



# RUFFER INVESTMENT COMPANY LIMITED

*An alternative to alternative asset management*

**SEPTEMBER 2009**

ISSUE 53

**Share price as at 30 Sep 2009**

**179.00p**

**NAV as at 30 Sep 2009**

Net Asset Value (per share)

**166.75p**

**Premium/(discount) to NAV**

As at 30 Sep 2009

**7.3%**

**Launch price as at 8 Jul 2004**

**100.00p**

**RIC A Class since inception**

Total Return (NAV)<sup>1</sup>

**83.8%**

## £ Statistics since inception

Standard deviation <sup>2</sup>	2.21%
Sharpe ratio <sup>3</sup>	1.06
Maximum drawdown <sup>4</sup>	-5.7%

<sup>1</sup>Including 10.0p dividend

<sup>2</sup>Monthly data

<sup>3</sup>Monthly data annualised

<sup>4</sup>Monthly data including 10.0p dividend

Source: Ruffer LLP

## Percentage growth

### In Total Return NAV

30 Sep 08 – 30 Sep 09	30.3%
30 Sep 07 – 30 Sep 08	10.5%
30 Sep 06 – 30 Sep 07	3.5%
30 Sep 05 – 30 Sep 06	2.0%
30 Sep 04 – 30 Sep 05	17.1%

Source: Ruffer LLP

## Six monthly return history

Date	NAV	% Total return
30 Jun 09	152.59p	2.2%
31 Dec 08	150.9p	16.0%
30 Jun 08	131.3p	6.7%
31 Dec 07	124.2p	7.5%
30 Jun 07	116.7p	-1.4%
31 Dec 06	119.6p	0.6%
30 Jun 06	119.4p	-0.5%
30 Dec 05	120.5p	7.9%
30 Jun 05	112.2p	5.6%
31 Dec 04	106.7p	8.9%

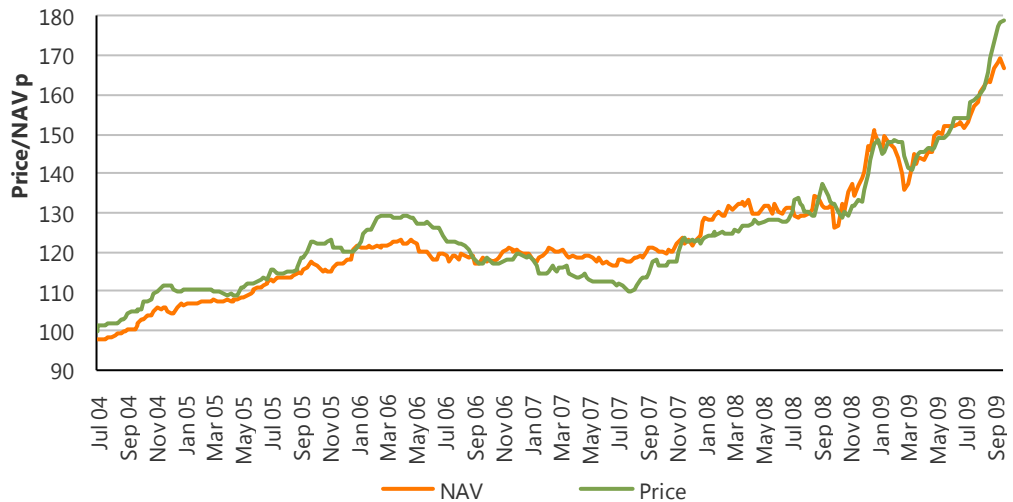
Source: Ruffer LLP

Dividends ex date: 0.5p 30 Mar 05, 30 Sept 05, 22 Mar 06 and 27 Sept 06, 1.25p 21 Mar 07, 26 Sept 07, 5 Mar 08 and 1 Oct 08, 1.5p 4 Mar 09 and 30 Sept 09

## Investment objective

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate by investing in internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations.

## RIC performance



## Investment report

The net asset value per share of the Fund currently stands at 166.75p, taking into account the 1.5p dividend, this is a gain of 2.7% during the month. The return for the year to date is 12.7%, and the year on year rise is 30.3%.

The Japanese financials rather let the side down this quarter, but apart from that, the individual holdings were quite perky. One or two individual equities were strong such as Booker, Sterling Energy and Raisio, but it was a month when the tide for asset values generally was rising, and most things responded accordingly.

The month was a quiet one for deals. The main feature was taking a profit in the Norwegian Government Bond. To replace the 'oiliness' of Norway, we invested in Conoco Phillips, and, after the month end some more BP. Other purchases included the replacement of the BT shares that we sold some weeks ago – taking a small turn in the process. We continued to sell down Sterling Energy, and got rid of Coeur d'Alene.

We reinforced Ericsson and Kraft and introduced a new US stock, Kroger which has got off to a modestly good start.

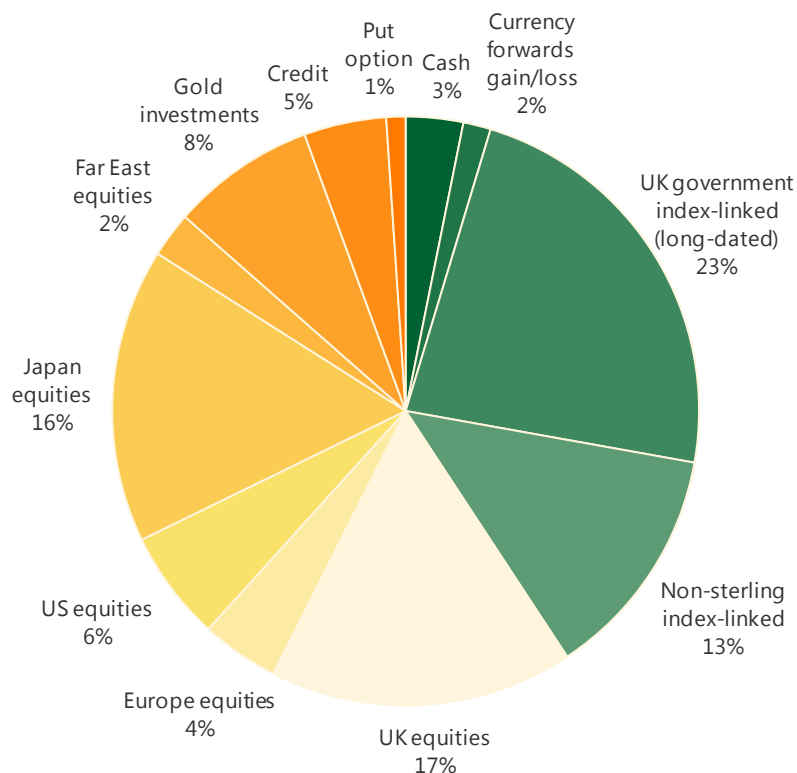
The purpose of these moves has been to move the emphasis away from smaller companies and special situations, and to

concentrate more money into high yielding mega cap stocks.

Our basic position is to capture continued exuberance in the equity market. The bears are splendidly irritated with the inability of the markets to sell off, having underestimated the effects of the government responses on the world economies. We regard this intervention as having the strengths and weakness of a firelighter: it is important to remember how fiercely a firelighter burns (ie it is right to be bullish at the moment), but not to forget the temporary nature of it, unless it can reignite the underlying economies so that they can continue to prosper under their own steam.

This we regard as unlikely; there will be time enough, we hope, to readjust our portfolios for this darker thought in the future. Just in case we have outstayed our welcome in life's merry-go-round we have taken out a put warrant on the European market to the tune of 1% (Nomura Europe), but its small size should not make any significant difference either for good or ill in the portfolio. The annual return of nearly 30% highlights how volatile markets have been in the course of the last year. We have been fortunate in capturing the mood of despair in 2008 and early 2009, and the euphoria which has followed it. Holders should not expect such sure footedness in the future.

## Portfolio structure as at 30 Sep 2009



Source: Ruffer LLP

## Ten largest holdings as at 30 Sep 2009

Stock	% of fund
1.25% Treasury index-linked 2017	8.8
US Treasury 2.375% TIPS 2025	6.2
1.25% Treasury index-linked 2055	5.8
Japan (Govt Of) 1.3% index-linked 2017	5.5
Ruffer Illiquid Strategies Fund	4.5
Sweden 3.5% index-linked 2028	4.0
BT Group	3.1
Ruffer Baker Steel Gold Fund	3.1
1.875% Treasury index-linked 2022	3.1
Ruffer Japan Fund	2.8

## Five largest equity holdings\* as at 30 Sep 2009

Stock	% of fund
BT Group	3.1
Kraft Foods	2.5
Nippon Telegraph & Telephone	2.5
Vodafone Group	2.1
Ericsson	2.1

\*Excludes holdings in pooled funds

Source: Ruffer LLP

### NAV valuation point

Weekly – Friday midnight  
Last business day of the month

### NAV

£148.6m (30 Sep 2009)

### Shares in issue

89,129,703

### Market capitalisation

£159.5m (30 Sep 2009)

### No. of holdings

48 equities, 8 bonds (30 Sep 2009)

### Share price

Published in the Financial Times

### Market makers

Winterflood Securities  
ABN AMRO  
Cenkos Securities  
Cazenove  
Numis Securities

## Fund information

### Company structure

Guernsey domiciled  
limited company

### Share class

£ sterling denominated  
preference shares

### Listing

London Stock Exchange

### Settlement

CREST

### Wrap

ISA/SIPP qualifying

### Discount management

Share buyback  
Discretionary redemption facility

### Investment Manager

Ruffer LLP

### Administrator

Northern Trust International Fund  
Administration Services  
(Guernsey) Limited

### Custodian

RBC Dexia Investor Services

### Ex dividend dates

March, September

### Pay dates

April, November

### Stock ticker

RICA LN

### ISIN Number

GB00B018CS46

### Sedol Number

B018CS4

### Charges

Annual management charge 1.0%  
with no performance fee

### Enquiries

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### JONATHAN RUFFER

#### Chief Executive

Trained as a stockbroker and barrister before moving into private client investment management in 1980, with Dunbar Fund Managers. Formerly Chief Investment Officer of Rathbone Bros plc, in 2001 became an independent non-executive director of Electric and General Investment Trust PLC. He established Ruffer Investment Management Ltd in 1994, which transferred its investment business to Ruffer LLP in 2004.



### STEVE RUSSELL

#### Investment Director

Started as a research analyst at SLC Asset Management in 1987, where he became Head of Equities in charge of £5bn of equity funds. In 1999 moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in September 2003. Became a non-executive director of JP Morgan Fleming Continental Investment Trust in 2005 and is co-manager of the CF Ruffer Total Return Fund.

### Ruffer LLP

Ruffer LLP manages funds exceeding £5.0bn on an absolute return basis, including over £1.7bn in open-ended Ruffer funds (as at 30 September 2009).