Ruffer Investment Company Limited

Half-yearly financial report
for the period ended
31 December 2020 (unaudited)

Contents

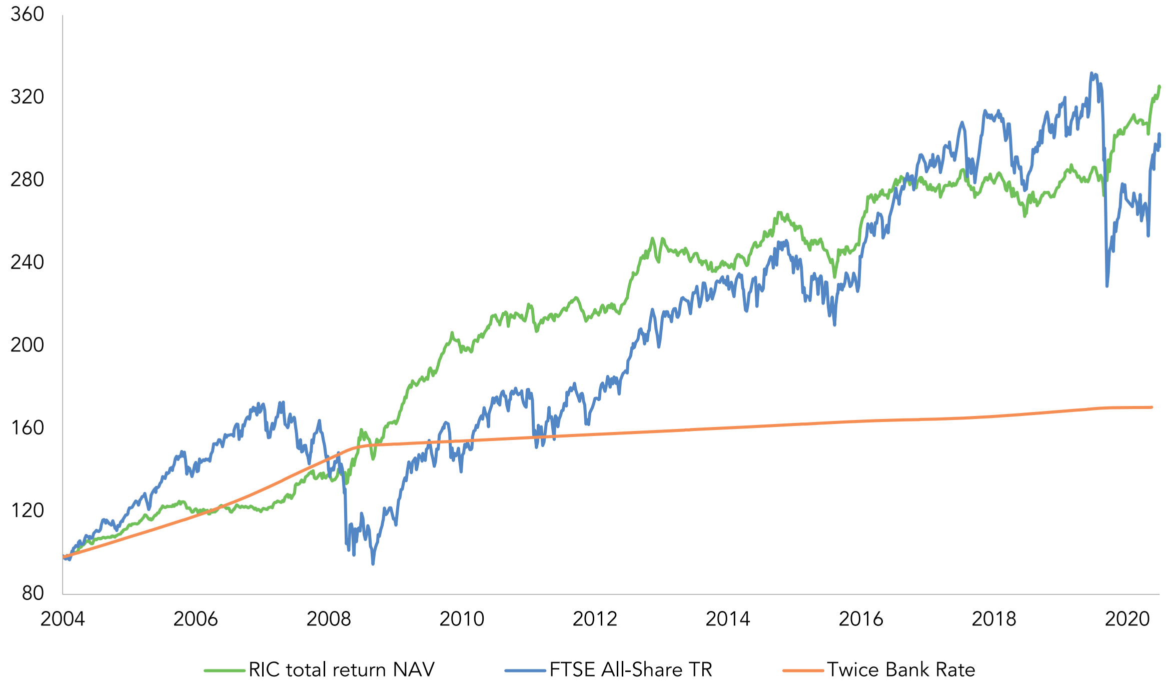
Key performance indicators

	31 Dec 20 %	31 Dec 19 %
Share price total return over six months[1]	9.1	3.8
NAV total return per share over six months[1]	6.4	3.3
Premium/(discount) of traded share price to NAV	0.9	(3.5)
Dividends per share over six months[2]	0.95p	0.90p
Annualised dividend yield[3]	0.7	0.8
Annualised NAV total return per share since launch[1]	7.5	7.2
Ongoing charges ratio[4]	1.09	1.07

Financial highlights

	31 Dec 20	30 Jun 20
Share price	263.00p	242.00p
NAV as calculated on an IFRS basis[5]	£472,446,344	£444,112,381
NAV as reported to the LSE	£471,058,880	£444,389,282
Market capitalisation	£475,473,534	£437,507,967
Number of shares in issue	180,788,416	180,788,416
NAV per share as calculated on an IFRS basis[5]	261.33p	245.65p
NAV per share as reported to the LSE	260.56p	245.81p

1 Assumes reinvestment of dividends
2 Dividends declared during the period
3 Annual dividend yield is calculated using share price at the period end and dividends declared during the period
4 See note 7
5 This is the NAV per share as per the Financial Statements. Refer to note 12 on page 46 for a reconciliation between this figure and the NAV per share as reported to the LSE



Source: RAIFM Ltd, FTSE International (FTSE)†. Data to 31 December 2020. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

Chairman's review

It is a privilege to have succeeded Ashe Windham as Chairman of the Company and we all wish him well for the future. Ashe joined the Board of Ruffer Investment Company Limited (RICL or 'the Company') in 2009 and became Chairman in 2011. During his tenure as Chairman the total return on the Company's shares was 37.5% and there was significant change, including a new Board, a new broker and a new administrator. Ashe has left the Company in a strong position, at a peak of market capitalisation and with a significantly lower ongoing charges ratio (OCR).

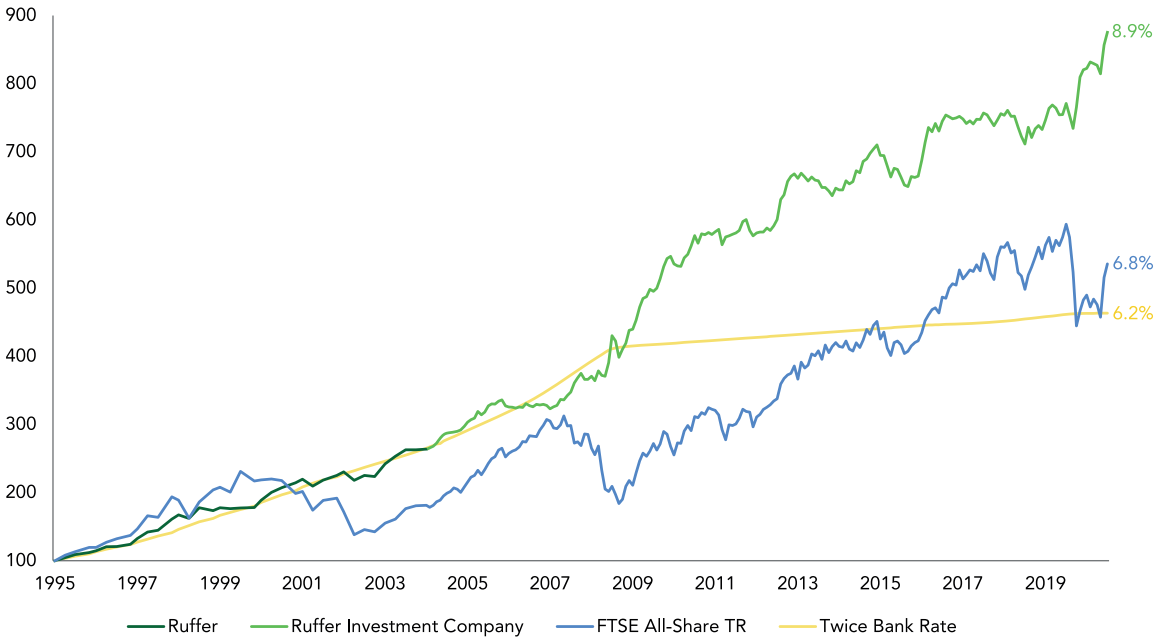
Performance

Lenin said about the year 1917: "there are decades where nothing happens and there are weeks where decades happen". The same was true of 2020. Many financial assets moved more in weeks than they had previously in decades and covid-19 created, or at least furthered, a revolution in a number of areas of commercial, environmental and social life.

RICL achieved its investment objectives in 2020 with colours flying. Over the six months under review the Company's published net asset value (NAV) rose from 245.81p to 260.56p, providing a net asset total return of 6.4%. The share price appreciated from 242p to 263p which, together with the dividends, gave a shareholder total return of 9.1% for the six months, helped by the movement from a small discount to a modest premium over the period.

The 2020 calendar year share price return of 17.8%, and NAV return of 13.5%, contributed to a compound annual NAV return of 7.5% since the Company listed in 2004, compared to 6.8% per annum from the FTSE All-Share Total Return Index.

Ruffer's investment strategy, since before the launch of your Company, has now produced a positive return in the three major bear markets since the firm began in 1994, making money for investors in 2000-2003, 2008 and in 2020. The compound annual return for the strategy is 8.9% after fees with a maximum drawdown of less than 10% compared to a maximum of 48% for the FTSE All-Share Index.



Source: Thomson Datastream, Ruffer, FTSE International (FTSE)†. Cumulative performance from June 1995 to July 2004 for the Ruffer representative portfolio (derived from internal management information produced by Ruffer LLP) and from July 2004 to December 2020 for the Ruffer Investment Company Limited Net Asset Value (total return). Performance data is included in the appendix. Ruffer performance figures are calculated after fees, in pounds sterling and include reinvested income. Ruffer's representative portfolio is an unconstrained segregated portfolio following Ruffer's investment approach.

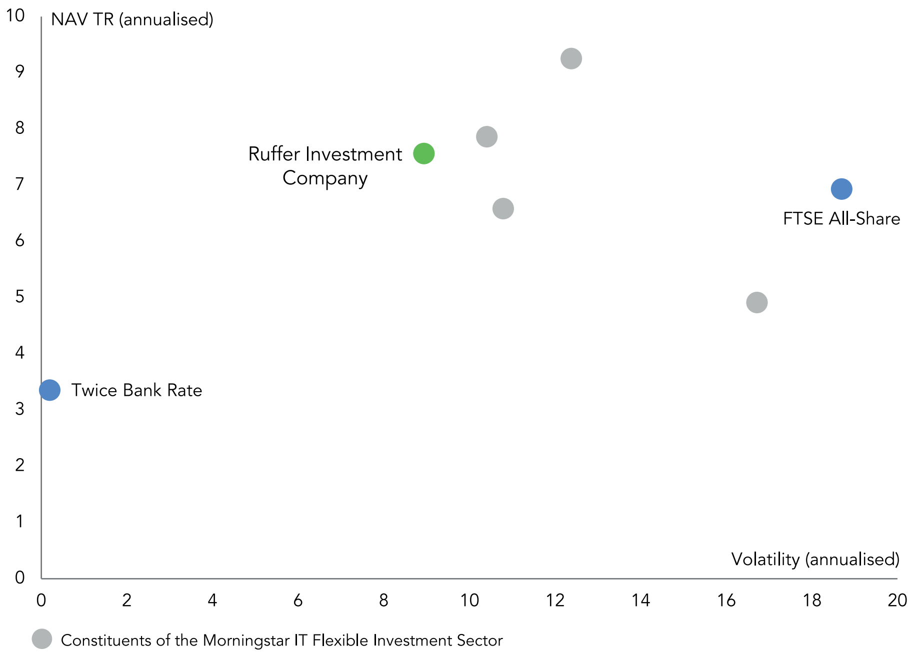
Risk

An American economist named Frank Knight wrote, back in 1921: "if you don't know for sure what will happen, but you know the odds, that's risk, and if you don't even know the odds, that's uncertainty." The future is nearly always uncertain and the past is no guide to the future. However, while history does not necessarily repeat itself, it does tend to rhyme and the results can be measured.

One measure of risk is deviation from an average historical return. More risk should equate to more return, but two portfolios can have identical annual arithmetic average returns over the same period with different wealth outcomes depending on risk. For instance, a portfolio which achieves a mean annual return of 10% over ten years with no volatility will accumulate one fifth more wealth than a portfolio with exactly the same average return but where the return deviates by 20% in two years out of three. For perspective, 20% was the volatility of UK equities over the span of the twentieth century.

The chart below shows the annual total return and volatility of the Company's NAV since launch in July 2004. This is shown against the Company's objective, the FTSE All-Share index and four of the most comparable investment companies within the AIC Flexible Investment Sector over that period. The RICL return is not only achieved with the lowest risk of all the funds but with the highest percentage return for every extra percentage point of risk taken.

NAV total return versus volatility, July 2004 – 31 December 2020



Source: Ruffer, Morningstar. Constituents: Personal Assets, Capital Gearing, Aberdeen Diversified Income & Growth, RIT Capital Partners

The Sharpe ratio quantifies the Company's performance relative to a risk-free investment, taking account of any additional risk. The Sortino ratio measures only the downside element of the volatility. The Sortino numbers show that the Company has generated nearly three times more excess return per unit of downside risk since its inception than an investment in the UK stock market.

To 31 December 2020	Sharpe ratio	Sortino ratio
Ruffer Investment Company since inception (July 2004)	0.89	1.99
FTSE All-Share Total Return Index since July 2004	0.43	0.69

FTSE All-Share index in GBP. Source: Factset. Ruffer Investment Company data is Total Return NAV. All data measured to 31 December 2020.

Investment objective

The Company is classified as part of the flexible investment sector, which has many different benchmarks, although many different funds in the sector have none. The Company has no index-related benchmark, but its principal objective is: 'to achieve a positive total annual return, after all expenses, of at least twice the Bank of England Bank Rate'. The aim is to create an 'all-weather' portfolio which combines growth and protective investments to provide consistent positive returns regardless of the performance of financial markets. In the words of Jonathan Ruffer, the approach is about trying not to be wrong, rather than attempting to be right.

Bank Rate is just one of the tools of monetary policy set by the Monetary Policy Committee of the Bank of England to maintain price stability and support the government's economic policy. Bank Rate determines the interest rate paid to commercial banks holding money with the Bank of England as part of their liquidity requirements. By influencing the rates which those banks charge for lending, Bank Rate affects economic activity and the valuation of assets. It is used as a tool to encourage growth, as now, and control inflation to preserve the value of money as in the 1970s.

Even during the gold standard days of the nineteenth century, Bank Rate ranged between 2% and 10%. The highest rate ever seen was 17% in 1979, when it was known as minimum lending rate. By the time RICL was launched in June 2004, the rate had fallen to 4.5%. Returning twice 4.5% while trying to avoid significant drawdowns was a testing target given the volatility of equities or equity-related securities and bonds in which the Company is predominantly invested.

Simple but not easy

Since February 2009, Bank Rate has been no higher than 1%, the lowest nominal rate since the Bank of England was founded in 1694 until falling to the current 0.1%. Twice bank rate as a target might seem simple but is not always easy. Cash maintains capital value, carries minimal risk; its return is highly predictable in the short term and it is accessible. In the long term, cash returns have been close to the inflation rate, in fact 1% above it over the twentieth century.

However, the valuation of the assets in which the Company invests is not just determined by the nominal rate of interest but the rate relative to inflation or deflation – the real rate. When measured against the Retail Price Index since 2009, Bank Rate has been negative in real terms in every single year, just as it was positive in every one of the previous ten years. This negative real rate both reduces the universe of return-enhancing safe-haven assets available to achieve the Company's investment objective and encourages taking risk.

Furthermore, it is not the rate but a change in rate, especially unanticipated change, which has the greatest impact on the valuations of the assets in which the Company invests and therefore on returns in the short term. Bank Rate is a blunt instrument of monetary policy. It has only a lagged impact on inflation and the real economy, but can have a dramatic effect on financial markets.

The present value of assets is also a function of future income discounted at rates of interest related to Bank Rate. Growth discounted at low rates of interest creates high present values of long duration assets such as long dated bonds and growth equities. These valuations can remain high and become higher if growth or low interest rates are sustained beyond expectation. And they become vulnerable to any sustained change in the direction or amount of earnings growth, of monetary or of fiscal policy.

Marginal changes in low rates can make valuations volatile, while the cost of protection against that volatility remains relatively high in a low return environment. It may be counter-intuitive, but a consistent positive return of twice Bank Rate has rarely been a more challenging target especially given the implied low level of downside risk. There will be times when the Company far exceeds its target but other times when standing still will be an achievement.

Share buy-backs

Although the Company has never yet used the permission of shareholders to buy back its own shares (the redemption in 2007 was technically a tender offer at NAV rather than a buy-back), it subscribes to the Association of Investment Companies (AIC) Corporate Governance Guide for Investment Companies (the AIC Code). This code, which is endorsed by the Financial Reporting Council, imposes a duty on the Board of Directors to monitor and take action to address discounts to NAV. The AIC Code explicitly references buy-backs as one such tool with which to do so.

In July 2020, the AIC published a paper in response to the Pensions & Investment Research Consultants Ltd (PIRC), a corporate governance and shareholder advisory group, on what PIRC views as the circularity of capital which they believe is not to the long-term advantage of shareholders. PIRC shows that a number of trading companies have issued capital and within weeks or even days sought authority to buy back shares and vice versa.

PIRC applies the same argument to investment companies. It maintains that a discount to NAV is largely a product of the management fee. PIRC's hypothesis is that the NAV of an investment company represents the present value of the market's expected future stream of income and gains or losses from its underlying investments, while the share price of that company represents the NAV less the present value of any future expected charges. The assumption is therefore that if there were no future charges then there would be no discount of share price to NAV.

The AIC paper recommends that PIRC distinguishes between investment companies and trading companies and suggests that buy-backs can be an appropriate mechanism to control discount volatility and deliver shareholder value.

Empirical evidence

With the help of our broker, Investec, we have investigated the empirical evidence of the correlation between ongoing charges and the average discount to NAV of the entire investment company population. The statistic (R-squared) which indicates the extent to which one of those two variables could explain the other is not significant at less than 6%. This statistic implies that factors other than charges explain at least 94% of any correlation between investment company ongoing charges and share price discounts to NAV.

Further analysis showed that some investment companies have sustained a premium of share price to NAV for long periods of time despite costs of management. Some trusts with lower operating costs than others have had higher levels of discount. Discounts for the same company have varied significantly between time periods when the management charges have not. This was especially the case during market disruptions, such as in 2007/2008 and March 2020, when discounts increased substantially.

Apart from this empirical evidence, it is a mathematical fact that buying back shares at a significant discount and cancelling them increases NAV for the remaining shareholders, although at some point shrinking the company size would lead to a higher ongoing charge and less marketability in the shares. There is also evidence that buying shares into treasury and reissuing can help liquidity in the shares, which shareholders also value.

The conclusion from the empirical analysis is that PIRC's working hypothesis, that discounts are 'largely a product of the management fee', does not in fact work. Management fees may be one of a number of factors. Other factors might include both absolute and relative performance of the fund or underlying asset class; expectation of future returns, dividend yield, cover and sustainability; manager depth and resource; marketability of shares; discount control; and confidence in the Board. However, there appears to be no evidence to support the hypothesis that fees and charges are the main factor in explaining discounts of share price to NAV.

Your Directors sought shareholder permission at the annual general meeting (AGM) in December 2020, as they do each year, to repurchase up to 14.99% of the issued preference shares during the 12 months to the next AGM. Shareholders voted 99.96% in favour of the resolution. In the case of your Company, the Board is alerted by our broker to any discount of share-price to NAV greater than mid-single digits. At that point we might expect some investors to trade the discount, taking a view on it narrowing and compounding positive underlying performance. Others may arbitrage between the Company's shares and units in the equivalent Ruffer open-ended fund.

The Board assesses with the broker the market position in the shares: who are the sellers; what are their reasons; what are volumes which are moving the share price significantly relative to the average liquidity levels; where are and what constitutes potential buyers and at what price level. The Investment Manager is not appraised of this discussion because of potential conflict of interest should they choose to buy the Company's shares for their discretionary clients.

The Board makes its own independent judgement on whether it deems the discount to be a temporary aberration, offering the opportunity to add value to shareholders through buyback, or a longer-term signal for which action other than a share buy-back may be required.

Reporting to shareholders

The annual report will elaborate on Ruffer's environment, social and governance (ESG) policies which have been a focus of the Board's attention and are well documented on the Ruffer website. We are pleased to report continued good progress and many examples of Ruffer acting as a leader in this area. This view was endorsed by the latest Assessment Report from the UN-supported network of investors promoting sustainable investment known as Principles for Responsible Investment (PRI) where Ruffer scored A+ (the highest grading) for their overall ESG strategy and governance framework.

One of the revolutions which covid-19 has furthered is digital communication. It has been a feature of some companies, not least those resident in Guernsey, that AGMs have never been easy for shareholders to attend. For many during lock-down under covid-19 it has been impossible.

Covid-19 has shown that technology can mitigate communication issues, as already demonstrated by Ruffer webinars and Ruffer Radio. Your Board and the Investment Manager are considering how to open the AGM virtually later this year to all shareholders who have appropriate internet access. More on this in the annual report.

Earnings and dividends

Earnings for the half year were 0.93p per share on the revenue account and 15.69p per share on the capital account. The Company's investment strategy continues to focus on total return to achieve its objective. Income remains a by-product of this process, given the high level of investment in assets which themselves offer little or no income. Such net income as arises will be distributed, but capital will not be drawn on to maintain the dividend. However, the Company is carrying retained revenue earnings of approximately £2 million, which the Directors may use to supplement future dividends should they consider it appropriate to do so.

Déjà vu

The focus of government policy in 2021 will likely continue to be to avoid the economic and social deflationary abyss of the 1930s. Markets are clearly discounting this outcome but what policy follows, after the expected fiscal and vaccine-induced recovery, will be the issue for 2021 and beyond.

Whether one subscribes to classical economic thinking or to modern monetary theory (MMT) – which some believe to be neither modern, nor monetary, nor theory, but hypothesis – both have points in common. Both acknowledge that once fiscal policy absorbs unemployed resource with continued growth in money, then inflation becomes the most likely outcome, inducing a government policy response of higher taxation and rates of interest.

John Maynard Keynes wrote in 1923: "a change in the value of money, that is to say in the level of prices… has produced in the past, and is producing now, the vastest social consequences… which generally affect different classes unequally, transfers wealth from one to another, bestows affluence here and embarrassment there…". *Plus ça change.*

Political recognition of this inequality and its cause is only a matter of time. But until general economic recovery and the signs of inflation are well set, governments and central banks will likely be echoing the prayer of St Augustine: "Lord make me pure but not yet."

The Company's strategy recognises that we are moving into a new investment regime. Ruffer's success during 2020 in managing different and unexpected market scenarios is encouraging for 2021. Your Board is confident that the portfolio will continue to provide 'all-weather' portfolio diversification and protection of wealth.

Christopher Russell

26 February 2021

Investment Manager's report

Performance review

For the six months to 31 December 2020 the NAV return was 6.4% (2019: 3.4%). The share price return of 17.8% and the NAV return of 13.5% for the calendar year 2020 marks two consecutive years of good returns for shareholders (+23.0% in NAV performance over 2019 and 2020) following a lean period in the two years before that.

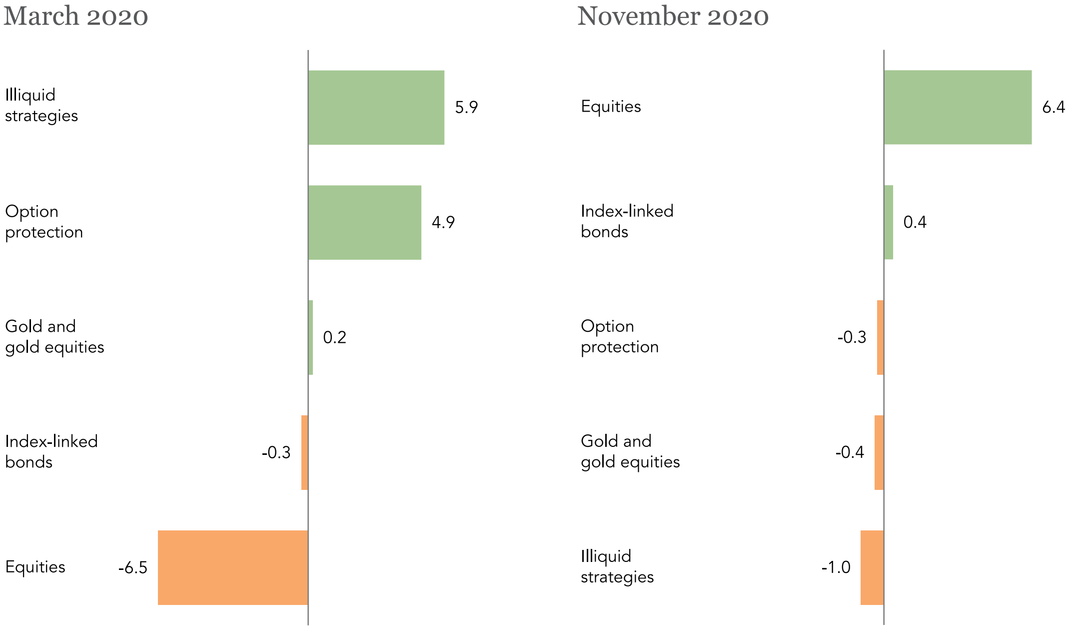
What most people will find surprising about 2020 is that through a severe global recession, most assets ended up making money. This is hard to reconcile with the lived experience of 2020. Despite the rise in asset prices, the portfolio objective of preserving shareholder capital was thoroughly tested as we experienced the broadest possible range of market and economic environments. We often describe the Ruffer investment approach as 'all-weather' and there was certainly a wide variety of investment weather to deal with.

There were three distinct phases of market behaviour, each of which required a different asset mix to navigate successfully.

Period	Environment	RIC TR NAV %	FTSE All-Share TR %	FTSE All World TR %
Q1	Covid crash	-0.7	-25.1	-20.0
Q2+Q3	Stimulus led reflation	+8.0	+7.0	+26.6
Q4	Vaccine recovery and rotation	+5.8	+12.6	+12.9
2020 FY		+13.5	-9.8	+14.4

Source: Ruffer LLP, Factset

To illustrate this another way the portfolio appreciated by 4.2% in March 2020 when equities fell 15.1% and also appreciated by 5.2% in November 2020 which was the best month for equities since 1987.



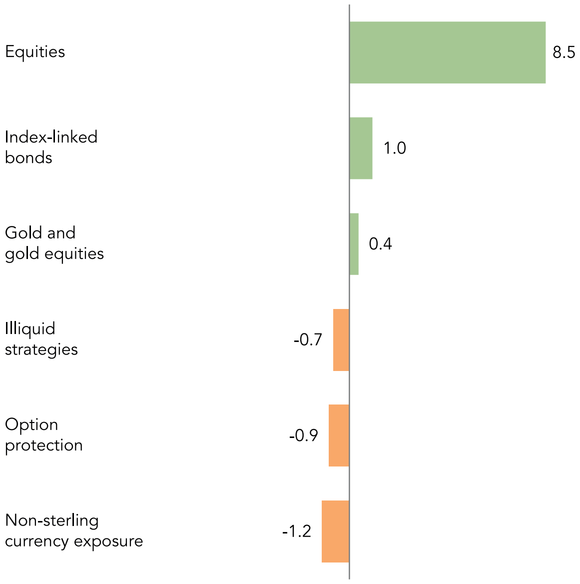
Source: Ruffer Investment Company

Portfolio attribution

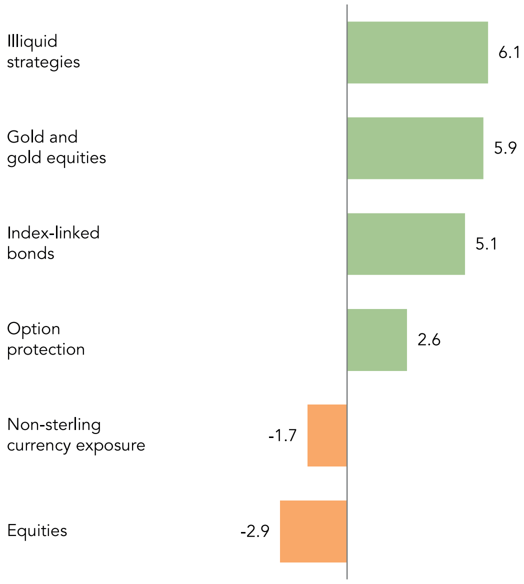
Attribution for the year 2020 tells only part of the story. What was important was not just what you owned, but when you owned it.

In order to hold onto the major positive contributions from gold, illiquid strategies, US Treasury Inflation Protected Securities (TIPS) and option protection, we needed to add opportunistically and lock in gains at various points during the year. Similarly, while we lost money in equities over the year as a whole (too much cyclical exposure in Q1), timely additions in the middle of the year and a further rotation into cyclical stocks meant that this part of the portfolio performed strongly in the bounce in markets and vaccine announcement in November 2020.

Six months to 31 December 2020



12 months to 31 December 2020



Source: Ruffer Investment Company

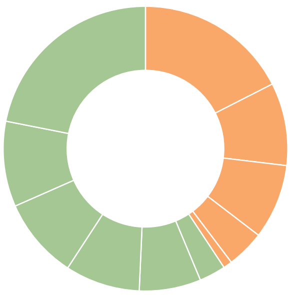
Within the equity book the standout stock has continued to be Ocado, rising 79% in 2020, 13% since 30 June and 774% since purchase. Three other notable successes were Fujitsu (+45% in 2020, +82% since purchase), Sony (+39% in 2020 and +271% since purchase) and Weiss Korea (+59% in 2020 and +138% since purchase).

Having been a drag in the first half of 2020 our positions in cyclical and value stocks were justified in the second half of the year as they acted as an offset to long duration assets and covid-19 winners (gold and long dated index-linked bonds for us, technology and growth stock for many others). Stocks exposed to a 'v for vaccine' recovery have done well since purchase – notable contributions came from Cemex (+98%), Uber (+44%), Barratt Development (+42%) and Vinci (+42%). At the very end of the period under review the announcement of a post-Brexit trade deal benefited our position in domestic UK equities and the decision to add to this part of the portfolio in October 2020. The reaction was more muted than we expected, but as the covid-19 clouds start to clear we expect the discount on UK equities to narrow.

Portfolio changes

There was some profit taking in gold and trading in US TIPS as mentioned above and the equity weighting rose from c 30% to c 40%. As we reported in July, a portfolio of index-linked bonds, gold and cyclical/value stocks (which benefit from stimulated GDP growth) and a significant sprinkling of protection against market calamity looks to be the right mix for the current environment.

Asset allocation



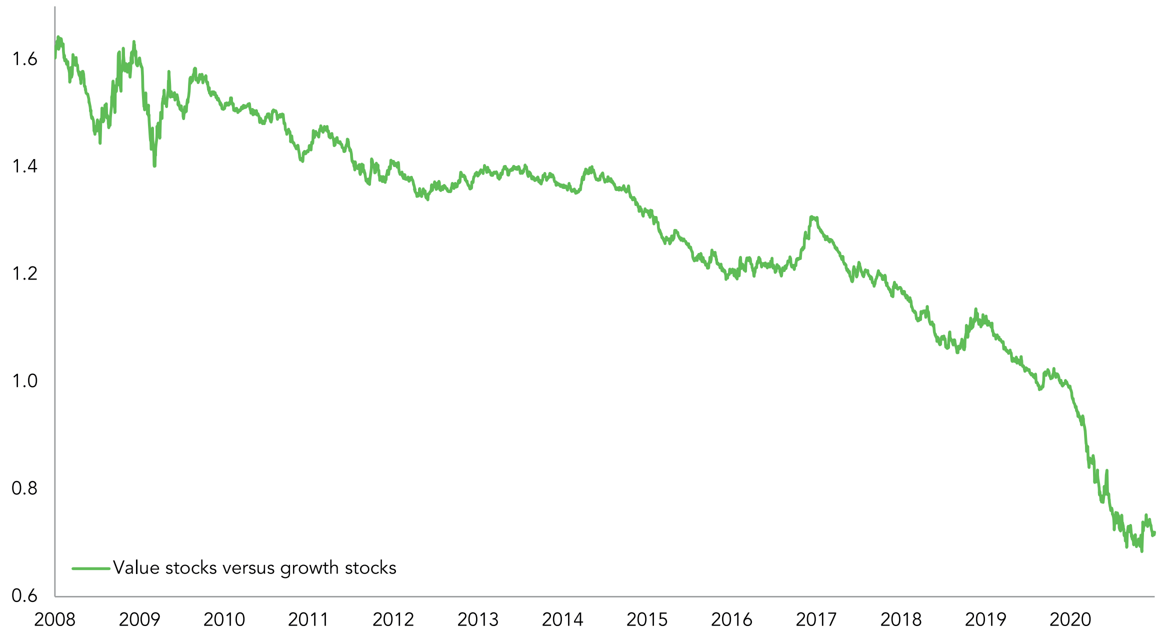
	%
Non-UK index-linked bonds	21.9
Illiquid strategies and options	9.7
Long-dated index-linked gilts	9.2
Cash and other net assets	8.5
Gold and gold equities	7.0
Index-linked gilts	3.0

	%
UK equities	17.5
North America equities	9.4
Japan equities	8.5
Europe equities	4.3
Asia ex-Japan equities	1.0

Ruffer Investment Company as at 31 December 2020

Although our cyclical/value stocks were strong immediately following the vaccine news, we must remember both the portfolio role they play and the longer-term context. These stocks are geared to improving economic prospects and rising interest rates – this is vital as the rest of the portfolio stands to benefit more from continued financial repression and poorer market and economic outcomes. Secondly, as the chart below shows, these types of stocks have underperformed growth and quality factors for a decade. If there is an extended rotation, which would rely upon improved economic growth, then the recent outperformance has much further to run.

Value stocks versus growth stocks



Source: FactSet. MSCI World Value index versus MSCI World Growth index. Data as at 31 December 2020

One notable addition to the portfolio during November 2020 was bitcoin exposure. We gained our bitcoin exposure via the Ruffer Illiquid Multi Strategies Fund and two proxy equities in Microstrategy and Galaxy Digital Holdings. At the period end the combined exposure of these was just over 3%. In the short period since investing both stocks are up more than 100% and bitcoin is up 90%.

Our rationale has been well publicised but, briefly, we have a history of using unconventional protections in our portfolio. This is another example, a small allocation to an idiosyncratic asset class which we think brings something significantly different to the portfolio. Due to zero interest rates the investment world is desperate for new safe-havens and uncorrelated assets. We think we are relatively early to this, at the foothills of a long trend of institutional adoption and financialisation of bitcoin. Think of bitcoin's bad reputation as a risk premium – as we move through the process of normalisation, regulation, and institutionalisation, the compression of this premium can have a dramatic effect on the price. If we are wrong, bitcoin will return to the shadows and we will lose money – this explains why we have kept the position size small but meaningful.

Investment outlook

As we enter 2021 there is near consensus in financial markets on four things –

1. Covid-19 will be conquered by the vaccine
2. Central banks will keep printing money without limit
3. Governments will keep spending without limit
4. Valuations no longer matter because the winners and losers have been settled

But coming into 2020 there was near universal consensus that global growth would accelerate. The one thing that mattered in 2020, coronavirus, was on few people's radar. Most did not see it coming and markets were complacent to the risk. As Daniel Kahneman put it: "the correct lesson to learn from surprises is that the world is surprising."

Given the unique blow to the economy and the co-ordinated shock-and-awe global response, it seems fair to conclude that the distribution of possible outcomes from here is wider than it has ever been. This makes a genuinely all-weather portfolio even more important.

The economy

It now seems we are in a K-shaped recovery – that means winners and losers. The unique shape of the covid-19 crisis and accompanying recession has meant some industries have thrived whilst others have suffered. What does the K mean? In caricature, everyone now uses Zoom and Peloton and offices and gyms are forced to close. Big beats small. The digital economy beats everything. Covid-19 acted as the 'Great Accelerator' to a whole host of trends which were already in motion.

This applies to individuals as much as it does to companies. The rich have benefited from asset prices rising, access to cheap debt and more independence. Those less fortunate have faced job losses and managing precariously through a patchwork of government support.

The K-shaped Recovery

The K is not OK because it leads to a hollowing out of the economy and, as we are observing, it will exacerbate inequality and cost far too many jobs. Despite the government schemes, the job losses dwarfed any historical comparison. Even after a significant recovery, US levels of unemployment are only just back to those levels seen at the trough of the global financial crisis.

It feels like we live in a world of two extremes – the real economy which has been severely wounded and a rose-tinted, utopian, liquidity-fuelled world in the financial economy.

Why does this matter? Because governments have a habit of bending to popular will and there are a lot of disenfranchised people as a result of covid-19 who are looking for someone/something to blame. Capitalism, big business, the rich – all seem to be probable targets who will have to 'pay their fair share'. Furthermore, because politicians can read the mood of voters too, this will ultimately lead to government intervention and antitrust. The first signs are showing with talk of student debt forgiveness, a $15 minimum wage in the US and a coming reckoning for Big Tech in the US.

The optimistic take on the current economic situation is, as governments have realised through necessity, that the frontiers of tolerable levels of government borrowing and spending are further out than previously thought. Those, including Ruffer, who have worried about the unsustainable debt dynamics are looking more wrong than ever. This is music to political and Keynesian ears and it is an invitation they won't need to be offered twice to get more active in 'investing in the economy'. Such a policy is entirely unsustainable if bond yields rise, hence the obsession by the authorities in keeping interest rates nailed to the floor.

We can layer on top of this unexpected debt headroom the possibility of significant pent-up demand. After the Spanish flu in 1918 came the roaring 20s. The combination of the First World War plus a pandemic meant that people had put their lives on pause. It is entirely possible that for many something similar has happened during covid-19 – delayed weddings, cancelled holidays, etc. Might the animal spirits post-vaccine in mid-2021 catch us all by surprise? If so it seems plausible that bond yields will indeed rise and there will be upward pressure on prices.

A new investment regime

The question all investors need to be asking themselves today is ‘why do I own conventional bonds?’

Bonds have been the cornerstone safe haven asset for investor portfolios since the creation of modern portfolio theory in the 1950s. As an asset class they have done a fantastic job, delivering strong returns and crucially acting as a wonderful portfolio offset. This is because bonds have gone up at times of stress when riskier assets in portfolios have fallen. They have been a hedge, but one with significant positive carry – the holy grail! But from here – with yields as low as they are – it is hard to see why anyone would own them. What do they add to your portfolio?

Bond prices are not just at record highs. They now offer guaranteed negative returns before considering inflation. As Jim Grant famously observed: ‘they have gone from risk free return, to return free risk.’ This has not escaped the notice of investors, which is why they have taken on more credit risk in order to achieve required yields and branched into assets outside traditional fixed income markets. These bond proxies (think infrastructure, renewable energy projects, property, private credit, defensive equities) are now exposed to the same risks as conventional bonds.

The chart below shows the total stock of global negative yielding debt outstanding. Investors are prepared to hold around $18tn worth of bonds knowing full well they will get back less than their original investment if held to maturity. Only 15% of the entire world bond market yields more than 2%.

Source: Bloomberg, data to 31 December 2020

At best, this is a bubble in pessimism. Are asset allocators so devoid of good ideas they will guarantee a small loss at the risk of anything worse happening? At worst, this is the tyranny of benchmarking writ large as 'investors' paint by numbers into assets guaranteeing losses.

But bonds are a mathematically bounded asset class – from here the 'bond math' is challenging. In the US the ten year bond yield would have to fall to -0.7% to offset a 10% fall in the S&P 500 in a typical 60/40 portfolio. This is possible, but not likely, and anything worse than a 10% fall in the equity market would require even more sharply negative yields.

It is worth drawing on a recent example – had you held 10 year German bunds from 2019 through the covid-19 crash you would have lost money. That is to say that through the sharpest, deepest recession in recorded history you lost money in one of the ultimate safe-haven conventional government bonds.

For these reasons we do not hold conventional government bonds in the Company. Inflation-linked bonds offer a different opportunity as explained below.

The big question – how do we pay for all this?

Regardless of how the economy recovers from the pandemic, we can say for sure that western societies will come out of this carrying significantly more debt than before. The need to address this issue has become a necessity. Step 1 is to ensure that borrowing costs are kept as low as possible. Step 2 is to look at ways to start deleveraging. We all know that austerity is politically toxic and ineffective. Growing our way out of this bind is vanishingly unlikely given that it hasn't worked for at least the last half a century. While default will always be the nuclear option to be avoided at all costs, history does show us that a default via the back door of inflation is both the most effective 'solution' and the most politically palatable. In the current situation this option also has the added political benefit of appeasing the social pressure to address wealth inequality. Financial repression (interest rates below the rate of inflation) rewards the have-nots of society at the expense of the haves. Debt is inflated away and asset values typically fall.

As shown in the chart below, conventional bonds offer no protection in this scenario and equities tend to perform poorly when inflation starts to pick up materially. Our belief is that a combination of index-linked bonds, gold and some digital currency will offer protection.

Crossing the inflation Rubicon?

Source: Bloomberg-Barclays, Shiller, GFD, BLS, Minack Advisors. Rolling 36 month correlation between the one month S&P 500 total return and one month 10 year Treasury return, versus three year average core inflation rate. Data from 1960.

Summary

We are moving into a new investment regime in the post-covid-19 world. As ever in a regime change, there will be individual winners and losers, but perhaps more importantly the investment template from the previous regime is unlikely to work (aka driving with the rear view mirror). Our key takeaways are as follows–

1. Covid-19 as the Great Accelerator – many existing trends have been amplified. Of these the greatest threat to investors is the necessity of financial repression to pay for past debts.
2. The negative bond/equity correlation trade may be over – conventional portfolios are riskier than they appear through back-testing scenarios.
3. Expect the unexpected – a genuinely all-weather portfolio is going to be essential.
4. Beware the duration trade – many different assets have benefited from falling bond yields. A mix of cyclical equities and interest rate options gives you a genuine diversifier.

Faced with these challenges our job is to construct a portfolio for the Company which will protect and grow our investors' capital in a wide variety of market scenarios. Constructing a genuinely diversified portfolio has never been more challenging, but the results from this year, where we have experienced the full spectrum of market scenarios, is encouraging. On the protective side we have exposure to anti-assets like credit default swaps, index-linked bonds, gold, bitcoin or expressions of volatility. These are assets which, in isolation, may make traditional investors uncomfortable, but through the prism of the whole portfolio can be true diversifiers. On the growth side, if policy makers and vaccine producers are successful in facilitating a re-opening and nominal GDP growth then cyclical equities, those geared into the economic recovery, will be the place to be. We saw the first hint of this trend in November.

Ruffer AIFM Limited

26 February 2021

Top ten holdings

Investments	Currency	Holding at 31 Dec 20	Fair value £	% of total net assets
Ruffer Illiquid Multi Strategies Fund 2015†	GBP	52,961,000	37,071,905	7.85
US Treasury inflation indexed bond 1.75% 15/01/2028	USD	22,000,000	24,534,858	5.19
UK index-linked gilt 0.125% 22/03/2068	GBP	6,800,000	23,526,064	4.98
LF Ruffer Gold Fund*	GBP	6,714,906	21,722,721	4.60
UK index-linked gilt 0.375% 22/03/2062	GBP	6,050,000	20,117,300	4.26
Ruffer UK Mid & Smaller Companies	GBP	71,400	18,198,455	3.85
UK index-linked gilt 1.875% 22/11/2022	GBP	9,000,000	14,100,384	2.98
US Treasury inflation indexed bond 0.875% 15/01/2029	USD	15,000,000	13,296,606	2.81
US Treasury inflation indexed bond 0.25% 15/02/2050	USD	14,862,400	13,113,808	2.78
Lloyds Banking Group	GBP	31,776,800	11,579,466	2.45

* LF Ruffer Gold Fund is classed as a related party because its investment manager, Ruffer LLP, is the parent company of the Company's Investment Manager.

† Ruffer Illiquid Multi Strategies Fund 2015 Ltd is classed as a related party as it shares the same Investment Manager as the Company.

Statement of principal risks and uncertainties

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board, through its Audit and Risk Committee, has carried out a robust assessment of the principal risks and uncertainties facing the Company by using a comprehensive risk matrix as the basis for analysing the Company's system of internal controls while monitoring the investment limits and restrictions set out in the Company's investment objective and policy.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2020. The principal risks disclosed include investment risk, operational risk, accounting, legal and regulatory risk and financial risks. A detailed explanation of these can be found on pages 15 to 16 of the Annual Financial Report. The Board and Investment Manager do not consider these risks to have materially changed during the six months ended 31 December 2020, and are not expected to change in the remaining six months of the financial year.

Going concern

The Directors believe that, having considered the Company's investment objective (see Business Model and Strategy on page 11 of the Annual Financial Report), financial risk management and associated risks (see note 19 to the Financial Statements on pages 88 to 100 of the Annual Financial Report) and in view of the liquidity of investments (assuming, as the Board does, that market liquidity continues), the income deriving from those investments and its holdings in cash and cash equivalents, the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least 12 months from the date of approval of these Interim Financial Statements. The Directors also note that overall, due to the nature of the Company's portfolio, which comprises both equities and other more defensive assets, it has not been materially adversely affected in terms of value or cashflows by the effects of the covid-19 pandemic.

Responsibility statement

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge

- the half-yearly financial report and Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting as adopted by the European Union and
- the half-yearly financial report and Unaudited Condensed Interim Financial Statements (including the Chairman's Statement and the Investment Manager's Report) meet the requirements of an interim management report and include a fair review of the information required by
  - a DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of principal risks and uncertainties for the remaining six months of the year and
  - b DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last Annual Financial Report that could do so.

On behalf of the Board

David Staples, Director

26 February 2021

Independent review report to the shareholders of Ruffer Investment Company Limited

We have been engaged by Ruffer Investment Company Limited ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2020 which comprises the condensed statement of comprehensive income, condensed statement of financial position, the condensed statement of changes in equity and the condensed statement of cash flows and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
St Peter Port
Guernsey

26 February 2021

Condensed statement of financial position (unaudited)

As at 31 December 2020

	Notes	31 Dec 20 £ (unaudited)	30 Jun 20 £ (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	10,11	432,272,347	400,997,042
Current assets			
Cash and cash equivalents		36,981,180	42,667,336
Trade and other receivables		471,968	8,877,207
Derivative financial assets	11	4,036,172	–
Total current assets		41,489,320	51,544,543
Total assets		473,761,667	452,541,585
Liabilities			
Current liabilities			
Trade and other payables		493,710	4,887,485
Derivative financial liabilities	11	821,613	3,541,719
Total liabilities		1,315,323	8,429,204
Net assets		472,446,344	444,112,381
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	4	186,459,986	186,459,986
Capital reserve		187,219,226	158,853,795
Retained revenue reserve		3,717,573	3,749,041
Other reserves		95,049,559	95,049,559
Total equity		472,446,344	444,112,381
Net assets attributable to holders of redeemable participating preference shares (per share)	12	261.33p	245.65p

The Unaudited Condensed Interim Financial Statements on pages 29 to 47 were approved on 26 February 2021 and signed on behalf of the Board of Directors by

David Staples, Director

The notes on pages 33 to 47 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of comprehensive income (unaudited)

For the period ended 31 December 2020

	Notes	Revenue £	Capital £	1 Jul 20 to 31 Dec 20 total £	1 Jul 19 to 31 Dec 19 total £
Fixed interest income		548,004	–	548,004	681,489
Dividend income		1,592,879	–	1,592,879	2,093,889
Net changes in fair value of financial assets at fair value through profit or loss	5,10	–	18,983,644	18,983,644	9,065,572
Other gains	6	–	11,543,891	11,543,891	4,236,668
Total income		2,140,883	30,257,535	32,668,418	16,077,618
Management fees	8	–	(2,162,104)	(2,162,104)	(1,917,784)
Expenses	7	(310,557)	–	(310,557)	(328,847)
Total expenses		(310,557)	(2,162,104)	(2,472,661)	(2,246,631)
Profit for the period before tax		1,830,326	28,365,431	30,195,757	13,830,987
Withholding tax		(144,304)	–	(144,304)	(250,171)
Profit for the period after tax		1,686,022	28,365,431	30,051,453	13,580,816
Total comprehensive income for the period		1,686,022	28,365,431	30,051,453	13,580,816
Basic and diluted earnings per share*		0.93p	15.69p	16.62p	7.51p

*Basic and diluted earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares in issue during the period. The weighted average number of shares for the period was 180,788,416 (31 Dec 2019: 180,788,416). As there are no items which would cause a dilution to occur, the basic and diluted earnings per share are the same.

The revenue and capital return columns are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 33 to 47 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of changes in equity (unaudited)

For the period ended 31 December 2020

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 20 to 31 Dec 20 £
Balance at 30 June 2020		186,459,986	158,853,795	3,749,041	95,049,559	444,112,381
Total comprehensive income for the period		–	28,365,431	1,686,022	–	30,051,453
Transactions with Shareholders						
Distribution for the period	3	–	–	(1,717,490)	–	(1,717,490)
Balance at 31 December 2020		186,459,986	187,219,226	3,717,573	95,049,559	472,446,344

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 19 to 31 Dec 19 £
Balance at 30 June 2019		186,459,986	121,407,708	3,357,744	95,049,559	406,274,997
Total comprehensive loss for the period		–	13,580,816		–	13,580,816
Transactions with Shareholders						
Distribution for the period	3	–	–	(1,627,096)	–	(1,627,096)
Balance at 31 December 2019		186,459,986	134,988,524	1,730,648	95,049,559	418,228,717

* Under the Companies (Guernsey) Law, 2008, the Company can distribute dividends from share capital and reserves, subject to satisfying a solvency test. However, the Company's dividend policy is that dividends will only be paid from accumulated revenue reserve. In order to provide clearer information relating to this reserve, the Company has separately identified it in these financial statements as a 'Retained revenue reserve' in the Statement of Financial Position and the Statement of Changes in Equity. 'Other reserves' represents amounts converted from share premium in 2004 and 2008.

The notes on pages 33 to 47 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of cash flows (unaudited)

For the period ended 31 December 2020

	Notes	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Cash flows from operating activities			
Profit for the period after tax		30,051,453	13,580,816
Adjustments for			
Net realised gains on investments	5,10	(16,343,029)	(20,351,226)
Movement in unrealised (gains)/losses on investments	5,10	(2,640,615)	11,285,654
Realised gains on forward foreign exchange contracts	6	(4,767,122)	(3,282,313)
Movement in unrealised gains on forward foreign exchange contracts	6	(6,756,278)	(1,077,612)
Foreign exchange (gains)/losses on cash and cash equivalents		(20,491)	123,257
Decrease/(increase) in trade and other receivables		331,842	(92,790)
Increase/(decrease) in trade and other payables		6,225	(332,040)
		(138,015)	(146,254)
Net cash received on closure of forward foreign exchange contracts		4,767,122	3,282,313
Purchases of investments		(160,332,564)	(130,482,705)
Sales of investments		151,714,300	149,674,298
Net cash (used in)/generated from operating activities		(3,989,157)	22,327,652
Cash flows from financing activities			
Dividend paid	3	(1,717,490)	(1,627,096)
Net cash used in financing activities		(1,717,490)	(1,627,096)
Net (decrease)/increase in cash and cash equivalents		(5,706,647)	20,700,556
Cash and cash equivalents at beginning of the period		42,667,336	19,375,840
Exchange gains/(losses) on cash and cash equivalents		20,491	(123,257)
Cash and cash equivalents at end of the period		36,981,180	39,953,139

The notes on pages 33 to 47 form an integral part of these Unaudited Condensed Interim Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period ended 31 December 2020

1 The Company

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008. The Company is listed on the Main Market of the London Stock Exchange (LSE) and was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005.

2 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's Unaudited Condensed Interim Financial Statements.

Basis of preparation

The Unaudited Condensed Interim Financial Statements for the period ended 31 December 2020 have been prepared using accounting policies consistent with IFRSs as adopted by the European Union and in accordance with IAS 34 as adopted by the European Union, and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

They have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

This half-yearly financial report, covering the period from 1 July 2020 to 31 December 2020, is not audited.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Report and should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020, which was prepared in accordance with IFRSs as adopted by the European Union. The Audit Report on those accounts was not qualified.

Significant judgements and estimates

In the financial period under review, there were no changes to the significant accounting judgements, estimates and assumptions from those applied in the Annual Financial Report for the year ended 30 June 2020.

Standards, amendments and interpretations effective during the period

The accounting policies adopted are consistent with those used in the Annual Financial Report for the year ended 30 June 2020. There were no new standards, interpretations or amendments to standards issued and effective for the period that materially impacted the Company.

3 Dividends to shareholders

Dividends, if any, are declared semi-annually, usually in September and March each year. The Company declared and paid the following dividends during the period.

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Interim dividend of 0.95p (2019: 0.90p)	1,717,490	1,627,096

A second interim dividend of 0.95p per share in respect of the half year ended 31 December 2020 was declared on 26 February 2021. The dividend is payable on 27 March 2021 to shareholders on record at 13 March 2021.

4 Share capital

Authorised share capital	31 Dec 20 £	30 Jun 20 £
Unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.10p each	75,000	75,000
	75,000	75,000

	Number of shares		Share capital	
Issued share capital	1 Jul 20 to 31 Dec 20	1 Jul 19 to 30 Jun 20	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 30 Jun 20 £
Redeemable Participating Preference Shares of 0.01p each				
Balance at start of period/year	180,788,416	180,788,416	186,459,986	186,459,986
Balance as at end of period/year	180,788,416	180,788,416	186,459,986	186,459,986

Unclassified shares

Unclassified shares can be issued as nominal shares or redeemable participating preference shares. Nominal shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for nominal shares for cash at par when redeemable participating preference shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on redeemable participating preference shares. The holder or holders of nominal shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal shares shall carry no right to dividends. In a winding-up, holders of nominal shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company.

The holders of fully paid redeemable participating preference shares are entitled to one vote at all meetings of the relevant class of shareholders.

C shares

There were no C shares in issue at period end (30 June 2020: Nil).

Block listing and additional shares issued

At the start of the period, the Company had the ability to issue 6,321,341 redeemable participating shares under a block listing facility. No new redeemable participating preference shares were allotted and issued under the block listing facility during the period (30 June 2020: no new shares). New redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 31 December 2020, the Company had the ability to issue a further 6,321,341 (30 June 2020: 6,321,341) redeemable participating preference shares under the block listing facility.

On 4 February 2021, the Company announced a tap issue of 500,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 270.0p per share.

On 10 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 275.5p per share.

On 11 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 275.5p per share.

On 18 February 2021, the Company announced a further tap issue of 500,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.5p per share.

On 24 February 2021, the Company announced a further tap issue of 750,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.25p per share.

On 25 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.25p per share.

Redeemable participating preference shares in issue

As at 31 December 2020, the Company had 180,788,416 (30 June 2020: 180,788,416) redeemable participating preference shares of 0.01 pence each in issue. Therefore, the total voting rights in the Company at 31 December 2020 were 180,788,416 (30 June 2020: 180,788,416).

Purchase of own shares by the Company

A special resolution was passed on 4 December 2020 which authorised the Company in accordance with the Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01 pence each, provided that –

- i the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital
- ii the minimum price (exclusive of expenses) which may be paid for a share is 0.01 pence, being the nominal value per share
- iii the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the LSE Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy-back and Stabilisation Regulation (No 2237 of 2003)
- iv purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the LSE at a discount to the lower of the undiluted or diluted NAV

v the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2021 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

vi the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of shares pursuant to any such contract.

5 Net changes in financial assets at fair value through profit or loss

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Net changes in financial assets at fair value through profit or loss during the period comprise		
Gains realised on investments sold during the period	19,603,238	22,393,284
Losses realised on investments sold during the period	(3,260,209)	(2,042,058)
Net realised gains on investments sold during the period	16,343,029	20,351,226
Movement in unrealised gains/(losses) arising from changes in fair value	2,640,615	(11,285,654)
Net changes in fair value on financial assets at fair value through profit or loss	18,983,644	9,065,572

6 Other gains/(losses)

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Movement in unrealised gain on forward foreign currency contracts	6,756,278	1,077,612
Realised gains on forward foreign currency contracts	4,767,122	3,282,313
Foreign exchange gains/(losses) on cash and cash equivalents	20,491	(123,257)
	11,543,891	4,236,668

7 Expenses

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Administration fee*	82,149	82,017
Directors' fees (note 8)	89,977	80,919
Custodian and Depositary fees*	42,903	40,066
Broker's fees	18,132	17,604
Audit fee	11,550	13,475
Auditor's remuneration for interim review	8,500	8,400
Other expenses	57,346	86,366
	310,557	328,847

*The basis for calculating the Administration fee as well as the Custodian and Depositary fees are set out in the General Information on pages 52 to 53.

Ongoing charges ratio

The ongoing charges ratio (OCR) of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges, gains or losses on investments and any other expenses of a non-recurring nature. The OCR for the current period has been calculated as the total ongoing charges for the period divided by the average net asset value over that period, in accordance with the methodology recommended by the Association of Investment Companies.

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Management fee (see note 8)	2,162,104	1,917,784
Other expenses (see above)	310,557	328,847
	2,472,661	2,246,631
Excluded expenses*	–	(27,000)
Total ongoing expenses	2,472,661	2,219,631
Average NAV	452,235,618	414,408,659
Annualised ongoing charges ratio	1.09%	1.07%

*Excluded expenses in the prior period included consultancy costs relating to Board recruitment and certain non-recurring project costs.

8 Related party transactions and material contracts

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities, and are therefore regarded as related parties.

Investment Management Agreement

The Company is managed by Ruffer AIFM Ltd, a subsidiary of Ruffer LLP, a privately owned business registered in England and Wales as a limited liability partnership. The Company and the Investment Manager have entered into an Investment Management Agreement under which the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Investment Management Agreement and the Company's Articles of Incorporation.

The market value of holdings in the LF Ruffer Funds where an investment management fee is already charged from within that fund are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information, refer to the Portfolio Statement on pages 48 to 51.

Total management fees charged to the capital reserves of the Company, including the outstanding management fees at the end of the period, are detailed below.

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Management fees for the period	2,162,104	1,917,784
	31 Dec 20 £	30 Jun 20 £
Payable at end of the period	377,614	375,692

Shares held in Ruffer Management Limited ('RML'), the Managing Member of Ruffer LLP

During the period ended 31 December 2020, an immediate family member of the Ashe Windham, Chairman of the Company until his resignation on 4 December 2020, owned 100 (30 June 200: 100) Shares in RML, the Managing Member of Ruffer LLP, which is the parent entity of the Investment Manager of the Company. This amounts to less than 1% (30 June 2020: less than 1%) of RML's issued share capital.

Directors

As at 31 December 2020, the Company had five non-executive Directors, all of whom were independent from the Investment Manager and its parent entity, Ruffer LLP. During the period, Nick Pink was appointed as a Director on 1 September 2020 and Ashe Windham retired as a Director on 4 December 2020. On 4 December 2020, Jill May was appointed as Senior Independent Director and Christopher Russell was appointed as Chairman. There were no other changes to directorships during the period ended 31 December 2020.

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £200,000 (30 June 2020: £200,000) per annum.

During the period, each Director was paid a fee of £29,500 (30 June 2020: £29,500) per annum, except for the Chairman, who was paid £41,700 (30 June 2020: £41,700) per annum and the Chairman of the Audit Committee, who was paid £33,950 (30 June 2020: £33,950) per annum.

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 31 Dec 19 £
Directors' fees for the period	89,977	80,919
	31 Dec 20 £	30 Jun 20 £
Payable at end of the period	–	–

Shares held by related parties

As at 31 December 2020, Directors of the Company held the following numbers of shares beneficially.

Directors	31 Dec 20 shares	30 Jun 20 shares
Ashe Windham*	na	180,000
Christopher Russell	100,000	75,000
David Staples	80,000	80,000
Jill May	11,000	11,000
Shelagh Mason	–	–
Nick Pink	36,023	na
	227,023	346,000

*Ashe Windham held 135,000 shares whilst his wife held 45,000 shares

Subsequent to the period end, Shelagh Mason acquired a holding of 11,325 shares in the Company.

As at 31 December 2020, Hamish Baillie, Investment Director of the Investment Manager owned 205,000 (30 June 2020: 205,000) shares in the Company.

As at 31 December 2020, Duncan MacInnes, Investment Director of the Investment Manager owned 43,100 (30 June 2020: 43,100) shares in the Company.

As at 31 December 2020, Jonathan Ruffer, chairman of Ruffer LLP, owned 1,039,335 (30 June 2020: 1,039,335) shares in the Company.

As at 31 December 2020, Ruffer LLP (the parent entity of the Company's Investment Manager) and other entities within the Ruffer Group held 7,140,778 (30 June 2020: 6,896,028) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 31 December 2020, the Company held investments in four (30 June 2020: four) related investment funds valued at £85,695,486 (30 June 2020: £91,153,877). Refer to the Portfolio Statement on pages 48 to 51 for details.

9 Operating segment reporting

The Board of Directors makes the strategic decisions on behalf of the Company. The Company has determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for monitoring the Investment Manager's positioning of the Company's portfolio and considers the business to have a single operating segment.

There were no changes in the reportable segments during the period.

Revenue earned is reported separately in the Statement of Comprehensive Income as dividend income received from equities, and interest income received from fixed interest securities and bank deposits.

The Statement of Cash Flows separately reports cash flows from operating and financing activities.

10 Investments at fair value through profit or loss

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 30 Jun 20 £
Cost of investments at the start of the period/year	350,041,991	351,139,573
Acquisitions at cost during the period/year	155,932,564	353,038,268
Disposals during the period/year	(143,640,903)	(391,462,001)
Gains on disposals during the period/year	16,343,029	37,326,151
Cost of investments held at the end of the period/year	378,676,681	350,041,991
Fair value above cost	53,595,666	50,955,051
Fair value of investments held at the end of the period/year	432,272,347	400,997,042

11 Fair Value Measurement

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value, and requires the Company to classify its financial instruments into the level of the fair value hierarchy that best reflects the significance of the inputs used in making fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows –

Level 1: Quoted prices, based on bid prices, (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy at 31 December 2020.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 20 total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	103,327,610	–	–	103,327,610
Long-dated index-linked gilts	43,643,364	–	–	43,643,364
Other index-linked gilts	14,100,384	–	–	14,100,384
Illiquid strategies and options	–	46,044,310	–	46,044,310
Equities	173,924,238	18,198,455	–	192,122,693
Gold and gold equities	11,311,265	21,722,721	–	33,033,986
Derivative financial assets	–	4,036,172	–	4,036,172
Total assets	346,306,861	90,001,658	–	436,308,519
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	821,613	–	821,613
Total liabilities	–	821,613	–	821,613

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy at 30 June 2020.

	Level 1 £	Level 2 £	Level 3 £	30 Jun 20 total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	95,722,858	–	–	95,722,858
Long-dated index-linked gilts	44,790,755	–	–	44,790,755
Short-dated gilts	16,016,640	–	–	16,016,640
Other index-linked gilts	2,367,022	–	–	2,367,022
Illiquid strategies and options	–	57,608,234	–	57,608,234
Equities	115,865,893	15,477,398	1,593,750	132,937,041
Gold and gold equities	33,486,247	18,068,245	–	51,554,492
Total assets	308,249,415	91,153,877	1,593,750	400,997,042
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	3,541,719	–	3,541,719
Total liabilities	–	3,541,719	–	3,541,719

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the period ended 31 December 2020, no transfers were made. In the prior year ended 30 June 2020, no transfers were made.

Movements in Level 3 investments

	1 Jul 20 to 31 Dec 20 £	1 Jul 19 to 30 Jun 20 £
Opening valuation	1,593,750	1,593,750
Liquidation distribution received	(1,809,375)	–
Realised gain	215,625	–
Closing valuation	–	1,593,750

During the period, the liquidators of Renn Universal Growth Investment Trust, the Company's sole Level 3 investment, made a third liquidation distribution to shareholders of £1.93 per share. There is a chance of a further small residual payment, but of an unknown amount at an unknown date in the future, as a result of which no value has been ascribed to this investment at 31 December 2020.

Assets classified in Level 1 consist of listed or quoted equities or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments in funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Where these funds are invested in equity type products, they are classified as equity in the table above. Options and foreign exchange forwards are fair valued using publicly available data. The foreign exchange forwards are shown as derivative financial assets and liabilities in the fair value hierarchy table.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

12 NAV reconciliation

The Company announces its NAV, based on bid value, to the LSE after each weekly and month end valuation point. At the time of releasing the NAV to the LSE for 31 December 2020, not all the latest prices for the investments were available. Adjustments are made to the NAV in the Financial Statements once these prices became available. The following is a reconciliation of the NAV per share attributable to redeemable participating preference shareholders as presented in these Financial Statements, using IFRS, to the NAV per share reported to the LSE.

	31 Dec 20		30 June 20	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV per share published on the LSE as at the period/year end	471,058,880	2.6056	444,397,682	2.4581
Adjustments to valuations	1,387,464	0.0077	(285,301)	(0.0016)
Net assets attributable to holders of redeemable participating preference shares	472,446,344	2.6133	444,112,381	2.4565

13 Subsequent events

These Financial Statements were approved for issuance by the Board on 26 February 2021. Subsequent events have been evaluated up until this date.

On 4 February 2021, the Company announced a tap issue of 500,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 270.0p per share.

On 10 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 275.5p per share.

On 11 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 275.5p per share.

On 18 February 2021, the Company announced a further tap issue of 500,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.5p per share.

On 24 February 2021, the Company announced a further tap issue of 750,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.25p per share.

On 25 February 2021, the Company announced a further tap issue of 1,000,000 redeemable participating preference shares in the Company under its block listing facility at an issue price of 276.25p per share.

A second interim dividend of 0.95p per share in respect of the half year ended 31 December 2020 was declared on 26 February 2021. The dividend is payable on 27 March 2021 to shareholders on record at 13 March 2021.

Portfolio statement (unaudited)

As at 31 December 2020

	Currency	Holding at 31 Dec 20	Fair value £	% of total net assets
Government bonds 34.09%				
(30 Jun 20: 35.78%)				
Non-UK index-linked bonds				
Japanese index linked bond 10/03/2026	JPY	350,000,000	2,520,155	0.53
Japanese index linked bond 10/03/2027	JPY	350,000,000	2,530,496	0.54
Japanese index linked bond 10/03/2028	JPY	350,000,000	2,503,594	0.53
US Treasury inflation indexed bond 0.125% 15/04/2021	USD	10,000,000	8,065,124	1.71
US Treasury inflation indexed bond 0.125% 15/04/2022	USD	11,986,100	9,585,206	2.03
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	12,049,300	9,728,679	2.06
US Treasury inflation indexed bond 1.75% 15/01/2028	USD	22,000,000	24,534,858	5.19
US Treasury inflation indexed bond 0.875% 15/01/2029	USD	15,000,000	13,296,606	2.81
US Treasury inflation indexed bond 0.625% 15/02/2043	USD	4,900,000	5,058,935	1.07
US Treasury inflation indexed bond 0.75% 15/02/2045	USD	9,836,000	10,259,177	2.17
US Treasury inflation indexed bond 1.0% 15/02/2049	USD	2,000,000	2,130,972	0.45
US Treasury inflation indexed bond 0.25% 15/02/2050	USD	14,862,400	13,113,808	2.78
Total non-UK index-linked bonds			103,327,610	21.87
UK index-linked gilts				
Long-dated index-linked gilts				
UK index-linked gilt 0.375% 22/03/2062	GBP	6,050,000	20,117,300	4.26
UK index-linked gilt 0.125% 22/03/2068	GBP	6,800,000	23,526,064	4.98
Total long-dated index-linked gilts			43,643,364	9.24
Other index-linked gilts				
UK index-linked gilt 1.875% 22/11/2022	GBP	9,000,000	14,100,384	2.98
Total UK index-linked gilts			57,743,748	12.22
Total government bonds			161,071,358	34.09
Equities 40.67%				
(30 Jun 20: 29.93%)				
Europe				
Aena	EUR	20,000	2,540,903	0.54
Arcelormittal	EUR	200,000	3,375,950	0.71
Carrefour	EUR	180,000	2,257,845	0.48
Vinci	EUR	60,000	4,364,417	0.92
Volkswagen	EUR	34,000	4,620,474	0.98
Yara	NOK	105,000	3,190,781	0.68
Total Europe equities			20,350,370	4.31

	Currency	Holding at 31 Dec 20	Fair value £	% of total net assets
United Kingdom				
Aberforth Smaller Companies	GBP	45,400	562,960	0.12
Artemis Alpha Trust	GBP	160,000	630,400	0.13
Barclays	GBP	3,400,000	4,987,120	1.06
Barratt Developments	GBP	300,000	2,009,400	0.43
Belvoir Lettings	GBP	695,000	1,042,500	0.22
BP	GBP	2,200,000	5,605,600	1.19
Breedon	GBP	1,700,000	1,485,800	0.31
Countryside Properties	GBP	1,050,206	4,908,663	1.04
Grit Real Estate	GBP	1,626,850	780,888	0.17
Hipgnosis Songs Fund	GBP	1,400,000	1,729,000	0.37
Independent Investment Trust	GBP	100,000	512,000	0.11
Land Securities	GBP	340,000	2,288,200	0.48
Lloyds Banking Group	GBP	31,776,800	11,579,466	2.45
Montanaro UK Smaller Companies	GBP	300,000	432,000	0.09
Natwest Group	GBP	3,736,790	6,259,123	1.32
North Atlantic Smaller Companies	GBP	15,500	573,501	0.12
Ocado Group	GBP	115,000	2,613,950	0.55
PRS Real Estate Investment Trust	GBP	2,500,000	1,900,000	0.40
Renn Universal Growth Trust	GBP	937,500	–	–
Royal Dutch Shell B	GBP	440,000	5,541,360	1.17
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	71,400	18,198,455	3.85
Secure Trust Bank	GBP	58,345	491,265	0.10
Tesco	GBP	3,000,000	6,942,000	1.47
Tufton Oceanic Assets	USD	2,348,347	1,563,274	0.33
Total UK equities			82,636,925	17.48
North America				
Aflac	USD	84,000	2,731,997	0.58
Ambev	USD	1,688,700	3,767,765	0.80
American Express	USD	55,000	4,863,899	1.02
Berkshire Hathaway	USD	13,000	2,204,770	0.47
Bristol Myers Squibb CVR	USD	77,000	38,866	0.01
Cemex	USD	370,000	1,396,635	0.30

	Currency	Holding at 31 Dec 20	Fair value £	% of total net assets
Centene	USD	75,000	3,291,331	0.70
Charles Schwab	USD	90,000	3,474,250	0.74
Cigna	USD	30,000	4,568,691	0.97
Ehealth	USD	40,300	2,081,921	0.44
Galaxy Digital Holdings	CAD	350,000	2,169,671	0.46
General Motors	USD	136,000	4,141,683	0.88
Microstrategy	USD	4,009	1,139,500	0.24
Uber	USD	25,000	932,699	0.20
Walt Disney	USD	56,000	7,418,873	1.57
Total North America equities			44,222,551	9.38
Japan				
Central Glass	JPY	13,000	206,760	0.04
Dena	JPY	28,600	372,002	0.08
Fuji Electric	JPY	105,000	2,763,471	0.58
Fuji Media	JPY	34,600	269,635	0.06
Fujitec	JPY	18,900	298,187	0.06
Fujitsu	JPY	32,000	3,377,871	0.71
Japan Petroleum Exploration	JPY	10,800	143,537	0.03
Kato Sangyo	JPY	17,900	441,305	0.09
Koito Manufacturing	JPY	6,500	322,803	0.07
Mitsubishi Electric	JPY	280,000	3,087,550	0.65
Mitsubishi Heavy Industries	JPY	120,000	2,656,673	0.56
NEC	JPY	78,000	3,055,811	0.65
Nippo	JPY	13,500	270,088	0.06
Nippon Seiki	JPY	35,500	293,499	0.06
Nippon Television	JPY	22,300	177,415	0.04
Nissan Shatai	JPY	55,000	336,807	0.07
Nomura Real Estate	JPY	270,000	4,365,019	0.92
Orix	JPY	370,000	4,152,061	0.88
Sekisui Jushi	JPY	8,800	135,659	0.03
Shin-Etsu Polymer	JPY	33,100	221,129	0.05
Sony	JPY	46,000	3,351,729	0.71
Sumitomo Mitsui Financial Group	JPY	170,000	3,839,494	0.81
Tachi-S	JPY	43,200	359,607	0.08
Teikoku Sen-I	JPY	26,900	455,277	0.10
Toagosei	JPY	31,600	271,105	0.06

	Currency	Holding at 31 Dec 20	Fair value £	% of total net assets
Toei Animation	JPY	11,500	657,473	0.14
Toei	JPY	2,000	238,038	0.05
Token	JPY	4,400	254,049	0.05
Tokio Marine	JPY	62,000	2,331,029	0.49
Tokyo Broadcasting System	JPY	17,400	223,241	0.05
Toppan Forms	JPY	26,800	200,496	0.04
Torii Pharmaceutical	JPY	9,700	221,276	0.05
Toyota	JPY	5,100	295,550	0.06
TS Tech	JPY	10,000	225,640	0.05
TV Asahi	JPY	15,900	190,479	0.04
Total Japan equities			40,061,765	8.47
Asia (ex-Japan)				
Swire Pacific	HKD	730,000	2,963,082	0.63
Weiss Korea Opportunity Fund	GBP	800,000	1,888,000	0.40
Total Asia (ex-Japan) equities			4,851,082	1.03
Total equities			192,122,693	40.67
Gold and gold equities 6.99% (30 Jun 20: 11.61%)				
AngloGold Ashanti	USD	90,000	1,488,588	0.31
IAmGold	USD	1,100,000	2,953,182	0.63
Ishares Physical Gold	USD	120,000	3,245,135	0.69
Kinross Gold	USD	675,000	3,624,360	0.76
LF Ruffer Gold Fund*†	GBP	6,714,906	21,722,721	4.60
Total gold and gold equities			33,033,986	6.99
Illiquid strategies and options 9.75% (30 Jun 20: 12.97%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	52,961,000	37,071,905	7.85
Ruffer Protection Strategies International*	GBP	3,769,126	8,972,405	1.90
Total illiquid strategies and options			46,044,310	9.75
Total investments			432,272,347	91.50
Cash and other net current assets			40,173,997	8.50
			472,446,344	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 UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

† No management fee is charged by Ruffer AIFM Limited on this investment.

General information

Ruffer Investment Company Limited was incorporated in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The Company launched on the London Stock Exchange on 8 July 2004, with a launch price of 100p per share and an initial net asset value of 98p per share. 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 invests predominantly in internationally listed or quoted equities or equity related securities (including convertibles) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's redeemable participating preference shares are listed on the London Stock Exchange.

The Company reports its audited annual results each year for the year ended 30 June, and its unaudited interim results for the six months ended 31 December. These Unaudited Condensed Interim Financial Statements were authorised for issue on 26 February 2021 by the Directors.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope Alternative Investment Fund Manager (AIFM). The Investment Manager is entitled to an investment management fee payable to the AIFM monthly in arrears at a rate of 1% of the Net Asset Value per annum.

The Investment Manager and the Board intend to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Company will not be subject to United Kingdom Corporation Tax or Income Tax.

The Company intends to be operated in such a manner that its shares are not categorised as non- mainstream pooled investments. This means that the Company might pay dividends in respect of any income that it receives or is deemed to receive by reference to UK tax rules so that it would qualify as an investment trust if it were UK tax-resident.

Praxis Fund Services Limited (the 'Administrator') is entitled to receive an annual fee equal to 0.08%. per annum on the first £100 million; 0.04%. per annum between £100 million and £200 million; 0.02%. per annum between £200 million and £300 million; and 0.015%. per annum thereafter; based on the NAV of the Company on a mid-market basis, subject to a minimum fee of £100,000 per annum.

Northern Trust (Guernsey) Limited (the 'Custodian') is entitled to receive from the Company a fee of £2,000 per annum. The Custodian is also entitled to charge for certain expenses incurred by it in connection with its duties.

Northern Trust (Guernsey) Limited (the 'Depositary') is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the Net Asset Value of the Company up to £100 million, 0.008% on the next £100 million and 0.006% thereafter as at the last business day of the month subject to a minimum fee of £20,000 per annum.

Management and administration

Directors
Christopher Russell
Jill May
David Staples
Shelagh Mason
Nicholas Pink

Registered office
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

Auditor
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3HW

Investment Manager and Alternative Investment Fund Manager
Ruffer AIFM Limited
80 Victoria Street
London SW1E 5JL

Sponsor and broker
Investec Bank plc
30 Gresham Street
London EC2V 7QP

Solicitors to the Company as to UK law
Gowling WLG
4 More London Riverside
London SE1 2AU

Company Secretary and Administrator
Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

CREST agent
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Advocates to the Company as to Guernsey law
Mourant Ozanne
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4HP

Custodian
Northern Trust (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

Depositary
Northern Trust (Guernsey) Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3DA

Appendix (unaudited)

Performance data

To 31 Dec	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Ruffer	10.6	19.8	22.7	–0.2	16.8	5.5	3.0	16.8	11.3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
RIC NAV TR	–	–	–	–	–	–	–	–	–	14.0	0.1	6.0	23.8	15.1	16.5	0.7	3.4	9.5	1.8	–1.0	12.4	1.6	–6.0	8.4	13.5
FTSE All-Share	16.7	23.6	13.8	24.2	–5.9	–13.3	–22.7	20.9	12.8	22.0	16.8	5.3	–29.9	30.1	14.5	–3.5	12.3	20.8	1.2	1.0	16.8	13.1	–9.5	19.2	–9.8
Twice Bank Rate	12.7	13.8	15.6	11.3	12.5	11.0	8.3	7.7	9.0	9.7	9.6	11.5	10.3	1.5	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.5	1.2	1.5	0.5

Source: Thomson Datastream, Ruffer, FTSE International (FTSE)[†]. Ruffer performance comprises the performance from June 1995 to July 2004 for Ruffer's representative portfolio, an unconstrained segregated portfolio following Ruffer's investment approach (derived from internal management information produced by Ruffer LLP), and from July 2004 to December 2020 for the Ruffer Investment Company Limited NAV (total return). Performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. 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 and monthly data thereafter. [†] FTSE International Limited (FTSE) © FTSE 2021. FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or data underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.