle of the road – a resumption of the old regime of low and stable growth and inflation. The winners of that regime – growth stocks, long duration assets such as venture capital and renewables and conventional government bonds – look to us like they offer no asymmetry and are already pricing in victory. As liquidity is drained from markets these crowded trades look to us the most dangerous.

Portfolio statement

as at 31 December 2021 (unaudited)

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Government bonds 34.58% (30 Jun 21: 34.27%)				
Non-UK index-linked bonds				
Japanese index linked bond 10/03/2026	JPY	371,000,000	2,505,398	0.35
Japanese index linked bond 10/03/2027	JPY	371,900,000	2,570,276	0.36
Japanese index linked bond 10/03/2028	JPY	371,900,000	2,505,625	0.35
US Treasury inflation indexed bond 0.125% 15/04/2022	USD	24,439,800	20,827,233	2.95
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	36,234,600	31,147,723	4.39
Total non-UK index-linked bonds			59,556,255	8.40
Long-dated index-linked gilts				
UK index-linked gilt 0.125% 22/03/2051	GBP	1,600,000	3,405,147	0.48
UK index-linked gilt 0.375% 22/03/2062	GBP	4,250,400	14,842,432	2.09
UK index-linked gilt 0.125% 22/11/2065	GBP	7,756,980	25,226,570	3.56
UK index-linked gilt 0.125% 22/03/2068	GBP	10,307,220	37,667,733	5.32
UK index-linked gilt 0.125% 22/03/2073	GBP	1,920,575	6,672,210	0.94
Total long-dated index-linked gilts			87,814,092	12.39
Short-dated index-linked gilts				
UK index-linked gilt 1.875% 22/11/2022	GBP	17,000,000	27,442,700	3.87
UK index-linked gilt 0.125% 22/03/2024	GBP	23,377,200	32,877,119	4.64
UK index-linked gilt 0.125% 22/03/2026	GBP	11,688,600	16,334,538	2.30
Total short-dated index-linked gilts			76,654,357	10.81
Short-dated bonds				
UK gilt 0.125% 31/01/2023	GBP	21,252,000	21,158,066	2.98
Total short-dated bonds			21,158,066	2.98
Total government bonds			245,182,770	34.58

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Equities 42.28% (30 Jun 21: 41.39%)				
Europe				
Adecco	CHF	74,382	2,794,934	0.39
Aena	EUR	44,700	5,214,937	0.74
Banco Santander	EUR	2,401,460	5,937,520	0.84
Bank of Ireland	EUR	982,350	4,118,387	0.58
Bayer	EUR	19,732	780,702	0.11
Dassault Aviation	EUR	10,007	797,666	0.11
Equinor	NOK	150,000	2,968,490	0.42
Fresenius Medical Care	EUR	40,379	1,944,086	0.27
Novartis	CHF	12,850	834,364	0.12
Prosegur Cash	EUR	720,973	379,491	0.05
Swedish Match	SEK	242,060	1,424,441	0.20
Unibail-Rodamco	EUR	58,000	3,005,095	0.42
Unicredito	EUR	435,666	4,961,457	0.70
Universal Music Group	EUR	20,730	431,926	0.06
Vallourec	EUR	66,731	492,361	0.07
Vivendi	EUR	73,734	737,154	0.11
Volkswagen	EUR	41,441	6,182,176	0.87
Total Europe equities			43,005,187	6.06
United Kingdom				
Ashmore	GBP	313,930	913,536	0.13
BAE Systems	GBP	159,390	876,326	0.12
Balfour Beatty	GBP	390,909	1,024,182	0.14
Barclays	GBP	1,487,640	2,781,887	0.39
Beazley	GBP	412,186	1,921,199	0.27

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Belvoir Lettings	GBP	390,000	1,002,300	0.14
BP	GBP	5,995,000	19,813,475	2.79
BT	GBP	1,400,000	2,373,700	0.33
Cairn Energy	GBP	363,801	684,674	0.10
Conduit	GBP	169,093	731,327	0.10
Countryside Properties	GBP	887,901	3,995,555	0.56
Fresnillo	GBP	200,000	1,781,200	0.25
Glaxosmithkline	GBP	440,000	7,069,040	1.00
Glencore	GBP	1,062,600	3,984,219	0.56
Grit Real Estate	GBP	3,743,544	1,235,370	0.17
Hipgnosis Songs Fund	GBP	2,762,760	3,453,450	0.49
Jet2	GBP	132,666	1,467,949	0.21
Lloyds Banking Group	GBP	31,776,800	15,189,310	2.14
Marks & Spencer	GBP	1,238,570	2,866,051	0.40
Melrose Industries	GBP	2,114,347	3,376,612	0.48
NatWest	GBP	4,792,103	10,810,984	1.52
Renn Universal Growth Trust	GBP	937,500	0	0.00
Royal Dutch Shell B	GBP	1,090,000	17,684,160	2.49
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	77,753	21,542,270	3.04
Science Group	GBP	169,378	762,201	0.11
Serco	GBP	439,613	591,719	0.08
Taylor Maritime Investments	GBP	2,762,760	2,785,967	0.39
Trident Royalties	GBP	6,117,647	2,141,177	0.30
Tufton Oceanic Assets	USD	2,782,143	2,796,124	0.39
Unilever	GBP	22,516	888,256	0.13
Urban Logistics REIT	GBP	1,514,637	2,802,079	0.40
Total UK equities			139,346,299	19.62

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
North America				
American Express	USD	34,000	4,109,548	0.58
Brink's	USD	13,526	655,409	0.09
Bristol Myers Squibb	USD	166,828	7,686,762	1.08
Charles Schwab	USD	22,315	1,386,360	0.20
Chesapeake Energy	USD	117,000	5,571,593	0.79
Cigna	USD	66,500	11,285,146	1.59
Coherent	USD	4,197	825,629	0.12
Conocophillips	USD	68,200	3,637,804	0.51
Coty	USD	163,917	1,271,895	0.18
Ehealth	USD	92,234	1,738,078	0.25
Exxon Mobil	USD	24,206	1,094,386	0.15
General Electric	USD	19,000	1,326,293	0.19
General Motors	USD	94,695	4,102,144	0.58
Godaddy	USD	26,600	1,667,513	0.24
Hertz	USD	36,578	674,147	0.10
II-VI	USD	17,692	893,360	0.13
Jackson Financial	USD	46,870	1,448,495	0.20
Marathon Oil	USD	150,000	1,820,130	0.26
Northrop Grumman	USD	3,719	1,063,785	0.15
Ovintiv	USD	100,000	2,489,654	0.35
Pfizer	USD	25,120	1,095,983	0.15
Southwest Airlines	USD	31,139	985,577	0.14
Victoria's Secret	USD	66,600	2,734,478	0.39
Visa	USD	2,700	432,335	0.06
Total North America equities			59,996,504	8.48

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Japan				
Central Glass	JPY	13,000	177,878	0.03
Dena	JPY	28,600	324,854	0.05
Fuji Electric	JPY	74,400	2,933,159	0.41
Fujitec	JPY	18,900	305,328	0.04
Fujitsu	JPY	20,200	2,558,366	0.36
Kato Sangyo	JPY	17,900	384,453	0.05
Mitsubishi Electric	JPY	361,300	3,382,359	0.48
Mitsubishi Estate	JPY	399,000	4,083,715	0.57
Mitsubishi UFJ Financial	JPY	2,018,900	8,099,348	1.14
NEC	JPY	67,700	2,308,221	0.33
Nippon Seiki	JPY	35,500	263,956	0.04
Nissan Shatai	JPY	55,800	252,591	0.04
Nomura Real Estate	JPY	170,000	2,887,147	0.41
Orix	JPY	441,000	6,647,195	0.94
Rakuten	JPY	531,300	3,933,357	0.55
Rohm	JPY	42,500	2,851,671	0.40
Sekisui Jushi	JPY	8,800	118,093	0.02
Shin-Etsu Polymer	JPY	33,100	235,272	0.03
Softbank	JPY	30,400	1,060,688	0.15
Sony	JPY	35,100	3,262,270	0.46
Tachi-S	JPY	43,200	350,333	0.05
Teikoku Sen-I	JPY	26,900	400,369	0.06
Toagosei	JPY	31,600	233,943	0.03
Toei Animation	JPY	3,100	227,909	0.03
Toei	JPY	2,000	225,244	0.03
Token	JPY	4,400	266,698	0.04

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Tokio Marine	JPY	66,900	2,744,867	0.39
Tokyo Broadcasting System	JPY	17,400	186,354	0.03
Torii Pharmaceutical	JPY	9,700	178,938	0.03
TS Tech	JPY	20,000	181,454	0.03
Total Japan equities			51,066,030	7.22
Asia (ex-Japan)				
Weiss Korea Opportunity Fund	GBP	800,000	1,952,000	0.28
Total Asia (ex-Japan) equities			1,952,000	0.28
Other equities				
Ambev	USD	2,152,200	4,381,694	0.62
Total other equities			4,381,694	0.62
Total equities			299,747,714	42.28
Gold exposure and gold equities 7.56% (30 Jun 21: 6.62%)				
AngloGold Ashanti	USD	159,390	2,472,359	0.35
IAmGold	USD	1,487,640	3,429,971	0.48
Ishares Physical Gold	USD	300,000	7,865,245	1.11
Kinross Gold	USD	1,806,420	7,742,563	1.09
LF Ruffer Gold Fund*	GBP	10,073,136	28,194,709	3.98
Wheaton Precious Metals	USD	122,260	3,877,771	0.55
Total gold exposure and gold equities			53,582,618	7.56

	Currency	Holding at 31 Dec 21	Fair value £	% of total net assets
Credit protection and options 6.23% (30 Jun 21: 7.46%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	29,930,171	22,032,317	3.11
Ruffer Protection Strategies*	GBP	10,193,830	22,126,728	3.12
Total credit protection and options			44,159,045	6.23
Total investments			642,672,147	90.65
Cash and other net current assets			66,249,111	9.35
			708,921,258	100.00

* Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 Ltd are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. LF Ruffer Gold Fund and Ruffer SICAV Global Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

Appendix

Regulatory performance data

To 31 Dec %	†2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
RIC NAV TR	8.9	14.0	0.1	6.0	23.8	15.1	16.5	0.7	3.4	9.5
FTSE All-Share TR	12.3	22.0	16.8	5.3	–29.9	30.1	14.5	–3.5	12.3	20.8
Twice UK Bank Rate	9.9	9.4	11.0	11.2	3.4	1.0	1.0	1.0	1.0	1.0

	2014	2015	2016	2017	2018	2019	2020	2021	Annualised
	1.8	–1.0	12.4	1.6	–6.0	8.4	13.5	11.4	7.8
	1.2	1.0	16.8	13.1	–9.5	19.2	–9.8	18.3	7.6
	1.0	1.0	1.0	0.5	1.0	1.5	0.5	0.2	3.2

† From July 2004

Source: Ruffer, Bloomberg, FTSE International. Please note that past performance is not a reliable indicator of future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange. Calendar quarter data has been used up to the latest quarter end. This document is issued by Ruffer AIFM Limited (RAIFM), 80 Victoria Street, London SW1E 5JL. Ruffer LLP and Ruffer AIFM Limited are authorised and regulated by the Financial Conduct Authority. Ruffer AIFM is a wholly owned subsidiary of Ruffer LLP.

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