Ruffer Investment Company Limited

Annual report
for the year ended
30 June 2023

Contents

Key performance indicators

	30 June 23 %	30 June 22 %
Share price total return over 12 months[2]	(7.2)	5.6
NAV total return per share over 12 months[2]	(1.7)	6.0
(Discount)/premium[3] of share price to IFRS NAV	(3.1)	1.7
Dividends per share over 12 months[4]	2.60p	3.05p
Annualised dividend yield[5]	0.9	1.0
Annualised total return per share since launch[2]	7.2	7.7
Ongoing charges ratio[6]	1.07	1.07

Financial highlights

	30 June 23	30 June 22
Share price	276.00p	300.00p
NAV at year end as calculated on an IFRS basis[7]	£1,092,040,335	£952,784,773
NAV at year end as reported to the LSE	£1,096,014,803	£947,554,437
Market capitalisation[3]	£1,058,509,029	£969,008,292
Number of shares in issue	383,517,764	323,002,764
NAV per share[3] at year end as calculated on an IFRS basis[7]	284.74p	294.98p
NAV per share[3] at year end as reported to the LSE	285.78p	293.36p

1 The financial effects of the Company's formal equity fundraising in November 2021 were not accurately reflected in performance calculations, leading to past performance figures being understated by a non-material amount in the Company's interim, annual and monthly reports published between December 2021 and April 2023. The performance methodology has been updated to amend this error

2 Assumes reinvestment of dividends. See appendix for Alternative Performance Measures (APMs)

3 See Appendix for Alternative Performance Measures (APMs)

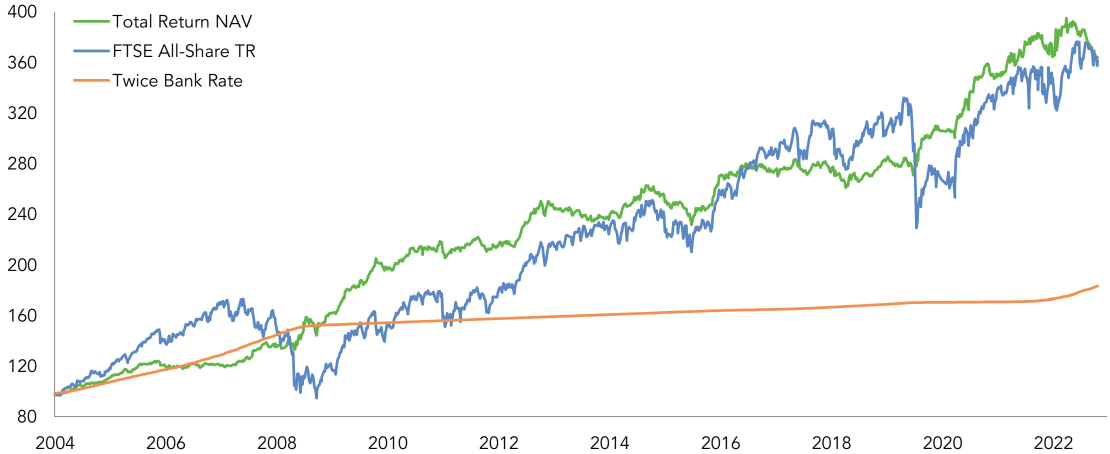
4 Dividends declared during the year

5 Annual dividend yield is calculated using share price at the year end and dividends declared during the year

6 See note 9

7 This is the NAV/NAV per share as per the Financial Statements. Refer to note 14 on page 106 for a reconciliation between this figure and the NAV/NAV per share as reported to the LSE. See appendix for Alternative Performance Measures (APMs)

PERFORMANCE TO 30 JUNE 2023



Source: RAIFM Ltd, FTSE International, data to 30 June 2023. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

Chairman's statement

The phrase 'football's a game of two halves' means that fortunes can change, which is an appropriate metaphor for the performance of Ruffer Investment Company Limited (RICL or 'the Company') over its financial year to 30 June 2023. As the Investment Manager's report suggests, however, we should be careful with a post-match analysis until after the final whistle – the liquidity and recession risk concerns of the second half of the financial year have not yet abated.

In the first half of RICL's financial year, the Company achieved a positive net asset value (NAV) and share price total return of 4.8% and 4.1% respectively, despite a period of rising interest rates which unsettled financial markets. In the second half, the RICL NAV and share price total returns were -6.8% and -10.9% respectively, making -1.7% and -7.2% for the full year ended June 2023.

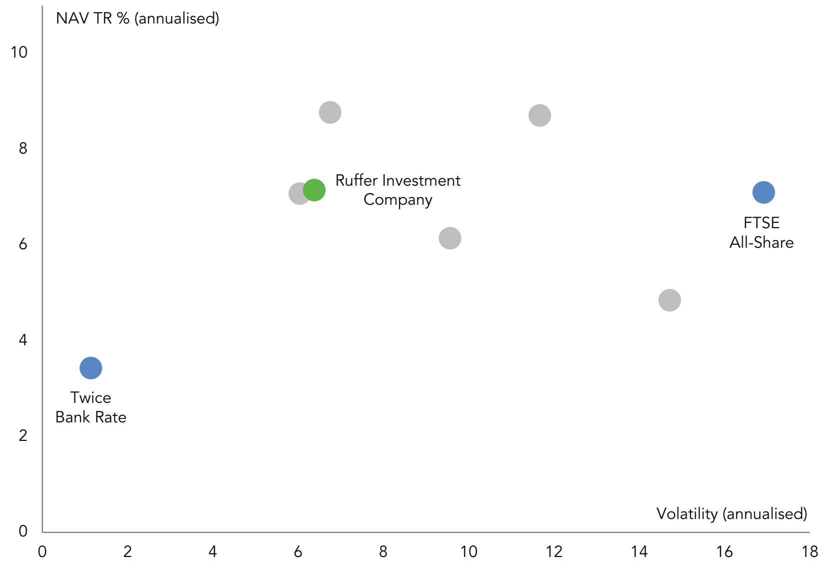
The main components of the negative NAV return were sterling strength against the yen, echoing the RICL currency experience in 2007 (until the crisis arrived), and credit and equity protection. The latter covered equity indices which were driven higher by only a limited number of stocks which disguised more general market weakness, so despite widespread falls in stocks the portfolio did not benefit from the cost of this protection.

The difference between the NAV and the share price returns reflected the change from a premium of 1.7% to a discount of 3.1% over the year to 30 June 2023. The change in share price to NAV over the eighteen months to end June 2023 was very similar (+1.8% to -3.1%) when, over that same period, the average investment company discount moved out from -5% to -17% due to rising interest rates and recessionary concerns. This was the widest average discount seen since 2007 when Ruffer's strategy ultimately proved its value.

Long term returns

The compound annualised return from the Company's launch in July 2004 to 30 June 2023 was 7.2% and RICL's annual average NAV return relative to volatility risk remains towards the top of its peer group of comparable investment companies over the Company's life.

NAV TOTAL RETURN VERSUS VOLATILITY, JULY 2004–JUNE 2023



Source: Ruffer, Morningstar, Bloomberg. Constituents: Personal Assets, Capital Gearing, Aberdeen Diversified Income & Growth, RIT Capital Partners, BH Macro

A common statistic, which shows portfolio return in excess of the risk-free return relative to the volatility incurred in achieving that excess return, is known as the Sharpe ratio. The Sortino Ratio is similar, but measures return relative only to the downside (negative) element of volatility.

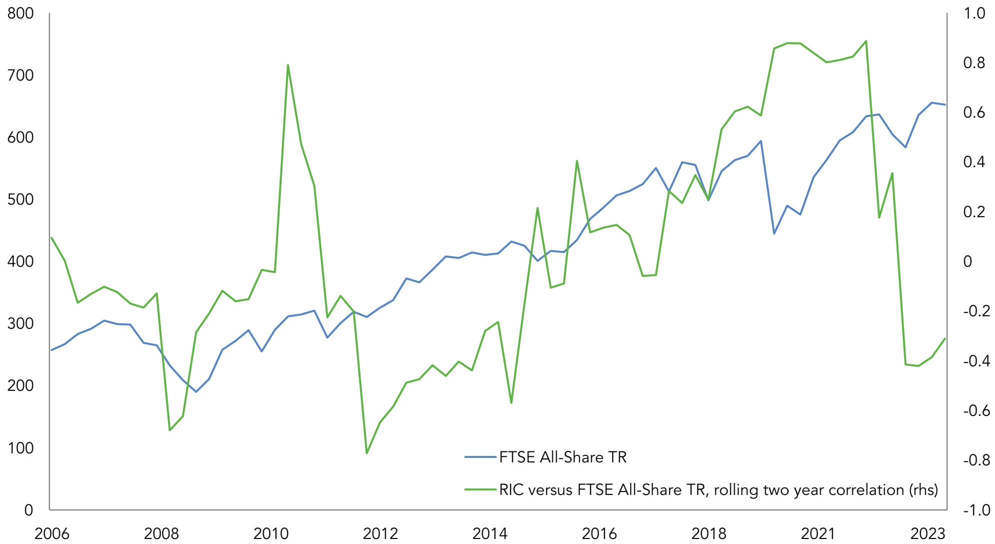
To 30 June 23	Sharpe ratio	Sortino ratio
Ruffer Investment Company since inception (July 2004)	0.87	1.95
FTSE All-Share Total Return Index since July 2004	0.41	0.66

The Company's risk-adjusted NAV return has remained over twice that of the FTSE All-Share Index since the Company's launch. In terms of the Sortino ratio, the Company has continued to generate approximately three times more excess return per unit of risk than an investment in the FTSE All-Share Index.

Dynamic correlation

Last year's annual report focused on the part played by RICL as a diversifier when incorporated in a portfolio of wealth. The chart below shows the correlation of RICL returns with those of the FTSE All Share Index. It demonstrates that, in generally rising markets, the correlation moves towards 1.0, which implies that RICL has in the past captured upside when the equity market was rising. When the market was falling, RICL protection strategies dramatically reduced the correlation to a point where the Company's return was positive when the market's return was negative. This chart shows the historic value of having added RICL as a component of a wealth portfolio which includes listed equities. This is a relationship which we anticipate will continue over the medium to long term.

DYNAMIC CORRELATION TO MARKETS



Source: Ruffer Investment Company Limited, FTSE International, data to 30 June 2023

Earnings and dividends

During the year, the Company generated 3.70p per share of revenue and -13.23p per share of capital losses. The Company has always invested for total return, which gives flexibility to the Investment Manager to pursue the optimal investment strategy for the long-term generation of return and the preservation of capital.

The Board is committed to distributing at least 85% of revenue earned in any given year to allow the Company to remain able to be marketed to a UK retail client base. Having paid out an interim dividend in March 2023, amounting to 1.35p per share, the Company has declared a second interim dividend for this financial year of 1.65p per share. The remaining balance of revenue earned has been retained to add to the revenue reserve which may be used to help protect dividends against future fluctuations in revenue.

Share premium and discount management

During the year, the Company gradually issued a total of 60,515,000 shares in order to –

1 meet ongoing demand in the market and to help to ensure that long-term investors who regularly acquire shares are not disadvantaged

2 spread operating costs over a wider base

3 enhance NAV per share and

4 improve liquidity in the market, providing shareholders with flexibility in managing their wealth where RICL is a component.

While the share price remained at a premium for most of the of year to end June 2023, it fell to a discount in the second half. Your Directors sought shareholder permission at the annual general meeting (AGM) in December 2022, as they do each year, to repurchase up to 14.99% of the issued preference shares during the 12 months to the next AGM. Shareholders voted 100.00% in favour of the resolution.

Board policy on buying in shares remains as follows. The Board is alerted by our broker to any discount of share price to NAV greater than mid-single digits. At that point we might expect some investors to trade the discount, taking a view on it narrowing and compounding positive underlying performance which has occurred on the three previous occasions when the shares have fallen to a sustained discount. Other investors may arbitrage between the Company's shares and units in the equivalent Ruffer open-ended fund.

The Board assesses with the broker the market position in the shares: who are the sellers; what are their reasons; what are volumes which are moving the share price significantly relative to the average liquidity levels; where are and what constitutes potential buyers and at what price level. The Investment Manager is not appraised of this discussion because of potential conflict of interest should they choose to buy the Company's shares for their discretionary clients.

The Board makes its own independent judgement on whether it deems the discount to be a temporary aberration, offering the opportunity to add value to shareholders through buy-back, or a longer-term signal for which action other than a share buy-back may be required. While market conditions did not permit a buy-back to occur in the year to 30 June 2023, 150,000 shares have subsequently been bought into treasury.

Responsible investing

Ruffer LLP (Ruffer) has adopted the UK Stewardship Code 2020 definition of stewardship: 'the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the company, the environment and society'.

During the year, Ruffer consolidated several legacy policies and statements related to environmental, social and governance (ESG) issues into a single document, the Stewardship and Responsible Investment Policy. This document is publicly available and encapsulates the Ruffer approach to ESG. Ruffer applies this philosophy through engagement which is defined as 'active dialogue with specific and targeted objectives'. The report on ESG (pages 36 to 41 of this Annual Report) shows some examples of engagement in practice.

There is debate about the impact of ESG on performance but, since its launch in 2007, the MSCI World ESG Leaders index has very marginally outperformed the straight MSCI World Index. A paper published in June this year by Victor Saint-Jean through SSRN, entitled 'Exit or Voice', analysed over 3,000 US mutual funds between 2013 and 2020 for the relative effectiveness on companies' social behaviour of screening out anti-social behaviour or engaging with management. The paper concluded in favour of engagement which was largely driven by the personal and financial concerns of management when demanded by shareholders. Furthermore, it can be argued that the type of risks identified by ESG analysis could lead to a substantial and sustained draw-down in value if ignored. ESG is one of the 'deep dive' topics which the RICL Board reviews with the Investment Manager regularly to ensure that action meets words.

Although RICL is not itself subject to Consumer Duty, the Investment Manager has performed an assessment of value and this scored Green for cost, service and performance.

Board matters

In May 2023, we started a process leading to external review and evaluation of the Board and its remuneration, led by the Senior Independent Director, Nick Pink. During the summer months an extensive review of potential evaluators was conducted which led to the selection of Lintstock to begin in September 2023.

The Lintstock evaluation involves a questionnaire, skills review and one-on-one interviews with members of the Board and the Investment Manager. The evaluation is being conducted in the light of my intention to stand down from the Board no later than the AGM in December 2024, after eight years on the Board and four years as Chair.

One question being addressed by Lintstock evaluation is whether the Directors consider that the role of Chair should pass to another member of the Board, or whether it might prove necessary to recruit from outside. Meanwhile, the skills review will likely expose the need to replace my buy-side experience while maintaining a majority of non-UK Directors on the Board.

The review, and in the new calendar year the recruitment process, will not only help us to continue to meet the FCA's specific targets on gender and ethnic diversity. It will also enhance that important diversity of thought process, personality, skill and experience which provides the mixture of chemistry that enables constructive challenge of both the Managers' and the Board's own actions.

In the 2021 Annual Report, we stated that remuneration should not again be a barrier to selecting the best candidate for the Board and that in future we would synchronise an external Board evaluation and remuneration review at least every three years. We will be appointing an independent adviser to review, and make recommendations on, Board remuneration before recruitment begins. For further details, please refer to the Directors' Remuneration report on pages 65 to 67.

Outlook

In February this year I wrote in the Company's Interim Report that 'the Company's investment message for 2023 is an uncomfortable degree of financial market volatility demanding protection and patience'. Protection and patience have come with a price in short term performance. This has happened on several occasions in the past when geopolitical or economic events have made a relatively shorter-lived and shallow impression on the long-term positive returns from long-duration assets.

The Investment Manager's report draws attention to Milton Friedman's observation that monetary policy works with long and variable lags, arguably made longer today by fixed rate mortgages and expense of lockdown savings. Central banks are on a journey to reverse the inflation and excess of risk-taking induced by zero interest rates. The current direction and articulation of monetary policy remain firmly fixed towards slaying the inflationary dragon in the UK, Europe and the US.

The portfolio therefore remains defensive, but the time will come, perhaps ahead of forthcoming elections on both sides of the Atlantic, when markets will begin to discount the policy pain and its subsequent effect. The portfolio structure will need to reflect that light emerging at the end of the tunnel when, as your Investment Manager says in its report, 'It's not the Fed that needs to pivot, it will be investors'.

Christopher Russell

3 October 2023

Strategic report

The Company carries on business as a closed-ended investment company. Its shares are traded on the Main Market of the London Stock Exchange (LSE) and it was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005. The Company is externally managed by Ruffer AIFM Limited, a UK investment manager authorised and regulated in the conduct of investment business in the United Kingdom by the Financial Conduct Authority (FCA). Ruffer AIFM Limited is also the Alternative Investment Fund Manager (AIFM) of the Company.

Board

The Board of Directors is responsible for the overall stewardship of the Company, including general management, structure, finance, corporate governance, marketing, risk management, compliance, gearing, contracts and performance. Biographical details of the Directors, all of whom are non-executive, are listed on pages 43 and 44 and in the Management and Administration summary on page 131. The Company has no executive directors or employees.

The Board has contractually delegated to external parties various functions as disclosed in the Corporate Governance Statement on pages 51 to 64.

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.

The weighted average Bank of England rate throughout the year ended 30 June 2023 was 3.16% (2022: 0.40%).

The Company predominantly invests 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.

Investment strategy

The Company's strategy is to create a balanced portfolio of offsetting assets which in aggregate are intended to enable the Company to meet its investment objective. The aspiration remains to produce consistent positive returns, regardless of the performance of financial markets. Over shorter periods this is likely to result in the Company lagging sharply-rising equity markets, but outperforming falling equity markets. This strategy will be implemented predominantly through investments in listed securities, collective investment schemes and currencies but the Investment Manager has the flexibility to use other asset classes should it be necessary to do so.

The investment strategy has been tested in the last 18 months as conditions in markets have changed quickly. In order to achieve the Company's investment objective we need to be able to perform in both rising and falling asset markets. This means that we maintain a balance of investments with a small but potent book of cyclical equities to perform should economic and financial conditions improve, index-linked bonds and gold to benefit from sustained higher inflation and financial repression, and credit protection and options to protect the Company should there be a shock to financial markets.

Investment policy

In selecting investments, the Company adopts a stock picking approach and does not adopt any investment weightings by reference to any benchmark. Both the Board and the Investment Manager believe that the adoption of any index related investment style would inhibit the ability of the Company to deliver its objective.

The Company invests across a broad range of assets, geographies and sectors to achieve its objective. This allocation will change over time to reflect the risks and opportunities identified by the Investment Manager across global financial markets, with an underlying focus on capital preservation. The allocation of the portfolio between different asset classes will vary from time to time so as to enable the Company to achieve its objective. There are no restrictions on the geographical or sectoral exposure of the portfolio (except those restrictions noted below).

The universe of equity, equity related securities or bonds in which the Company may invest is wide and may include companies domiciled in, and bonds issued by entities based in, non-European countries, including countries that are classed as emerging or developing. This may result in a significant exposure to currencies other than pound sterling. Where appropriate, the Investment Manager will also use in-house funds to gain exposure to certain asset classes.

The Company may use derivatives, including (but not limited to) futures, options, swap agreements, structured products, warrants and forward currency contracts, for efficient portfolio management purposes only.

Investment restrictions and guidelines

It is not intended for the Company to have any structural borrowing. The Company has the ability to borrow up to 30% of the NAV at any time for short term or temporary purposes, as may be necessary for settlement of transactions, to facilitate share redemption or to meet ongoing expenses.

The proportion of the portfolio invested into companies based in emerging or developing countries will be limited, at the time of any investment, to below 15% of the Company's gross assets.

The Directors have determined that the Company will not engage in currency hedging except where the Investment Manager considers such hedging to be in the interests of efficient portfolio management.

The Directors have determined that no more than 15% in aggregate of the Company's gross assets at the time of acquisition will be invested in listed investment companies (including investment trusts), with a maximum of 10% of gross assets invested in investment companies not having stated investment policies allowing them to invest no more than 15% of their own gross assets in other UK listed investment companies (including investment trusts).

General

In accordance with the requirements of the FCA, any material changes in the Investment Policies and Objectives of the Company may only be made with the approval of shareholders.

Investment of assets

At each quarterly Board meeting, the Board receives a detailed presentation from the Company's Investment Manager which includes a review of investment performance, recent portfolio activity and a market outlook. It also considers compliance with the investment policy and other investment restrictions during the reporting year. The Company's Top Ten holdings and Portfolio Statement are on page 42 and pages 125 to 128 respectively.

Environmental policy

Whilst the Company has a limited carbon footprint in respect of its day to day activities, the Board notes that the Investment Manager recognises that environmental responsibility is core to its longer term business success, and actively integrates environmental, social and corporate governance (ESG) issues into its investment process. The Investment Manager's Stewardship and Responsible Investment Policy is available upon request. For more detail, please see the Responsible investment report on pages 36 to 41.

A number of environmental initiatives have been introduced by the Board and the Administrator, as follows –

- minimising printing of Board materials
- deemed consent from shareholders to accept electronic copies of documents

- use of recycled paper for Annual and Interim Reports for shareholders requiring hard copies and
- use of recycled Woodland Trust printer paper by the Administrator, which funds new UK woodland.

In addition, during the year the Board has implemented a scheme to carbon balance Directors' and Investment Manager's flights through the acquisition of verified carbon offsets.

Shareholder value

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective of realising a positive total annual return, after all expenses, of at least twice the return of the Bank of England Bank Rate. Having considered the portfolio performance and investment strategy, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

Dividend policy

The Board's policy is to pay dividends semi-annually, which are typically declared in October and March, with an objective of retaining no more than 15% of the Company's income each year.

Dividends will only be paid from the Company's revenue account and not from capital. Dividend payments by the Company will depend on the net income stream generated by the underlying investments in the Company's investment portfolio and therefore no assurance can be given that dividends will continue to be paid.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008, whereby the Board must be satisfied on reasonable grounds that the Company will, immediately after payment of any dividend, be able to pay its debts as they become due and that the value of the Company's assets would be greater than the value of its liabilities.

The Board has the discretion to increase or reduce the dividend, or not to declare a dividend, as appropriate in consideration of the financial position of the Company.

Details of the dividends paid during the year are set out in note 5 to the Financial Statements on page 99.

Principal risks and uncertainties and their management

The Board has undertaken a robust assessment of the principal risks facing the Company and has undertaken a detailed review of the effectiveness of the risk management and internal control systems. As stated within the Report of the Audit and Risk Committee on page 70, the Board, with the assistance of the Administrator and the Investment Manager, has drawn up a risk assessment matrix, which identifies the key risks to the Company, and which is reviewed and updated by the Audit and Risk Committee on a quarterly basis. The principal risks and uncertainties faced by the Company, and the mitigating factors adopted by the Company, are summarised below. The Board, together with the Investment Manager, regularly monitors relevant risks in relation to the ones mentioned below.

Investment performance – the Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives. The Board reviews reports from the Investment Manager at each quarterly Board meeting and at other times when expedient, paying particular attention to the diversification of the portfolio and to the performance and volatility of underlying investments.

Investment strategy – the Company is exposed to the risk that the investment strategy it follows ceases to be attractive to investors, with resultant selling causing the share price to fall, or that the investment manager fails to consistently implement the investment strategy. The investment strategy is set out in the prospectus and the Investment Manager has procedures in place to ensure that it is consistent in managing the portfolio in accordance with the strategy. The Investment Manager's implementation of the strategy is reviewed by the Board at quarterly meetings, with additional updates when required. Any amendments to the strategy are put to the Board for approval. The Investment Manager, the Company's Brokers and the Board regularly seek shareholder views.

Financial risks – the financial risks faced by the Company include market risk – comprising interest rate (see below), foreign currency and price risk – credit risk and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting. Further details on financial risks are discussed in note 19 of the Financial Statements on pages 110 to 122.

Interest rates – the Company is exposed to the risk that real interest rates rise unexpectantly causing a significant drop in the value of the longer-dated, index-linked bonds held in the portfolio. The Investment Manager constantly monitors the macro environment and situation regarding real interest rates and reports frequently to the Board and acts in relation to the balance of the portfolio accordingly.

Operational risks – the Company is exposed to the risks arising from any failure of systems and controls in the operations of its service providers, principally the Investment Manager or the Administrator. The Board receives reports annually from the Investment Manager and Administrator on their internal controls and reviews pricing reports covering the valuations of underlying investments at each quarterly Board meeting.

Accounting, legal and regulatory risks – the Company is exposed to the risk of action or sanction by shareholders, counterparties or regulators if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission or if it fails to maintain accurate accounting records. Increased regulation (including climate change and ESG) may increase the Company's compliance burden and require changes to policies, procedures or disclosure requirements. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements, including increased regulation relating to ESG and climate change. The Board is also supported by access to and reporting from the Investment Manager's dedicated climate change specialists within their ESG team. These contribute to the Board's ability to maintain its awareness and knowledge of climate/ESG related reporting requirements and its review of best practice for investment companies.

Geopolitical risks – the Board is mindful of current and emerging geopolitical risks such as the war in Ukraine; US/China tensions; energy politics in the Middle East. Escalation of risks might lead to severe disruption of global supply chains of critical raw materials and technology and affect the company's portfolio accordingly. The Investment Manager continually monitors developments and reports frequently to the Board and would act in relation to the balance of the portfolio accordingly.

Climate change – the Board is concerned by the potential for physical and transition risks which could have material impacts on valuations within the portfolio. The Board is aware of the reputational risk associated with managing these issues. The Investment Manager has climate specialists within their ESG team who actively engage with potential and existing investee companies to establish climate risks and improve resilience.

Fraud and cybersecurity – fraud or large-scale network disruption such as hacking, malware, phishing, disrupted denial of service attacks could be disruptive to the Company and also pose a reputational risk if they are not dealt with effectively. The Company's Board is provided with regular updates on any cyber security issues from its service providers and how they are managing the risk. All access to the offices of service providers is strictly controlled and Data protection policies are in place.

Service provider continuity – the Company is exposed to the risk that staff turnover or M&A activity at the Administrator, Company Secretary or Broker affects service delivery. The Board reviews the performance of the Service Providers on a regular basis to ensure it remains comfortable that the Service Providers employ qualified staff with extensive knowledge of the regulatory environment applicable to the Company. The Board can and does receive explanations and assurances from its key suppliers as to their own operational resilience and plans and ability to respond during times of crisis.

Emerging risks – the Board is constantly alert to the identification of any new or emerging risks through the monitoring of the Company's investment portfolio and by conducting regular reviews of the Company's risk assessment matrix. When an emerging risk is identified, the risk assessment matrix is updated and appropriate mitigating measures are agreed. No emerging risks have been identified during the course of the year.

ESG is monitored within the Risk register but it is not in itself considered to be a principal risk. The Board assesses its impact on the Company's other risks, including investment risk and reputational risk, and reviews the mitigants that are in place.

The Board has considered the impact of climate change on the Company and believes that it does not give rise to a material impact on the financial statements of the Company.

The Board remains ultimately responsible for the identification and assessment of risk as well as implementing and monitoring procedures to control such risks where possible. The Board seeks to mitigate and manage these risks through continual review, policy-setting, enforcement of contractual obligations and monitoring of the Company's investment portfolio.

Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements since the assets of the Company consist mainly of cash and cash equivalents and securities which are readily realisable. The Directors also note that overall, due to the nature of the Company's portfolio, which – as discussed in more detail in the Performance section of the Chairman's Review and in the Investment Manager's report – comprises both equities and other more defensive assets, it has not been affected significantly in terms of value or cashflows by the effects of the Russian invasion of Ukraine, or the cost of living crisis and rising interest rates arising from the current high-inflation economic environment. Accordingly, in the Directors' opinion, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Matters relating to the going concern basis are also discussed in the Long Term Viability Statement below and note 2(c) on page 92.

Long term viability statement

The Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'going concern' provision. For the purposes of this statement, having regard to the economic planning cycle and the Company's strategy review period, the Board has adopted a three year viability period.

In its assessment of the Company's viability over the three year period the Board has considered each of the Company's principal risks as detailed above and any emerging risks, and in particular the impact of a significant fall in the value of the Company's investment portfolio.

The Directors consider that a 30% fall in the value of the Company's portfolio would be significant but would have little impact on the Company's ability to continue in operation over the next three years. In reaching this conclusion, the Directors considered the Company's expenditure projections, the fact that the Company currently has no borrowing, but has the ability to borrow up to 30% of its NAV and that the Company's investments comprise predominantly readily realisable securities which can be expected to be sold to meet funding requirements if necessary, assuming market liquidity continues.

Also, the Board has assumed that the regulatory and fiscal regimes under which the Company operates will continue in broadly the same form during the viability period. The Board speaks with its Broker and legal advisers on a regular basis to understand issues impacting on the Company's regulatory and fiscal structure. The Administrator also monitors changes to regulations and advises the Board as necessary. The Board also has access to the Administrator's compliance resources as well as the compliance department of the AIFM.

Based on the Company's processes for monitoring operating costs, share discount, internal controls, the Investment Manager's performance in relation to the investment objective, the portfolio risk profile, liquidity risk and the robust assessment of the principal risks and uncertainties facing the Company, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Key performance indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators are disclosed in detail on page 3.

Investment Manager's report

Performance review

The NAV total return for the financial year to 30 June 2023 was -1.7% and the share price total return was -7.2%.

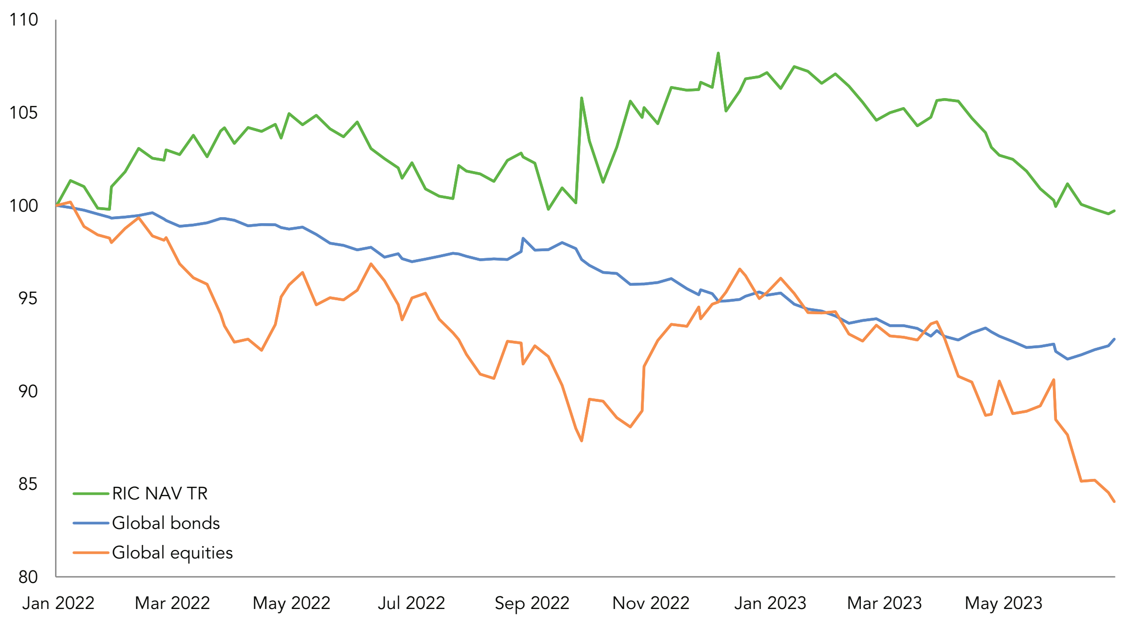
The NAV total return for the six months to 30 June 2023 was -6.8% and the share price total return was -10.9%.

The annualised NAV total return since inception of the Company in 2004 is 7.2%, which is in line with UK equities, but with a much lower level of volatility and drawdowns.

The notable gaps between the share price and the NAV total return numbers are driven by the Company swinging from a peak premium of 4.7% in September 2022 to a discount of 4.6% during June 2023. The shares closed the period at a discount to IFRS NAV of 3.1%. This is the first time the Company has traded on a sustained discount since 2020.

On the back of several strong years, there is no hiding from the disappointing numbers delivered during this period. Since the beginning of the current rate hiking cycle – an inflection point in the market regime – performance is still ahead of global bonds and equities.

RUFFER PERFORMANCE VERSUS GLOBAL EQUITIES AND FIXED INCOME



Source: Ruffer Investment Company Limited, Bloomberg, data to June 2023. Global equities represented by FTSE All World Index Total Return, GBP. Global bonds represented by Bloomberg Global Aggregate Total Return, GBP.

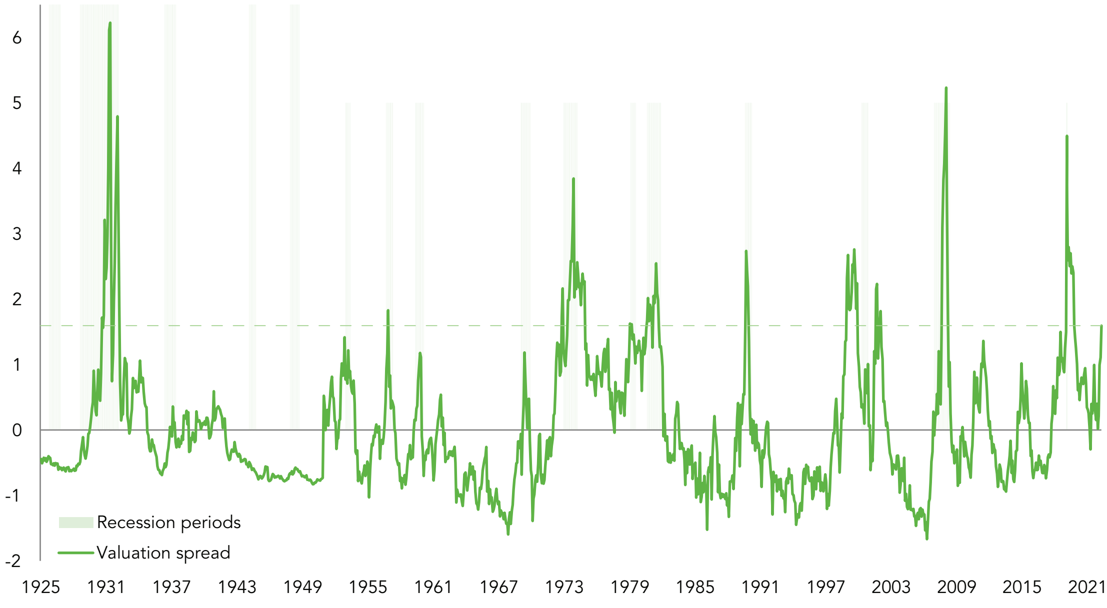
We share in the pain of our shareholders in having lost money over the past year and acknowledge this represents a failure of our objectives. We hope that this report will allow you to share in our optimism for the coming period.

However, as NFL Hall of Fame quarterback Troy Aikman said, “Things are never as good as you think they are or ever as bad as you think they are.”

We should not do a post-match analysis when the game is still ongoing, but it is worth reflecting on the drivers of negative performance in the year to date. We came into the year concerned about liquidity withdrawal and recession risks. We would contend these concerns were justified then and are still justified now. Our principal mistakes arose in the expression of these views. If one was bearish, it was possible to sit in treasury bills and earn 4%. We held around 35% of the portfolio in cash or other short-term assets during the period whilst also pursuing our usual balance of protection and growth assets. Unfortunately our protection and growth scales have been miscalibrated for much of the latter part of the reporting period.

Two factors have hurt the portfolio. Firstly, the surge in dispersion, so that only a narrow element of growth and equity assets, dominated by technology (as in 1999 and 2020), powered the indices higher. As a result, the oil and commodity exposure held did not offset the costs of protection. Worse, they increased the drag on performance. The silver lining is that current high levels of dispersion should offer rich pickings for active managers going forward.

US VALUATION SPREADS, TOP QUINTILE COMPARED TO THE MARKET AVERAGE



Source: Empirical Research

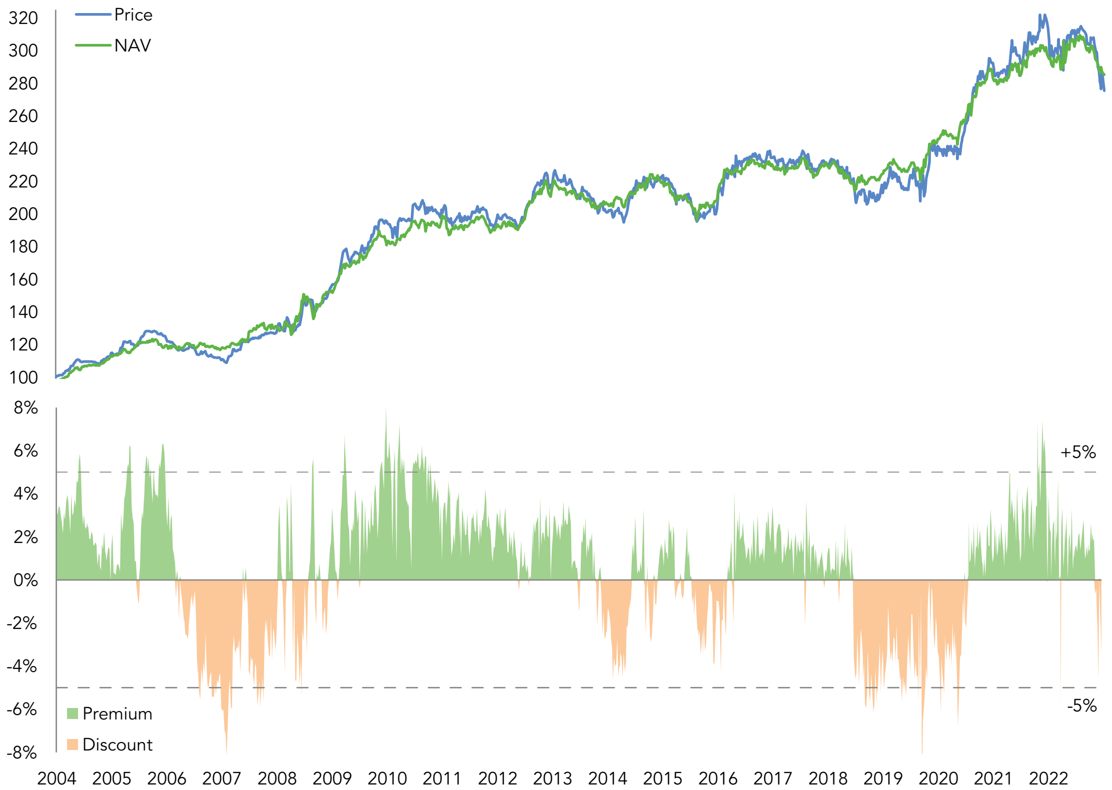
Secondly in currencies, a double whammy – yen weakness and surprising sterling strength. This is a direct echo of our experience in 2007, where holding the Swiss franc and yen cost the portfolio until the crisis came and they rose spectacularly, just when we needed them.

So, in 2023 we have faced a combination of the headwinds that made life difficult before the last two major market crises. The challenge is that we face them concurrently today and with the additional cost of holding credit and equity protection that has a negative carry. But we have been here before. Feeling uncomfortable is necessary if seeking to perform differently from the crowd. Crucially though, a significant chunk of the losses are unrealised and we believe these are still in play.

Premium/discount

There have been four significant periods where Ruffer Investment Company has traded on a discount since 2004, including today.

PREMIUM/DISCOUNT



Source: Ruffer Investment Company Limited, data to 30 June 2023

Buying RICL on a discount has been a strategy with a high hit rate. On those four significant occasions, the three year share price performance invariably bounced back handsomely.

Performance contributions for six months to 30 June 2023

Given the Company's defensive posture coming into 2023 and the unexpected strength of equity markets, our protective assets dragged in the six months to 30 June. Option protection via the Ruffer Protection Strategies Fund cost -2.6%, driven mostly by equity puts and volatility index (VIX) call options (equity volatility has fallen remarkably, down 30% since its May peak and back to pre-pandemic levels). Credit protection, held via the Ruffer Illiquid Multi-Strategies Fund 2015 Ltd, also cost as spreads remained tight, contributing -1.7%. Sterling strength, particularly against the yen, weighed on performance. Non-sterling currency exposure cost -2.5% to performance.

What has perhaps been more frustrating is the lack of offset. Firstly, a low equity weight has been insufficient to balance out the cost of protection. Secondly, as noted, performance in equity markets has become increasingly concentrated, with markets driven by a very narrow group of stocks to which we have had limited exposure. The small bright spot has been modest allocations to Meta Platforms (+138%) and Amazon (+55%), along with the positions in Japanese equities such as Sony (+30%) and Mitsubishi Electric (+57%). Additionally, our exposure to commodities and equities more geared to the real economy have suffered from recession fears and a lacklustre China re-opening. Our exposure to Brent crude oil and copper exchange trade commodities (ETCs) cost -0.6% over the period in question.

Finally, higher long-term interest rates in the UK and the US have hurt the allocation to inflation-linked bonds, the long-dated index-linked gilts costing -0.7% in performance terms. Despite the rise in real yields, gold exposure and gold equities were a positive contributor adding +0.2%.

Performance contributions for 12 months to 30 June 2023

The drivers of performance over 12 months were broadly similar to those shaping the first half of 2023. Equities delivered +2.3% to performance, with BP being the largest single contributor (+0.5%). The position has gone from a 2.4% weighting to 0.5% over the period, with energy being one of the key areas reduced as part of a wider de-risking of the portfolio.

Gold exposure and gold equities added +0.2%. We were active in trading the metal over the 12-month period, reducing exposure by 6% over the first three months as we became nervous of a liquidation in asset markets. The position was rebuilt at the start of 2023 back up to 7.5% but we steadily took some profits as dangerous liquidity dynamics have reasserted themselves.

As with the last six months, the credit protections and commodity exposures dragged performance, costing -3.5% and -0.5% respectively.

The exceptions were our index-linked exposure and our derivatives.

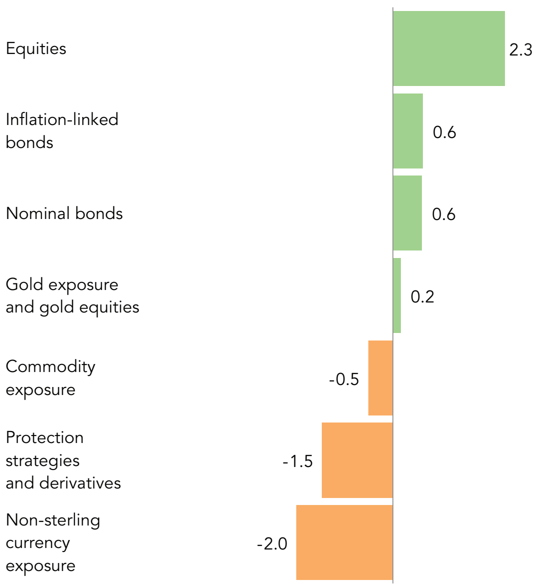
In the last quarter of 2022, we actively traded index-linked gilts (including through the September turmoil) which added meaningful performance. We also increased exposure to long-dated US inflation-linked bonds at the lows and enjoyed the recovery as real yields fell in the last few months of the calendar year.

With regards to the derivatives, interest rate option protection continued to benefit as it did in the first half of 2022 from sharply rising interest rates, as well as our equity downside protection – a Tesla put adding +0.1%. In the period, we also used upside derivative exposure to tactically increase equity exposure into the bear market rallies, with an S&P500 call spread contributing +0.8%.

PERFORMANCE ATTRIBUTION

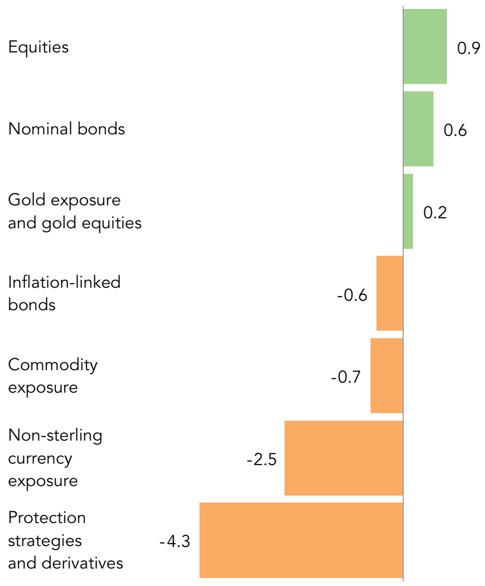
30 JUNE 2022 – 30 JUNE 2023 (12M)

% CONTRIBUTIONS



31 DECEMBER 2022 – 30 JUNE 2023 (6M)

% CONTRIBUTIONS



Source: Ruffer Investment Company Limited. Percentage contribution to portfolio returns. Totals may not equal NAV total return performance due to rounding, attributions showing gross of fees and in local currency terms.

Portfolio changes

In recent months, we have further moved the portfolio into a defensive posture, given we believe investors face the twin threats of recession and a withdrawal of liquidity from financial markets. These adjustments included –

1. Reducing equities to a 14% weighting, whilst simultaneously increasing equity downside protection by adding index put options and VIX call options, the first time we have allocated to these instruments since 2020.
2. Increasing portfolio duration, primarily by adding to long-dated US inflation-linked bonds. We have high conviction that the rise in real yields is likely to prove temporary and too much for financial markets (and the economy) to handle and thus expect lower real yields to follow.
3. Increasing exposure to the yen and US dollar, currencies we expect to appreciate in a period of market stress.
4. Reducing gold and copper exposure.

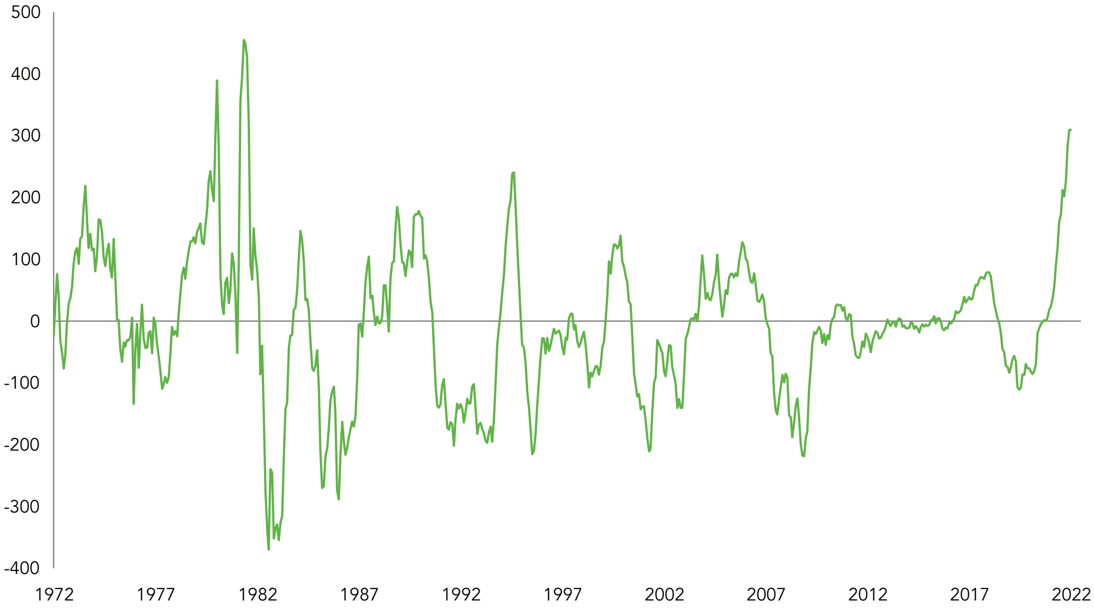
Investment outlook

The cyclical

The recession, when it comes, will arrive with a sudden thud. Sentiment, valuation and market narratives are akin to an echo-bubble of 2021. The pessimism of 2022 has been forgotten and the markets are pricing a soft landing fuelled by AI-driven productivity improvements.

The key dynamic is that monetary policy and liquidity withdrawal work with Milton Friedman's infamous long and variable lags, but their inevitable bite on economic activity and asset prices is coming. Perhaps, in our caution, we underestimated the willingness of the US consumer to keep spending in a strong labour market. The evolution of the UK mortgage market from predominantly variable, to predominantly fixed rate deals, has increased the time between a rate rise and the impact on consumer finances. Further, accumulated lockdown savings have offset the cash flow squeeze from inflation and interest rates. This buffer could either attenuate the pain or delay the reckoning; having been mostly spent it now seems likely it will be the latter.

CHANGE IN MONETARY STANCE ACROSS DEVELOPED MARKETS, LAST 12M BPS (BASIS POINTS)



Source: Datastream, data to November 2022

The past 18 months have seen the largest globally synchronised, monetary tightening cycle for over a generation – and it isn't over yet. There are more hikes to come. Furthermore, the market has yet to price in the higher for longer rates that policymakers are now promising.

Not many would have predicted rates could rise 500 basis points in the US and markets would be within 10% of their all-time highs and the economy would not be in recession. If the economy and markets can handle higher rates, why did we spend 14 years at zero interest rates? But remember we still have negative real rates in the UK and Europe and barely positive real rates in the US so arguably policy is too loose. No interest rate cycle in history has ever ended with negative real rates, so either inflation has to come down hard or rates are going to keep going up.

And it isn't just rates either – there are other monetary policy levers at play draining liquidity from the system – we also have the unwind of quantitative easing via quantitative tightening at US$95bn per month and the refilling of the Treasury general account which will take net bill issuance to circa US$550bn in the third quarter.

In addition to which, earlier this year we published Blood on the tracks (ruffer.co.uk/blood-on-the-tracks), about the no-win situation currently faced by policymakers. Central bankers have competing goals: on the one hand, efforts to forestall a banking crisis; on the other, bringing inflation down to target. The first requires monetary policy easing, the second monetary policy tightening. Policymakers face an impossible but unavoidable choice – let inflation take root, or act and risk a financial system calamity.

There is an old aphorism that the Fed always tightens until something breaks. Despite the ebullient backdrop there is no doubt that the highly leveraged financial system is creaking, and cracks are emerging. In Q4 2022 we had the liability-driven investments (LDI) meltdown in the UK gilt market, followed swiftly by the collapse of FTX in one of the largest corporate frauds in history. The first quarter of 2023 made those look rather sedate as three of the top 30 US banks succumbed to deposit flight and Credit Suisse was hastily shotgun wedded to UBS over a weekend in a bailout eerily reminiscent of the financial crisis.

These things are a process, not an event. When referencing the global financial crisis, one likely thinks of September 2008. Yet events began to unfold in September 2007 with Northern Rock, then there were six months before Bear Stearns, then another six months before Lehman Brothers and then another six months before the market bottomed in March 2009. The S&P 500 had several rallies of greater than 10% but each one was a false dawn as crisis re-asserted itself and dominos began to fall. Experienced investors were lulled into believing the worst had passed, that sub-prime was contained and that a soft landing was assured.

Currently markets are increasingly certain that policy makers will be able to bring inflation back to target and will do so without creating any financial instability: the much-fabled soft landing alongside an immaculate disinflation. Yet it would be highly unusual for the inflation bogeyman to be slain with household net worth rising, unemployment still at record lows and without a recession.

The case for a recession

The evidence is strong that we are approaching a developed world recession. We will look back and say the signs were there; markets chose, temporarily, to ignore them. Specifically, what are we referring to?

1. Yield curves are deeply inverted around the globe – a reliable predictor of recessions
2. A substantial and abrupt hiking cycle – 500bps on Fed Funds Rate plus quantitative tightening, probably amounts to at least 600bps of effective ‘tightening’. Plug that tightening into any macro model and you get a substantial drag on growth

3 The Fed and other central banks have admitted a recession is a price worth paying to tame inflation

4 The US personal savings rate has collapsed to the lowest level since 2013 and pandemic excess savings are running out. (see 'excess savings' chart below)

5 Savings and Loan Officers Survey showing significant tightening of credit conditions/banks willingness to lend only previously seen in recessions (see 'credit conditions' chart below)

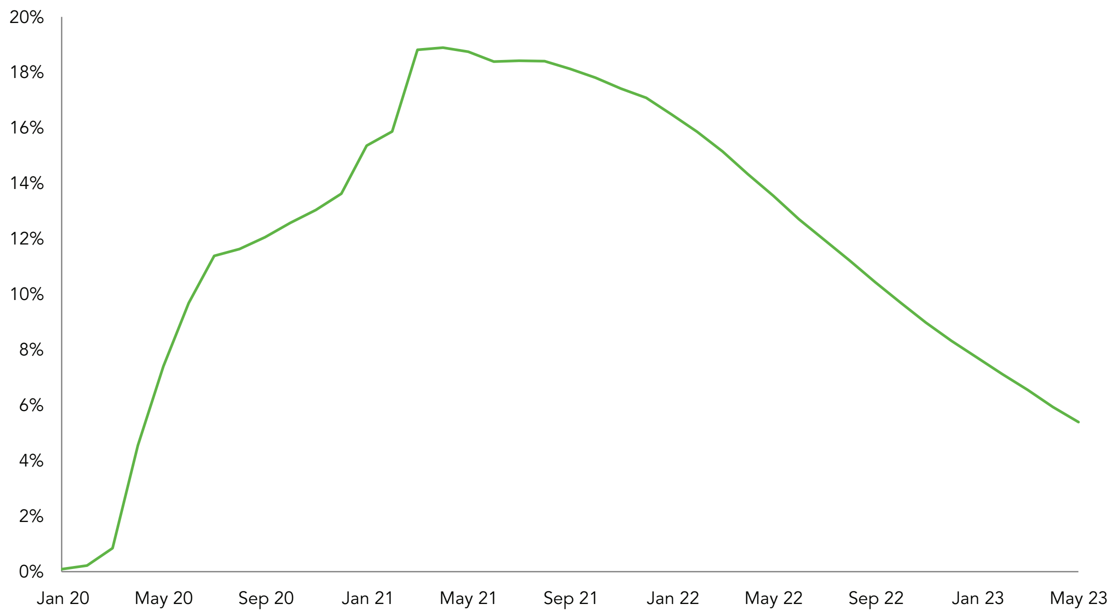
6 Bank failures, deposit flight and tightening of capital requirements are constraining ability to lend

7 Cracks appearing in the US labour market with average hours worked falling, and temporary worker reductions at 30 year highs

8 The inventory to sales ratio in the US is at a 25 year high

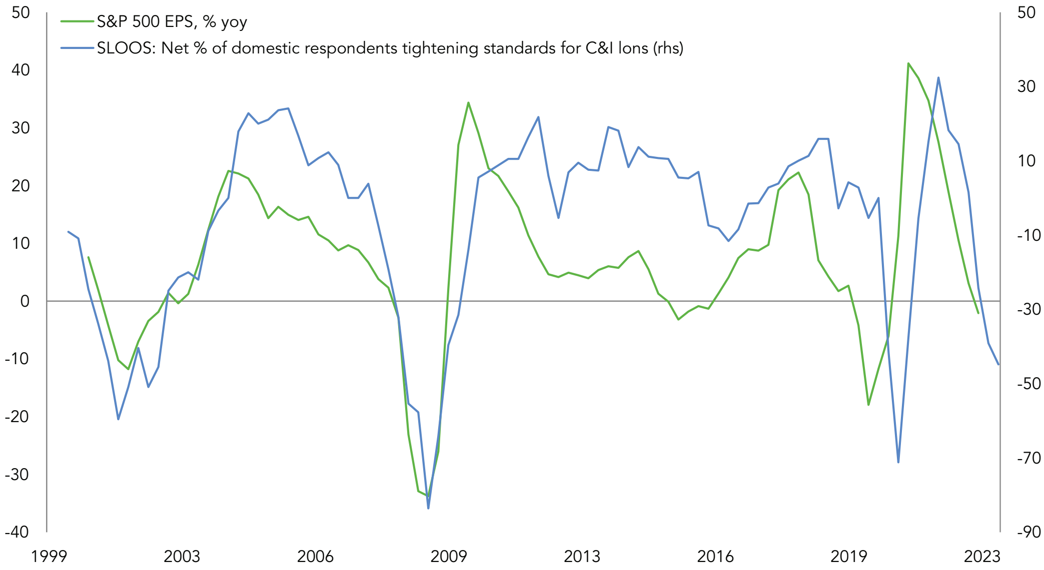
9 Broadly measured economic activity is heading in the wrong direction (see 'US economic activity' chart below)

ESTIMATED STOCK OF US PERSONAL SECTOR 'EXCESS SAVING', % OF PCE (PERSONAL CONSUMPTION INDEX)



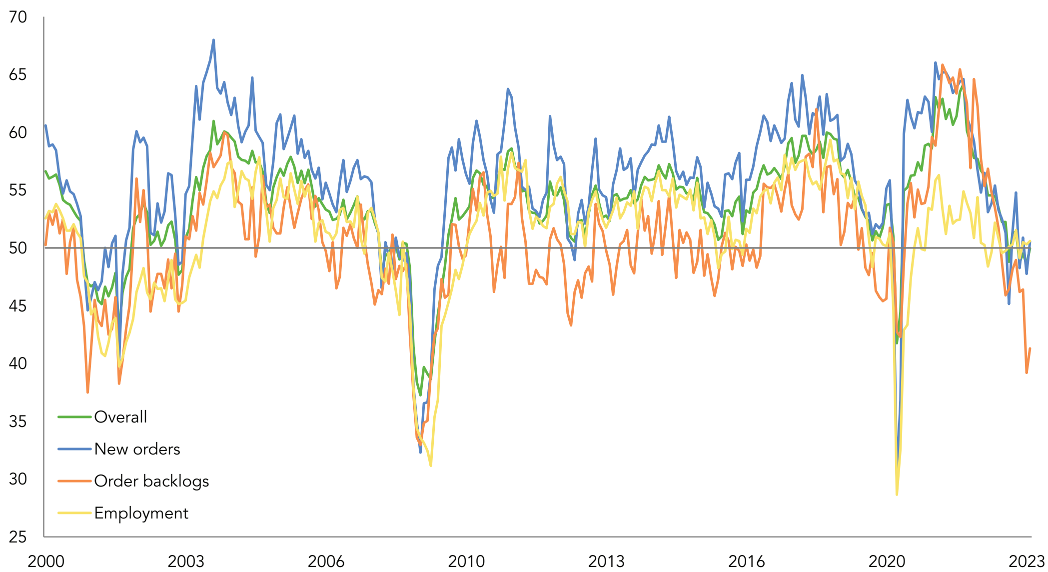
Source: BEA, Ruffer calcs, sum of gaps between current value and pre-covid trend of underlying components of personal sector income/outlays, PCE excludes imputed outlays

CREDIT CONDITIONS ARE WORSENING



Large and medium firms (inverted, 6m forward). Source: S&P Global, Federal Reserve System. Data to September 2023

US ECONOMIC ACTIVITY



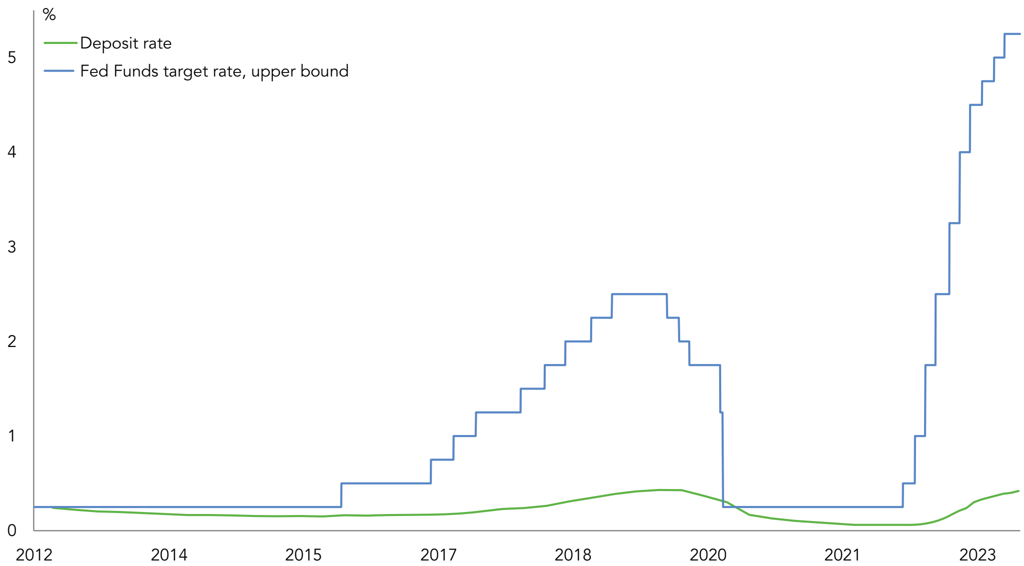
Source: FactSet, data to June 2023

An update on the liquidation thesis

Last summer our CIO Henry Maxey wrote that markets were vulnerable to a liquidation (ruffer.co.uk/misplaced-money).

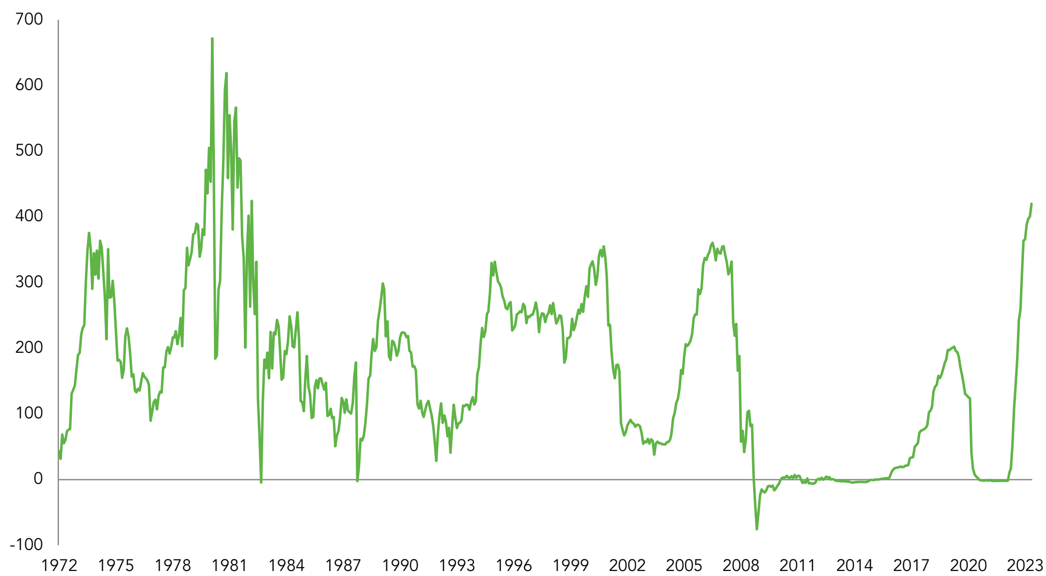
Like the recession, this is taking slightly longer than we expected to materialise, but events are moving our way. It might not feel like it, but we are in a banking crisis. This chart shows the gap between the Fed funds rate offered via money market mutual funds and the rate offered on deposit by banks. It is at a 40 year high.

FED FUNDS RATE AND US NATIONAL DEPOSIT RATES



Source: FactSet. Federal Reserve Bank of New York. US Federal Deposit Insurance Corporation. Data to June 2023

EXCESS YIELD ON MONEY MARKET MUTUAL FUNDS (MMMFs)



Source: SEC, Refinitiv, Centre for Financial Stability, Federal Reserve, bankrate.com. Data to May 2023

Investors can achieve a huge uplift in yield and reduce their counterparty risk by moving money from bank deposits to money market funds or treasuries. It is therefore no surprise that US$750bn has fled US bank deposits since June 2022. This flight is entirely rational. But like a tragedy of the commons, what is good for one, will be deleterious to the whole.

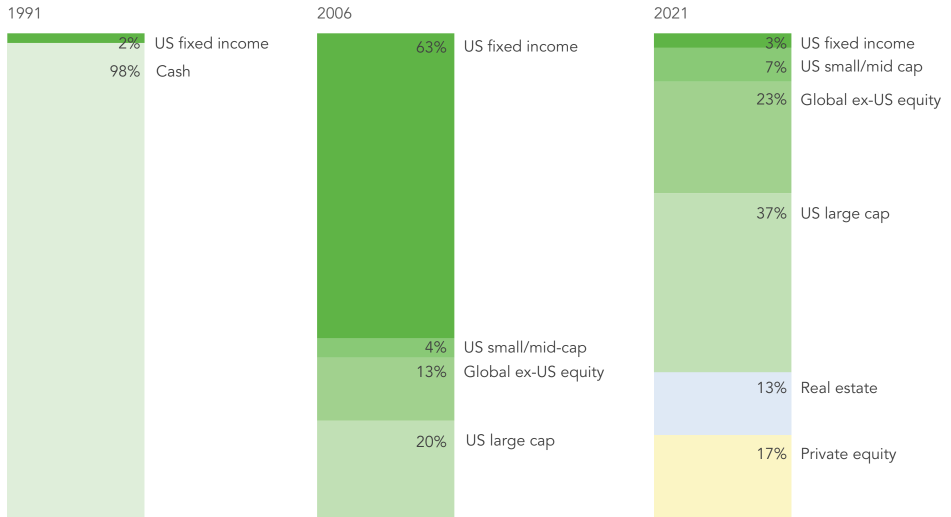
This is important. In caricature, if cash is deposited at JPMorgan then it is used to fund their investment bank and is fired around financial markets. Money at a regional bank might be used to fund small enterprise loans and commercial property. If that money ups sticks and moves to money market funds and government bonds – it loses its monetary velocity. Money is being sucked towards the centre of the financial system which reduces the risk-taking capacity of the system as a whole and reveals fragilities in the peripheral institutions.

Another element of the liquidation process is that investor portfolios have not yet moved to reflect the new economic reality.

The chart below shows what portfolio an investor would have to own to earn a 7% expected return. In 1991, effectively all cash. In 2006 a low risk multi-asset blend. By 2021 investors had to be all-in on risk assets.

Originally, we used this chart as a warning that investors were taking too much risk in a world of zero interest rates, the entire investment industry had iterated towards the riskiest end of their mandates to chase those returns. This was beautifully put to us by an American endowment who said their "public market guys were doing privates, their privates were doing venture and their venture guys were doing crypto."

ESTIMATES FOR PORTFOLIO INVESTORS TO EARN A 7% RETURN



Source: Callan Associates

Today, we are on a journey to reverse the excess of risk taking forced by zero interest rates. We have gone from a world of 'there is no alternative' to a world of many alternatives – this is a profound change.

Every asset allocator or investment committee in the world is looking at this data. The conclusion is that they no longer need to own the same quantity of risk assets to hit their expected return target. A 7% expected return portfolio could have a near zero weighting in equity.

So what? The danger is that everyone is pointing in the same direction, seeking to move from risky assets to less risky assets, potentially all at once. If everyone is a seller, who is the buyer? We worry about a global, synchronised de-risking of portfolios. This isn't about the investment merits of individual asset classes, this is a profound change in the landscape in which people seek to achieve their investment objectives.

The secular

The evidence continues to mount that we have entered a new investment regime of higher and more volatile inflation. The economic landscape has shifted to deglobalisation, renewed labour bargaining power and conflict between the 'great powers'.

It is clearer than ever that we have shifted to a more interventionist, age of emergencies. First it was covid, then empty supermarket shelves, the climate emergency, Ukraine, the energy crisis, the cost-of-living crisis, the regional banking meltdown and the mortgage apocalypse. Each iteration is met with a clamour for government action to whack-a-mole the problem with a fiscal response. Political parties both left and right have become interventionists, with only the flavour of the solutions varying. The 'invisible hand' is being replaced by the 'visible hand' of government directed capitalism.

"So inflation must go. Ending it cannot be painless. The harsh truth is that if policy isn't hurting, it isn't working." Sir John Major, 1989

This austere sentiment is hard to imagine from a politician today. The Bank of England raises rates, and the government responds to knee-jerk popular demands to implement an offsetting relief package thereby short circuiting the effects of the tightening. There is simply not the political or popular appetite for the sustained restrictive monetary policy that would be needed to properly deal with these new inflationary forces. The consequence is an ameliorated recession, stickier inflation and ever-growing debt and deficits.

There are two near certainties for which we believe the evidence is mounting. Democracies choose inflation as the least painful path of deleveraging, and politics trumps economics. The inflation fighting orthodoxy and resolve of central bankers will be much harder to maintain in the face of recession and political pressures as we get closer to the 2024 elections on both sides of the pond. The track record of incumbents winning when the economy is in recession is very poor.

Looking through short-term cyclical oscillations, we expect nominal interest rates to stay elevated for longer but could see negative real yields and unstable correlations between asset classes for quite some time to come.

What is so interesting is that this is all beginning to feel inevitable and yet the market remains incredibly sanguine about this new world dis-order with prices reflecting the opposite end state. This is the 30 year US breakeven inflation rate – what the market thinks inflation will be on average plus a risk premium for uncertainty about the future path of inflation.

US 30 YEAR BREAKEVEN RATE, %

Source: FactSet, Federal Reserve of St Louis, data to June 2023

We think this is either a remarkable endorsement of central banker credibility or a failure of imagination on the part of the market. Despite the litany of surprising events in the last few years from Brexit to Trump to lockdowns and 40 year highs on realised inflation, long term inflation expectations are anchored and in line with the 'old regime' average of the last 20 years of around 2%.

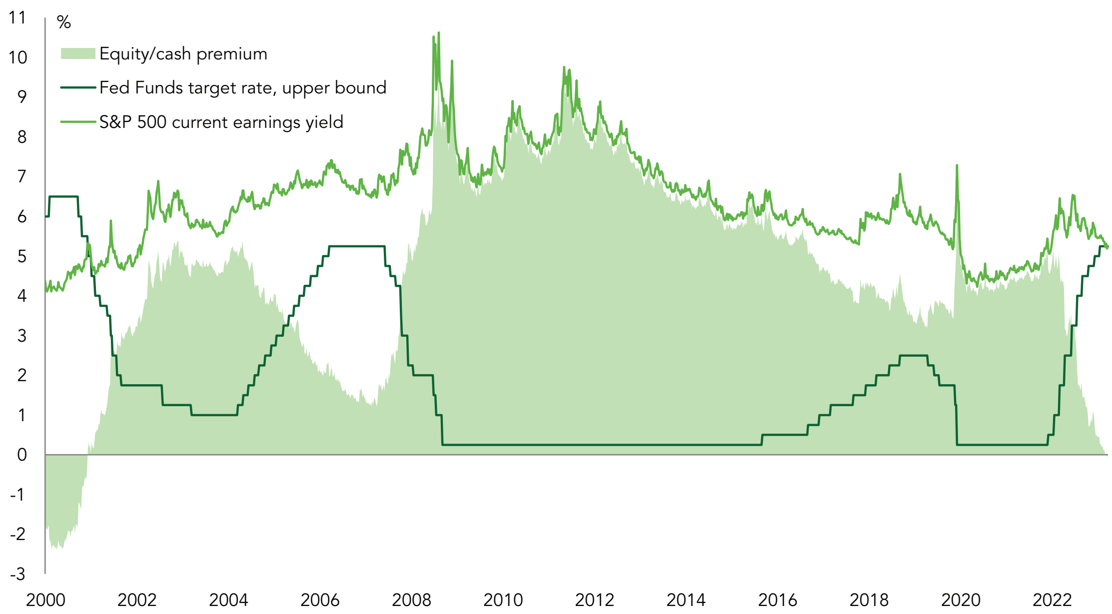
This is the opportunity. We have a variant perception from the market and if that is right there is significant money to be made. One of the most attractive investment themes in coming years will be finding various ways to be long realised inflation versus implied inflation. But first we must navigate the disinflationary lurch of a recession.

Portfolio shape

The uncertainty of the economic, inflation and policy outlook, in the context of an unusual cycle, means we must acknowledge the possibility of the immaculate disinflation. But we wouldn't want to bet on it. We have high conviction in our view, even if sentiment and pricing have moved against us in the short term.

Not participating in risk assets is easier when valuations don't reflect the risks we observe. The portfolio has a record low equity weighting of 14% because the equity risk premium looks remarkably low.

US EARNINGS YIELD VERSUS FED FUNDS



Source: FactSet, Ruffer LLP, data to June 2023

Howard Marks has said that you can have good news or good prices, but not both. We believe US equities in particular offer bad news and bad prices.

Where we are taking risk is in commodities. What if stability is maintained? For this to happen economic growth will need to surprise on the upside. This makes oil and other commodities a key component of our growth assets. We have around 7% in energy assets. The US Strategic Petroleum Reserve has been run down and will need to be rebuilt. There are strong hints the Chinese Strategic Petroleum Reserve may also have been opened. OPEC+ production cuts are imposing supply discipline on the market. Financial positioning has been blown out, sinking to levels not seen since 2007. We believe the asymmetry is in our favour: commodities seem to be pricing in a recession; equities are not.

WTI CRUDE OIL, $/BBL

Source: FactSet. Data to June 2023

On the other side of the book, the protections in the portfolio are of three types. Structural protection against a new regime which is likely to be characterised by rising and more volatile levels of inflation; shorter-term (and powerful) unconventional protections against the potential financial instability caused by tighter liquidity and higher interest rates; and protection against the likely recession that will follow. Taking a cautious view can be painful, but history tells us that not long after these periods the risks emerge which lead to significant drawdowns in markets.

We have a 16% exposure to the yen which offers a very interesting situation. Historically, the yen has been a safe haven currency – it rose by 48% against GBP in the global financial crisis.

Therefore, a yen allocation should add defensive characteristics to a portfolio. The setup is attractive because the currency is cheap on conventional valuation metrics and sits at its lowest level against GBP since 2015 and since 1998 against the USD. We have an imminent catalyst in that there has been significant monetary policy divergence recently and the new Bank of Japan governor will likely be forced to end yield curve control – the main driver of yen weakness. This should lead to Japanese bonds down and currency up, which should also benefit our small position in Japanese rate payer swaptions.

In the unconventional toolkit, the prospects from here for VIX calls, equity puts and credit protection to punch as hard as they did in 2018, 2020 or 2022 is tantalising.

The portfolio remains highly liquid and defensive as we wait for better opportunities to emerge, we believe in the coming quarters. After a 2023 rebound, asset allocators can convince themselves 2022 was an aberration for the 60/40 portfolio and therefore new, more thoughtful portfolio construction and diversification efforts are not required. We believe this is a mistake – gold, commodities, negative duration (via payer swaptions), asymmetric hedges and the ability to be short equities will all be useful tools in the toolkit.

In summary, the portfolio needed today – low gross, defensive – to survive the oncoming recession and liquidation is not the portfolio needed in 12-18 months when the economy is recovering and stimulus is back on the table. It’s not the Fed that needs to pivot, it will be investors.

Ruffer AIFM Limited

3 October 2023

Responsible investment report

The Board recognises the increased scrutiny related to environmental, social and governance (ESG) issues placed on asset managers by regulators, clients, non-government organisations and special interest groups.

This increased scrutiny is warranted both from a consumer protection and a fiduciary duty perspective, especially given the absence of a universally accepted definition of ESG. ESG is implemented differently across the investment industry and there is a broad range of terminology (not limited to stewardship, responsible investment, sustainable investing) which inhibits shared understanding. Here we attempt to provide clarity on RICL's understanding and application of Responsible Investment.

During the year, Ruffer consolidated several legacy policies and statements related to ESG into a single document, the Stewardship and Responsible Investment Policy (ruffer.co.uk/stewardship-policy) which is publicly available and encapsulates the Ruffer approach to ESG. As a value-focused asset manager, Ruffer chose not to name it an ESG policy, as they believe this name can be misconstrued. ESG simply refers to an array of factors, topics, themes or metrics which may relate to values (ethics and morals) and value (return or risk). Responsible Investment integrates potentially material ESG factors with investment decisions and stewardship which includes engagement and proxy voting.

Ruffer retained its status as a signatory of the UK Stewardship Code for a second consecutive year and remains a signatory to the Principles for Responsible Investment (PRI). In 2022, Ruffer joined the Net Zero Asset Managers Initiative (NZAM) and, in March 2023, confirmed targets under this initiative. Ruffer are members or supporters of the Climate Action 100+, the Transition Pathway Initiative (TPI) and the Institutional Investors Group on Climate Change (IIGCC).

Ruffer's approach to investing responsibly

RICL implements its investment strategy through an active, unconstrained and multi-asset class approach.

In simple terms, activities related to stewardship and responsible investment aim to support, not detract from, achieving investment objectives. Ruffer looks for red flags, not red lines. It means Ruffer aspires to be consistent, clear and credible in relation to voting and engagement, integrating ESG factors into investment decisions where they are relevant and potentially material (subject to the limitations outlined below).

Climate-related risk is the key macro ESG risk facing investors. It remains challenging to quantify what climate change means for asset class risk and returns and it is difficult to price. Therefore, like all the 'known unknowns', Ruffer seeks to position asset allocation to be resilient to shocks, whilst delivering the investment objectives. Fundamental analysis is where Ruffer implements the majority of its stewardship and responsible investment activities.

The practical application of Ruffer's approach to responsible investing can be demonstrated by considering each of the three core pillars of the portfolio in turn.

Equities and commodities

ESG considerations are incorporated into the investment approach, through analysis of risks and opportunities that might impact the value of RICL's equity holdings. Information from company reporting is supplemented with MSCI ESG Research, Institutional Shareholder Services (ISS), CDP analyses and other sources to identify material factors that may affect an investment. These factors are actively considered alongside fundamental equity analysis. Topics or themes material to the investment case are identified and Ruffer may seek to engage with the company to gather more information or to push for change.

Ruffer engages both individually and collaboratively, where the latter may provide a platform to engage on wider sector, regulatory and policy matters with investors and other stakeholders. Active proxy voting is a key tenet of good governance. Voting on resolutions is an obligation of ownership and shows support or signals need for change to company board and management. Ruffer reviews relevant issues and exercises judgement, aiming to be clear, consistent, and thoughtful when voting.

RICL gains exposure to commodities mostly through ETCs, instruments based on futures contracts for the underlying commodity. The main underlying exposure has been to Brent crude oil and copper. Ruffer is well aware of the ESG issues, specifically environmental and human rights concerns, associated with these commodities but further than conducting due diligence on the issuer of these instruments, Ruffer is unable to influence or assess the materiality of ESG issues. These instruments do not confer ownership rights so there is no legal basis upon which to integrate ESG analysis or undertake stewardship activities.

Fixed income and gold

Ruffer developed a proprietary tool to rank sovereign debt issuers using a selection of ESG factors. The inflation-linked bonds of these issuers form part of the fund. The framework consists of including country-level indicators such as environmental risk, human development, and corruption into a ranking model. Ruffer has limited ability to enact change through engagement as holders of sovereign bonds.

RICL does not undertake any stewardship or responsible investment activities related to RICL's holdings in gold bullion.

Protection strategies and cash

The protective portion of the portfolio is made up of derivatives, credit securities and cash with interests in indices, rates or currencies which may not directly relate to any one company, issuer or security. ESG analysis is not currently conducted on these holdings. There is not yet industry consensus on how ESG factors might be considered in the process for selecting these instruments, but developments in the space are being monitored.

More detail on Ruffer's stewardship and engagement activities is laid out in the firm's annual Stewardship Report (ruffer.co.uk/2022-stewardship-report).

The Net Zero Asset Managers Initiative

One focus of Ruffer's responsible investment efforts over the last 12 months has been increased attention to climate risk and the energy transition. Ruffer acknowledges the need to shift the economy towards lower anthropogenic emissions of greenhouse gases and believes it has a role to play in understanding and investing through the energy transition. Ruffer signed the NZAM in 2022 and published transition-related targets in March 2023. The initiative is supported by an international group of asset managers with the core goal to reduce emissions in the real economy.

Targets selected under NZAM provide a framework for considering transition risks and opportunities. When setting NZAM targets, the focus was on ensuring support for real world emissions reduction and the ability to capture underappreciated transition opportunities.

The three key targets are –

1. 80% of assets in scope (defined as listed equities and corporate debt) considered Net Zero, aligned, or aligning by 2030.
2. By 2025, at least 70% of financed emissions in material sectors will be either Net Zero, aligned with Net Zero, or the subject of engagement and stewardship actions. This threshold will increase to at least 90% by 2030 at the latest.
3. A 50% reduction in emissions intensity (tCO_2e/$m revenue), adjusting the baseline to reflect shifts in asset allocation.

The prioritisation of the alignment target keeps focus on whether the companies held are themselves aligning with Net Zero emissions, rather than a simple focus on reducing emissions of the portfolio (which may change with asset allocation).

Equity security examples

Ryanair

Ruffer has recently increased engagement efforts in the aviation industry. It's no secret that plane travel is a high carbon emitting sector – in 2021, it was responsible for over 2% of global energy-related carbon dioxide emissions. Since the pandemic brought air traffic to a standstill, passenger travel has recovered to nearly two thirds of its previous level and air cargo has surpassed its pre-covid peak. The industry is poised to keep emitting significant levels of greenhouse gases unless structural progress can be made. Abatement technologies are in their infancy and, whilst they should address the issues aviation companies face, so-called green premiums and low volumes make these solutions expensive. However, demand is growing. Airlines and logistics companies are upgrading their fleets to boost fuel efficiency and are signing deals with producers of sustainable aviation fuel as they focus on their 2030 emissions targets. Whilst this is all at very small scale relative to the demands of Net Zero, momentum is building.

Ryanair holds a market leading position in European short-haul travel. Ruffer considers the company well placed to use its brand, convenience and influence – not to mention its financial flexibility – to deliver on the aviation industry's transition objectives. Ruffer intends to build a relationship with the company (and the wider industry) to gain a better understanding of the challenges it faces in its pursuit of Net Zero. Engagement began by meeting with Ryanair's director of sustainability and finance and participating in the company's Sustainability Day, which focused on the industry's pathway to Net Zero.

Meta

Meta Platforms (formerly Facebook) has evolved from one initial social media platform to encompassing a collection of brands, such as Instagram and Threads, shaping the landscape of technology innovation. Effective engagement is challenging given the dual class share structure of the company, where Class B shareholders are entitled to 10 votes per share, compared to the one vote per share conferred to Class A shareholders. However, there were numerous shareholder proposals put forward at Meta Platforms' 2022 AGM and Ruffer actively voted on resolutions that it believed would result in the best outcome for the company through signalling to the Board that shareholders have appetite for change, even if the resolutions had little chance of passing.

Ruffer voted against the remuneration resolution because the company's awards remain discretionary and the incentive programs lack objective performance metrics and quantified goals. Ruffer felt disclosure around individual performance assessments was not comprehensive and the design allowed for the assessment to have a potentially large impact on final payout. Executives continue to receive very large equity awards that lack performance vesting criteria and senior executives' security costs were exceedingly large. While security costs may be a necessary expense, the company did not provide a compelling rationale as to why the CEO's security costs dwarf those of his peers.

Ruffer voted in favour of a proposal to report on the risks associated with the use of concealment clauses in employment or post-employment agreements. Ruffer also supported three other shareholder proposals: a request for a report on charitable contributions, a request for an impact assessment on third party human rights, more specifically related to Meta's use of targeted advertising, and a request for a report on what measures are in place to prevent child sexual exploitation online. Given the potential financial and reputational impacts of controversies related to child exploitation on the company's platforms, we believe shareholders would benefit from additional information on how the company is managing these risks, including risks associated with end-to-end encryption technologies.

BP

Leading up to the 2023 Annual General Meeting, there was significant controversy and apparent discontent over the perception that BP had rowed back on its aims to be a Net Zero company by 2050. Ruffer took a different view based on company disclosure, engagement with the company, in-house research and Ruffer's initial investment thesis. BP has been vocal about the energy 'trilemma': the need for energy which is secure, affordable and lower carbon. Since BP launched its transition strategy and Net Zero ambition in 2020, the world has changed, with the invasion of Ukraine, the recovery from covid-19 and recent inflationary forces. The strategy of any company should evolve over time with the changing external environment, in order to create shareholder value and deliver the company's purpose. BP is no different.

Whilst BP has changed its intermediate targets within the five aims underlying its Net Zero strategy, what has not changed is its Net Zero ambition covering scope 1, 2 and 3 emissions (both Net Zero production and sales) by 2050 or sooner. BP also announced additional capital allocation to its transition growth engines business unit which invests in anything from wind farms to electric vehicle charging networks, seeking to replace the cash flows which may be lost from the traditional oil and gas business as the world transitions to a lower carbon economy.

Decarbonising BP's products and wider society is a key issue but it is not the only problem the company must address. With its global footprint and experience across energy markets, BP is somewhat in the crosshairs of governments, shareholders and non-government organisations

(NGOs). Governments seek affordable, reliable and adequate supplies of energy. Shareholders expect this energy to be provided as safely, cost efficiently and profitably as possible. Civil society and non-governmental organisations want a faster transition or a complete phase out of fossil-fuel based energy (with no investing or re-investing in oil and gas reserves) in the near term.

Over the year, Ruffer engaged with BP on various occasions, holding discussions with the investor relations team, the Chief Financial Officer and the head of gas and low carbon energy (who was appointed in 2022 and has a background in renewable energies). Ruffer also participated in a CA100+ collaborative engagement meeting with the Chief Executive and the head of strategy, sustainability and ventures. Topics addressed included safety, the energy transition, capital allocation, financial performance and BP's investment in Archaea Energy, one of the largest renewable natural gas (RNG) producers in the US.

Consequently, Ruffer voted in favour of BP's climate transition plan, having assessed the company's strategy and the management and board's commitment to Net Zero.

Ruffer also voted against a shareholder resolution seeking the company to limit its scope 3 emissions, consistent with the goals of the Paris Agreement, given our approval of BP's climate strategy and the linking of climate progress to executive remuneration.

Top ten holdings

Investments	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	110,392,473	88,621,863	8.12
Ruffer Protection Strategies International*	GBP	9,334,953	73,388,323	6.72
Wisdomtree Brent crude oil	USD	1,812,000	61,935,795	5.67
US Treasury floating rate bond 31/01/2024	USD	69,923,800	55,037,952	5.05
US Treasury floating rate bond 31/10/2024	USD	69,862,000	55,027,255	5.05
US Treasury inflation indexed bond 0.625% 15/01/2026	USD	45,000,000	43,061,439	3.94
US Treasury inflation indexed bond 0.625% 15/02/2052	USD	69,810,000	39,501,057	3.62
UK index-linked gilt 0.125% 22/03/2073	GBP	37,500,000	38,225,049	3.50
Japan 0.005% 01/08/2024	JPY	6,391,900,000	34,939,991	3.20
Japan 0.005% 01/07/2024	JPY	6,380,300,000	34,871,706	3.19

* Ruffer Illiquid Multi Strategies Fund 2015 Ltd and Ruffer Protection Strategies International are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. LF Ruffer Gold Fund and Ruffer SICAV UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

Directors

At the date of this report, the Company has five non-executive Directors, all of whom are independent.

Christopher Russell, a resident of Guernsey, is a non-executive director of one other listed company, JPMorgan Global Core Real Assets Ltd, which invests in private JPMorgan managed real estate and infrastructure funds globally. His only other commitments are as director of a Guernsey family office, a Guernsey charitable institution and personal family investment interests. Prior to a non-executive career, Chris was a director of Gartmore Investment Management plc, where he was Head of Gartmore's businesses in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia, resident in Japan then Hong Kong. Prior to joining Flemings in London, he was with Phillips & Drew Asset Management. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales. He was commissioned by John Wiley to publish in 2006 'Trustee Investment Strategy for Endowments and Foundations'. Mr. Russell was appointed to the Board on 1 December 2016 and became Chairman of the Board on 4 December 2020.

Shelagh Mason, a resident of Guernsey, is a solicitor specialising in English commercial property. She retired as a consultant with Collas Crill LLP in October 2020. She is also non-executive Chairman of the Channel Islands Property Fund Limited, sits on the Board of Riverside Capital PCC and Skipton International Limited, a Guernsey Licensed bank, and until 28 February 2022 was a non-executive director of The Renewables Infrastructure Group Limited, a FTSE 250 company, when she retired after 9 years on the board. Shelagh also sits on the board of Starwood European Real Estate Finance Limited, a London-listed company. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust Limited, a property fund listed on the London Stock Exchange, for 10 years until December 2014. She retired from the board of MedicX Fund Limited, a main market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors, a member of the Chamber of Commerce and the Guernsey International Legal Association, and she also holds the IOD Company Direction Certificate and Diploma with distinction. Mrs Mason was appointed to the Board on 1 June 2020.

Nicholas Pink, a resident of the United Kingdom, has extensive senior management experience in financial services with previous roles at UBS Investment Bank, including Global Head of Research, Head of European Research, Head of Asia Research and Head of European Equities. Prior to this he was Head of European Utilities Research at UBS Investment Bank. He is a non-executive director of JPMorgan Emerging Europe, Middle East and Africa Securities plc and of Baillie

Gifford China Growth Trust plc, both UK-listed investment trusts. Mr Pink was appointed to the Board on 1 September 2020.

Susie Farnon, a resident of Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and a non-executive director of a number of property and investment companies (as further detailed below). Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of the States of Guernsey Audit Commission and Vice-Chairman of the Guernsey Financial Services Commission. Susie was appointed as a non-executive director of the Association of Investment Companies, the UK Investment Companies' trade body, on 1 April 2018. She currently serves as non-executive director of the following companies listed on recognised stock exchanges: Apax Global Alpha Limited, Real Estate Credit Investments Limited and Bailiwick Investments Limited. Susie was appointed to the Board on 1 September 2022.

Solomon Soquar, a resident of the United Kingdom, has a portfolio of roles, including: non-executive director of Blackrock Sustainable American Income Trust plc and Africa Research Excellence Fund, and Business Fellow of Oxford University and Smith School of Economics and Enterprise. Solomon has a long and deep experience of over 30 years across Investment Banking, Capital Markets and Wealth Management. He has worked with a number of major financial institutions, including Goldman Sachs, Bankers Trust, Merrill Lynch, Citi and Barclays. His most recent executive role has been as CEO of Barclays Investments Solutions Limited. Solomon holds BA/MA in Politics, Philosophy and Economics and M.Phil in Economics from Balliol College, Oxford. Solomon was appointed to the Board on 2 December 2022.

Report of the Directors

The Directors of the Company present the audited Financial Statements and their report for the year ended 30 June 2023 which have been prepared in accordance with the Companies (Guernsey) Law, 2008 ('company law').

Registration

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules and Guidance 2021.

Principal activity and investment objective

The Company is a Guernsey authorised closed-ended investment company with a premium listing on the London Stock Exchange (LSE). The principal objective of the Company is detailed in the strategic report on page 11 of the Financial Statements.

Share issuance

During the year, 60,515,000 new redeemable participating preference shares were allotted or issued under the block listing facility (30 June 2022: 104,497,127 redeemable participating preference shares issued). Details of the block listing facility are set out in note 13 on pages 103 to 106.

Purchase of own shares by the Company

The Company may purchase, subject to various terms as set out in its Articles and in accordance with the Companies (Guernsey) Law, 2008, up to 14.99%. of the Company's shares in issue following the admission of shares trading on the LSE's market for listed securities. For additional information refer to note 20 on pages 122 to 124.

The Company did not buy back any shares during the year (30 June 2022: Nil). Subsequent to the year end, 150,000 shares have been bought into treasury.

The Board also has the discretion to operate the Redemption Facility, offering shareholders the possibility of redeeming all or part of their shareholding for cash at NAV, if it appears appropriate to do so.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 89. Details of dividends paid and proposed are set out in note 5 on page 99.

Subsequent events

Events occurring after the balance sheet date are disclosed in note 21 on page 124 in the Financial Statements.

Shareholder information

The Company announces its unaudited NAV on a weekly basis and at the month end. A monthly report on investment performance is published by the Company's Investment Manager, on the Company's website at ruffer.co.uk/ric

Investment management

The key terms of the Investment Management Agreement and specifically the fee charged by the Investment Manager are set out in notes 8 and 16 of the Financial Statements.

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective of realising a positive total annual return, after all expenses, of at least twice the return of the Bank of England Bank Rate.

In accordance with Listing Rule 15.6.2 (2) R and having formally appraised the performance, investment strategy and resources of the Investment Manager, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

The Investment Management Agreement will continue in force until terminated by the Investment Manager or the Company giving to the other party thereto not less than 12 months' notice in writing.

Directors

The details of the Directors of the Company during the year and at the date of this report are set out on pages 43 to 44 and in the Management and Administration summary on page 131.

Directors' interests

The details of the number of redeemable participating preference shares held beneficially by the Directors who held office at 30 June 2023 and up to the date of this report are set out on in note 16 on page 107.

Substantial share interests

As at 31 August 2023*, the Company has received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 R of the following interests in 3% or more of the voting rights attaching to the Company's issued shares.

Investor	Shares held	% of issued share capital
RBC Brewin Dolphin, stockbrokers	64,216,921	16.74
Hargreaves Lansdown, stockbrokers	32,067,397	8.36
Rathbones	31,387,236	8.18
Interactive Investor	28,752,270	7.50
Charles Stanley	20,618,361	5.38
AJ Bell, stockbrokers	17,177,138	4.48
Evelyn Partners	16,759,198	4.37
Transact	13,608,584	3.55

*Data is taken from the latest available Share Register Analysis produced by Richard Davies Investor Relations Limited.

International tax reporting

For the purposes of the US Foreign Accounts Tax Compliance Act (FATCA), the Company registered with the US Internal Revenue Service (IRS) as a Guernsey reporting Foreign Financial Institution (FFI) in June 2014, received a Global Intermediary Identification Number (99DLPF.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard (CRS) is a standard developed by the Organisation for Economic Co-operation and Development (OECD) and is a global approach to the automatic exchange of tax information, to counter tax evasion and to build upon other information-sharing legislation, such as FATCA. Guernsey has adopted the CRS, which came into effect on 1 January 2016.

The Board confirms that the Company's FATCA and CRS submissions for 2022 were submitted by the deadline of 30 June 2023.

The Company is committed to zero tolerance towards the facilitation of tax evasion.

Alternative Investment Fund Managers Directive

The Company is categorised as a non-EU Alternative Investment Fund (AIF). The AIFMD seeks to regulate managers of AIFs, such as the Company. It imposes obligations on AIFMs who manage AIFs in a member state of the European Economic Area (EEA state), or who market shares in AIFs to investors who are domiciled, or with a registered office, in an EEA state. Under the AIFMD, an

AIFM must be appointed and must comply with various organisational, operational and transparency requirements.

The Company has appointed the Investment Manager to act as AIFM on behalf of the Company. The Investment Manager is responsible for fulfilling the role of the AIFM and ensuring the Company complies with the AIFMD requirements. The AIFM has no direct employees as it delegates its duties to Ruffer LLP. Ruffer LLP's employee remuneration disclosure requirements under the AIFMD are included in its Pillar III remuneration disclosure statement.

Non-mainstream pooled investments

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis so that it would qualify as an investment trust if it were UK tax-resident.

Disclosure of information to the Independent Auditor ('the Auditor')

Each of the persons who is a Director at the date of approval of the Financial Statements confirms that –

1 so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware and

2 each Director has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies (Guernsey) Law, 2008.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable Guernsey law and regulations.

Guernsey company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Financial Statements, International Accounting Standard 1 requires that directors –

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with company law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information included on the Company's website at ruffer.co.uk/ric. Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge –

1 the Financial Statements have been prepared in conformity with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.1.12

2 the Annual Financial Report, taken as a whole, is fair, balanced and understandable and provide the information necessary for the shareholders to assess the Company's performance, business model and strategy and

3 the Annual Financial Report including information detailed in the Chairman's review, the Report of the Directors, the Investment Manager's report, the Report of the Depositary and the

notes to the Financial Statements, includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces, as required by –

a DTR 4.1.8 and DTR 4.1.9 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company and

b DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

On behalf of the Board

Susie Farnon
Director
3 October 2023

Corporate governance statement

Corporate governance

On 1 January 2016, the Company became a member of the Association of Investment Companies (AIC) and complies with the 2019 AIC Code of Corporate Governance issued in February 2019 ('the AIC Code'), effective for accounting periods commencing on or after 1 January 2019. By complying with the AIC Code, the Company is deemed to comply with both the UK Corporate Governance Code 2018 ('the UK Code') and the Guernsey Financial Services Commission (GFSC) Finance Sector Code of Corporate Governance (as amended in June 2021) ('the GFSC Code').

To ensure ongoing compliance with these principles the Board receives a report from the Company Secretary on an annual basis identifying how the Company is in compliance and identifying any areas of non-compliance. The Company has complied with the provisions of the UK Code throughout the year, with the following exceptions –

- the Company has no chief executive, as required by principle G and provision 9 of the UK Code. See the Composition and independence of the Board section on pages 55 to 57 below
- the Company has no internal audit function, as envisaged by principle M and provision 25 of the UK Code. See the Internal control section on pages 62 to 63 below
- the Company does not have a remuneration committee, as required by principle Q and provision 32 of the UK Code. See the Remuneration Committee section on page 62 below.

The AIC Code is available on the AIC's website, theaic.co.uk

The Board, having reviewed the AIC Code, considers that it has maintained procedures during the year ended 30 June 2023 and up to the date of this report to ensure that it complies with the AIC Code except as detailed above.

Purpose of the Company

The purpose of the Company is to provide its shareholders with access to a portfolio of equity, equity-related and debt investments that will produce a positive return of at least twice the Bank of England bank rate. For further details, see the strategic report section on page 11.

Role of the Board

The Board is the Company's governing body and has overall responsibility for ensuring the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the

Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows –

- statutory obligations and public disclosure
- strategic matters and financial reporting
- capital management, including gearing and dividend policy
- review of investment performance and associated matters
- risk assessment and management including reporting compliance, governance, monitoring and control and
- other matters having a material effect on the Company.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on pages 49 to 50.

The Board has contractually delegated responsibility for the management of its investment portfolio, the arrangement of custodial and depositary services and the provision of accounting and company secretarial services. The Board has adopted a schedule of matters specifically reserved for its decision-making and distinguishing these from matters it has delegated to the Company's key service providers. This schedule is available on the Company's website at ruffer.co.uk/ric

The Board needs to ensure that the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

In seeking to achieve this, the Directors have set out the Company's investment objective and strategy (see pages 11 to 12) and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Financial Statements the Board has sought to provide further information to give shareholders a fair, balanced and understandable view.

Relations with shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of its shareholders from the Company's Broker and Investment Manager which are taken into consideration as part of the Board's decision-making process.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company.

The Chairman and Directors offer to meet with shareholders at regular investor presentations co-ordinated by the Investment Manager to discuss key strategic matters and any issues raised by shareholders. The next such event will take place at the office of the Investment Manager on 5 December 2023.

In addition, the Investment Manager maintains a website which contains comprehensive information, including financial reports, prospectus and monthly reports on investment performance which contains share price information, investment objectives, investment reports and investor contacts.

Stakeholders and Section 172

Whilst directly applicable to companies incorporated in the UK, the Board recognises the intention of the AIC Code that matters set out in section 172 of the Companies Act, 2006 are reported. The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process. As an investment company the Company does not have any employees and conducts its core activities through third party service providers. Each service provider has an established track record and is required to have in place suitable policies and procedures to ensure it maintains high standards of business conduct, treats customers fairly, and employs corporate governance best practice.

The Board's commitment to maintaining high-standards of corporate governance, combined with the Directors' duties incorporated in the Companies (Guernsey) Law, 2008, the Company's constitutive documents, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, ensure that shareholders are provided with frequent and comprehensive information concerning the Company and its activities.

Whilst the primary duty of the Directors is owed to the Company as a whole, all Board discussions involve careful consideration of the longer-term consequences of any decision and their implications for stakeholders. Particular consideration is given to the continued alignment between the activities of the Company and those that contribute to delivering the Board's strategy, which include the Company's Investment Manager, the AIFM, the Administrator, the Broker and the Custodian.

Through the Board's ongoing programme of shareholder engagement (see 'Relations with shareholders' above) and the reports produced by each key service provider at quarterly Board meetings, the Directors are satisfied that sufficient information is provided so as to ensure the matters set out in section 172 of the Companies Act are taken into consideration as part of the Board's decision-making process.

The Board respects and welcomes the views of all stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the Company Secretary.

Section 172 statement

Although the Company is not domiciled in the UK, through adopting and reporting against the best practice principles set out in the AIC Code, the Company is voluntarily meeting any obligations under the UK Corporate Governance Code, including section 172 of the Companies Act 2006.

The Board of Directors recognise their individual and collective duty to act in good faith and in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, whilst also having regard, amongst other matters, to the Company's key stakeholders and the likely consequences of any decisions taken during the year, as set out below.

The interests of the Company's employees

The Company has no direct employees and maintains close working relationships with the employees of the Investment Manager and the Administrator, who undertake the Company's main functions. Refer to the report of the Management Engagement Committee on pages 73 to 74.

The impact of the Company's operations on the community and the environment

Whilst the Company has a limited impact on the community and environment in respect of its day to day activities, the Board notes that the Investment Manager recognises that environmental responsibility is core to its longer term business success, and actively integrates environmental, social and corporate governance (ESG) issues into its investment process. The Investment Manager's Stewardship and Responsible Investment Policy is available upon request. For more detail, please see the Responsible investment report on pages 36 to 41.

The need to foster the Company's business relationships with suppliers and others

The Board maintains close working relationships with all key suppliers and those responsible for delivering the Company's strategy. The contractual relationship with each supplier and their performance is formally reviewed each year. Refer to the report of the Management Engagement Committee on pages 73 to 74.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Chair is responsible for setting expectations concerning the Company's culture and the Board ensures that its core values of integrity and accountability are demonstrated in all areas of the Company's operation.

The need to act fairly between Shareholders of the Company

The Board, in conjunction with the Investment Manager and Broker, engages actively with Shareholders to understand their views and to ensure their interests are taken into consideration when determining the Company's strategic direction. Refer to the section on 'Relations with shareholders' above.

In December 2022, the Company issued a new prospectus to allow it to continue with its tap issuances by resetting its 20% capacity under the Prospectus Regulation. During the year, the Company issued a total of 60,515,000 shares. This significant growth has been to the advantage of all shareholders leading to the broadening of the shareholder base, accretion to NAV and an improvement in the liquidity of the Company's shares. The reasons for seeking shareholder authority to issue shares were stated in the Circulars and are detailed by the Chairman in the Share issuance section of his statement.

Composition and independence of the Board

The Board currently comprises five non-executive Directors, all of whom are considered to be independent, which the Board considers to be its optimal size for the time being. The Board considers that it has a good balance of skills and experience to ensure it operates effectively. The Directors of the Company are listed on pages 43 to 44 and in the Management and Administration summary on page 131.

The Company has no employees and therefore there is no requirement for a chief executive. None of the Directors has a contract of service with the Company.

The current Chairman of the Board is Mr Christopher Russell. Mr Russell was appointed as Chairman of the Board on 4 December 2020.

The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Mr Russell is considered independent because he –

- has no current or historical employment with the Investment Manager
- has not provided any professional advisory services to the Investment Manager and

- has no current directorships in any other investment funds managed by the Investment Manager.

As Chairman, Mr Russell is responsible for leading the Board of Directors and for ensuring its effectiveness in all aspects of its role. The key responsibilities of the Chairman are as follows –

- meeting with major shareholders to obtain a balanced understanding of any issues, concerns, and providing feedback to the Board
- demonstrating ethical leadership and promoting the highest standards of integrity, probity and corporate governance throughout the Company
- setting the Board's agenda and ensuring the Board has in place effective decision-making processes which are supported by accurate and high-quality information and
- leading the annual performance evaluation of the Board and taking all appropriate actions based on the results of the evaluation.

In accordance with the AIC Code and in recognition of the Board's desire to maintain high standards of corporate governance, the Board appointed Mr Nicholas Pink to succeed Mrs Jill May as the Company's Senior Independent Director (SID) with effect from Mrs May's retirement on 2 December 2022.

The key roles and responsibilities of the SID are as follows –

- providing support to the Chairman in relation to matters of Board effectiveness and governance
- being available to shareholders and the other Directors as an additional point of contact or to communicate any concerns to the Board
- leading the annual performance evaluation of the Chairman of the Board and succession planning for the Chairman's role and
- attending meetings with major shareholders alongside the Chairman, as required.

The Board has engaged external companies to undertake the investment management, administrative and custodial activities of the Company. Documented contractual arrangements are in place with these companies which define the areas where the Board has delegated responsibility to them. For additional information refer to page 52.

The Company holds a minimum of four Board meetings per year to discuss strategy, general management, structure, finance, dividend payments, capital management, corporate governance, ESG matters, marketing, risk management, compliance and gearing, contracts and performance.

In addition an annual strategy meeting is held by the Board with the Investment Manager. The quarterly Board meetings are the principal source of regular information for the Board, enabling it to determine policy and to monitor performance, compliance and controls but these meetings are supplemented by communication and discussions throughout the year.

Representatives of the Investment Manager, Administrator and Company Secretary attend each Board meeting either in person or by videoconference, thus enabling the Board to fully discuss and review the Company's operations and performance. In addition, representatives from the Company's Broker attend at least two Board meetings a year. Each Director has direct access to the Investment Manager and Company Secretary and may at the expense of the Company seek independent professional advice on any matter.

Attendance at the Board and other meetings during the year was as follows –

	Board		Audit & Risk Committee		Management Engagement Committee	
Meetings	Scheduled	Attended	Scheduled	Attended	Scheduled	Attended
Christopher Russell	4	4	4	4	1	1
Nicholas Pink	4	4	4	4	1	1
Susie Farnon (appointed 1 Sep 2022)	4	4	4	4	1	1
Shelagh Mason	4	4	4	4	1	1
Solomon Soquar (appointed 2 Dec 2022)	3	3	3	3	1	1
Jill May (retired 2 Dec 2022)	2	2	2	2	–	–
David Staples (retired 2 Dec 2022)	2	2	2	2	–	–

In addition to the above meetings, a number of ad-hoc meetings of an administrative nature were held during the year.

Conflicts of interest

Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest policy which is reviewed periodically and a Business Interests and Potential Conflicts of Interest Register which is reviewed by the Board at each quarterly Board meeting.

Directors' indemnity

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Re-election

The Company's Articles prescribe that, at each AGM, one-third of the Directors shall retire from office and may offer themselves for re-election. However, in line with best practice, the Board has determined that all of the Directors should stand for re-election at each AGM.

Accordingly, on 2 December 2022 at the 17th AGM of the Company, Nicholas Pink, Shelagh Mason, Jill May, Christopher Russell and David Staples retired as Directors of the Company and, being eligible, Nicholas Pink, Shelagh Mason and Christopher Russell offered themselves for re-election, and were re-elected as Directors of the Company by the Shareholders. At the same meeting, Susie Farnon and Solomon Soquar were proposed for election, and were elected as Directors of the Company by the Shareholders.

On 2 December 2022, David Staples and Jill May retired from the Board, and we thank them for their valuable service to the Company. Further details regarding the experience of each of the Directors are set out on pages 43 to 44.

The Directors may at any time appoint any person to be a Director either to fill a vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for election at, the next general meeting following their appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an AGM.

Board evaluation

Subsequent to the year end, the Board engaged Lintstock, a firm highly experienced in conducting board evaluations, to facilitate an external evaluation of the Board, following on from their previous review during the prior year. The Board evaluation considers a broad range of areas including; Board composition and expertise, Board dynamics, the structure of the Board and its Committees, Board oversight of investment strategy and performance, relations with shareholders, oversight of risk management, succession planning, in particular in relation to the Chairman, and priorities for change during the forthcoming financial year.

During the financial years where an external evaluation is not conducted, the Board conducts an annual self-evaluation of its performance and that of the Company's individual Directors, which is led by the Chairman and, as regards the Chairman's performance evaluation, by the Senior

Independent Director. The annual self-evaluation considers how the Board functions as a whole, taking into account the balance of skills, experience and length of service of each Director, and also reviews the individual performance of its members.

To facilitate the self-evaluation, the Company Secretary circulates a detailed questionnaire to each Director and a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. The performance of the Chairman is evaluated by the other Directors, led by the Senior Independent Director.

The Board considers the annual self-evaluation process to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services by the Company to external providers.

Board succession planning

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme is in place for all Director appointees. Any proposals for a new Director are discussed and approved by the Board.

The Board's succession planning policy seeks to ensure that the Board remains well balanced and that the Directors have a sufficient level of skills, knowledge and experience to meet the needs of the Company. The Directors are ever-cognisant of the need for the Board to have a balance of gender and other attributes, including the requirement to appoint a majority of non-UK resident Directors.

The Board's policy is that a Director of the Company, who subsequently becomes Chair, should serve for no more than a total of 12 years. The current Chairman, Christopher Russell, has indicated his intention to step down from the Board no later than the AGM in December 2024.

Board diversity

The Board supports the recommendations of the Davies Report and notes the recommendations of the Parker review into ethnic diversity and the Hampton-Alexander review on gender balance in FTSE leadership. The Board supports the widening of its diversity, whilst ensuring the capabilities, experience and background of each member remain appropriate to the Company and continue to contribute to overall Board effectiveness.

The Board is currently 40% female, having stood at 50% prior to the retirement of Jill May on 2 December 2022.

In compliance with FCA Listing Rule 9.8.6 (LR 9.8.6), the Company has provided information, set out in the tables below, on how it has met the following targets on Board diversity –

- at least 40% of the Board is female
- at least one senior position on the Board is held by a woman and
- at least one individual on the Board is from a minority ethnic background.

The Board confirms that all of the targets have been met as at 30 June 2023, the Company's chosen reference date within its financial year for the data.

Gender identity	Number of Board members	% of the Board	Number of senior positions on the Board
Men	3	60	2
Women	2	40	2

Ethnic background	Number of Board members	% of the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	4	80	4
Black/African/Caribbean/Black British	1	20	–
Other ethnic group	–	–	–

The data shown in the above tables reflect the gender and ethnic background of the Board, and were collected on the basis of self-reporting by the individuals concerned. The questions asked were 'Which ethnicity category best describes your background?' and 'What is the gender in which you wish to be categorised?'.

The Listing Rules specify the positions of CEO, CFO, Chair and SID as being senior positions. The Board notes that, as an externally-managed investment company, with a Board comprised entirely of non-executive Directors, it does not have the roles of a chief executive officer or chief finance officer as envisaged in LR 9.8.6, and therefore for the purpose of the above targets, it considers the senior positions on the Board to include the roles of Chair, SID and Chair of any permanent committee of the Board.

There have been no changes to the composition of the Board subsequent to the year end.

Committees of the Board

The Board has established an Audit and Risk Committee and a Management Engagement Committee and approved their terms of reference, copies of which can be obtained from the Company Secretary upon request and on the Company's website at ruffer.co.uk/ric

The table on page 57 sets out the number of Committee meetings held during the year ended 30 June 2023 and the number of such meetings attended by each Committee member.

Audit and Risk Committee

The Company has established an Audit and Risk Committee (ARC), with formally delegated duties and responsibilities within written terms of reference. The ARC is comprised of the entire Board and is chaired by Susie Farnon, who succeeded David Staples upon his retirement from the Board on 2 December 2022. The ARC meets formally at least three times a year.

A report of the ARC detailing responsibilities and activities is presented on pages 68 to 72.

Management Engagement Committee

The Company has established a Management Engagement Committee (MEC), with formally delegated duties and responsibilities within written terms of reference. The MEC is comprised of the entire Board and is chaired by Shelagh Mason, who took over from Jill May upon her retirement from the Board on 2 December 2022. The MEC meets annually in June each year and holds ad hoc meetings to address any arising issues as required.

The principal duties of the Committee are to review the performance of and contractual arrangements with the Investment Manager and all other service providers to the Company (other than the Auditor).

During the year the Committee has reviewed the services provided by its service providers, and recommended that the continuing appointments of the Company's Investment Manager and other service providers was in the best interests of the Company. The last meeting was held on 15 June 2023.

A report of the MEC detailing responsibilities and activities during the year is presented on pages 73 to 74.

Nomination Committee

The Board does not have a separate Nomination Committee, the functions of which are fulfilled by the Board. Any proposals for a new Director are discussed and approved by the Board. The Board will determine whether an external search consultancy or open advertising is used in the appointments of future non-executive Directors.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate to have a Remuneration Committee as anticipated by the UK Code because this function is carried out as part of the regular Board business. A Remuneration report prepared by the Board is on pages 65 to 67.

Internal control

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee at its meetings and annually by the Board.

The Board is responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing its effectiveness. The system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and as such can only provide reasonable, but not absolute, assurance against material misstatement or loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Board uses a formal risk assessment matrix to identify and monitor business risks.

The Board has contractually delegated to external parties various functions as listed below. The duties of investment management, administration and custody are segregated. Each of the contracts entered into with the parties was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the control systems in operation as far as they relate to the affairs of the Company.

The Board, together with the Audit and Risk Committee, considers on an ongoing basis the process for identifying, evaluating and managing any significant risks faced by the Company. The process includes reviewing reports from the Company Secretary on risk control and compliance, in conjunction with the Investment Manager's regular reports which cover investment performance.

Investment and portfolio risk management is provided by Ruffer AIFM Limited, a company authorised by the FCA.

Administration, accounting, registrar, and company secretarial duties are performed by Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited), a company licensed and regulated by the Guernsey Financial Services Commission.

CREST agency functions are performed by Computershare Investor Services (Jersey) Limited, a company licensed and regulated by the Jersey Financial Services Commission.

Depositary services performed by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.

Custodial services are provided by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.

Sponsorship and brokering services are provided by Investec Bank plc (Investec), a firm which is authorised and regulated by the FCA.

The Board reviews regularly the performance of the service companies. The Auditor is reviewed by the ARC and the other service providers by the MEC as described in the MEC report on page 73.

The Board meets formally with the Investment Manager quarterly to review the performance of the investments in the light of the Company's investment objectives, and the Investment Manager's position against its peers. The Board also conducts an annual visit to the offices of Ruffer LLP to meet with certain of the senior executives in the firm and to review such matters as its internal control procedures; Ruffer's business, product, marketing and personnel strategies, so far as they affect the Company; portfolio risk analysis; integration of ESG into portfolio construction; and cyber vulnerability. The last such visit took place on 19 September 2023.

The Board receives and reviews quarterly reports from the Investment Manager, the AIFM and the Administrator. The MEC conducted an annual review of all key service providers in June 2023, which was communicated to the Board, and included a detailed assessment of their performance along with completion of a questionnaires by each service provider regarding key areas including their control environment, business continuity and the impact of covid-19, cyber security arrangements and response to ESG, as further disclosed in the MEC report on pages 73 to 74.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Investment Manager and Administrator which have their own internal compliance and risk assessment functions. As such, an internal audit function specific to the Company is therefore considered unnecessary, as explained on page 72.

Principal risks and uncertainties

Principal risks and uncertainties are disclosed on pages 15 to 17.

Anti-bribery and corruption

The Board acknowledges that the Company’s international operations may give rise to possible claims of bribery and corruption. In consideration of The Bribery Act 2010, enacted in the UK, at the date of this report the Board had conducted a review of the perceived risks to the Company arising from bribery and corruption to identify aspects of business which may be improved to mitigate such risks. The Board has adopted a zero tolerance policy towards bribery and has reiterated its commitment to carry out business fairly, honestly and openly.

Criminal Finances Act

The Board has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion and will not work with any service provider who does not demonstrate the same commitment. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own staff or any associated persons.

UK Modern Slavery Act

The Board acknowledges the requirement to provide information about human rights in accordance with the UK Modern Slavery Act. The Board conducts the business of the Company ethically and with integrity, and has a zero tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights.

Directors' remuneration report

Introduction

An ordinary resolution for the approval of the annual remuneration report was passed by shareholders at the AGM held on 2 December 2022.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairs of the Board, the Audit and Risk Committee and the Management Engagement Committee and the SID are paid a higher fee in recognition of their additional responsibilities. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire or cease to be a director in accordance with the Articles of Incorporation or by operation of law.

Remuneration

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £300,000 (30 June 2022: £300,000) per annum.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. The annual fees payable to each Director as at 30 June 2023 and 30 June 2022 are shown below –

	30 June 23 £	30 June 22 £
Christopher Russell (Chairman)	58,000	48,800
Nicholas Pink (Senior Independent Director with effect from 2 December 2022)	41,500	34,500
Susie Farnon (appointed 1 September 2022, Chair of Audit and Risk Committee with effect from 2 December 2022)	48,000	na
Shelagh Mason (Chair of Management Engagement Committee with effect from 2 December 2022)	41,500	34,500
Solomon Soquar (appointed 2 December 2022)	39,000	na
Jill May (retired 2 December 2022, Senior Independent Director and Chair of Management Engagement Committee until 2 December 2022)	na	36,850
David Staples (retired 2 December 2022, Chair of Audit and Risk Committee until 2 December 2022)	na	39,700
	228,000	194,350

During the year ended 30 June 2023, Directors' fees of £238,875 (30 June 2022: £185,900) were charged to the Company of which £nil remained payable at the year end (30 June 2022: £nil). No additional remuneration has been paid to Directors outside their normal fees and expenses.

In February 2021, the Board reviewed the Directors' fees against the Trust Associates NED fee review and noted that the fees paid to the Directors were below the average for all UK investment companies with market capitalisations over £500 million, and well below the equivalent fees paid to directors of Channel Island companies. It was noted that during the Board recruitment process conducted in the previous calendar year, at least one potential candidate had declined to participate due to the level of directors' fees being insufficient by market standards.

As a result, the Board resolved in June 2022 that the basic fee be increased by 13.0% in nominal terms, from £34,500 to £39,000 per annum, effective 1 July 2022 (2022: 9.5% in nominal terms effective 1 January 2022), with a view to further gradual increases towards the industry average. Additional fees were also increased as follows –

- serving as Chairman: fee increased from £14,300 to £19,000
- serving as Chair of the Audit Committee: fee increased from £5,200 to £9,000
- serving as Senior Independent Director: fee increased from £2,350 to £2,500
- serving as Chair of Management Engagement Committee: fee increased from £2,350 to £2,500.

An independent adviser will be appointed in due course to provide an updated review of, and recommendations on, Board remuneration.

Audit and Risk Committee report

The Audit and Risk Committee presents here its report for the year ended 30 June 2023, setting out the responsibilities of the Committee and its key activities for the year from 1 July 2022 to 30 June 2023. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Auditor and the internal control and risk management systems of service providers. In order to assist the Committee in discharging these responsibilities, regular reports are received from the Investment Manager, Administrator and Auditor.

Members of the Committee will continue to be available at each AGM to respond to any shareholder questions on its activities and reports.

Responsibilities

The Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the Auditor reports to the Board of Directors.

The role of the Committee includes –

- monitoring and reporting to the Board on such matters as the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, and any significant financial reporting judgements
- providing advice to the Board on whether the Financial Statements of the Company are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance
- considering the appropriateness of accounting policies and practices including critical estimates and judgement areas
- reviewing and considering the AIC Code, the UK Code and FRC Guidance on Audit Committees
- monitoring and reviewing the quality, effectiveness and independence of the Auditor and the effectiveness of the audit process, considering and making recommendations to the Board on the appointment, re-appointment, replacement and remuneration of the Company's Auditor
- developing and implementing policy on the engagement of the Auditor to provide non-audit services
- reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption
- monitoring and reviewing the internal control and risk management systems of the Company and its service providers, including review of the risk matrix and identification of principal and emerging risks

- considering the need for an internal audit function and
- reporting to the Board on how it has discharged its responsibilities.

The Committee's full terms of reference are available on the Company's website at ruffer.co.uk/ric

Key activities

The following sections discuss the assessments made by the Committee during the year.

Financial reporting – the Committee's review of the Unaudited Half Yearly Financial Report, Unaudited Investment Manager's Year End Review and the Annual Report and Audited Financial Statements focused on the significant risk relating to the valuation and ownership of investments. The investments comprise the majority of the Company's NAV and hence form part of the Key Performance Indicator (KPI) NAV per share. Hence any significant error in valuation or misstatement of holdings could materially impact the NAV and hence the reported NAV per share of the Company.

Valuation of investments – the Company's investments had a fair value of £1,037,539,714 as at 30 June 2023 (30 June 2022: £852,380,832) and represented the majority of the net assets of the Company. The investments are predominantly listed except for investments in unlisted investment funds.

The valuation of investments as at 30 June 2023 is in accordance with the requirements of IFRS. The Committee considered the fair value of the investments held by the Company as at 30 June 2023 to be reasonable based on information provided by the Investment Manager and Administrator. All prices are confirmed to independent pricing sources as at 30 June 2023 by the Administrator and are subject to a review process at the Administrator and oversight at the Investment Manager. We also note the work of the Auditor on these balances as set out in their report on pages 77 to 87.

The Committee considered the classification of the Company's investments within the levels of the fair value hierarchy in accordance with the requirements of IFRS 9, most notably the classification of the Company's holding in the Ruffer Illiquid Multi-Strategies Fund, which represents approximately 8.1% of the Company's NAV. The Committee was comfortable that this investment should be classified within Level 2 of the hierarchy, as the Investment Manager creates a sufficient market for the shares.

Ownership of investments – the Company's investment holdings are reconciled to independent reports from the Custodian by the Administrator with any discrepancies being fully investigated and reconciled by the Administrator. The Committee satisfied itself, based on reviews of information provided by the Custodian, Depositary and Administrator, that the holdings of investments are correctly recorded.

Investment income and realised and unrealised gains and losses on investments – the Committee has considered the risk that these items may be materially mis-stated, which could impact the reporting of the performance of the Company in any accounting period. The Committee is satisfied that the controls around the recording and calculations for these items and the reconciliation of cash and investment holdings are sufficiently robust to satisfactorily mitigate this risk.

Risk management – the Committee considered the process for managing the risk of the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Committee. Regular reports are received from the Investment Manager and Administrator on the Company's risk evaluation process and reviews. Refer to the strategic report on pages 15 to 17 for details on principal risks and uncertainties and their management. Financial risks faced by the Company are discussed in note 19 of the Financial Statements on pages 110 to 122.

The Company's AIFM, Ruffer AIFM Limited has responsibilities in law in relation to risk management under the AIFMD.

Fraud, bribery and corruption – the Committee continues to monitor the fraud, bribery and corruption policies of the Company. The Board receives a confirmation from all service providers that there have been no instances of fraud, bribery or corruption.

The Auditor – in March 2015 the Board entered into a competitive audit tender process and Deloitte LLP was appointed as the Company's Auditor. The Company intends to conduct a tender process at least every 10 years and to rotate auditors at least every 20 years, as recommended by the UK Statutory Auditors and Third Country Auditors Regulations 2016.

Independence, objectivity and fees – the independence and objectivity of the Auditor is reviewed by the Committee which also reviews the terms under which the Auditor is appointed to perform non-audit services. The Committee has established pre-approval policies and procedures for the engagement of Deloitte LLP to provide audit, assurance and tax services. The Auditor may not provide a service which –

- places them in a position to audit their own work
- creates a mutuality of interest

- results in the Auditor developing close relationships with service providers of the Company
- results in the Auditor functioning as a manager or employee of the Company or
- puts the Auditor in the role of advocate of the Company.

The Committee takes into account relevant ethical and regulatory guidance regarding the provision of non-audit services by the Auditor, and will report to the Board to identify any matters in respect of which it considers that action or improvement is needed, and to make recommendations as to the steps to be taken. The Board maintains a non-audit services policy which is reviewed periodically and is available on the Company's website at ruffer.co.uk/ric

The following table summarises the remuneration paid to the Auditor for audit and non-audit services during the years ended 30 June 2023 and 2022.

	30 June 23 £	30 June 22 £
Statutory audit	90,000	50,000
Total audit fees	90,000	50,000
Interim review	21,000	9,000
Total non-audit related fees	21,000	9,000

The statutory audit fees for the year ended 30 June 2023 have increased in comparison to those charged for the year ended 30 June 2022 as a result of the increasing demands of regulation and additional charges in relation to the prior year.

No tax or other services were provided during the year.

Deloitte LLP also has safeguards in place to ensure objectivity and independence.

When considering the effectiveness and independence of the Auditor, and the effectiveness of the audit process, the Committee meets regularly with the Auditor to discuss the audit plan and the scope of the audit. The Committee also takes account of factors such as –

- the audit plan presented to them before each audit
- the post audit report including variations from the original plan
- changes in audit personnel
- the Auditor's own internal procedures to identify threats to independence and
- feedback from both the Investment Manager and Administrator evaluating the performance of the team.

The Committee has examined the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Auditor, with particular regard to non-audit fees, and is satisfied that an effective audit has been completed with diligence and professional scepticism, that the scope of the audit was appropriate and significant judgements have been challenged robustly. It also considers Deloitte LLP, as Auditor, to be independent of the Company.

Re-appointment of the Auditor – At the AGM held on 2 December 2022, Deloitte LLP was re-appointed as the Company's Auditor.

Internal control and risk management systems

The Committee discussed with the Auditor the risk of misstatement in the Financial Statements arising from the potential for the Company's key service providers, the Investment Manager and Administrator, to override controls.

At each quarterly Board meeting, compliance reports are provided by the Administrator, Company Secretary and Investment Manager. The Board also receives confirmation from the Administrator of its capability under its ISAE 3402 Type II audit report. No significant failings or weaknesses were identified in these reports.

The Committee has reviewed the need for an internal audit function. The Committee is satisfied that the systems and procedures employed by the Investment Manager and the Administrator provide sufficient assurance that a sound system of internal control is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

For any questions on the activities of the Committee not addressed in the foregoing, members of the Committee will attend each AGM to respond to such questions.

In finalising the Financial Statements for recommendation to the Board for approval, the Committee has satisfied itself that the Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Susie Farnon
Chairman, Audit and Risk Committee
3 October 2023

Management Engagement Committee report

The Management Engagement Committee presents here its report for the year ended 30 June 2023, setting out the responsibilities of the Committee and its key activities for the year from 1 July 2022 to 30 June 2023. The Committee meets annually in June each year and holds ad hoc meetings to address any arising issues as required.

Responsibilities

The formally delegated duties and responsibilities of the Committee are set out in written terms of reference which are available from the Company Secretary upon request and published on the Company's website at ruffer.co.uk/ric. The Committee's terms of reference are reviewed on an annual basis.

The principal duties of the Committee are to review the performance of and contractual arrangements with the Investment Manager and all other key service providers to the Company, other than the Auditor which is reviewed by the Audit and Risk Committee. In addition, the Committee is involved in monitoring and reviewing the level of remuneration of the Investment Manager to ensure that it is appropriate, competitive and sufficient to incentivise the Investment Manager.

Key activities

The Committee conducts an annual review of the performance of, and contractual relationships with, the Company's key service providers, including the Investment Manager. To facilitate this review, the Company Secretary circulates two detailed questionnaires to each service provider: one relating to an assessment of the services provided during the year, any issues encountered and feedback on other service providers; and a second requesting details of the service provider's internal control systems, business continuity plans, impact of covid-19 on business operations, succession planning and any key staff changes, ESG policies and cyber security arrangements. In addition, qualitative feedback on the performance and operations of each service provider is obtained from each of the Directors, the Investment Manager, the Broker and the Company Secretary. The Company Secretary prepares a summary of responses received which is presented to the Committee for its review.

The last Committee meeting was held on 15 June 2023 and no material issues were identified as a result of the annual service provider review. Accordingly, the Management Engagement Committee recommended to the Board that the retention of the Company's service providers was in the best interests of the Company and its shareholders.

No material issues were identified during the Committee's review of the Investment Manager and the Board concluded that the Investment Manager had deep industry experience, an appropriate investment strategy for the investment objectives of the Company and that the continued appointment of the Investment Manager on the terms agreed, including management fees, was in the best interests of the Company and its shareholders.

Shelagh Mason
Chairman, Management Engagement Committee
3 October 2023

Report of the depositary to the shareholders of Ruffer Investment Company Limited

Northern Trust (Guernsey) Limited has been appointed as Depositary to Ruffer Investment Company Limited (the 'Company') in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the 'AIFM Directive').

We have enquired into the conduct of Ruffer AIFM Limited (the 'AIFM') and the Company for the year ended 30 June 2023, in our capacity as Depositary to the Company.

This report including the review provided below has been prepared for and solely for the Shareholders in the Company. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depositary are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 (collectively the 'AIFMD legislation') and the Authorised Closed-ended Investment Schemes Rules and Guidance 2021.

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Company and their delegates in each annual accounting period.

Our report shall state whether, in our view, the Company has been managed in that period in accordance with the AIFMD legislation. It is the overall responsibility of the AIFM and the Company to comply with these provisions. If the AIFM, the Company or their delegates have not so complied, we as the Depositary will state why this is the case and outline the steps which we have taken to rectify the situation.

The Depositary and its affiliates are or may be involved in other financial and professional activities which may on occasion cause a conflict of interest with its roles with respect to the Company. The Depositary will take reasonable care to ensure that the performance of its duties will not be impaired by any such involvement and that any conflicts which may arise will be resolved fairly and any transactions between the Depositary and its affiliates and the Company shall be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Basis of Depositary Review

The Depositary conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation and the appropriate regulations. Such reviews vary based on the type of Fund, the assets in which a Fund invests and the processes used, or experts required, in order to value such assets.

Review

In our view, the Company has been managed during the period, in all material respects –

i in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documents; and by the AIFMD legislation and

ii otherwise in accordance with the provisions of the constitutional documents and the AIFMD legislation.

For and on behalf of

Northern Trust (Guernsey) Limited
3 October 2023

Independent auditor's report to the Members of Ruffer Investment Company Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ruffer Investment Company Limited (the 'Company') –

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its loss for the year then ended
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise –

- the Statement of Financial Position
- the Statement of Comprehensive Income
- the Statement of Changes in Equity
- the Statement of Cash Flows and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in note 9 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year (and which was consistent with the prior year) was – – valuation and ownership of investments
Materiality	The materiality that we used in the current year was £10.92 million which was determined on the basis of 1% of Net Asset Value (NAV) of the Company as at 30 June 2023.
Scoping	Balances were scoped in for testing based on our assessment of risk of material misstatement. As part of our risk assessment process, we considered the impact of relevant controls implemented at the service providers.
Significant changes in our approach	There are no significant changes in our audit approach in the current year audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included –

- considering the effect of current macroeconomic conditions to the Company and valuation of its portfolio
- evaluating the judgements and decisions with regards to key forecasting assumptions used in the going concern assessment
- assessing reasonableness of assumptions on cash flow forecasts for the next three years, used in supporting the use of the going concern assumption and
- assessing the relevant disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.1 Valuation and ownership of investments

Key audit matter description

Included in the Company's Statement of Financial Position as at 30 June 2023 are investments with a fair value of £1,038 million (2022: £852 million) as disclosed in Note 10 to the financial statements. The Company's portfolio primarily comprises equity investments, government bonds and investment funds. Investments are key area of focus to the users of the financial statements given that they are the most quantitatively significant balance and main driver of the Company's performance and NAV. As explained in Note 2 (e), the Company's accounting policy is to measure its investment at fair value through profit and loss. Refer to consideration made by the audit committee on valuation of investments discussed on page 69.

The identified risks were –

- there might be errors or fraudulent manipulation of valuation in order to report favourable key performance indicators
- inappropriate exchange rates might be used to convert foreign currency denominated investment to the Company's reporting currency
- trades made immediately before year-end might be excluded from the valuation or conversely, trades made immediately after the year end might be included in the valuation in error and
- the Company might not have legal title to the investment held at year end.

How the scope of our audit responded to the key audit matter

To respond to the key audit matter, we have performed the following audit procedures –

- obtained an understanding and tested relevant controls around the valuation and ownership of investments and NAV preparation process by the administrator
- agreed investments held as at year end to independently obtained custodian confirmation
- assessed the reasonableness of exchange rates used in converting investments denominated in currencies other than the Pound Sterling by comparing rates used to independent sources
- assessed purchases and sales made around year end to determine whether transactions had been recorded in the correct period
- reconciled the investment purchases and sales transactions to the custodian trade report for the year and
- agreed the unit prices of all investments to independent pricing sources.

Key observations

Based on the results of procedures, we concluded that –

- the prices applied by management in the valuation of investments are reasonable
- investment denominated in currencies other than Pound Sterling have been appropriately converted at a reasonable spot rate at year end
- the Company had proper legal title to the investments held at year end and
- the investment transactions have been accounted for in the correct accounting period.

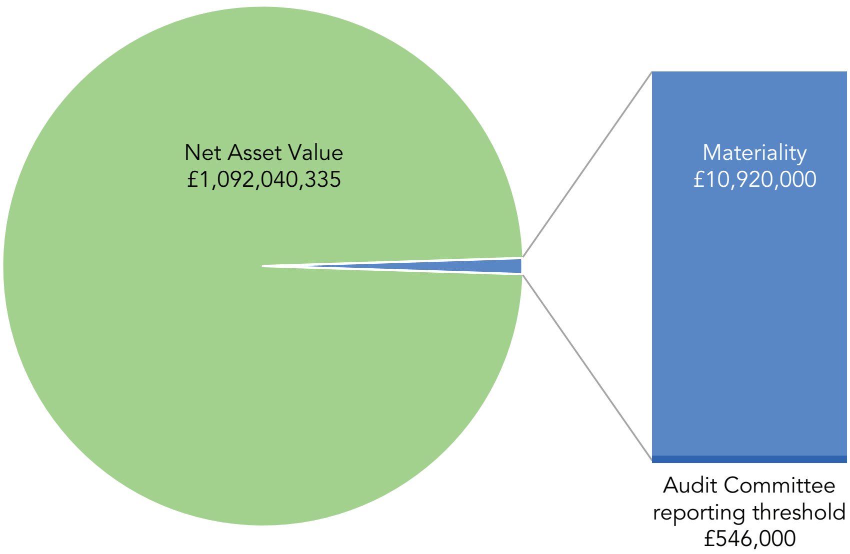
Our application of materiality

1.2 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows –

Materiality	£10,920,000 (2022: £9,527,000)
Basis for determining materiality	1% (2022: 1%) of NAV
Rationale for the benchmark applied	NAV is the most appropriate benchmark as it is considered one of the principal drivers for members of the Company in assessing financial performance and represents total shareholders' interest.



1.3 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the following factors –

a the quality of the control environment and whether we were able to rely on controls,

b our risk assessment, including our assessment of the Company's overall control environment and

c our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

1.4 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £546,000 (2022: £476,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

1.5 Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

1.6 Our consideration of the control environment

The Company is administered by a third party Guernsey regulated service provider. As part of our audit, we obtained an understanding and tested relevant controls around the valuation and ownership of investments and NAV preparation process established at the service provider. We inspected weekly and monthly NAV checklists and accompanying reports on a sample basis.

1.7 Our consideration of climate-related risks

As part of our audit we made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. Management considers that the impact of climate change does not give rise to a material financial statement impact as described on page 17. We applied our knowledge of the Company to evaluate management's assessment. We also read the annual report to consider whether the disclosures in relation to climate change made in the other information within the annual report are materially consistent with the financial statements and our knowledge obtained in our audit.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

1.8 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following –

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies
- results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to –
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team including our financial instruments specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation and ownership of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008, the Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

1.9 Audit response to risks identified

As a result of performing the above, we identified valuation and ownership of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following –

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of the Board and the Audit Committee and reviewing correspondence with Guernsey Financial Services Commission and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including financial instrument specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit –

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 17
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 18
- the Directors' statement on fair, balanced and understandable as set out on pages 49 to 50
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 15
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 72 and
- the section describing the work of the Audit Committee set out on pages 68 to 72.

Matters on which we are required to report by exception

1.10 Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion –

- we have not received all the information and explanations we require for our audit or
- proper accounting records have not been kept or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

Other matters which we are required to address

1.11 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board on 19 March 2015 to audit the financial statements for the year ending 30 June 2015 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years, covering the years ending 30 June 2015 to 30 June 2023.

1.12 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (ESEF RTS). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Theo Brennand
For and on behalf of Deloitte LLP
Recognised Auditor
St Peter Port, Guernsey

3 October 2023

Statement of financial position as at 30 June 2023

	Notes	30 June 23 £	30 June 22 £
Assets			
Non-current assets			
Investments at fair value through profit or loss	10	1,037,539,714	852,380,832
Current assets			
Cash and cash equivalents		50,508,224	91,882,581
Trade and other receivables	11	1,992,046	29,702,666
Derivative financial assets	18, 19	3,497,285	989,682
Total current assets		55,997,555	122,574,929
Total assets		1,093,537,269	974,955,761
Liabilities			
Current liabilities			
Trade and other payables	12	1,496,934	21,667,315
Derivative financial liabilities	18, 19	–	503,673
Total liabilities		1,496,934	22,170,988
Net assets		1,092,040,335	952,784,773
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	13	791,710,799	608,654,303
Capital reserve		193,130,681	240,914,299
Retained revenue reserve		12,149,296	8,166,612
Other reserves		95,049,559	95,049,559
Total equity		1,092,040,335	952,784,773
Net assets attributable to holders of redeemable participating preference shares (per share)	14	2.8474	2.9498

The Financial Statements on pages 88 to 124 were approved on 3 October 2023 and signed on behalf of the Board of Directors by

Christopher Russell
Chairman

Susie Farnon
Director

The notes on pages 92 to 124 form an integral part of these Financial Statements.

Statement of comprehensive income for the year ended 30 June 2023

	Notes	Revenue £	Capital £	Year ended 30 June 23 £	Year ended 30 June 22 £
Fixed interest income		8,516,370	–	8,516,370	1,521,125
Dividend income		5,943,455	–	5,943,455	9,375,207
Bank interest income		528,540	–	528,540	3,276
Net changes in fair value of financial assets at fair value through profit or loss	6	–	(53,713,731)	(53,713,731)	42,910,229
Other gains/(losses)	7	–	16,742,015	16,742,015	(15,411,877)
Total income		14,988,365	(36,971,716)	(21,983,351)	38,397,960
Management fees	8	–	(10,517,318)	(10,517,318)	(7,077,617)
Other expenses	9	(1,001,012)	(294,584)	(1,295,596)	(853,105)
Total expenses		(1,001,012)	(10,811,902)	(11,812,914)	(7,930,722)
(Loss)/profit for the year before tax		13,987,353	(47,783,618)	(33,796,265)	30,467,238
Withholding tax	4	(619,657)	–	(619,657)	(856,738)
(Loss)/profit for the year after tax		13,367,696	(47,783,618)	(34,415,922)	29,610,500
Total comprehensive (loss)/income for the year		13,367,696	(47,783,618)	(34,415,922)	29,610,500
Basic and diluted (loss)/earnings per share		3.70p	(13.23)p	(9.53)p	11.83p

The 'Total' columns of this statement represent the Company's condensed statement of comprehensive income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The revenue and capital return columns are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

Basic and diluted earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares in issue during the year. The weighted average number of shares for the year was 361,081,202 (30 June 2022: 250,324,202). As there are no items which would cause a dilution to occur, the basic and diluted earnings per share are the same.

The notes on pages 92 to 124 form an integral part of these Financial Statements.

Statement of changes in equity for the year ended 30 June 2023

	Notes	Share capital £	Capital reserve £	Retained revenue reserve* £	Other Reserves* £	Total year ended 30 June 23 £
Balance at 1 July 2022		608,654,303	240,914,299	8,166,612	95,049,559	952,784,773
Total comprehensive income/(loss) for the year		–	(47,783,618)	13,367,696	–	(34,415,922)
Transactions with shareholders						
Share capital issued	13	184,342,250	–	–	–	184,342,250
Share issue costs	13	(1,285,754)	–	–	–	(1,285,754)
Distributions during the year	5	–	–	(9,385,012)	–	(9,385,012)
Balance at 30 June 2023		791,710,799	193,130,681	12,149,296	95,049,559	1,092,040,335

	Notes	Share capital £	Capital reserve £	Retained revenue reserve* £	Other Reserves* £	Total year ended 30 June 22 £
Balance at 1 July 2021		253,904,821	220,493,564	6,403,389	95,049,559	575,851,333
Total comprehensive income for the year		–	20,420,735	9,189,765	–	29,610,500
Transactions with shareholders						
Share capital issued		357,810,233	–	–	–	357,810,233
Share issue costs		(3,060,751)	–	–	–	(3,060,751)
Distributions during the year	5	–	–	(7,426,542)	–	(7,426,542)
Balance at 30 June 2022		608,654,303	240,914,299	8,166,612	95,049,559	952,784,773

* Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from share capital and reserves, subject to satisfying a solvency test. However, the Company's dividend policy is that dividends will only be paid from accumulated revenue reserves. In order to provide clearer information relating to reserves available for distribution, the Company has separately identified this reserve in these financial statements as a 'Retained revenue reserve' in the Statement of Financial Position and the Statement of Changes in Equity. 'Other reserves' represents amounts converted from share premium in 2004 and 2008.

The notes on pages 92 to 124 form an integral part of these Financial Statements.

Statement of cash flows for the year ended 30 June 2023

	Notes	Year ended 30 June 23 £	Year ended 30 June 22 £
Cash flows from operating activities			
(Loss)/profit for the year after tax		(34,415,922)	29,610,500
Adjustments for			
Net realised gains on investments	6	(38,771,841)	(40,408,074)
Unrealised losses/(gains) on investments	6	92,485,572	(2,502,155)
Realised (gains)/losses on forward foreign exchange contracts	7	(13,452,548)	17,727,792
Unrealised gains on forward foreign exchange contracts	7	(3,011,276)	(2,644,151)
Foreign exchange (gains)/losses on cash and cash equivalents	7	(278,191)	328,236
Increase in trade and other receivables (excluding amounts due in respect of sales of investments and share issues)		(498,304)	(628,286)
Increase in trade and other payables (excluding amounts due in respect of purchases of investments an share issue costs)		220,978	282,338
		2,278,468	1,766,200
Net cash received/(paid) on closure of forward foreign exchange contracts	7	13,452,548	(17,727,792)
Purchases of investments		(1,529,460,934)	(810,785,573)
Sales of investments		1,298,549,953	514,371,720
Net cash used in operating activities		(215,179,965)	(312,375,445)
Cash flow from financing activities			
Dividends paid	5	(9,385,012)	(7,426,542)
Proceeds from issue of redeemable participating preference shares		184,342,250	359,096,108
Share issue costs		(1,429,821)	(2,916,684)
Net cash generated from financing activities		173,527,417	348,752,882
Net (decrease)/increase in cash and cash equivalents		(41,652,548)	36,377,437
Cash and cash equivalents at the beginning of the year		91,882,581	55,833,380
Foreign exchange gains/(losses) on cash and cash equivalents	7	278,191	(328,236)
Cash and cash equivalents at the end of the year		50,508,224	91,882,581

The notes on pages 92 to 124 form an integral part of these Financial Statements.

Notes to the Financial Statements
for the year ended 30 June 2023

1 The Company

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules and Guidance 2021. The Company is listed on the Main Market of the London Stock Exchange (LSE) and was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005.

The Company's registered office is shown on page 131 and details of its investment objective and strategy are shown on page 11.

2 Significant accounting policies

a Statement of compliance

The Financial Statements of the Company for the year ended 30 June 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Listing Rules of the London Stock Exchange in compliance with the Companies (Guernsey) Law, 2008.

b Basis of preparation

The Financial Statements are prepared in pound sterling (£), which is the Company's functional and presentation currency. The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

c Going concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements since the assets of the Company consist mainly of cash and cash equivalents and securities which are readily realisable. The Directors also note that overall, due to the nature of the Company's portfolio, which comprises both equities and other more defensive assets, it has not been affected significantly in terms of value or cashflows by the effects of the Russian invasion of Ukraine, or the cost of living crisis and rising interest rates arising from the current high-inflation economic environment. Accordingly, in the Directors' opinion, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Matters relating to the going concern status of the Company are also discussed in the long-term viability statement on page 18.

d New accounting standards and amendments effective and adopted

The following relevant standard has been applied in these Financial Statements during the year –

- IAS 37 (amended), 'Provisions, Contingent Liabilities and Contingent Assets' – (effective for accounting periods commencing on or after 1 January 2022)

The amendments to IAS 37 were published in May 2020 and relate to the costs to include when assessing whether a contract is onerous.

In addition, the IASB has issued the following publication –

- 'Annual Improvements to IFRS Standards 2018-2020', published in May 2020, which has amended certain existing standards, effective for accounting periods commencing on or after 1 January 2022.

In the opinion of the Directors, the adoption of these new and amended standards has had no material impact on the Financial Statements of the Company.

Standards and amendments in issue but not yet effective

The following relevant IFRSs, which have not been applied in these Financial Statements, were in issue at the reporting date but not yet effective –

- IAS 1 (amended), 'Presentation of Financial Statements' – (effective for accounting periods commencing on or after 1 January 2023)
- IAS 8 (amended), 'Accounting Policies, Changes in Accounting Estimates and Errors' – (effective for accounting periods commencing on or after 1 January 2023)

The amendments to IAS 1 were published in January 2020 and February 2021 and relate to the classification of liabilities and disclosure of accounting policies respectively.

The amendments to IAS 8 were published in February 2021 and clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The changes arising from the amendments to these IFRSs are either presentational and/or minor in nature. It is therefore anticipated that the adoption of these amended standards will have no material impact on the Financial Statements of the Company.

In addition, the International Sustainability Standards Board (ISSB) published the following Sustainability Disclosure Standards in June 2023, effective for accounting periods commencing on or after 1 January 2024 –

- IFRS S1, 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2, 'Climate-related Disclosures'

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities.

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities.

The purpose of both standards is to provide information that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

e Financial instruments

i Classification

Financial assets are classified into the following categories: financial assets at fair value through profit or loss and financial assets at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets at fair value through profit or loss comprise investment assets and derivative assets in the form of forward foreign currency exchange contracts.

The Company's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Company's financial liabilities at fair value through profit or loss comprise derivative liabilities in the form of forward foreign currency exchange contracts.

The Company's financial liabilities at amortised cost comprise trade and other payables.

ii Investments at fair value through profit or loss ('investments')

Recognition

Investments are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company commits to purchase or sell the investment). Investments purchased are initially recorded at fair value, being the consideration given. Transaction or other dealing costs associated with purchases and sales of investments are recognised through profit or loss in the Statement of Comprehensive Income.

Measurement

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Statement of Comprehensive Income within net changes in fair value of financial assets at fair value through profit or loss.

Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate of fair value. Investments consist of listed or quoted equities or equity-related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations, and investment in funds.

Shares in some investment funds are not listed on an actively traded exchange and these are valued on the reporting date at the latest NAV from the administrator of the respective investment funds as the most recent price is the best estimate of the amount for which holdings could have been disposed of at the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in the fair value of financial assets/(liabilities) are shown as net gains or losses on financial assets through profit or loss (see note 10) and recognised in the Statement of Comprehensive Income in capital in the period in which they arise.

Realised gains and losses arising on disposal of investments are calculated by reference to the proceeds received on disposal and the average cost attributable to those investments, and are recognised in the Statement of Comprehensive Income in capital. Unrealised gains and losses on investments are recognised in the Statement of Comprehensive Income in capital.

iii Derivatives

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other gains in the period in which they arise.

iv Financial instruments at amortised cost

Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business and are classified as current assets if collection is expected in one year or less. If not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, such impairment to be determined using the simplified expected credit losses approach in accordance with IFRS 9.

At each reporting date, the Company measures the loss allowance on its trade and other receivables at an amount equal to the lifetime expected credit losses. Expected credit losses are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the financial asset, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other payables

Trade and other payables are obligations to pay for services that have been acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable incremental costs of acquisition or issue and subsequently measured at amortised cost using the effective interest rate method.

v Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise assets and settle the liabilities simultaneously.

vi Derecognition of financial instruments

A financial asset is derecognised when: (a) the rights to receive cash flows from the asset have expired, (b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through arrangement'; or (c) the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

f Income

The Company has no income that falls within the scope of IFRS 15, therefore all income is recognised in accordance with IFRS 9. Dividend income from equity investments is recognised when the relevant investment is quoted ex-dividend, and is included gross of withholding tax. Interest income is recognised for all debt instruments using the effective interest rate method. Dividend and interest income are recognised through profit or loss in the Statement of Comprehensive Income in revenue.

g Expenses

Expenses are accounted for on an accruals basis and are recognised through profit or loss in the Statement of Comprehensive Income in either capital or revenue reserves. The Company's management fees are allocated between capital and revenue in a ratio determined by the Board at its sole discretion. Currently 100% of the management fees are charged to capital, as are transaction costs on the purchase and sale of investments. All other expenses of the Company are recognised in revenue.

h Translation of foreign currency

Functional and presentation currency

The Financial Statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its 'functional currency'). The Directors have considered the currency in which the original capital was raised, distributions will be made and ultimately the currency in which capital would be returned in a liquidation. On balance, the Directors believe that pound sterling best represents the functional currency of the Company. For the purpose of the Financial Statements, the results and financial position of the Company are expressed in pound sterling, which is the presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items such as financial assets held at fair value through profit or loss are reported as part of net changes in fair value on financial assets through profit or loss in the Statement of Comprehensive Income.

i Share issue costs

Share issue costs are fully written off against the share capital account in the period of the share issue in accordance with Guernsey company law.

j Redeemable participating preference shares

As the Company's redeemable participating preference shares are redeemable at the sole option of the Directors, they are required to be classified as equity instruments. Please refer to note 13 for further details.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements

In the opinion of the Directors, there are no significant judgements made that have had a material effect on the Financial Statements.

Estimates

The Company records its investments and derivatives at fair value. Investments classified in level 1 of the fair value hierarchy (see note 19) are measured at fair value based on a quoted price in an active market. However the fair value of investments classified in level 2 and level 3 of the fair value hierarchy and of forward foreign exchange contracts are determined at the valuation date on the basis of estimates based on the reported NAVs of the investments and prevailing exchange rates respectively. The Directors consider that these valuations represent the best estimate of the fair values of the Company's level 2 and level 3 investments and derivatives. Details of the valuation methodologies applied in determining the fair value of the Company's investments are disclosed in note 19.

4 Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (30 June 2022: £1,200).

The amounts disclosed as taxation in the Statement of Comprehensive Income relate solely to withholding tax deducted at source on income.

5 Dividends to shareholders

Dividends, if any, are declared semi-annually, usually in October and March each year. The Company paid and declared the following dividends during the year –

	Year ended 30 June 23 £	Year ended 30 June 22 £
2022 Second interim dividend of 1.25p (2021: 1.55p)	4,311,472	3,424,158
2023 First interim dividend of 1.35p (2022: 1.50p)	5,073,540	4,002,384
	9,385,012	7,426,542

A second interim dividend of 1.65p per share in respect of the year ended 30 June 2023 was declared on 4 October 2023. The dividend is payable on 27 October 2023 to shareholders on record at 13 October 2023.

6 Net changes in financial assets at fair value through profit or loss

	Year ended 30 June 23 £	Year ended 30 June 22 £
Gains realised on investments sold during the year	94,589,633	56,835,062
Losses realised on investments sold during the year	(55,817,792)	(16,426,988)
Net realised gains on investments sold during the year (see note 10)	38,771,841	40,408,074
Movement in unrealised (losses)/gains arising from changes in fair value	(92,485,572)	2,502,155
Net changes in fair value on financial assets at fair value through profit or loss	(53,713,731)	42,910,229

7 Other gains/(losses)

	Year ended 30 June 23 £	Year ended 30 June 22 £
Movement in unrealised gains on spot and forward foreign exchange currency contracts	3,011,276	2,644,151
Realised gains/(losses) on spot and forward foreign currency contracts	13,452,548	(17,727,792)
Other realised and unrealised foreign exchange gains/(losses)	278,191	(328,236)
	16,742,015	(15,411,877)

8 Management fees

The management fees were charged to the capital reserves of the Company. The management fees for the year, including outstanding balances at end of the year, are detailed below.

	Year ended 30 June 23 £	Year ended 30 June 22 £
Management fees for the year	10,517,318	7,077,617
Management fees payable at the end of the year	880,118	750,697

The basis for calculating the management fees is set out in the General Information on page 129.

9 Other expenses

	Year ended 30 June 23 £	Year ended 30 June 22 £
Expenses charged to revenue		
Administration fee*	256,707	206,167
Directors' fees	238,875	185,900
Custodian and Depositary fees*	177,237	135,383
Broker's fees	38,750	34,856
Audit fee	90,000	50,000
Auditor's remuneration for interim review	21,000	9,000
Legal and professional fees	28,298	79,717
Registrar fees	68,099	61,494
General expenses	82,046	90,588
	1,001,012	853,105
Expenses charged to capital		
Investment transaction costs	294,584	–
Total other expenses	1,295,596	853,105

* The basis for calculating the Administration fees, Custodian and Depositary fees is set out in the General Information on pages 129 to 130.

Ongoing charges ratio

The ongoing charges ratio (OCR) of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges and gains or losses on investments. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

	Year ended 30 June 23 £	Year ended 30 June 22 £
Management fee (see note 8)	10,517,318	7,077,617
Other expenses (see above)	1,295,596	853,105
	11,812,914	7,930,722
Excluded expenses*	(294,584)	(58,300)
Total ongoing expenses	11,518,330	7,872,422
Average NAV†	1,076,002,874	735,348,568
Ongoing charges ratio (using AIC methodology)	1.07%	1.07%

* Current year excluded expenses comprise security transaction costs. Prior year excluded expenses principally comprises fees relating to board recruitment and evaluation.

† Average NAV is calculated as the average of all the NAVs published on the LSE during the year.

10 Investment assets at fair value through profit or loss

	Year ended 30 June 23 £	Year ended 30 June 22 £
Cost of investments at the start of the year	787,014,198	453,896,021
Acquisitions at cost during the year	1,509,213,642	831,430,861
Disposals during the year	(1,270,341,029)	(538,720,758)
Gains on disposals during the year	38,771,841	40,408,074
Cost of investments held at the end of the year	1,064,658,652	787,014,198
Fair value (below)/above cost	(27,118,938)	65,366,634
Fair value of investments held at the end of the year	1,037,539,714	852,380,832

11 Trade and other receivables

	30 June 23 £	30 June 22 £
Amounts receivable within one year		
Investment income receivable	57,062	469,656
Fixed interest income receivable	1,750,222	843,086
Sales of investments awaiting settlement	166,667	28,375,591
Other receivables	–	7,276
Prepayments	18,095	7,057
	1,992,046	29,702,666

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value. All receivables are short-term, with settlement due within a few days or months of the year end, as a result of which the Company's exposure to default risk is negligible and no credit losses are expected.

12 Trade and other payables

	30 June 23 £	30 June 22 £
Amounts falling due within one year		
Purchases of investments awaiting settlement	397,996	20,645,288
Management fees payable	880,118	750,697
Other payables	218,820	271,330
	1,496,934	21,667,315

The Directors consider that the carrying amounts of trade and other payables approximate to their fair value.

13 Share capital

	30 June 23 £	30 June 22 £
Authorised share capital		
Unlimited unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.1p each	75,000	75,000
	Unlimited	Unlimited

The Company's share capital comprises 75,000,000 C shares of 0.1p each, and an unlimited number of unclassified shares of 0.01p each.

	Number of shares		Share capital	
	Year ended 30 June 23	Year ended 30 June 22	Year ended 30 June 23	Year ended 30 June 22
Issued share capital				
Redeemable participating preference shares of 0.01p each				
Balance at the start of the year	323,002,764	204,718,416	608,654,303	253,904,821
Issued and fully paid during the year	60,515,000	118,284,348	184,342,250	357,810,233
Share issue costs	–	–	(1,285,754)	(3,060,751)
Balance at the end of the year	383,517,764	323,002,764	791,710,799	608,654,303

Unclassified shares

Unclassified shares can be issued as nominal shares or redeemable participating preference shares. Nominal shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for nominal shares for cash at par when redeemable participating preference shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on redeemable participating preference shares. The holder or holders of nominal shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal shares shall carry no right to dividends. In a winding-up, holders of nominal shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company.

The holders of fully paid redeemable participating preference shares are entitled to one vote at all meetings of the relevant class of shareholders. Participating preference shares carry the right to receive dividends or other distributions declared by the Company. In a winding-up, participating preference shareholders shall be entitled, firstly, to an amount equal to the nominal value of their shareholding, and, secondly, to a proportionate share of the balance of assets remaining in the Company after settlement of amounts due to nominal shareholders.

C shares

There were no C Shares in issue at year end (30 June 2022: Nil).

Block listing and additional shares issued

As at 30 June 2022, the Company had the ability to issue 35,750,000 redeemable participating preference shares under a block listing facility.

- on 29 November 2022, the Company announced that an application had been made for the block listing of an additional 9,106,551 redeemable participating preference shares, with an admission date of 30 November 2022.
- on 15 December 2022, the Company announced that an application had been made for the block listing of an additional 25,000,000 redeemable participating preference shares, with an admission date of 20 December 2022.

During the year, 60,515,000 new redeemable participating preference shares were allotted or issued under the block listing facility (30 June 2022: 104,497,127 redeemable participating preference shares issued). As at 30 June 2023, the Company had the ability to issue 9,341,551 redeemable participating preference shares under the block listing facility.

New redeemable participating preference shares rank *pari passu* with the existing shares in issue.

Purchase of own shares by the Company

A special resolution was passed on 2 December 2022 which authorised the Company in accordance with The Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01p each, provided that –

a the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital

b the minimum price (exclusive of expenses) which may be paid for a share is 0.01p, being the nominal value per share

c the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the LSE Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy-back and Stabilisation Regulation (No 2237 of 2003)

d purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the LSE at a discount to the lower of the undiluted or diluted NAV e the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

f the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of shares pursuant to any such contract.

Redeemable participating preference shares in issue

As at 30 June 2023, the Company had 383,517,764 (30 June 2022: 323,002,764) redeemable participating preference shares of 0.01p each in issue. Therefore, the total voting rights in the Company at 30 June 2023 were 383,517,764 (30 June 2022: 323,002,764. Subsequent to the year end, the Company has purchased into treasury 150,000 of its own shares at an average purchase price of £2.6325.

14 NAV reconciliation

The Company announces its NAV, based on bid value, to the LSE after each weekly and month end valuation point. At the time of releasing the year end NAV to the LSE, not all 30 June prices of the Company's investments may be available. Adjustments are made to the NAV in the Financial Statements once these prices become available. The following is a reconciliation of the NAV and NAV per share attributable to redeemable participating preference shareholders as presented in these Financial Statements to the NAV and NAV per share reported to the LSE.

	30 June 23		30 June 22	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV published on the LSE as at the year end	1,096,014,803	2.8578	947,554,437	2.9336
Adjustments to valuations	(3,974,468)	(0.0104)	5,230,336	0.0162
Net assets attributable to holders of redeemable participating preference shares	1,092,040,335	2.8474	952,784,773	2.9498

15 Contingent liabilities

There were no contingent liabilities as at 30 June 2023 (30 June 2022: £Nil).

16 Related party transactions

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities, and are therefore regarded as related parties.

Investment Management Agreement

The Company is managed by Ruffer AIFM Ltd, a subsidiary of Ruffer LLP, a privately owned business registered in England and Wales as a limited liability partnership. The Company and the Investment Manager have entered into an Investment Management Agreement under which the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Investment Management Agreement and the Articles.

The market value of LF Ruffer Gold is deducted from the NAV of the Company before the calculation of management fees on a monthly basis, as the Investment Manager separately earns a management fee from that entity. For additional information, refer to the Portfolio Statement on pages 125 to 128. Management fees for the year and payable at the end of the year are disclosed in note 8.

Directors' remuneration

Directors' remuneration is set out in the Directors' Remuneration Report on page 66 of the Financial Statements.

Shares held by related parties

As at 30 June 2023, Directors of the Company held the following numbers of shares beneficially –

Shares	30 June 23	30 June 22
Christopher Russell	125,000	125,000
Susie Farnon	16,200	na
Shelagh Mason	14,698	14,698
Nicholas Pink	55,027	45,027
Solomon Soquar	–	na
David Staples*	na	500,000
Jill May	na	13,750
	210,925	698,475

* Includes 250,000 shares beneficially owned by a party related to Mr Staples.

As at 30 June 2023, Duncan MacInnes, Investment Director of the Investment Manager owned 43,100 (30 June 2022: 43,100) shares in the Company. Mr MacInnes purchased a further 15,000 shares in the Company on 5 July 2023.

As at 30 June 2023, Jonathan Ruffer, chairman of Ruffer LLP (the parent entity of the Company's Investment Manager), owned 499,335 (30 June 2022: 499,335) shares in the Company.

As at 30 June 2023, Ruffer LLP and other entities within the Ruffer Group held 2,891,816 (30 June 2022: 3,066,348) shares in the Company on behalf of its discretionary clients.

On 7 July 2023, Jasmine Yeo, Investment Manager of the Investment Manager, purchased 15,000 shares in the Company.

Investments in related funds

As at 30 June 2023, the Company held investments in four (30 June 2022: four) related investment funds valued at £211,696,123 (30 June 2022: £217,280,776). Refer to the Portfolio Statement on pages 125 to 128 for details.

17 Operating segment reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business in a single geographical area, Guernsey, being investment in a portfolio of equity, equity-related and debt assets, in order to provide a return for shareholders. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

The Company receives no revenues from external customers. The Company holds no non-current assets in any geographical area other than Guernsey.

18 Financial instruments

In accordance with its investment objectives and policies, the Company holds financial instruments which at any one time may comprise the following –

- securities held in accordance with the investment objectives and policies
- cash and short-term receivables and payables arising directly from operations
- derivative transactions including investment in forward foreign currency contracts and
- borrowing up to a maximum of 30% of the NAV of the Company.

Terms, conditions and accounting policies

The financial instruments held by the Company comprise principally internationally listed or quoted equities or equity related securities (including convertibles), and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 2. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IFRS 9.

The following are the categories of financial instruments held by the Company at the reporting date.

	30 June 23 fair value £	30 June 22 fair value £
Financial assets		
Financial assets at fair value through profit or loss		
Listed securities	987,853,777	806,498,698
Unlisted securities	–	–
UCITS funds	49,685,937	45,882,134
Derivative financial assets	3,497,285	989,682
Financial assets at amortised cost		
Cash and cash equivalents	50,508,224	91,882,581
Trade and other receivables (excluding prepayments)	1,973,951	29,695,609
	1,093,519,174	974,948,704

	30 June 23 fair value £	30 June 22 fair value £
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	–	503,673
Financial liabilities at amortised cost		
Trade and other payables	1,496,934	21,667,315
	1,496,934	22,170,988

19 Financial risk management and associated risks

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks, which have applied throughout the year and the Investment Manager's policies for managing them are summarised as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the market risks of changes in market prices, interest rates and foreign currency exchange rates.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Company. It represents the potential loss the Company may suffer through holding market positions in the face of price movements.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Placing and Offer for Subscription document mitigates the risk of excessive exposure to any particular type of security or issuer.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity, investment funds, commodities and bond price risks at the reporting date. The 20% reasonably possible price movement for equity-related securities, investment funds and commodities (30 June 2022: 20%) is based on the Investment Manager's best estimates. The sensitivity rate for these investments of 20% is regarded as reasonable, as in the Investment Manager's view there continues to be potential for market volatility in the coming year.

A 20% (30 June 2022: 20%) increase in the market prices of equity- and commodity-related investments as at 30 June 2023 would have increased the net assets attributable to holders of redeemable participating preference shares by £53,009,374 (30 June 2022: £56,315,585) and a 20% change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating preference shares by an equal opposite amount.

This analysis does not allow for the impact of investments held within Ruffer Protection Strategies or Ruffer Illiquid Multi-Strategies Fund 2015, which may reduce the sensitivity to market prices. Please refer to the Derivatives section below.

A sensitivity analysis based on the interest rates of bond-related investments as at 30 June 2023 and 30 June 2022 has been considered under Interest rate risk on pages 113 to 116.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Foreign currency risk

Foreign currency risk arises from fluctuations in the value of a foreign currency. It represents the potential loss the Company may suffer though holding foreign currency assets in the face of foreign exchange movements.

As a portion of the Company's investment portfolio is invested in securities denominated in currencies other than pound sterling (the functional and presentation currency of the Company), the Statement of Financial Position may be significantly affected by movements in the exchange rates of such currencies against pound sterling. The Investment Manager has the power to manage exposure to currency movements by using options, warrants and/or forward foreign currency contracts and details of the holdings of such instruments at the date of these Financial Statements is set out below and on the following page. In the event that the base currency weakens during the course of the contract, the contract will expire at a loss that will be offset by a corresponding gain in the underlying assets. The opposite would be true when the base currency strengthens during the course of the contract.

As at 30 June 2023, the Company had two (30 June 2022: eight) open forward foreign currency contracts.

Forward foreign exchange contracts at 30 June 2023

Expiry date	Underlying	Notional amounts of contracts outstanding	Fair value assets £
15 Sept 2023	Foreign currency (sale of USD)	US$447,491,642	3,489,331
15 Sept 2023	Foreign currency (sale of EUR)	€28,458,375	7,954
			3,497,285

Forward foreign exchange contracts at 30 June 2022

Expiry date	Underlying	Notional amounts of contracts outstanding	Fair value assets/(liabilities) £
16 Sept 2022	Foreign currency (sale of USD)	US$146,005,720	726,278
16 Sept 2022	Foreign currency (sale of USD)	US$55,000,000	(284,261)
16 Sept 2022	Foreign currency (sale of USD)	US$40,000,000	(71,845)
16 Sept 2022	Foreign currency (sale of USD)	US$30,000,000	(137,510)
16 Sept 2022	Foreign currency (sale of USD)	US$30,000,000	–
16 Sept 2022	Foreign currency (sale of EUR)	€6,273,099	12,531
16 Sept 2022	Foreign currency (purchase of USD)	US$30,740,233	250,873
16 Sept 2022	Foreign currency (purchase of EUR)	€6,273,099	(10,057)
			486,009

The Company's treatment of currency transactions other than in pound sterling is set out in note 2 to the Financial Statements under 'Translation of foreign currency.'

As at 30 June 2023 and 30 June 2022, the Company held the following assets and liabilities in currencies other than the functional currency, excluding the impact of forward foreign exchange contracts disclosed above.

	30 June 23 assets £	30 June 23 liabilities £	30 June 22 assets £	30 June 22 liabilities £
Australian dollar	39,872,562	–	50,495,812	–
Euro	26,056,469	–	34,901,475	–
Canadian dollar	1,083,413	–	–	–
Yen	174,468,368	–	75,269,855	–
Swedish krone	–	–	4,062,345	–
Swiss franc	–	–	893,279	–
US dollar	399,321,189	–	237,701,191	20,625,044
Total	640,802,001	–	403,323,957	20,625,044

Foreign currency sensitivity

As at 30 June 2023, if foreign exchange rates had weakened 10% (30 June 2022: 10%) against pound sterling with all other variables held constant, net assets attributable to holders of redeemable participating preference shares would be £26,404,629 (30 June 2022: £16,080,712) lower, net of open forward foreign currency contracts and due mainly as a result of foreign currency losses on translation of these financial assets and liabilities to pound sterling; and a 10% strengthening of foreign exchange rates against pound sterling would have resulted in an equal but opposite effect on the net assets attributable to holders of redeemable participating preference shares. The sensitivity rate of 10% is regarded as reasonable as this approximates to the weighted average volatility over the last two years of the principal foreign currencies to which the Company is exposed against Pound Sterling. Any changes in the foreign exchange rate will directly affect the profit and loss, allocated to the capital column of the Statement of Comprehensive Income.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

As has been seen in previous years currencies can fluctuate by more or less than this indicative amount. The Investment Manager incorporates this variable into risk analysis when managing the investments.

Interest rate risk

Interest rate risk represents the uncertainty of investment return due to changes in the market rates of interest.

The Company invests in fixed and floating rate securities. The income of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. Interest receivable on bank deposits and floating rate securities or payable on bank overdraft positions will be affected by fluctuations in interest rates (cash flow interest rate risk).

The Investment Manager actively manages the Company's exposure to interest rate risk, paying heed to prevailing interest rates and economic conditions, market expectations and their own opinions of likely movements in interest rates. Currently the vast majority of the exposure of the Company to fixed interest securities is in the form of index-linked bonds. The value of these investments is determined by current and expected inflation and interest rates.

The value of fixed interest securities will be affected by general changes in interest rates that will in turn result in increases or decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise, and when interest rates rise, the value of those investments may decline (fair value interest rate risk).

The investment portfolio details the security type, issuer, interest rate, and maturity date of all of the Company's fixed and floating rate securities as at 30 June 2023.

The following tables summarise the Company's exposure to interest rate risk. It includes the Company's financial assets and liabilities at fair values, categorised by underlying interest rate type.

As at 30 June 2023

	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Financial assets				
Investments at fair value through profit or loss	110,065,207	473,752,470	453,722,037	1,037,539,714
Cash and cash equivalents	50,508,224	–	–	50,508,224
Derivative financial assets	–	–	3,497,285	3,497,285
Trade and other receivables	–	–	1,973,951	1,973,951
	160,573,431	473,752,470	459,193,273	1,093,519,174
Financial liabilities				
Trade and other payables	–	–	1,496,934	1,496,934
	–	–	1,496,934	1,496,934

As at 30 June 2022

	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Financial assets				
Investments at fair value through profit or loss	69,930,912	279,155,729	503,294,191	852,380,832
Cash and cash equivalents	91,882,581	–	–	91,882,581
Derivative financial assets	–	–	989,682	989,682
Trade and other receivables	–	–	29,695,609	29,695,609
	161,813,493	279,155,729	533,979,482	974,948,704
Financial liabilities				
Derivative financial liabilities	–	–	503,673	503,673
Trade and other payables	–	–	21,667,315	21,667,315
	–	–	22,170,988	22,170,988

The table below summarises weighted average effective (real) interest rates for fixed rate financial instruments.

	30 June 23 %	Weighted average period for which rate/ yield is fixed (years)	30 June 22 %	Weighted average period for which rate/ yield is fixed (years)
UK government bonds	3.5591	29.60	-0.6526	23.11
US government bonds	4.3669	19.64	3.0709	1.20
US corporate bonds	18.2200	4.38	17.9583	4.38
Australian government bonds	4.3047	1.08	4.7100	0.75
Japanese government bonds	-0.1406	0.92	-1.0928	4.70

Interest rate sensitivity analysis

Key determinants of interest rates include economic growth prospects, inflation, governments' fiscal positions and rates on nominal bonds of similar maturities. This sensitivity analysis assumes a 200 basis point increase or decrease in interest rates (30 June 2022: 100 basis point increase or 50 basis point decrease), with all other variables unchanged. This would be the equivalent of a 200 basis point increase or decrease in 'real' interest rates, and as such is likely to overstate the actual impact of such a move in nominal rates. The increased interest sensitivity rates in the current year are regarded as reasonable due to the current high inflation environment.

As most of the Company's fixed rate securities are index-linked bonds, their yields, and as a consequence their prices, are determined by market perception as to the appropriate level of yields given the economic background.

This analysis does not allow for the impact of investments held within Ruffer Protection Strategies which may reduce the sensitivity to changes in interest rates. Please refer to the Derivatives section below.

Fair value interest rate sensitivity

In respect of the Company's holdings of fixed rate bonds, an increase/decrease of 200 basis points in interest rates as at the reporting date would have decreased/increased the net assets attributable to holders of redeemable participating preference shares by £124,862,317 (30 June 2022: an increase of 100 basis points would have decreased the net assets attributable to holders of redeemable participating preference shares by £36,018,623 and a decrease of 50 basis points would have increased the net assets attributable to holders of redeemable participating preference shares by £18,009,311).

Cash flow interest rate sensitivity

In respect of the Company's holdings of floating rate bonds and cash and cash equivalents, an increase/decrease of 200 basis points in interest rates as at the reporting date would have increased/decreased the net assets attributable to holders of redeemable participating preference shares by £3,211,469 (30 June 2022: an increase of 100 basis points would have increased net assets attributable to holders of redeemable participating preference shares by £1,618,135 and a decrease of 50 basis points would have decreased the net assets attributable to holders of redeemable participating preference shares by £809,063).

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Failure of any relevant counterparty to perform its obligations in respect of these items may lead to a financial loss.

The Company is exposed to credit risk in respect of cash and cash equivalents and trade and other receivables. The credit risk associated with debtors is limited to the unrealised gains on open derivative contracts such as forward foreign currency contracts, as detailed above and trade and other receivables. It is the opinion of the Board of Directors that the carrying amounts of these financial assets represent the maximum credit risk exposure as at the reporting date.

The Company will not invest in the securities of any company that is not quoted or does not have a listing on a market specified in the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 except for investments in investment funds and such other financial markets as may be specifically agreed from time to time between the Board and the Investment Manager.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation. All amounts outstanding at the year end on the purchases of securities were settled within a few days of the year end, therefore there are no expected credit losses on these amounts.

The Company's most recent prospectus, published on 15 December 2022, allows investment in a wide universe of equity related securities and bonds, including those in countries that may be classed as emerging or developing. In adhering to investment restrictions set out within the document, the Company mitigates the risk of any significant concentration of credit risk.

Credit risk analysis

The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below.

	30 June 23 £	30 June 22 £
Financial assets at fair value through profit or loss	1,037,539,714	852,380,832
Derivative assets at fair value through profit or loss	3,497,285	989,682
Cash and cash equivalents	50,508,224	91,882,581
Trade and other receivables	1,973,951	29,695,609
	1,093,519,174	974,948,704

The Company is exposed to a potentially material credit risk in respect of cash and cash equivalents, which is mitigated by the use of institutions with a high credit rating. As at 30 June 2023, almost 100% (30 June 2022: 58%) of cash is placed with Northern Trust (Guernsey) Limited (NTGL), and the remainder with Royal Bank of Scotland International Limited (RBSI).

NTGL is a wholly owned subsidiary of The Northern Trust Corporation (TNTC). TNTC is publicly traded and a constituent of the S&P 500. TNTC has a long-term credit rating of AA- (30 June 2022: AA-) from Standard & Poor's and A2 (30 June 2022: A2) from Moody's. RBSI has a long-term credit rating of A (30 June 2022: A-) from Standard & Poor's and A2 (30 June 2022: A2) from Moody's.

The Moody's credit ratings of the issuers of Bonds held by the Company as at 30 June 2023 and 30 June 2022 were as follows.

	30 June 23	30 June 22
UK index-linked gilt 1.875% 22/11/2022	–	Aa3
UK gilt 2.25% 07/09/2023	Aa3	–
UK gilt 0.75% 22/07/2023	Aa3	–
UK index-linked gilt 0.125% 22/03/2024	–	Aa3
UK index-linked gilt 0.125% 22/03/2026	–	Aa3
UK index-linked gilt 0.375% 22/03/2062	Aa3	Aa3
UK index-linked gilt 0.125% 22/11/2065	Aa3	Aa3
UK index-linked gilt 0.125% 22/03/2068	Aa3	Aa3
UK index-linked gilt 0.125% 22/03/2073	Aa3	Aa3
US Treasury inflation indexed bond 0.625% 15/04/2023	–	Aa3
US Treasury inflation indexed bond 0.625% 15/01/2026	Aaa	–
US Treasury inflation indexed bond 0.625% 15/02/2051	Aaa	–
US Treasury inflation indexed bond 0.625% 15/02/2052	Aaa	–
US Treasury inflation indexed bond 0.625% 15/02/2053	Aaa	–
US Treasury floating rate bond 31/10/2023	–	Aaa
US Treasury floating rate bond 31/01/2024	Aaa	Aaa
US Treasury floating rate bond 31/10/2024	Aaa	–
PFCLN 9.75% 15/11/2026	*BB–	*BB–
Australia 5.75% 15/07/2022	–	Aaa
Australia 2.25% 21/11/2022	–	Aaa
Australia 5.5% 21/04/2023	–	Aaa
Australia 2.75% 21/04/2024	Aaa	Aaa
Australia 0.25% 21/11/2024	Aaa	–
Japan 0.005% 01/04/2024	A1	–
Japan 0.005% 01/05/2024	A1	–
Japan 0.005% 01/06/2024	A1	–
Japan 0.005% 01/07/2024	A1	–
Japan 0.005% 01/08/2024	A1	–
Japan index-linked bond 0.10% 10/03/2026	–	A1
Japan index-linked bond 0.10% 10/03/2027	–	A1
Japan index-linked bond 0.10% 10/03/2028	–	A1

* Standard & Poors rating

None of the Company's financial assets is secured by collateral or other credit enhancements.

Derivatives

The Company has gained exposure to derivative contracts (predominantly options and forward currency contracts) as a risk management tool. The intention of using such derivative contracts has been primarily to minimise the exposure of the Company to the negative impact of changes to foreign exchange rates, interest rates, market volatility and to protect the portfolio from a correlated fall in bonds and equities. At the year end, all such instruments (except forward foreign exchange contracts) were held indirectly within the Ruffer Protection Strategies International or Ruffer Illiquid Multi-Strategies Fund 2015 vehicles as detailed in the Portfolio Statement on page 128.

Fair value

Financial assets at fair value through profit or loss are carried at fair value. Other assets and liabilities are carried at cost which approximates fair value.

IFRS 13 requires the Company to classify a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows –

Level 1: Quoted prices, based on bid prices, (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Assets classified in Level 1 consist of listed or quoted equities or equity related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments in funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Where these funds are invested in equity type products, they are classified as equity in the table above. Options and foreign exchange forward contracts are fair valued using publicly available data. Foreign exchange forward contracts are shown as derivative financial assets and liabilities in the above table.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

The following table presents the Company's financial assets and liabilities at fair value through profit or loss by level within the valuation hierarchy at 30 June 2023.

				30 June 23
	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	123,979,982	–	–	123,979,982
Long-dated index-linked gilts	86,442,111	–	–	86,442,111
Short-dated bonds	371,184,204	2,211,380	–	373,395,584
Protection strategies and derivatives	–	162,010,186	–	162,010,186
Gold exposure and gold equities	26,664,983	28,201,683	–	54,866,666
Commodity exposure	88,467,875	–	–	88,467,875
Equities	126,893,056	21,484,254	–	148,377,310
Derivative financial assets	–	3,497,285	–	3,497,285
Total assets	823,632,211	217,404,788	–	1,041,036,999
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	–	–	–
Total liabilities	–	–	–	–

The following table presents the Company's financial assets and liabilities at fair value through profit or loss by level within the valuation hierarchy at 30 June 2022.

	Level 1 £	Level 2 £	Level 3 £	30 June 22 Total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	58,562,473	–	–	58,562,473
Long-dated index-linked gilts	83,617,453	–	–	83,617,453
Short-dated index-linked gilts	84,948,751	–	–	84,948,751
Short-dated bonds	121,957,964	–	–	121,957,964
Protection strategies and derivatives	–	171,398,642	–	171,398,642
Gold exposure and gold equities	53,835,441	23,966,709	–	77,802,150
Equities	221,209,427	21,915,425	–	243,124,852
Global funds	10,968,547	–	–	10,968,547
Derivative financial assets	–	989,682	–	989,682
Total assets	635,100,056	218,270,458	–	853,370,514
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	503,673	–	503,673
Total liabilities	–	503,673	–	503,673

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the years ended 30 June 2023 and 30 June 2022, there were no transfers between levels of fair value hierarchy.

There were no movements in Level 3 investments during the year.

Liquidity risk

Liquidity risk is the risk that the Company will find it difficult or impossible to realise assets or otherwise raising funds to meet financial commitments. The Company's liquidity risk is managed by the Investment Manager who monitors the cash positions on a regular basis. The Company's overall liquidity risks are monitored on a regular basis by the Board of Directors and a formal report is made by the Investment Manager to the Directors at each Board Meeting.

As at 30 June 2023 and 30 June 2022, the Company had no significant financial liabilities other than short-term payables arising directly from investing activity and derivative financial liabilities used to minimise the Company's foreign currency exposure.

20 Capital risk management

The fair value of the Company's financial assets and liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, redeemable participating preference shares are considered to be capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and be viable in order to pursue its investment objectives. The Board regularly reviews the Company's capital structure, including gearing levels. It also decides the extent to which any return of capital or income may be made to shareholders by way of dividends or share repurchases. It is the Board's intention to increase the market capitalisation of the Company not only through capital gain on the portfolio but also through further issuance of shares when demand permits and the shares are trading at a sufficient premium to NAV per share.

To assist with the marketing of the Company's shares, the Company intends to operate in such a manner that its shares are not categorised as non-mainstream pooled investments. This requires the Company to act so that it would qualify as an investment trust if it were UK tax-resident. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive on an annual basis.

The Company has the ability to borrow up to 30% of its NAV at any time for short-term or temporary purposes as is necessary for the settlement of transactions, to facilitate redemption (where applicable) or to meet ongoing expenses. At the year end the Company had no borrowings (30 June 2022: Nil). The Company does not have, nor does it intend to adopt, any structural gearing. The gearing ratio below is calculated as total liabilities divided by total equity.

	30 June 23 £	30 June 22 £
Total assets	1,093,537,269	974,955,761
Less: total liabilities	(1,496,934)	(22,170,988)
Total equity	1,092,040,335	952,784,773
Gearing ratio	0.14%	2.33%

The Board considers this gearing ratio to be adequate since total liabilities, which relates only to trade and other payables and unrealised losses on open forward foreign currency contracts, represents a very small proportion of the Company's total assets.

The Company has no externally imposed capital requirements.

Redemption facility

In addition to the Company having the authority to purchase shares when deemed appropriate by the Directors, the Company has a Redemption Facility (which takes the form of a tender offer to all holders of redeemable participating preference shares). This facility may operate annually, in November each year, at the discretion of the Directors. Redemptions on any Redemption Date may be restricted to a maximum of 25% in aggregate of the Shares then in issue, with any tender requests from shareholders in excess of this being scaled back pro rata.

The facility is intended, together with share buybacks, to address any imbalance in the supply and demand for the shares and to assist in maintaining a narrow discount to the NAV per Share at which the shares may be trading.

Purchase of own shares by the Company

A special resolution was passed on 2 December 2022 which authorised the Company, in accordance with The Companies (Guernsey) Law, 2008, to make purchases of its own shares as defined in that Ordinance of its redeemable participating preference shares of 0.01p each, provided that –

i the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital

ii the minimum price (exclusive of expenses) which may be paid for a share is 0.01p, being the nominal value per share

iii the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy back and Stabilisation Regulation (No 2237 of 2003)

iv acquisitions may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to the lower of the undiluted or diluted NAV v the authority conferred shall expire at the conclusion of the AGM of the Company in 2023 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time and

vi the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract. No such repurchases of shares were made during the year (30 June 2022: Nil).

21 Subsequent events

These Financial Statements were approved for issuance by the Board on 3 October 2023. Subsequent events have been evaluated up until this date.

Subsequent to the year end, the Company has purchased 150,000 of its own shares into treasury at an average price of £2.6325 per share.

A second interim dividend of 1.65p per share in respect of the year ended 30 June 2023 was declared on 4 October 2023. The dividend is payable on 27 October 2023 to shareholders on record at 13 October 2023.

Portfolio statement as at 30 June 2023

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Government bonds 53.28%				
(30 Jun 22: 36.42%)				
Non-UK index-linked bonds				
US Treasury inflation indexed bond 0.625% 15/01/2026	USD	45,000,000	43,061,439	3.94
US Treasury inflation indexed bond 0.625% 15/02/2051	USD	26,467,000	16,109,479	1.48
US Treasury inflation indexed bond 0.625% 15/02/2052	USD	69,810,000	39,501,057	3.62
US Treasury inflation indexed bond 0.625% 15/02/2053	USD	32,523,000	25,308,007	2.32
Total non-UK index-linked bonds			123,979,982	11.36
Long-dated index-linked gilts				
UK index-linked gilt 0.375% 22/03/2062	GBP	10,744,368	14,677,291	1.34
UK index-linked gilt 0.125% 22/11/2065	GBP	9,800,000	11,099,223	1.02
UK index-linked gilt 0.125% 22/03/2068	GBP	19,020,000	22,440,548	2.05
UK index-linked gilt 0.125% 22/03/2073	GBP	37,500,000	38,225,049	3.50
Total long-dated index-linked gilts			86,442,111	7.91
Short-dated bonds				
Australia 0.25% 21/11/2024	AUD	36,200,000	17,982,361	1.65
Australia 2.75% 21/04/2024	AUD	42,000,000	21,769,089	1.99
UK gilt 2.25% 07/09/2023	GBP	24,000,000	23,867,280	2.19
UK gilt 0.75% 22/07/2023	GBP	23,152,000	23,097,361	2.12
Japan 0.005% 01/04/2024	JPY	6,379,450,000	34,863,578	3.19
Japan 0.005% 01/05/2024	JPY	6,378,900,000	34,861,268	3.19
Japan 0.005% 01/06/2024	JPY	6,379,450,000	34,866,363	3.19
Japan 0.005% 01/07/2024	JPY	6,380,300,000	34,871,706	3.19
Japan 0.005% 01/08/2024	JPY	6,391,900,000	34,939,991	3.20
US Treasury floating rate bond 31/10/2024	USD	69,862,000	55,027,255	5.05
US Treasury floating rate bond 31/01/2024	USD	69,923,800	55,037,952	5.05
Total short-dated bonds			371,184,204	34.01
Total government bonds			581,606,297	53.28
Corporate bonds 0.20%				
(30 Jun 22: 0.22%)				
PFCLN 9.75% 15/11/2026	USD	3,600,000	2,211,380	0.20
Total corporate bonds			2,211,380	0.20

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Equities 13.57%				
(30 Jun 22: 26.66%)				
Europe				
Arcelormittal	EUR	144,081	3,086,654	0.28
Banco Santander	EUR	410,000	1,192,442	0.11
Bank of Ireland	EUR	341,790	2,566,435	0.25
Bayer	EUR	113,200	4,929,944	0.45
Dassault Aviation	EUR	12,600	1,985,770	0.18
Grifols	EUR	35,480	357,940	0.03
Groupe Bruxelles Lambert	EUR	24,100	1,494,420	0.14
Danone	EUR	38,600	1,862,167	0.17
Hellenic Telecom	EUR	43,650	589,652	0.05
JDE Peets	EUR	66,690	1,561,086	0.14
Orange	EUR	55,016	505,862	0.05
Prosegur Cash	EUR	720,973	368,014	0.03
Vallourec	EUR	250,541	2,326,283	0.21
Vivendi	EUR	225,000	1,625,290	0.15
Volkswagen	EUR	15,200	1,604,510	0.15
Total Europe equities			26,056,469	2.39
United Kingdom				
Admiral Group	GBP	89,675	1,866,137	0.17
Ashmore	GBP	530,000	1,101,340	0.10
BAE Systems	GBP	177,010	1,640,883	0.15
Balfour Beatty	GBP	305,000	1,039,440	0.10
Beazley	GBP	272,700	1,604,840	0.15
BP	GBP	1,123,582	5,150,500	0.47
British American Tobacco	GBP	19,527	509,167	0.05
Conduit	GBP	274,000	1,263,140	0.12
Glencore	GBP	691,356	3,073,077	0.28
Grit Real Estate	GBP	3,743,544	1,123,063	0.10
GSK	GBP	115,800	1,608,230	0.15
Haleon	GBP	232,500	749,115	0.07
Hipgnosis Songs Fund	GBP	5,000,000	3,980,000	0.36
Jet2	GBP	124,200	1,547,532	0.14
Man Group	GBP	345,600	754,790	0.07
Marks & Spencer	GBP	1,102,630	2,123,665	0.19
PRS REIT	GBP	2,500,000	2,007,500	0.18

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Reckitt Benckiser	GBP	22,200	1,312,464	0.12
Renn Universal Growth Trust	GBP	937,500	0	0.00
Rolls-Royce Holdings	GBP	941,455	1,422,539	0.13
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	8,812,245	21,484,254	1.97
Science Group	GBP	345,250	1,450,050	0.13
Taylor Maritime Investments	GBP	4,515,000	3,386,250	0.31
Trident Royalties	GBP	7,557,947	3,401,076	0.31
Tufton Oceanic Assets	USD	2,562,500	1,976,895	0.18
Unilever	GBP	50,000	2,048,750	0.19
Vodafone Group	GBP	686,500	508,010	0.05
Whitbread	GBP	27,000	914,220	0.08
Total UK equities			69,046,927	6.32
North America				
Amazon	USD	34,259	3,513,550	0.32
Bank of America	USD	36,500	824,360	0.08
Cigna	USD	16,533	3,650,848	0.33
Coty A	USD	283,000	2,735,763	0.25
Exxon Mobil	USD	15,800	1,333,479	0.12
General Electric	USD	19,500	1,686,275	0.15
General Motors	USD	54,000	1,638,747	0.15
GoDaddy A	USD	22,285	1,318,013	0.12
Grifols ADR	USD	66,561	478,916	0.04
Jackson Financial	USD	103,525	2,493,793	0.23
M&T Bank	USD	5,000	486,972	0.04
Meta Platforms	USD	9,260	2,091,026	0.19
Noble	USD	19,700	640,642	0.06
NOV	USD	123,100	1,554,376	0.14
Pfizer	USD	62,000	1,789,766	0.16
Pioneer Natural	USD	20,000	3,260,647	0.30
PNC Financial	USD	8,900	882,013	0.08
Ryanair ADR	USD	32,900	2,864,473	0.26
Suncor Energy	CAD	47,000	1,083,413	0.10
Synchrony	USD	14,299	381,704	0.04
Total North America equities			34,708,776	3.16

	Currency	Holding at 30 June 23	Fair value £	% of total net assets
Asia (ex-Japan)				
Alibaba Group ADR	USD	72,655	4,767,216	0.44
Taiwan Semiconductor Manufacturing	USD	80,000	6,353,775	0.58
Weiss Korea	GBP	800,000	1,400,000	0.13
Total Asia (ex-Japan) equities			12,520,991	1.15
Other equities				
AMBEV SA	USD	2,422,044	6,044,147	0.55
Total other equities			6,044,147	0.55
Total equities			148,377,310	13.57
Commodity exposure 8.10% (30 Jun 22: 3.13%)				
Wisdomtree Brent crude oil	USD	1,812,000	61,935,795	5.67
Wisdomtree copper	USD	773,502	20,313,333	1.86
Yellow Cake	GBP	1,521,220	6,218,747	0.57
Total commodity exposure			88,467,875	8.10
Gold exposure and gold equities 5.02% (30 Jun 22: 8.17%)				
Ishares Physical Gold	USD	907,624	26,664,983	2.44
LF Ruffer Gold Fund*	GBP	11,158,837	28,201,683	2.58
Total gold exposure and gold equities			54,866,666	5.02
Protection strategies and derivatives 14.84% (30 Jun 22: 17.99%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	110,392,473	88,621,863	8.12
Ruffer Protection Strategies*	GBP	9,334,953	73,388,323	6.72
Total protection strategies and derivatives			162,010,186	14.84
Total investments			1,037,539,714	95.01
Cash and other net current assets			54,500,621	4.99
			1,092,040,335	100.00

* Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 Ltd are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. LF Ruffer Gold Fund and Ruffer SICAV UK Mid and Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

General information

Ruffer Investment Company Limited was incorporated in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The Company launched on the London Stock Exchange on 8 July 2004, with a launch price of 100p per share and an initial net asset value of 98p per share. 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. The Company invests predominantly in internationally listed or quoted equities or equity related securities (including convertibles) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's redeemable participating preference shares are listed on the London Stock Exchange.

The Company reports its audited annual results each year for the year ended 30 June, and its unaudited interim results for the six months ended 31 December. These Financial Statements were authorised for issue on 3 October 2023 by the Directors.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope Alternative Investment Fund Manager (AIFM). The Investment Manager is entitled to an investment management fee payable to the AIFM monthly in arrears at a rate of 1% of the Net Asset Value per annum.

The Investment Manager and the Board intend to conduct the affairs of the Company so as to ensure that it will not become tax resident in the United Kingdom. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Company will not be subject to United Kingdom Corporation Tax or Income Tax.

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this requires the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis.

Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited) (the 'Administrator') is entitled to receive an annual fee equal to 0.08%. per annum on the first £100 million; 0.04%. per annum between £100 million and £200 million; 0.02%. per annum between £200 million and £300 million; and 0.015%. per annum thereafter; based on the NAV of the Company on a mid-market basis, subject to a minimum fee of £100,000 per annum.

Northern Trust (Guernsey) Limited (the 'Custodian') is entitled to receive from the Company a fee of £2,000 per annum. The Custodian is also entitled to charge for certain expenses incurred by it in connection with its duties.

Northern Trust (Guernsey) Limited (the ‘Depositary’) is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the Net Asset Value of the Company up to £100 million, 0.008% on the next £100 million and 0.006% thereafter as at the last business day of the month subject to a minimum fee of £20,000 per annum.

Management and administration

Directors
Christopher Russell
Shelagh Mason
Nicholas Pink
Susie Farnon (appointed 1 September 2022)
Solomon Soquar (appointed 2 December 2022)
Jill May (retired 2 December 2022)
David Staples (retired 2 December 2022)

Registered Office
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

Independent Auditor
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port
Guernsey GY1 3HW

Investment Manager and Alternative Investment Fund Manager
Ruffer AIFM Limited
80 Victoria Street
London SW1E 5JL

Solicitors to the Company as to UK law
Gowling WLG
4 More London Riverside
London SE1 2AU

CREST Agent
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Company Secretary and Administrator
Sanne Fund Services (Guernsey) Limited
(formerly Praxis Fund Services Limited)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL

Sponsor and broker
Investec Bank plc
30 Gresham Street
London EC2V 7QP

Custodian
Northern Trust (Guernsey) Limited
Trafalgar Court, Les Banques
St Peter Port
Guernsey GY1 3DA

Depositary
Northern Trust (Guernsey) Limited
Trafalgar Court, Les Banques
St Peter Port
Guernsey GY1 3DA

Advocates to the Company as to Guernsey law
Mourant Ozannes (Guernsey) LLP
Royal Chambers
St Julian’s Avenue
St Peter Port
Guernsey GY1 4HP

Appendix (unaudited)

Regulatory performance data

To 30 Jun %	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annualised
RIC NAV TR	8.9	14.0	0.1	6.0	23.8	15.1	16.5	0.7	3.4	9.5	1.8	-1.0	12.4	1.6	-6.0	8.4	13.5	11.4	3.0	-1.7	7.2
FTSE All-Share TR	12.3	22.0	16.8	5.3	-29.9	30.1	14.5	-3.5	12.3	20.8	1.2	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	-4.6	7.9	7.0
Twice UK Bank Rate	9.9	9.4	11.0	11.2	3.4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	1.5	0.5	0.2	0.7	6.5	3.2
FTSE All-World	13.6	13.6	15.2	16.5	-8.0	-13.2	23.8	21.7	-4.0	21.4	9.6	10.2	14.0	23.0	9.4	10.1	5.7	25.0	-3.6	11.7	8.3
Bloomberg Global Agg	-4.8	3.1	-5.7	-1.2	-0.1	3.4	3.4	-1.8	3.5	-1.7	1.9	-0.3	4.1	-4.1	-2.1	3.5	2.2	-3.1	-11.4	-3.3	2.3

Source: Ruffer, Bloomberg, FTSE International (FTSE)†. Please note that past performance is not a reliable indicator of 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. Calendar quarter data has been used up to the latest quarter end.

The portfolio data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in this product. Any decision to invest must be based solely on the information contained in the prospectus and the latest report and accounts. The Key Information document is provided in English and available on request or from ruffer.co.uk.

Alternative performance measures used in the Annual Report

Total NAV/Share price return

Total NAV return and total share price return are calculations showing how the NAV/share price per share has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV/share price on the last day of the month that the shares first trade ex-dividend. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

Year ended 30 June 23		Total NAV return	Total share price return
Opening LSE NAV/share price per share		293.36p	300.00p
Closing LSE NAV/share price per share	(a)	285.78p	276.00p
Dividends paid	(b)	2.60p	2.60p
Weighted average LSE NAV/share price per share on ex-dividend date	(c)	300.89p	307.42p
Dividend adjustment factor (d = b/c + 1)	(d)	1.0086	1.0085
Adjusted closing NAV/share price per share (e = a x d)	(e)	288.25p	278.33p
Total NAV/share price return		(1.7)%	(7.2)%

Year ended 30 June 22		Total NAV return	Total share price return
Opening LSE NAV/share price per share*		281.32p	287.00p
Closing LSE NAV/share price per share*	(a)	293.36p	300.00p
Dividends paid	(b)	3.05p	3.05p
Weighted average LSE NAV/share price per share on ex-dividend date*	(c)	291.53p	297.17p
Dividend adjustment factor (d = b/c + 1)	(d)	1.0105	1.0103
Adjusted closing NAV/share price per share (e = a x d)	(e)	296.43p	303.08p
Total NAV/share price return		5.4%	5.6%

* The prior year NAV return has been restated based on the Company's NAVs published on the LSE rather than the IFRS NAVs, as this is consistent with the information published by the Investment Manager during the year in its monthly factsheets.

Share premium/(discount) to NAV

Share premium or (discount) to NAV is the amount by which the share price is higher/lower than the NAV per share, expressed as a percentage of the NAV per share, and provides a measure of the Company's share price relative to the NAV.

NAV per share

NAV per share is a calculation of the Company's NAV divided by the number of shares in issue at the NAV date and provides a measure of the value of each share in issue.

Market capitalisation

Market capitalisation is the value of a company that is traded on the stock market, calculated by multiplying the total number of shares by the share price on the reference date.