

PERFORMANCE SUMMARY

The NAV per share increased from 196.78p at 1 January 2013 to 213.44p at 28 March 2013. For the period under review, the Company recorded a total return (net of fees and expenses) of +9.3%, compared to the objective return of 0.25%, being twice the time weighted Bank of England base rate over the period. Since inception (on 7 July 2004), the Company has achieved a positive total return of 149%, compared to twice the time weighted Bank of England base rate return of 61.7%. The Company went ex-dividend of 1.6p on 6 March 2013.

The share price increased from 199.25p at 1 January 2013 to 220.5p at 28 March 2013. The price-to-NAV at the end of the period was a premium of 3.3%, up from 1.3% at the start of the period. 1.8m shares were issued at an average premium of 3% to the prevailing NAV under the block listing facility during the period, thus ensuring that such share issuance was value enhancing to our shareholders.

Annual return history

Date	31 Mar 05**	31 Mar 06	31 Mar 07	31 Mar 08	31 Mar 09	31 Mar 10
NAV (p)	107.2*	122.5*	118.7*	132.8*	142.4*	181.4*
Company growth (%)†	9.9	15.2	-1.7	14.1	9.4	29.6
Twice Bank Rate (%)	7.2	9.6	10.1	11.8	7.5	1.0

Date	31 Mar 11	31 Mar 12	31 Mar 13
NAV (p)	194.1*	198.4*	213.4*
Company Growth (%)†	8.7	3.9	9.3
Twice Bank Rate (%)	1.0	1.0	1.0

† Total return

* Dividend ex date: 0.5p on 30 Mar 05, 30 Sept 05, 22 Mar 06 and 27 Sept 06
 1.25p on 21 Mar 07, 26 Sept 07, 5 Mar 08 and 1 Oct 08
 1.5p on 4 Mar 09, 30 Sept 09, 3 Mar 10, 1 Sept 10, 2 Mar 11 and 5 Oct 11
 1.6p on 29 Feb 12, 26 Sept 12, 6 March 13

** Partial period: Inception (7 July 2004) to 31 March 2005

FINANCIAL POSITION
Ten largest holdings
31 December 2012
28 March 2013

Security	% fund	Security	% fund
UK Treasury index-linked 1.25% 2017	8.0	UK Treasury index-linked 1.25% 2017	7.6
UK Treasury index-linked 1.25% 2055	5.6	Gold Bullion Securities	6.5
USA TIPS 1.625% 2018	4.6	UK Treasury index-linked 1.25% 2055	5.6
Gold Bullion Securities	4.3	USA TIPS 1.625% 2018	4.4
USA TIPS 0.125% 2022	3.9	USA TIPS 0.125% 2022	3.8
UK Treasury index-linked 0.375% 2062	3.3	UK Treasury index-linked 0.375% 2062	3.4
CF Ruffer Japanese Fund	3.0	CF Ruffer Japanese Fund	3.3
T&D Holdings	3.0	T&D Holdings	2.9
Johnson & Johnson	2.4	BP Plc	2.4
BT Group	2.3	Johnson & Johnson	2.3

Interim Management Statement – 1 January 2013 to 28 March 2013**Five largest equity holdings****31 December 2012**

Security	% fund
Gold Bullion Securities	4.3
T&D Holdings	3.0
Johnson & Johnson	2.4
BT Group	2.3
Vodafone Group	2.1

28 March 2013

Security	% fund
Gold Bullion Securities	6.5
T&D Holdings	2.9
BP Plc	2.4
Johnson & Johnson	2.3
BT Group	2.3

MATERIAL TRANSACTIONS**Five largest purchases**

31 December 2012 – 28 March 2013

Security	Cost (£)
Gold Bullion Securities	7,869,876
International Business Machines	3,789,997
Thomson Reuters	2,331,447
Heliocentris Energy	2,032,524
Yamato Holdings	1,825,683

Five largest sales

31 December 2012 – 28 March 2013

Security	Proceeds (£)
Johnson & Johnson	4,408,930
Mizuho Financial Group	3,954,606
NTT Docomo	3,488,043
Mitsui & Co	3,302,953
Tesco	2,793,153

The Company increased its cash weighting during the period from 1.4% at 1 January 2013 to 3.9% at 28 March 2013.

The NAV of the Company at 1 January 2013 was £282.1m and this increased to £309.8m at 28 March 2013. The market capitalisation was £285.6m at the start of the period under review and this increased to £320m at 28 March 2013.

MATERIAL EVENTS

The Board of the Company is not aware of any significant event that has occurred between 31 December 2012 and the date of the publication of this statement that would have had a material impact on the financial position of the Company. The Board has approved an investment policy consistent with a highly volatile economic climate.

However, please note the following five announcements made during the period –

26 February 2013

Declaration of an interim dividend payable in respect of the year ending 30 June 2013 as follows:

Ex date	06 March 2013
Record date	08 March 2013
Pay date	28 March 2013
Dividend per share	1.60 pence (Sterling)

26 February 2013

Publication of the Interim Financial Report for the six months ended 31 December 2012.

12 March 2013

Announcement of the tap issue of 850,000 Redeemable Participating Preference Shares of £0.01 each at a price of 216.2 pence per share.

19 March 2013

Announcement of the tap issue of 500,000 Redeemable Participating Preference Shares of £0.01 each at a price of 218.9 pence per share.

26 March 2013

Announcement of the tap issue of 450,000 Redeemable Participating Preference Shares of £0.01 each at a price of 218.62 pence per share.