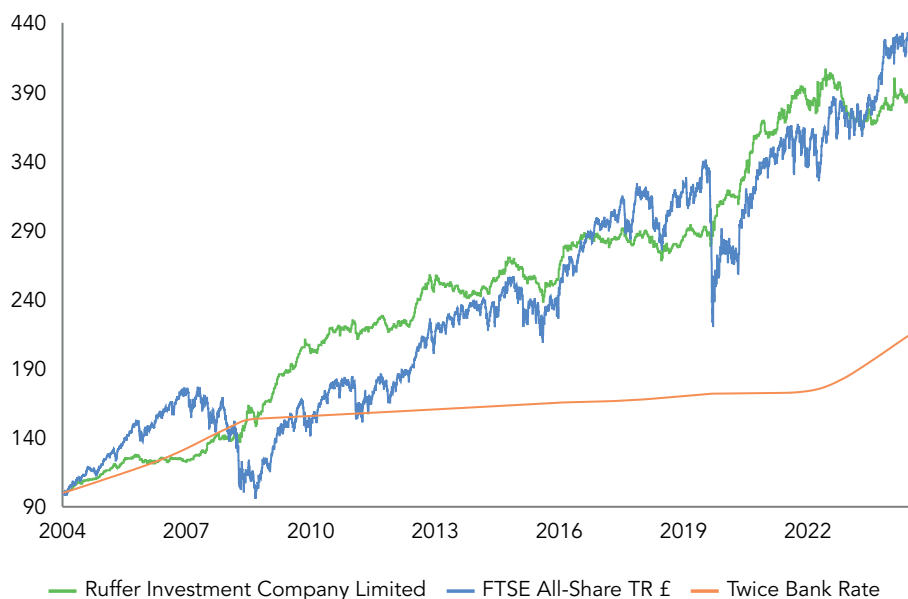


Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



December proved to be a disappointing month for those expecting a Santa rally, with bond yields rising and equities giving back some of their early winter gains. The major market event during the month was the decision by the US Federal Reserve (Fed) to trim interest rates by a further 0.25%, as had been widely anticipated. The decision was delivered with a hawkish tone, suggesting the Fed sees an economy in need of only modest further monetary support and less than the market had anticipated.

The move higher in global bond yields hindered the fund's interest rate sensitive assets, namely index-linked gilts and gold mining equities. An additional headwind came from exposure to the yen as the currency depreciated against sterling over the month. We made a small addition to the fund's long-dated index-linked gilts in December, in reflection of the rising value they now offer. Yields on these long-dated issues are now near where they were during the short-lived, but tumultuous, Truss government in 2022. Despite seeing decent value should one hold to maturity – eg the real yield on the 2068 index-linked gilt is now +1.7% – we have resisted the temptation to add materially to the fund's duration, which remains around two years. It's also worth noting that over the year the board have continued their buybacks. In the year to 31 December 2024 the board have purchased 50.2 million shares for a total of around £136.2m which equates to 14% of the shares outstanding. These purchases have added 0.8% to the company NAV.

In a world where the correlation between bonds and equities can no longer be blithely assumed to be negative, our duration management will remain more tactical than it had been in the previous decade. Thus far equities, notably those in the US, have shrugged off this challenge from higher long-term yields as economic conditions remain reasonably robust, but we are rapidly approaching levels at which rising yields have previously proved to be damaging for equity valuations.

Today our focus sits firmly on our primary aim of capital preservation. Looking back at markets at the end of the year, we see a landscape of great complacency and over-optimistic assumptions. This is most clearly illustrated by the extreme valuation levels and concentration in US equity markets, which matter for most investors given their dominance of global equity indices, as well as tightly compressed credit spreads and of course the euphoria in crypto assets.

An area of frequent inquiry is 'Will it all be worth it?' How much will Ruffer have to make when the market breaks to justify the pain? The answer: if events play out as we expect, we should experience very healthy returns (at a time when conventional portfolios are suffering). The oft overlooked second part is the pivot of the portfolio to buying distressed assets in the crisis. We did this effectively in 2003, 2009 and 2020. The power of the Ruffer model – what makes it worth it – is to be on the front foot as a buyer when everyone else is a seller, setting the portfolio up for decent gains in the recovery years post crisis.

DECEMBER 2024

Performance %	Net Asset Value	Share price
December	-2.5	-1.7
Year to date	0.0	-0.7
1 year	0.0	-0.7
3 years pa	0.4	-1.7
5 years pa	5.2	4.8
10 years pa	4.0	3.4
Since inception pa	6.7	6.3

Share price

RIC	268.00
Net Asset Value (NAV) per share	280.71

	Net	Gross
Duration (years)	1.9	1.9
Equity exposure %	28.7	30.0

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.3	-0.6	-0.8
5 years	6.6	0.4	0.7
10 years	6.0	0.4	0.7
Since inception	6.3	0.8	1.4

	%
Premium/discount to NAV	-4.5
NAV total return since inception ¹	276.6
Standard deviation ²	1.83
Maximum drawdown ²	-9.59

12 month performance to 31 December 2024

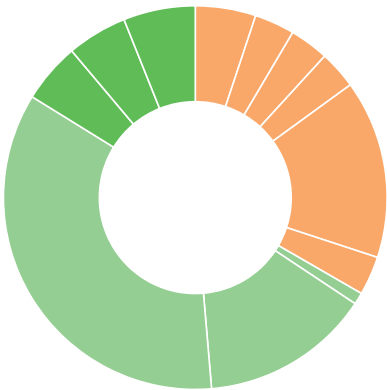
%	2020	2021	2022	2023	2024
RIC NAV total return	13.5	12.0	8.0	-6.2	0.0
FTSE All-Share TR £	-9.8	18.3	0.3	7.9	9.5
Twice Bank Rate	0.5	0.2	2.9	9.6	10.5

¹ Including 53.1p of dividends ² Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table. One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to 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.

INVESTMENT OBJECTIVE

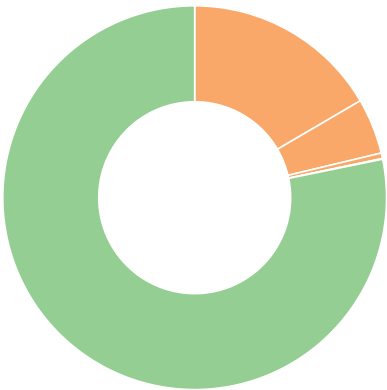
The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company predominantly invests in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

ASSET ALLOCATION



Inflation	%
Gold and precious metals exposure	6.1
Long-dated UK inflation-linked bonds	5.1
Short-dated non-UK inflation-linked bonds	5.1
Protection	
Short-dated nominal bonds	35.0
Cash	1.0
Credit and derivative strategies	14.3
Growth	
Financials equities	5.1
Consumer staples equities	3.4
Energy equities	3.3
Consumer discretionary equities	3.2
Other equities	15.1
Commodity exposure	3.3

CURRENCY ALLOCATION



Currency allocation	%
Sterling	78.2
Yen	16.6
Euro	4.7
Swiss franc	0.5
Other	0.1
Geographical equity allocation	%
UK equities	12.1
North America equities	6.6
Europe equities	5.2
Asia ex-Japan equities	5.2
Other equities	0.9

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China EUR H acc	3.6
BP	2.4
Prudential	1.4
Alibaba Group ADR	1.1
Citigroup	0.9

The credit and derivatives strategies allocation is calculated using market value. In some cases, this allocation might be negative due to the nature of how the instruments, in particular credit default swaps, are priced. Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

RUFFER LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2024, assets managed by the Ruffer Group exceeded £20.0bn.

NAV £935.1M

SHARES 333,127,764

MARKET CAPITALISATION £892.8M

FUND INFORMATION

Annual management charge %		(no performance fee) 1.00
Ongoing Charges Ratio %		(audited at 30 Jun 24) 1.06
Valuation point		Weekly, every Tuesday and the last business day of the month
Ex dividend dates		March, October
Administrator		Apex Fund and Corporate Services (Guernsey) Limited
Custodian		Northern Trust (Guernsey) Limited
Broker		Investec
Structure		Guernsey domiciled limited company
Discount management		Share buyback Discretionary redemption facility
Listing		London Stock Exchange
NMPI status		Excluded security
Stock ticker		RICA LN
Wrap		ISA/SIPP qualifying
Share class	ISIN	SEDOL
RIC	GB00B018CS46	B018CS4

ENQUIRIES

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FUND TEAM



Duncan MacInnes

FUND MANAGER

Joined Ruffer in 2012. He graduated from the University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and co-manager of two of Ruffer's flagship funds.



Jasmine Yeo

FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

Sharpe ratio measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

Sortino ratio measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

DISCLAIMER

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