



RUFFER INVESTMENT COMPANY LIMITED

An alternative to alternative asset management

MAY 2009

ISSUE 48

Share price as at 30 Apr 2009

146.25p

NAV as at 30 Apr 2009

Net Asset Value

145.47p

Premium/(discount) to NAV

As at 30 Apr 2009

0.5%

Launch price as at 8 Jul 2004

100.00p

RIC A Class since inception

Total Return (NAV)¹

59.7%

£ Statistics since inception

Standard deviation ²	2.5%
Sharpe ratio ³	0.69
Maximum drawdown ⁴	-5.7%

¹Including 8.5p dividend

²Monthly data

³Monthly data annualised

⁴Monthly data including 8.5p dividend

Source: Ruffer LLP

Percentage growth

In Total Return NAV to 31 Mar 09

31 Mar 08 – 31 Mar 09	+9.4%
31 Mar 07 – 31 Mar 08	+14.4%
31 Mar 06 – 31 Mar 07	-1.7%
31 Mar 05 – 31 Mar 06	+15.2%
31 Mar 04 – 31 Mar 05	n/a

Source: Ruffer LLP

Six monthly return history

Date	NAV	% growth
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%

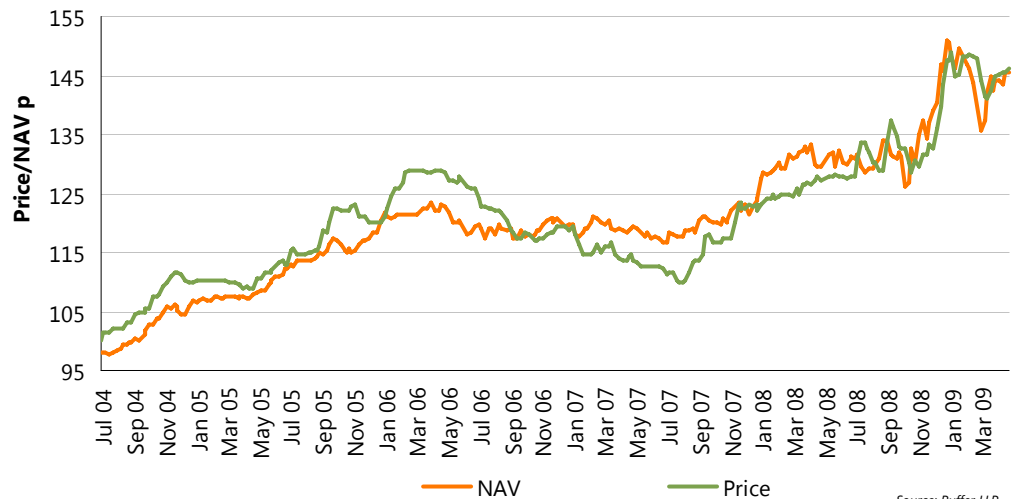
Source: Ruffer LLP

Dividends paid 0.5p 30 Mar 05, 7 Sept 05, 31 Mar 06, 27 Sept 06, 1.25p 30 Mar 07, 28 Sept 07, 31 Mar 08 and 1 Oct 08, 1.5p 27 Mar 09

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



Investment report

During April the Fund price rose by 1.7%. This compared with a rise of 9.9% in the FTSE All-Share Index, and a fall of 1.3% in the FTSE All-Stocks Index (both figures total returns in sterling).

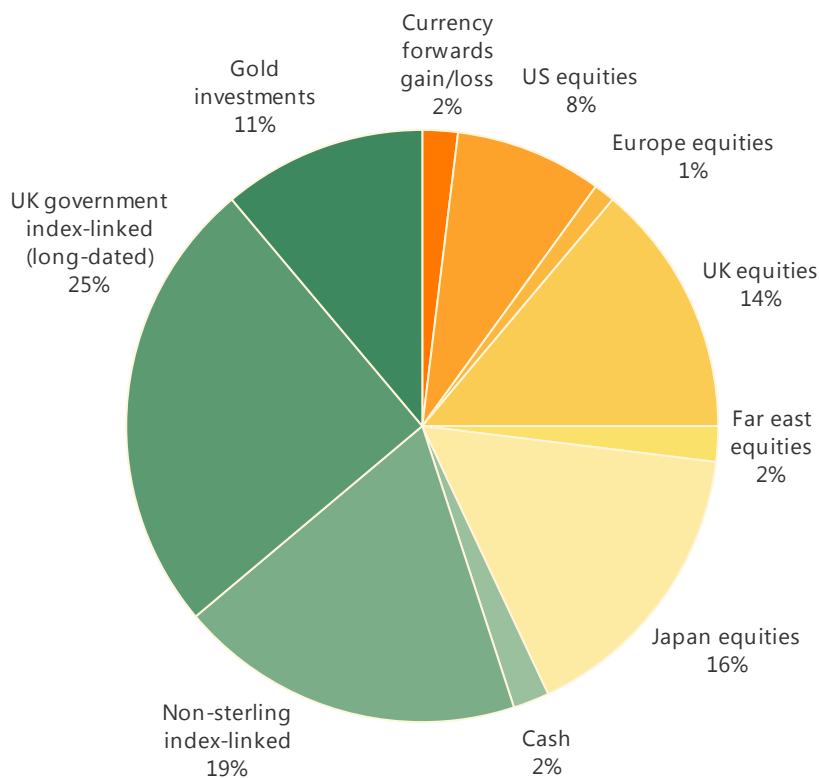
It was a dullish month both as regards the activity, and features within the portfolio. The continued rally in the stock market helped the equities, though perhaps not as much as expected. The UK equities were the best features, with both BT and Invensys performing well. We had not lost faith in the former, and at last the dog gave, if not a bark, at least a whimper, and the big weighting in the holding was duly rewarded. Invensys has been a good stock for us, having made a lot of money in it in the bull run of a couple of years ago before selling it, and buying it back in during the bear phase of the market. The Japanese stocks were somewhat disappointing. The current rally in the market has not been a surprise to us, and we felt that the best way of playing it was through Japanese financials, and other high beta stocks. They have done well, but nothing like their western brethren. We still believe that they will perform well, since there is a common thread between the fortunes of the one and the other.

The strength of Sterling held back the performance of the overseas equities, but most of this was recaptured in the hedges which are in place to protect us from

Sterling strength.

During the course of the month, there was a certain amount of tinkering in the Japanese list, and we took a quick profit in K&S, and reinvested in BP. The latter is now the biggest UK equity holding - as it was before we sold the stock down at higher prices in the early part of the year. There seems a general preoccupation at the moment as to whether the upward move from the March lows is a bear market rally, or the start of a basing in the markets after the trauma of 2008. Our view on this is 'don't know, and couldn't care less'. One of the great advantages of investing across a number of asset classes is that the performance of a single asset class is not important, and our indifference is not born of disinterest; we are active players in the equity markets. The reason is that there is no point in being on the wrong side of Mr Market's present philosophy: never give a sucker an even break. That's the deal that we think is on offer at the moment. Where we believe the croupier is showing distinct signs of drunkenness in the odds that he offers on the stock market roulette table is index-linked gilts. At the risk of sounding like a gramophone record, long-dated index-linked stocks look enormously attractive. Talking of gramophone records, I used to collect 78s, but the longest index-linked that I can find are the 55s. They are quite volatile enough.

Portfolio structure as at 30 Apr 2009



Source: Ruffer LLP

Ten largest holdings as at 30 Apr 2009

Stock	% of fund
UK Treasury index-linked 1.25% 2017	9.9
US TIPS 2.375% 2025	7.1
UK Treasury index-linked 1.25% 2055	5.8
Japan index-linked 1.3% 2017	5.8
Japan index-linked 1.4% 2018	5.2
Annaly	4.4
Sweden index-linked 3.5% 2028	4.2
UK Treasury index-linked 1.875% 2022	3.4
Mitsubishi UFJ	3.3
Newmont	3.1

Five largest equity holdings as at 30 Apr 2009

Stock	% of fund
Annaly	4.4
Mitsubishi UFJ	3.3
Newmont	3.1
BP	2.6
Kraft Foods	2.6

Source: Ruffer LLP

NAV valuation point

Weekly – Friday midnight
Last business day of the month

NAV

£129.7m (30 Apr 09)

Shares in issue

89,129,703

Market capitalisation

£130.4m (30 Apr 09)

No. of holdings

42 equities, 8 bonds (30 Apr 09)

Share price

Published in the Financial Times

Market makers

Winterflood Securities
ABN AMRO
Cenkos Securities
Cazenove
Numis Securities

Fund 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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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 £3.7bn on an absolute return basis, including over £1.2bn in open-ended Ruffer funds (as at 30 April 2009).