

**Ruffer Investment Company Limited (“the Company”)  
Interim Management Statement – 1 July to 30 September 2008**

**Performance Summary**

The NAV of the Company increased from 131.3p at 1 July 2008 to 131.8p at 30 September 2008, net of a 1.25p dividend. For the period under review, the Company recorded a positive total return (net of fees and expenses) of 1.3%, compared to the objective return of 2.7%, being twice the time weighted Bank of England base rate over the period. Since inception, the Company has achieved a positive total return of 41.6%.

The price increased from 127.75p at 1 July 2008 to 133.30p at 30 September 2008. The price to NAV moved from a discount of 2.7% at the start of the period to a premium of 0.9% at the end of the period.

In the light of the exceptional events in global stock markets in September the Investment Manager notes that, due to the combination of investments in fear and investments in greed in the portfolio, the impact of the market turmoil on the Fund’s NAV has been marginal. Throughout the month the NAV has remained within a narrow range, moving no more than +/-1.5 % (allowing for dividends paid). The portfolio continues to have no exposure to UK, European or US banks and any declines in the value of its equity holdings have been largely offset by gains from investments in bonds, gold and currencies.

**Quarterly return history**

Date	30 Sep 04	31 Dec 04	31 Mar 05	30 Jun 05	30 Sep 05	31 Dec 05	31 Mar 06	31 Jun 06	30 Sep 06
NAV	101.2p	106.7p	107.2p*	112.2p	117.4p*	120.5p	122.5p*	119.4p	118.8p*
% Growth	+3.3%	+5.4%	+0.5%	+4.3%	+4.6%	+2.6%	+2.1%	+2.5%	-0.5%

Date	31 Dec 06	30 Mar 07	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	30 Jun 08	30 Sept 08
NAV	119.6p	118.7p*	116.7p	120.4p*	124.2p	132.8p*	131.3p	131.8p*
% Growth	+0.7%	-0.8%	-1.7%	+3.2%	+3.2%	+7.9%	-1.1%	+1.3%

\*Ex dividend 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 & 30 Sept 08.

**Financial Position**

**Ten largest holdings**

1 July 2008

Stock	% of Fund
Austria 3% 2009	10.5
UK Treasury I/L 1.25% 2017	9.9
US TIPS 2.375% 2025	6.3
Swiss Govt 1.75% 2009	5.5
Swiss Govt 4% 2028	5.5
UK Treasury 4.25% 2011	5.1
UK Treasury 5% 2012	5.0
Gold Bullion	3.9
Swisscom	3.5
Nippon Telegraph & Telephone	2.7

**Ten largest holdings**

30 September 2008

Stock	% of Fund
UK Treasury I/L 1.25% 2017	9.9%
Austria 3% 2009	8.0%
US TIPS 2.375% 2025	6.6%
Swiss Govt 4% 2028	6.0%
UK Treasury 4.25% 2011	5.1%
UK Treasury 5% 2012	4.4%
Gold Bullion	4.1%
Swisscom	3.4%
BP	3.0%
Swiss Govt 2.5% 2036	2.9%

**Five largest equity holdings**

1 July 2008

Stock	% of Fund
Swisscom	3.5
Nippon Telegraph & Telephone	2.4
Kao	2.1
Central Japan Railway	2.1
Newmont Mining	2.1

**Five largest equity holdings**

30 September 2008

Stock	% of Fund
Swisscom	3.4%
BP	3.0%
Annaly	2.8%
Nippon Telegraph & Telephone	2.8%
Kao	2.2%

**Material Transactions****Five largest purchases**

1 July 2008 – 30 September 2008

Date	Security Description	Cost
18/09/08	Japanese Yen	£9,774,803
15/07/08	Annaly Capital Management	£1,799,813
18/09/08	Annaly Capital Management	£1,211,934
29/09/08	BP	£953,583
29/09/08	NRG Energy	£608,057

**Five largest sales**

1 July 2008 – 30 September 2008

Date	Security Description	Proceeds
18/09/08	Switzerland 1.75% 2009	£6,591,125
18/09/08	KFW 3% 2009	£3,010,763
24/09/08	Austria 3% 2009	£2,680,544
19/09/08	UK Treasury 5% 2012	£1,017,400
17/07/08	Central Japan Railway	£827,075

The Company increased its cash weighting during the period from 4.2% at 1 July to 11.4% at 30 September 2008.

The NAV of the Company at 1 July 2008 was £117.0m and this increased to £117.5m at 30 September 2008. The market capitalisation was £113.9m at the start of the period under review and this increased to £118.5m at 30 September 2008.

The Company will pay a dividend per share of 1.25p on 24 October 2008.

**Material Events**

The Board of the Company is not aware of any significant event which has occurred between the 1 July 2008 and the date of the publication of this statement which would have a material impact on the financial position of the Company.

However, please note the following three announcements made during the period:

17 September 2008: “Mr Chris Spencer, a non-executive director, has informed the Company that on 11 September 2008 he became a Director of Low Carbon Accelerator Limited which is listed on AIM.”

24 September 2008: “The Directors of Ruffer Investment Company Limited have declared that an interim dividend will be payable in respect of the year ended 30 June 2008 as follows:

Ex Date	01 October 2008
Record Date	03 October 2008
Pay Date	24 October 2008
Dividend per Share	1.25 pence (Sterling)”

26 September 2008: Ruffer Investment Company Limited announced the Annual Report and Accounts in respect of the period ended 30 June 2008.