



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

MARCH 2013

ISSUE 94

Share price as at 28 Mar 2013

220.50p

NAV as at 28 Mar 2013

Net Asset Value (per share)

213.44p

Premium/(discount) to NAV

As at 28 Mar 2013

3.3%

NAV total return¹

Since inception

148.8%

£ Statistics since inception

Standard deviation ²	2.02%
Maximum drawdown ³	-7.36%

¹Including 20.8p of dividends

²Monthly data (Total Return NAV)

³Monthly data (Total Return NAV)

Percentage growth in total return NAV

31 Mar 2012 – 31 Mar 2013	9.3
31 Mar 2011 – 31 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

Source: Ruffer LLP

Six monthly return history

Date	NAV (p)	TR NAV* (p)	% Total return
31 Dec 12	196.8	223.1	3.4
30 Jun 12	191.9	215.8	0.0
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

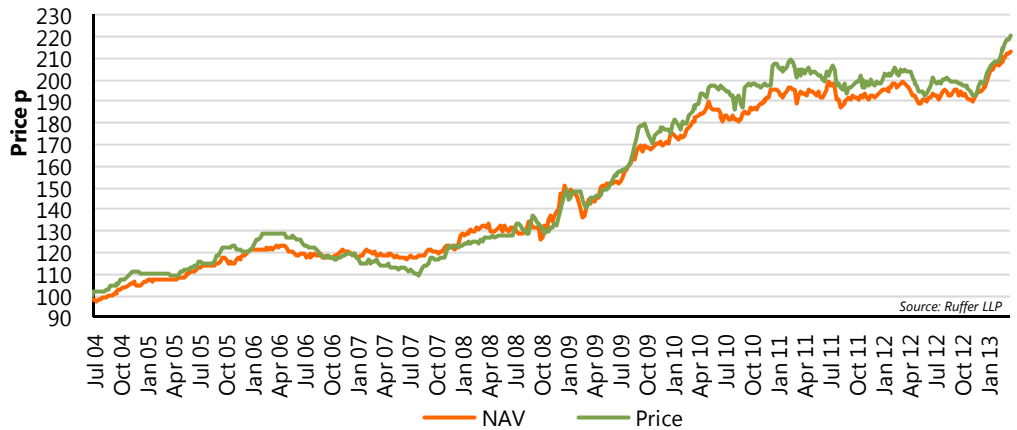
Dividends ex date: 0.5p 30 Mar 05, 7 Sep 05, 22 Mar 06 and 27 Sep 06, 1.25p 21 Mar 07, 26 Sep 07, 5 Mar 08 and 1 Oct 08, 1.5p 4 Mar 09, 30 Sep 09, 3 Mar 10, 1 Sept 10, 2 Mar 11 and 5 Oct 11, 1.6p on 29 Feb 12, 26 Sep 12 and 6 Mar 13

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 predominantly in internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supranationals or government organisations.

RIC performance since launch on 8 July 2004



Investment report

Performance details

The net asset value at 28 March was 213.44p. After allowing for the dividend payment during the month this represents a rise of 3.0%. Over the first quarter of 2013 the total return was 9.3%. By way of context the FTSE All-Share rose by 1.4% and 10.3% on a total return basis over the same periods.

Performance contributions

Index-linked gilts continued their merry march north as the long dated bonds rose 7% during the month. Elsewhere equities were the primary driver of performance. Japan added some 1.8% to the return as Prime Minister Abe succeeded in getting his man, Kuroda, into the Bank of Japan and there were promises of more reflationary support. Outside Japan bid speculation in Vodafone and Mondelez (the confectionary offshoot of Kraft) pushed prices higher. The blot on the copybook was the continued fall in gold mining shares which cost us 0.2% and the option book cost us the same amount.

Market commentary

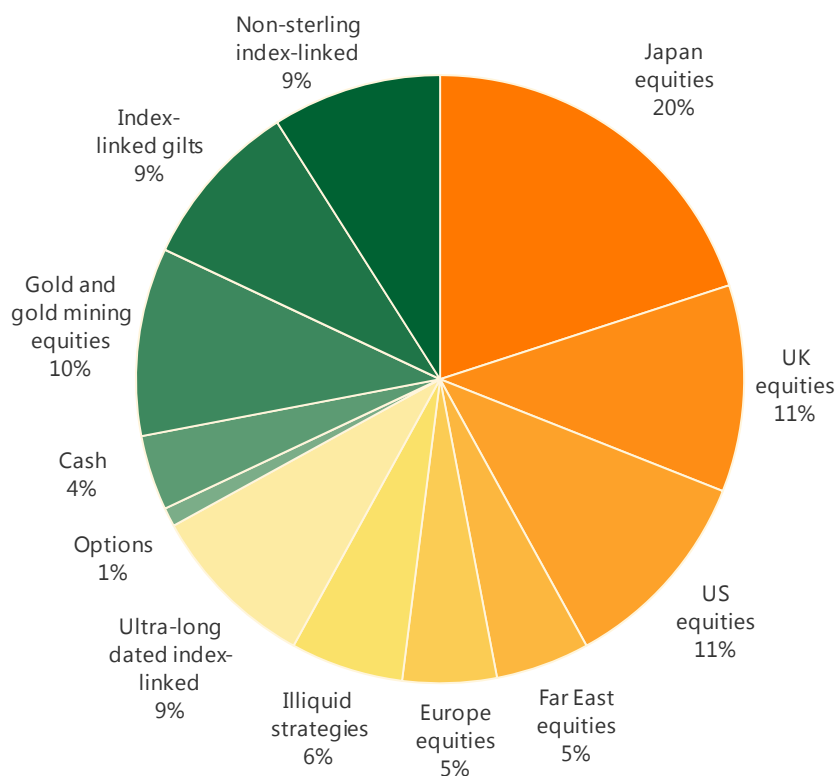
The bitter chill of an unseasonably cold March seemed to numb the minds of European policy-makers, who showed their ability once again to squeeze a pair of size 10 snow shoes into their mouths. In the grander scheme of things Cyprus is likely to prove to be a minor bump in the road for global investors, but it has demonstrated how closely we are tiptoeing around the edge of a banking crisis in Europe. Just when it appeared as though policy-makers had got the hang of how to deal with failing banks (through the pain deferral methods of artificially low interest rates and bailouts) they chose to test markets and the patience of depositors. By threatening to shoot a hostage by making an example of Cyprus, the infamous Troika has opened

up more than one can of worms. Firstly it has brought into question the inviolability of cash deposits and raised the possibility of the expropriation of private assets. Secondly, the introduction of capital controls flies against the ideology of the single currency. In the next chapter of the eurozone crisis all eyes will be on the safety of deposits and a flight of capital from a teetering country could become self-fulfilling. The third risk is that once again the elite of the European political establishment was forced to back down and this time not by the comparative giant of Spain or Greece but by a minnow. This will make future troubled economies bolder in the face of Troika induced austerity.

The other significant event in the month was the UK budget. These days budgets rarely spring surprises and the political theatre trumps the economic impact, but there were some notable developments. The incoming Governor of the Bank of England will have greater flexibility in his mandate and the Monetary Policy Committee is fast becoming an arm of politics. Does this matter? It may not matter now but it will do when an unpopular rise in interest rates is required. Secondly, the help-to-buy scheme is notable for its similarities with the reckless lending practices that landed us in this mess in the first place. Encouraging capital-light real estate purchases will provide a short term boost to the construction industry, but it does not feel like a long term solution to the feeble rate of economic growth.

Against this backdrop we have been taking some profits in our equities outside Japan whilst keeping the portfolio's protective positions in place.

Portfolio structure as at 28 Mar 2013



Source: Ruffer LLP

Ten largest holdings as at 28 Mar 2013

Stock	% of fund
1.25% Treasury index-linked 2017	7.6
Gold Bullion Securities	6.5
1.25% Treasury Index-linked 2055	5.7
US Treasury 1.625% TIPS 2018	4.4
US Treasury 0.125% TIPS 2022	3.8
0.375% Treasury index-linked 2062	3.4
CF Ruffer Japanese Fund	3.3
T&D Holdings	2.9
BP	2.4
Vodafone	2.3

Five largest equity holdings* as at 28 Mar 2013

Stock	% of fund
Gold Bullion Securities	6.5
T&D Holdings	2.9
BP	2.4
Vodafone	2.3
BT	2.3

*Excludes holdings in pooled funds

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV £309.8m (28 Mar 2013)

Shares in issue 145,138,416

Market capitalisation £320.0m (28 Mar 2013)

No. of holdings 62 equities, 7 bonds (28 Mar 2013)

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	GB00B018CS46
SEDOL	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 28 March 2013, assets managed by the group exceeded £15.4bn.



HAMISH BAILLIE
Investment Director

Joined Ruffer in 2002. Founded and manages the Edinburgh office of Ruffer LLP which opened in September 2009 and is a director of Ruffer (Channel Islands) Limited. As well as acting as the lead manager on the Ruffer Investment Company he also manages investment portfolios for individuals, trusts, charities and pension funds. 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.