



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

APRIL 2012

ISSUE 83

Share price as at 30 Apr 2012

199.00p

NAV as at 30 Apr 2012

Net Asset Value (per share)

193.08p

Premium/(discount) to NAV

As at 30 Apr 2012

3.1%

Launch price as at 8 Jul 2004

100.00p

RIC A Class since inception

Total Return (NAV)¹

121.6%

£ Statistics since inception

Standard deviation ²	2.06%
Maximum drawdown ³	-7.36%

¹Including 17.6p of dividends

²Monthly data (Total Return NAV)

³Monthly data (Total Return NAV)

Percentage growth in total return NAV

31 Mar 2011 – 30 Mar 2012	3.9%
31 Mar 2010 – 31 Mar 2011	8.7%
31 Mar 2009 – 31 Mar 2010	29.6%
31 Mar 2008 – 31 Mar 2009	9.4%
30 Mar 2007 – 31 Mar 2008	14.1%

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
30 Dec 11	193.5	215.8	-0.3
30 Jun 11	195.6	216.5	1.0
31 Dec 10	195.2	214.4	7.8
30 Jun 10	182.6	198.9	8.1
31 Dec 09	170.3	184.0	12.6
30 Jun 09	152.6	163.3	2.2
31 Dec 08	150.9	159.8	16.0
30 Jun 08	131.3	137.7	6.7
31 Dec 07	124.2	129.0	7.5
29 Jun 07	116.7	120.0	-1.4
29 Dec 06	119.6	121.7	0.6
30 Jun 06	119.4	121.0	-0.5
30 Dec 05	120.5	121.6	7.9
30 Jun 05	112.2	112.7	5.6
31 Dec 04	106.7	106.7	8.9

*includes re-invested dividends

Source: Ruffer

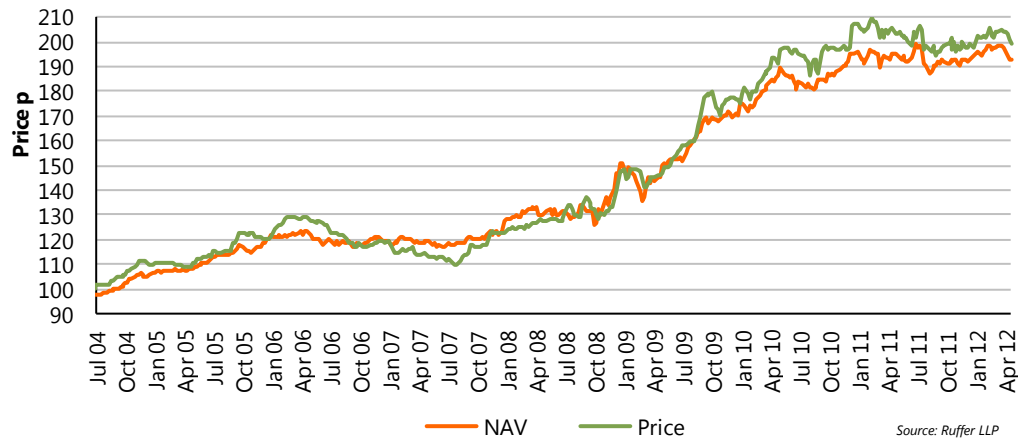
Dividends ex date: 0.5p 30 Mar 05, 30 Sep 05, 22 Mar 06 and 27 Sep 06, 1.25p 21 Mar 07, 26 Sep 07, 5 Mar 08 and 1 Oct 08, 1.5p 4 Mar 09, 30 Sep 09, 3 Mar 10, 1 Sept 10, 2 Mar 11 and 5 Oct 11, 1.6p on 29 Feb 12

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 Bank 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



Source: Ruffer LLP

Investment report

The net asset value at 30 April 2012 was 193.08p, down by 2.7% over the month. The FTSE All-Share fell by 0.3% on a total return basis.

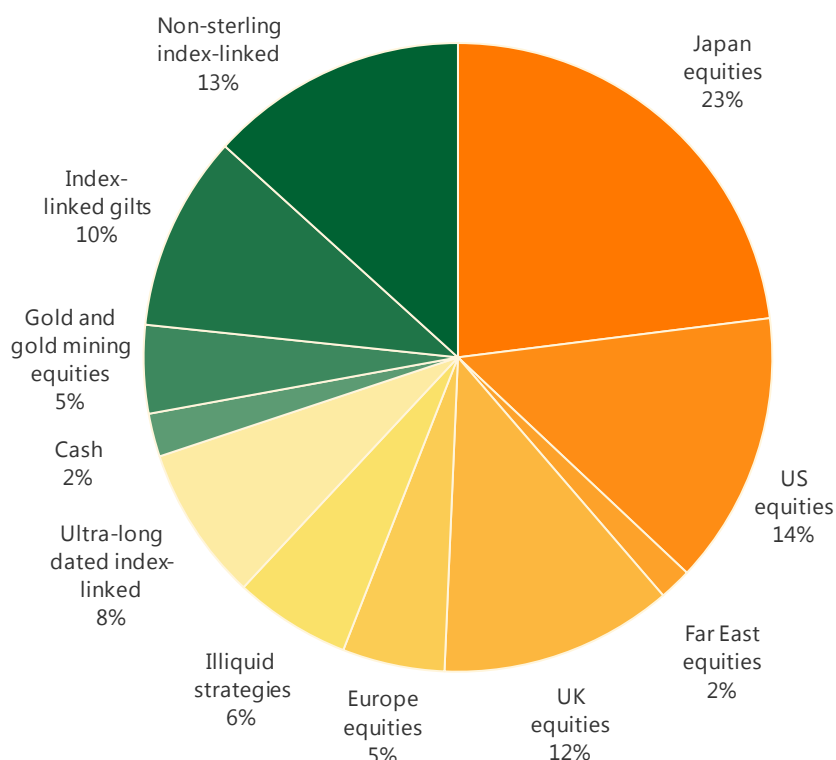
In the past we have spoken about the battleground of absolute return investing being the identification of offsetting investments which will reduce the level of correlation within the portfolio. Over the last year this has worked well for us and we have circumvented some nasty periods of volatility. In April the opposite was true as most parts of the portfolio fell in tandem, even if only by small amounts, and those that did not, such as short dated index-linked bonds, merely stood still. This has made the going tough during the month. There have been some minor tweaks in our positioning, such as a reduction in our dollar exposure from 30% to 20%, but overall there has been little change to the alignment of the portfolio.

There was plenty of news flow to keep worriers busy this month but it was mostly backed up by soothing noises from central bankers and politicians. The minutes of the last Federal Reserve meeting poured cold water on the prospects of another round of quantitative easing but Chairman Bernanke was on hand to appease a jittery market by insisting that the printing press could still be deployed if required. UK inflation was higher than expected and GDP was lower than expected but predictable question marks were put over the reliability of the data. 10 year Spanish bond yields rose to uncomfortably high levels, briefly breaching the 6% mark, but shorter dated yields did not show

the same degree of stress. The French electorate veered away from the policies of austerity regarded as a central plank of the plan to resolve the eurozone crisis but Monsieur Hollande subsequently watered down his anti-capital-market rhetoric. In the UK, the coalition has been under the cosh and local elections are looming but sterling was considered a safe haven and rose 2% on a trade weighted basis.

Politics and elections are undoubtedly going to play an important role in the investment landscape in 2012 and it is always difficult to both predict and invest for the array of possible outcomes in the polling booths. There is much to be said at times like this for taking a step back from the political action and looking at the options open to monetary policy makers. Our view is that these options will be unchanged by electoral events; there are a limited number of levers left available and the order in which they are pulled is becoming ever more important. The reaction of the market this month to mere hints at an end to loose monetary policy shows that there is an addiction to ultra-low interest rates and the eventual exit route is going to have to be very carefully navigated (or should that be signposted). This month's events endorse our view that central bankers are likely to overshoot in their efforts to stimulate growth, because they know that if they do then inflation will help the process of deleveraging, and if they fall short then they can expect a market reaction which will make all the efforts to date count for nothing.

Portfolio structure as at 30 Apr 2012



Source: Ruffer LLP

Ten largest holdings as at 30 Apr 2012

Stock	% of fund
1.25% Treasury index-linked 2017	8.4
1.25% Treasury index-linked 2055	6.0
US Treasury 1.625% TIPS 2018	4.8
US Treasury 1.625% TIPS 2015	4.0
Vodafone	3.2
US Treasury 1.875% TIPS 2015	3.1
Nippon Telegraph & Telephone	3.0
CF Ruffer Japanese Fund	3.0
T&D Holdings	2.9
CF Ruffer Baker Steel Gold Fund	2.5

Five largest equity holdings* as at 30 Apr 2012

Stock	% of fund
Vodafone	3.2
Nippon Telegraph & Telephone	3.0
T&D Holdings	2.9
Johnson & Johnson	2.3
BT	2.2

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV £265.4m (30 Apr 2012)

Shares in issue 137,438,416

Market capitalisation £273.5m (30 Apr 2012)

No. of holdings 54 equities, 8 bonds (30 Apr 2012)

Share price Published in the Financial Times

Market makers Canaccord Genuity
Cenkos Securities | Numis Securities
JPMorgan Cazenove | Winterflood Securities

Company 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 Northern Trust (Guernsey) Limited

Ex dividend dates March, September

Stock ticker RICA LN

ISIN Number GB00B018CS46

SEDOL Number B018CS4

Charges Annual management charge 1.0%
with no performance fee

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Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 April 2012, funds managed by the group exceeded £13.5bn.



HAMISH BAILLIE

Investment Director

Joined Ruffer in 2002. He founded and manages the Edinburgh office of Ruffer LLP which opened in September 2009. He manages investment portfolios for individuals, trusts, charities and pension funds and is part of the team managing the Ruffer Investment Company which is listed on the London Stock Exchange. He is a member of the Chartered Institute for Securities & Investment and a graduate of Trinity College Dublin.



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 JPMorgan European Investment Trust in 2005 and is co-manager of the CF Ruffer Total Return Fund.