RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

MARCH 2010

ISSUE 59

Share price as at 31 Mar 2010

187.25p

NAV as at 31 Mar 2010

Net Asset Value (per share)

181.36p

Premium/(discount) to NAV

As at 31 Mar 2010

3.2%

Launch price as at 8 Jul 2004

100.00p

RIC A Class since inception

Total Return (NAV)[1]

101.6%

£ Statistics since inception

Standard deviation[2]	2.16%
Sharpe ratio[3]	1.12
Maximum drawdown[4]	-7.36%

[1]Including 10.0p of dividends

[2]Monthly data (Total Return NAV)

[3]Monthly data annualised (Total Return NAV)

[4]Monthly data (Total Return NAV)

Source: Ruffer LLP

Percentage growth

In Total Return NAV	
31 Mar 09 – 31 Mar 10	29.6%
31 Mar 08 – 31 Mar 09	9.4%
31 Mar 07 – 31 Mar 08	14.1%
31 Mar 06 – 31 Mar 07	-1.7%
31 Mar 05 – 31 Mar 06	15.2%

Source: Ruffer LLP

Six monthly return history

Date	NAV	% Total return
31 Dec 09	170.3p	12.6%
30 Jun 09	152.6p	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%

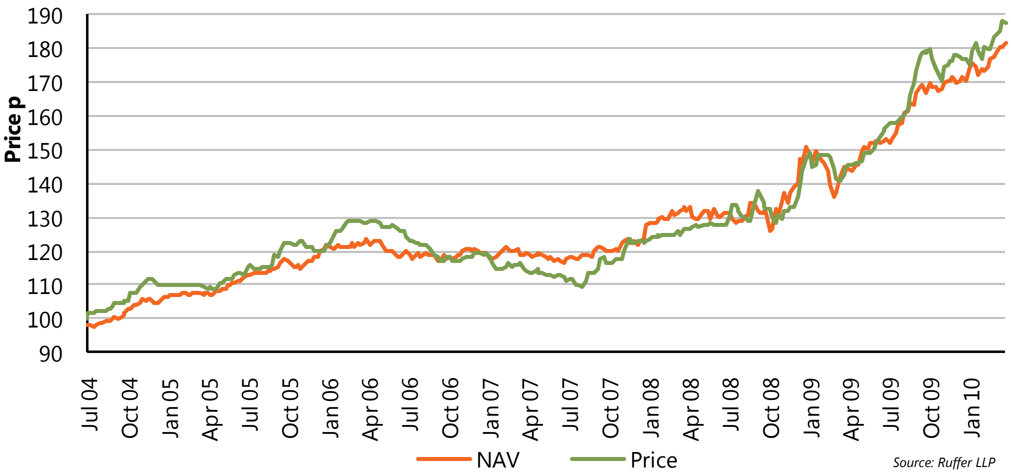
Source: Ruffer LLP

Dividends ex date: 0.5p 30 Mar 05, 30 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 and 3 Mar 10

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



Source: Ruffer LLP

Investment report

The net asset value of the Company currently stands at 181.36p, a rise of 2.1% during the month. The share price rose 4.0% in March and the premium over NAV was 3.7%.

During the month, more shares were issued under the block listing facility. Including those issued on April 6, there are now 96,654,703 shares outstanding. This month is a milestone in the history of the company in that the Total Return of the net asset value has now doubled since launch in July 2004. The total return in the first quarter was 7.4%.

At the beginning of the month we sold the Associated British Foods, which did us proud over quite a short period of time, and we also sold, at month end, the holding of Itochu (or rather part of it, which has been one of the best holdings in the Company). The reason for this is that the merchanter's activity is concentrated in metals, and they have a biggish exposure to China, which could well turn out to be harmful. We also have a holding in Mitsui, which, while not so exposed to base metals, is nevertheless a play on this general sector.

A significant event was the bringing to the market of Dai-Ichi Life, in which we bought a 1% holding in the launch on 23 March, and we also 'front-ran' the launch by buying the only other quoted life assurance company, T&D Holdings. Both stocks have performed well, and the exposure to this sector of the Japanese market is now about 3.5%.

Over the month, the generality of stocks scarcely moved the net asset value of the Company. It was the big cap high yielders which provided the returns: BP, BT (recovering from a poor month in February) and Vodafone in the UK, Ericsson in Europe and Kraft in North America. A sharp recovery in Daiei, the special situation retailer in Japan, also helped the performance of the Company.

The gold holdings did well, including Lihir, but the bid from Newcrest for this company came just too late to benefit this month.

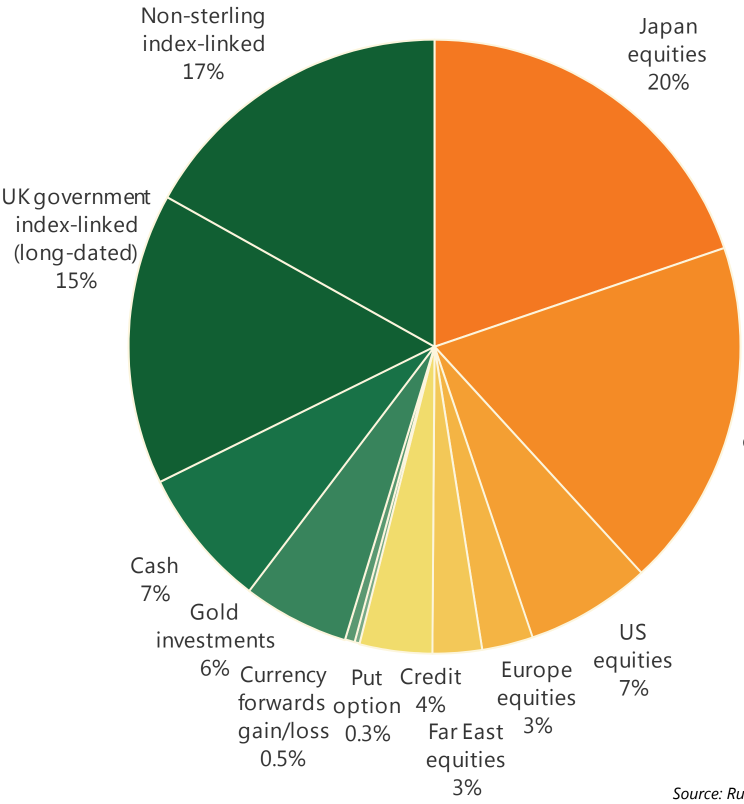
We are entering a choppy period in the market when opportunism is more important than the killer thought. The key to the year 2008 was guarding against the debt-strewn dislocations; the key to 2009 was to understand that quantitative easing would raise asset prices. The next big theme, high inflation and negative real interest rates does not feel like a story for 2010 – so the art is to get the portfolios safely through to the onset of this next major theme. The cross currents that we see are: strong underlying economic growth; China looking set to blow up; technical factors in certain markets, such as swaps, which all point to lower lending activity by the banks in the future. We continue to like Japan; a stimulus would weaken the currency, steepen the yield curve and be good for equities.

The first quarter's performance was based on opportunism: let's hope we can deliver this trick over the next three!

At the end of March, the Management Committee at Ruffer made Henry Maxey Chief Investment Officer and Chief Executive Elect. Maggie Thatcher once said that she intended to go on and on and on; this is a signal that I intend simply to go on. I shall be at the helm for a good long time – measurable in years – and the purpose of this announcement is to get the issue of succession into circulation when it is a non-event.

You can see the letter that was sent to Ruffer LLP clients at *www.ruffer.co.uk/25march2010*

Portfolio structure as at 31 Mar 2010



Source: Ruffer LLP

Ten largest holdings as at 31 Mar 2010

Stock	% of fund
1.25% Treasury index-linked 2017	7.8
US Treasury2.375% TIPS 2025	5.6
1.25% Treasury index-linked 2055	4.8
US Treasury1.625% TIPS 2015	4.9
Ruffer Illiquid Strategies Fund 2009 Ltd	3.8
CF Ruffer Baker Steel Gold Fund	3.4
BT Group	2.5
1.875% Treasury index-linked 2022	2.7
Vodafone Group	2.7
CF Ruffer Japan Fund	3.0

Five largest equity holdings* as at 31 Mar 2010

Stock	% of fund
BT	2.5
Vodafone	2.7
BP	2.4
Kraft Foods	2.0
Kroger	2.3

**Excludes holdings in pooled funds* *Source: Ruffer LLP*

NAV valuation point	Weekly – Friday midnight Last business day of the month
NAV	£173.93m (31 Mar 2010)
Shares in issue	95,904,703
Market capitalisation	£179.58m (31 Mar 2010)
No. of holdings	48 equities, 6 bonds (31 Mar 2010)
Share price	Published in the Financial Times
Market makers	Winterflood Securities ABN AMRO Cenkos Securities Cazenove Numis Securities

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 £6.9bn on an absolute return basis, including over £2.5bn in open-ended Ruffer funds (as at 31 March 2010).

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	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

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