Ruffer Investment Company Limited

Half-yearly financial report
for the period ended
31 December 2019 (unaudited)

Contents

Key performance indicators

	31 Dec 19 %	31 Dec 18 %
Share price total return over six months[1]	3.80	(10.02)
NAV total return per share over six months[1]	3.35	(5.08)
Discount of traded share price to NAV	(3.47)	(3.83)
Dividends per share over six months[2]	0.9p	0.9p
Annualised dividend yield[3]	0.80	0.87
Annualised NAV total return per share since launch[1]	7.17	7.30
Ongoing charges ratio[4]	1.07	1.20

Financial highlights

	31 Dec 19	30 Jun 18
Share price	223.32p	216.00p
NAV as calculated on an IFRS basis	£418,228,717	£406,274,997
NAV as reported to the LSE[5]	£418,351,672	£406,745,803
Market capitalisation	£403,736,691	£390,502,979
Number of shares in issue	180,788,416	180,788,416
NAV per share as calculated on an IFRS basis	231.34p	224.72p
NAV per share as reported to the LSE[5]	231.40p	224.98p

Company information

Incorporation date	1 June 2004	
Launch date	8 July 2004	
Launch price	100p per share	
Initial net asset value	98p per share	
Accounting dates	Interim 31 December (Unaudited)	Final 30 June (Audited)

1 Assumes reinvestment of dividends
2 Dividends per share over six months relates to declared during the period
3 Annualised dividend yield is calculated using share price at the period end and dividends during the period
4 See note 7
5 This is the NAV/NAV per share (NAVPS) as released on the LSE. The NAV/NAVPS is calculated weekly and at month end. Refer to note 12 on page 28 for the reconciliation to the NAV/NAVPS as per the Financial Statements

Chairman's review

Performance

Over the six months under review, the Company's Net Asset Value (NAV) rose from 224.72p to 231.34p (a total return of +3.35% including dividends paid), whilst the share price appreciated from 216.00p to 223.32p (a total return of +3.80% including dividends). During the 12 months to 31 December 2019 the Company's NAV rose by 8.4% and the share price rose by 8.7%, both on a total return basis. After a disappointing 2018, this return has more than made up the lost ground and is ahead of our long-term average. Importantly it has been achieved while carrying a significant amount of protection in the portfolio. In the context of our principal objective, which is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England Bank Rate (1.5%), this was a good result. Incidentally, your Board has often discussed the benchmark with Ruffer AIFM Limited (the 'Investment Manager' or the 'Manager'), given how low interest rates have been over the last decade. The Directors concluded that, as we believe that this Company is bought mainly by those institutions and individuals whose primary motivation is to invest in a vehicle that will preserve their capital, the target remains relevant. As we saw in 2019, the returns can be well ahead of this benchmark, but it remains a useful baseline.

The Directors like to monitor how Ruffer Investment Company Limited ('the Company') is performing on a risk-adjusted basis. A characteristic of many absolute return investment strategies is that, relative to equity indices, they tend either to look stellar (in falling markets) or pedestrian (in rising markets), when the truth is that they may be doing the same thing in both scenarios. For this reason, many professional investors look at Sharpe and Sortino ratios. We have included the details for the Company below – a higher ratio equates to a better risk-adjusted return. The purpose of these measures is to look beyond simple returns and measure the return in relation to the amount of risk taken. This is key for a capital preservation vehicle as investors are likely to place as much emphasis on risk as they do on returns. The Sharpe Ratio measures the average portfolio return less the risk-free rate of interest divided by variability of the portfolio return, which represents risk. For example, since its inception, the Company has produced 35% more return per unit of risk than global stock markets (0.85/0.63 from the table below).

The Sortino Ratio is an adaptation of the Sharpe Ratio. While the Sharpe ratio estimates risk by the variability of returns, the Sortino Ratio only takes into account downside variability. This seems more intuitive as investors tend to be less concerned about volatility when prices are rising. Again, the results for the Company since inception should appeal to investors; a Sortino Ratio of 1.84 compared to 0.59 for the MSCI World Index – interestingly the equity index's Sortino Ratio is lower than its Sharpe Ratio, whereas the opposite is the case for the Company – this shows both how the Company has acted as a genuine diversifier to equity exposure and also how damaging the impact of a bear market can be to equity investors.

	Sharpe ratio	Sortino ratio
Ruffer Investment Company since inception (July 2004)	0.85	1.84
MSCI World Index since July 2004	0.63	0.59

MSCI World Index in GBP priced at US market close. Source: Bloomberg. Ruffer Investment Company data is Total Return NAV. All data measured to 31 December 2019.

The eagle-eyed amongst you will have noted the sharp fall in the Ongoing Charges Ratio from 1.20% in the prior period to 1.07% during this period. This useful reduction in costs was primarily due to the appointment of Praxis IFM as Administrator and Company Secretary in early 2019.

Earnings and dividends

Earnings for the half year were 1.21p per share on the revenue account (2018: 0.94p per share) and 6.30p per share on the capital account (2018: loss of 12.63p per share). Earnings from the revenue account remain on the low side due to the high weightings in index-linked securities, unconventional protective assets, gold and gold equities, most of which yield next to nothing, but instead have valuable capital preservation qualities.

Recent adjustments to the portfolio

As outlined in the Investment Manager's Report, there were some material asset allocation changes in the last six months – notably the reduction in long dated index-linked gilts and the increase in UK equities. These appear to have been well timed. The sales of index-linked stock did not suffer from any adverse liquidity consequences. In total, the sale of £975 million of index-linked gilts across Ruffer LLP's ('Ruffer') portfolios – a material amount – was achieved within seven business days and had no discernible market impact. This is what the Manager had expected and the Board is reassured to see proof of its assumptions.

Responsible investing

If there has been one topic which has come to the fore over the past 12 months during discussions with asset managers it has been that of environmental, social and governance (ESG) considerations. Naturally, your Directors interrogated the Manager on this subject and its plans for the future. We already knew that Ruffer had been undertaking a great deal of work in this area for a number of years, and we learnt that there are ambitious plans to do more going forward. Ruffer appears to be well ahead of the competition in embedding ESG into their investment process and using it to identify both risks and opportunities in their investment universe. They believe that investing responsibly will lead to better long-term outcomes for their clients and that ESG considerations are important drivers of investment performance. With a relatively concentrated portfolio of equities they are able to have an impact when engaging with senior management of their investee companies.

What does an integrated ESG approach look like for Ruffer? Put simply, the decision to invest in companies is based on both financial and ESG analysis and they will use voting powers to both support and challenge management. Full details of Ruffer's work in this area are disclosed on the Ruffer website with a diverse array of examples from climate change to indigenous rights and executive pay to workforce safety. Your Directors were encouraged to discover recently that Ruffer ruled out an investment in a cruise ship company as they had been involved in the dumping of waste at sea. This sort of behaviour was indicative of an inadequate governance structure in this particular company which was also evident in their approach to disclosing details on carbon emissions and their attitude to tackling climate change. Your Manager's dedicated Responsible Investment Team work closely with the analysts in the research team to identify and evaluate the risks and impacts to the environment and society that could arise as a result of a company's operations. The risks associated with weak corporate governance practices are also considered. Ruffer uses MSCI ESG Research and other relevant sources, such as the Sustainability Accounting Standards Board (SASB), Transition Pathway Initiative (TPI) and the Carbon Disclosure Project (CDP) to inform their analysis. Ruffer was an early signatory to the UN Principles for Responsible Investment (UNPRI) in order to strengthen their commitment to integrating ESG into their investment approach. Lastly on this topic, Ruffer as a business was first certified as being carbon neutral in 2017.

Voting at shareholder meetings

Ruffer also believe that they have a duty to act as responsible stewards of their clients' assets, and so they use their professional judgement to determine when to engage and how to vote at shareholder meetings to best protect the economic interests of their clients, while being cognisant of the impact on all stakeholders. Your Company votes on all resolutions of its underlying investee companies. The Manager believes that engagement with the companies in which it invests is an effective tool to achieve meaningful change and gives it an opportunity to improve its understanding of investee companies. On issues such as climate change, it often engages through collaborative initiatives such as Climate Action 100+, to which Ruffer was a founding signatory. Ruffer take the opportunity to vote seriously, as it enables them to encourage boards and management teams to consider and address areas that they are concerned about. We have co-filed resolutions where it was felt this was the most appropriate course of action.

Board matters

I have previously mentioned the steps which we are taking to refresh the Board. We have engaged a full service specialist investment trust head hunter to help us with this process and we have now narrowed a strong field to five offshore candidates and five onshore candidates. Once the two appointments have been made, we will send out an announcement. John Baldwin will retire before June 2020, whilst I will depart at the end of this year. On other Board matters, I am grateful to David Staples and Chris Russell for their work on the recruitment of a Board Apprentice, through a scheme run by the Guernsey Training Agency. Following a series of interviews Ms Susan Norman was appointed on 18 November 2019 and she will understudy the Board for 12 months. This is part of a UK-wide scheme which was founded to help educate and train future board members and widen and diversify the pool of board-ready individuals.

Share buyback authority

This power has not been invoked over the period of this report. The Board sought at the AGM on 5 December 2019 a renewal of its authority to buy back shares at a discount to NAV and this Resolution was carried. We have the mechanisms in place to buy back shares if the NAV were to fall to a persistent or significant discount. We do not think it sensible to have a rigid formula in place, but rest assured that we will act to prevent the Company falling to a sustained and meaningful discount. As it happens, we came very close to buying back shares in the period but our broker had an order to purchase shares for a client at the same time, so we desisted.

Outlook

The decisive Conservative election victory has spurred on the UK Equity market, and it seems to me that there is more ground to be made up, since the underperformance of the UK market relative to its global peers since the Brexit vote on 23 June 2016 is stark. The twin threats of a socialist government and the uncertainty over Brexit are receding, leaving the UK as a much more attractive place in which to invest. Your Company, with 17% now allocated to UK equities (and many of those with a domestic focus), is well positioned to benefit. Regarding the recently emerged

COVID-19 coronavirus threat, the Board is monitoring its spread and the Manager has confirmed that it is in contact with our investee companies about the likely impact.

While continuing to look for attractive opportunities in equity markets, your Manager is ever cognisant of the risks hanging over financial markets. This bull market is now long in the tooth and corporate profits are being maintained by share buybacks and cost cutting, whilst the amount of debt outstanding now dwarfs the position which prevailed in 2008. Interest rates are at all-time lows and thus there is little ammunition left to offset any downturn. Investors in this Company should understand that the strategy is to try to preserve and grow their assets. The Manager and the Directors are firmly of the belief that the path to superior long-term returns often means protecting what you have. Of course this means that we may miss out on some apparently easy returns when markets are at their most exuberant – this is the price of protecting when the downturn comes. The nature of some of the Company's protective investments is that there is an absolute cost as well as an opportunity cost. The role of the Manager is to seek out returns to cover this cost and grow our shareholders' assets, knowing that when the storm hits these 'insurance policies' will earn their keep. As at today, whilst the markets are enduring a sharp fall, the portfolio's protective assets are performing as expected. Your Directors remain confident that the Company is pursuing the right course – when this approach will be vindicated, is, of course, the unknown element.

Ashe Windham

28 February 2020

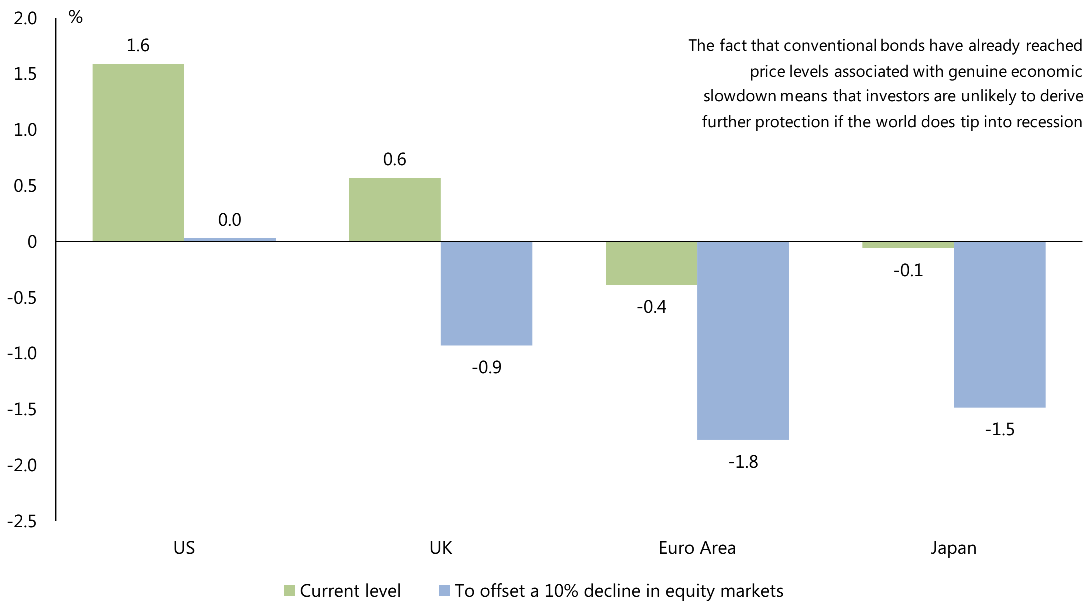
Investment Manager's report

Performance review

The Chairman's statement details how the positive return of the six months to 31 December 2019 has resulted in an increase in NAV of 8.4% for calendar year 2019 including dividends. This is marginally ahead of our average total annual return (7.2%) since inception 15 years ago and ahead of our 12 month objective. The last six months have demonstrated how the Ruffer investment strategy should perform. When markets were rising (which they did for most of the period) we were able to capture some of that upside and when they fell (August being the only example of a significant fall in equity markets) we were able to protect our shareholders (NAV was up 0.6% in August). While these are very short time periods to analyse, they do help us to test the resilience of the current portfolio and we remain confident that the current asset allocation is well placed to achieve our investment objectives in a variety of market scenarios.

In the past we have written about the dangers of the rising tide of liquidity, which has floated all boats in financial markets. This was undoubtedly the case in 2019. The chart below shows how far bond yields would have to fall to offset a 10% decline in equities in a traditional balanced portfolio. The conclusion? Bonds are highly unlikely to do well enough to offset the losses. We rely on our protective assets going up in such a scenario and not just standing still. This makes the unconventional credit and option protection in the Company intensely interesting and a clear differentiator from conventional defensive portfolios.

To offset a 10% equity fall in a 60/40 'balanced' portfolio, bond yields have to plunge



Source: Bloomberg, Morgan Stanley and Ruffer analysis. Assumes bond exposure is all to the benchmark 10 year issue. Data as at February 2020.

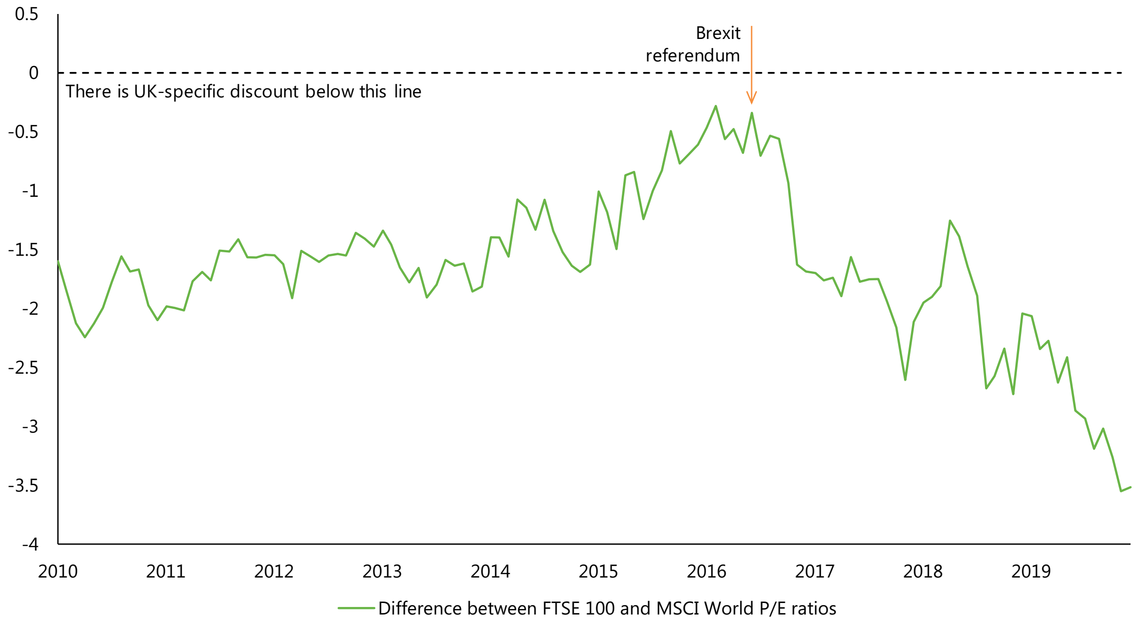
The role of the Company should be to give investors something in their portfolios, which, in a market downturn, can add value or be used as a source of cash should they need to draw on their funds in extremis.

Of course, we want to make steady positive progress in benign markets and in the last six months notable positive contributions came from UK equities (+186bps) and Japanese equities (+167bps), gold (+93bps) and interest rate protection (+78bps), while credit protection (-119bps) and equity protection (-66bps) were the principal detractors as loose monetary policy continued to support markets.

Portfolio changes

UK equities – we have added significantly to UK equities in the last six months such that they are now our largest geographical equity weighting at 17% (30 June 2019: 11%). The Tory election victory has both removed the risk of a socialist government for the foreseeable future and increased the certainty on the path of Brexit. Noise from trade negotiations will take some of the gloss off this story, but regardless of that it seems likely that capital will flow into the UK and we will see a pick-up in corporate activity from pent-up demand, which has been waiting to see how the cards would fall. The Brexit/sterling discount makes UK companies look cheap in expensive global markets (as demonstrated in the chart below).

12 months forward price/earnings ratio of the FTSE 100 compared to MSCI world



Source: Bloomberg, monthly data as at 31 December 2019

We believe there is now a compelling story for the international investor, who has rightly shunned the UK for the last few years. Trade buyers and private equity sponsors have access to cheap financing and a willingness to do deals, and Britain is suddenly open for business. As an anecdotal example we witnessed another opportunistic takeover of one of the Company's UK holdings in October as cyber security business, Sophos (+17bps) was taken over at a 37% premium to the prevailing share price. We expect more transactions like this. Looking further forward it is likely that consumer confidence in the UK will pick up even if the fiscal boost takes longer to come through.

Ultra-long dated index-linked gilts – we have reduced the duration of our much-cherished long dated linkers. These performed strongly through the summer, and we grew increasingly concerned that generous spending promises from the government would see bond yields rise. Even if this eventually results in higher inflation, our concern was that the first move in bond yields would hurt the linkers. In the past we have hedged out some of this risk through interest rate options and financial sector equities. We continue to do this and both these investments performed well in the latter stages of the year, but we also felt that we should reduce our long duration exposure, and so long-dated index-linked gilts were taken down from 14% to 10% in October. It is important to emphasise that we retain confidence in the inflation story and the likelihood of falling real yields. The index-linked exposure remains our largest position. Many of the events of the last year have demonstrated that the direction of travel remains consistent – the intolerance of the market to higher interest rates and the fiscal splurge being the best examples. The value of long linkers has increased two and a half fold in the last 10 years and so locking in some profits feels appropriate.

US healthcare – elsewhere in equity markets we continue to look for undervalued opportunities and US healthcare stocks presented one such opportunity. Political noise from Democrat candidates for the US presidency indicated that a victory would herald free healthcare for all. The healthcare stocks suffered off the back of this (giving us a buying opportunity) but our analysis suggested that this is completely unaffordable and sure enough this has been revealed to be the case and healthcare stocks have bounced around 50% from their autumn lows netting us around 107 bps in performance.

Sterling – although this position has not changed much in the last six months, we have rolled our hedges to maintain a high sterling weighting. This has been justified as sterling rallied 4% against the US dollar over the period and 6% against the euro. Many UK based global investors have been held back by this headwind and so it is valuable that these hedges have proved their worth.

During the period we took a small amount of profits from the gold equity trade we added to in size in mid-2018. Total sales were slightly less than 50bps but the LF Ruffer Gold Fund was up 70% since those additions. The LF Ruffer Gold Fund remains our largest position in the portfolio at 7.1%. We continue to view the prospects positively for gold mining shares as there are two ways to win – either macro events will develop favourably for gold or if capital markets stay open we will see further deals and consolidation in the sector.

Investment outlook

We should not forget how extraordinary current conditions are. In the Annual Financial Report we referred to the large amount of debt trading at negative yields across the world and how this has distorted the prices of many different asset classes. This distortion persists and if there is a lesson to be learned from the last 15 years it is that these things can go on longer than seems logical. Much has been written about what would have happened had the Federal Reserve ('the Fed') not performed a spectacular u-turn 12 months ago. Perhaps the more interesting question will be whether in a decade's time that volte-face will matter, or, as we believe, will simply be seen to have put off the inevitable. However, we also acknowledge that the Fed has masterfully kept the show on the road in recent years and our investment strategy needs to be able to capture some of the benefit should that continue in the short to medium term.

Looking forward we worry about the combination of highly indebted corporates and consumers, a widespread insouciance on inflation and growing concerns about liquidity mismatches in financial markets. 12 months ago no one thought that markets would rise over the following year and now no one thinks that they can fall. We remain positioned to protect and grow our investors' assets in either outcome.

Ruffer AIFM Limited

28 February 2020

Top ten holdings

Investments	Currency	Holding at 31 Dec 19	Fair value £	% of total net assets
LF Ruffer Gold Fund*	GBP	14,102,178	29,551,043	7.07
Ruffer Illiquid Multi Strategies Fund 2015†	GBP	55,461,992	24,298,564	5.81
US Treasury inflation indexed bond 0.625% 15/07/2021	USD	22,350,000	19,464,991	4.66
UK index-linked gilt 0.125% 22/03/2068	GBP	6,600,000	18,194,046	4.36
UK index-linked gilt 0.375% 22/03/2062	GBP	5,900,000	16,363,373	3.91
US Treasury inflation indexed bond 0.125% 15/04/2021	USD	20,000,000	16,346,603	3.91
UK index-linked gilt 2.000% 22/07/2020	GBP	15,000,000	15,111,750	3.61
US Treasury inflation indexed bond 0.125% 15/04/2020	USD	18,234,000	15,097,182	3.61
US Treasury inflation indexed bond 1.25% 15/07/2020	USD	15,090,000	13,553,629	3.24
US Treasury inflation indexed bond 1.125% 15/01/2021	USD	15,000,000	13,433,767	3.21

* LF Ruffer Gold Fund is classed as a related party because its investment manager, Ruffer LLP, is the parent company of the Company's Investment Manager.

† Ruffer Illiquid Multi Strategies Fund 2015 Ltd is classed as a related party as it shares the same Investment Manager as the Company.

Statement of principal risks and uncertainties

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board, through its Audit Committee, has carried out a robust assessment of the principal risks and uncertainties facing the Company by using a comprehensive risk matrix as the basis for analysing the Company's system of internal controls while monitoring the investment limits and restrictions set out in the Company's investment objective and policy.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2019. The principal risks disclosed include investment risk, operational risk, accounting, legal and regulatory risk and financial risks. A detailed explanation of these can be found on page 13 of the Annual Financial Report. The Board and Investment Manager do not consider these risks to have materially changed during the six months ended 31 December 2019, and are not expected to change in the remaining six months of the financial year.

Going concern

The Directors believe that, having considered the Company's investment objective (see Business Model and Strategy on page 10 of the Annual Financial Report), financial risk management and associated risks (see note 19 to the Financial Statements on pages 81 to 93 of the Annual Financial Report) and in view of the liquidity of investments, the income deriving from those investments and its holding in cash and cash equivalents, the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least 12 months from the date of approval of these Interim Financial Statements.

Responsibility statement

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge

- the half-yearly financial report and Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting as adopted by the European Union; and
- the half-yearly financial report and Unaudited Condensed Interim Financial Statements (including the Chairman's Statement and the Investment Manager's Report) meet the requirements of an interim management report and include a fair review of the information required by
  - a DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of principal risks and uncertainties for the remaining six months of the year and
  - b DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last Annual Financial Report that could do so.

On behalf of the Board

Ashe Windham Chairman	David Staples, Director
28 February 2020	28 February 2020

Independent review report to the shareholders of Ruffer Investment Company Limited

We have been engaged by Ruffer Investment Company Limited ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2019 which comprises the condensed statement of comprehensive income, condensed statement of financial position, the condensed statement of changes in equity and the condensed statement cash flows and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

St Peter Port

Guernsey

28 February 2020

Condensed statement of financial position (unaudited)

As at 31 December 2019

	Notes	31 Dec 19 £	30 Jun 19 £
Assets			
Non-current assets			
Investments at fair value through profit or loss	10,11	376,538,109	390,217,885
Current assets			
Cash and cash equivalents		39,953,139	19,375,840
Derivative financial assets	11	944,382	–
Trade and other receivables		1,515,821	556,885
Total current assets		42,413,342	19,932,725
Total assets		418,951,451	410,150,610
Liabilities			
Current liabilities			
Trade and other payables		523,927	3,543,576
Derivative financial liabilities	11	198,807	332,037
Total liabilities		722,734	3,875,613
Net assets		418,228,717	406,274,997
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	4	186,459,986	186,459,986
Capital reserve		132,792,164	121,407,708
Retained earnings		98,976,567	98,407,303
Total equity		418,228,717	406,274,997
Net assets attributable to holders of redeemable participating preference shares (per share)	12	231.34p	224.72p

The Unaudited Condensed Interim Financial Statements on pages 18 to 36 were approved on 28 February 2020 and signed on behalf of the Board of Directors by

Ashe Windham, Chairman

David Staples, Director

The notes on pages 22 to 36 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of comprehensive income (unaudited)

For the period ended 31 December 2019

	Notes	Revenue £	Capital £	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Fixed interest income		681,489	–	681,489	364,621
Dividend income		2,093,889	–	2,093,889	2,117,356
Net changes in fair value of financial assets at fair value through profit or loss	5,10	–	9,065,572	9,065,572	(16,376,855)
Other gains/(losses)	6	–	4,236,668	4,236,668	(4,342,668)
Total income/(loss)		2,775,378	13,302,240	16,077,618	(18,237,546)
Management fees	8	–	(1,917,784)	(1,917,784)	(1,891,129)
Expenses	7	(328,847)	–	(328,847)	(509,710)
Total expenses		(328,847)	(1,917,784)	(2,246,631)	(2,400,839)
Profit/(loss) for the period before tax		2,446,531	11,384,456	13,830,987	(20,638,385)
Withholding tax		(250,171)	–	(250,171)	(284,498)
Profit/(loss) for the period after tax		2,196,360	11,384,436	13,580,816	(20,922,883)
Total comprehensive income/(loss) for the period		2,196,360	11,384,436	13,580,816	(20,922,883)
Basic and diluted earnings/(loss) per share*		1.21p	6.30p	7.51p	(11.69p)

* Basic and diluted earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares. The weighted average number of shares for the period was 180,788,416 (31 December 2018: 179,033,254).

All items in the above statement are derived from continuing operations.

The notes on pages 22 to 36 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of changes in equity (unaudited)

For the period ended 31 December 2019

	Notes	Share capital £	Capital reserve £	Retained earnings £	Total 1 Jul 19 to 31 Dec 19 £
Balance at 30 June 2019		186,459,986	121,407,708	98,407,303	406,274,997
Total comprehensive income for the period		–	11,384,456	2,196,360	13,580,816
Transactions with Shareholders					
Distribution for the period	3	–	–	(1,627,096)	(1,627,096)
Balance at 31 December 2019		186,459,986	132,792,164	98,976,567	418,228,717

	Notes	Share capital £	Capital reserve £	Retained earnings £	Total 1 Jul 18 to 31 Dec 18 £
Balance at 30 June 2018		178,294,916	130,253,655	97,759,432	406,308,003
Total comprehensive loss for the period		–	1,687,769	(22,610,652)	(20,922,883)
Transactions with Shareholders					
Share capital issued	4	8,206,100	–	–	8,206,100
Share issue costs	4	(41,031)	–	–	(41,031)
Distribution for the period	3	–	–	(1,612,696)	(1,612,696)
Balance at 31 December 2018		186,459,985	131,941,424	73,536,084	391,937,493

Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and reserves, subject to satisfying a solvency test.

The notes on pages 22 to 36 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of cash flows (unaudited)

For the period ended 31 December 2019

	Notes	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Cash flows from operating activities			
Profit/(loss) for the period after tax		13,580,816	(20,922,883)
Adjustments for			
Net realised (gains)/losses on investments	5,10	(20,351,226)	23,547,487
Movement in unrealised losses/(gains) on investments	5,10	11,285,654	(7,170,632)
Realised (gains)/losses on forward foreign exchange contracts	6	(3,282,313)	5,577,426
Movement in unrealised gains on forward foreign exchange contracts	6	(1,077,612)	(1,094,722)
Foreign exchange losses/(gains) on cash and cash equivalents		123,257	(110,209)
Increase in trade and other receivables		(92,789)	(204,145)
(Decrease)/increase in trade and other payables		(332,040)	333,244
		(146,253)	(44,434)
Net cash received/(paid) on closure of forward foreign exchange contracts		3,282,313	(5,577,426)
Purchases of investments		(130,482,705)	(133,872,492)
Sales of investments		149,674,298	102,263,063
Net cash generated from/(used in) operating activities		22,327,652	(37,231,289)
Cash flows from financing activities			
Dividend paid	3	(1,627,096)	(1,612,696)
Proceeds from issue of redeemable participating preference shares		–	8,439,100
Share issue costs		–	(42,197)
Net cash (used in)/generated from financing activities		(1,627,096)	6,784,207
Net increase/(decrease) in cash and cash equivalents		20,700,556	(30,447,082)
Cash and cash equivalents at beginning of the period		19,375,840	47,636,234
Exchange (losses)/gains on cash and cash equivalents		(123,257)	110,209
Cash and cash equivalents at end of the period		39,953,139	17,299,361

The notes on pages 22 to 36 form an integral part of these Unaudited Condensed Interim Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period ended 31 December 2019

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, 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008. 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.

2 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's Unaudited Condensed Interim Financial Statements.

Basis of preparation

The Unaudited Condensed Interim Financial Statements for the period ended 31 December 2019 have been prepared using accounting policies consistent with IFRS and in accordance with IAS 34 as adopted by the European Union, and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

They have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

This half-yearly financial report, covering the period from 1 July 2019 to 31 December 2019, is not audited.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Report and should be read in conjunction with the Annual Financial Report for the year ended 30 June 2019, which was prepared in accordance with IFRSs as adopted by the European Union. The Audit Report on those accounts was not qualified.

Significant judgements and estimates

In the financial period under review, there were no changes to the significant accounting judgements, estimates and assumptions from those applied in the Annual Financial Report for the year ended 30 June 2019.

Standards, amendments and interpretations effective during the period

The accounting policies adopted are consistent with those used in the Annual Financial Report for the year ended 30 June 2019. There were no new standards, interpretations or amendments to standards issued and effective for the period that materially impacted the Company.

3 Dividends to shareholders

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

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Interim dividend of 0.9p (2018: 0.9p)	1,627,096	1,612,696

A second interim dividend of 0.95p per share in respect of the half year ended 31 December 2019 was declared on 28 February 2020. The dividend is payable on 27 March 2020 to shareholders on record at 13 March 2020

4 Share capital

	31 Dec 19 £	30 Jun 19 £
Authorised share capital		
Unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.10p each	75,000	75,000
	75,000	75,000

	Number of shares		Share capital	
	1 Jul 19 to 31 Dec 19	1 Jul 18 to 30 Jun 19	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 30 Jun 19 £
Issued share capital				
Redeemable Participating Preference Shares of 0.01p each				
Balance at start of period	180,788,416	177,188,416	186,459,986	178,294,916
Issued and fully paid during the period	–	3,500,000	–	8,206,100
Issued and awaiting settlement	–	100,000	–	–
Share issue costs	–	–	–	(41,030)
Balance as at end of period	180,788,416	180,788,416	186,459,986	186,459,986

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.

C shares

There were no C shares in issue at period end (30 June 2019: Nil).

Blocklisting and additional shares issued

At the start of the period, the Company had the ability to issue 6,321,341 redeemable participating shares under a blocklisting facility. No new redeemable participating preference shares were allotted and issued under the blocklisting facility during the period (30 June 2019: 3,600,000 for a total consideration of £8,206,100). New redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 31 December 2019, the Company had the ability to issue a further 6,321,341 (30 June 2019: 6,321,341) redeemable participating preference shares under the blocklisting facility.

Redeemable participating preference shares in issue

As at 31 December 2019, the Company had 180,788,416 (30 June 2019: 180,788,416) redeemable participating preference shares of 0.01 pence each in issue. Therefore, the total voting rights in the Company at 31 December 2019 were 180,788,416 (30 June 2019: 180,788,416).

Purchase of own shares by the Company

A special resolution was passed on 5 December 2019 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 0.01 pence 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 0.01 pence, 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 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)
- iv 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
- v the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2019 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 an acquisition of shares pursuant to any such contract.

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

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Net changes in financial assets at fair value through profit or loss during the period comprise		
Gains realised on investments sold during the period	22,393,284	12,751,383
Losses realised on investments sold during the period	(2,042,058)	(36,298,870)
Net realised gains/(losses) on investments sold during the period	20,351,226	(23,547,487)
Movement in unrealised (losses)/gains arising from changes in fair value	(11,285,654)	7,170,632
Net changes in fair value on financial assets at fair value through profit or loss	9,065,572	(16,376,855)

6 Other gains/(losses)

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Movement in unrealised gain on forward foreign currency contracts	1,077,612	1,094,722
Realised gains/(losses) on forward foreign currency contracts	3,282,313	(5,577,426)
Foreign exchange (losses)/gains on cash and cash equivalents	(123,257)	140,036
	4,236,668	(4,342,668)

7 Expenses

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Administration fee*	82,017	229,503
Directors' fees (note 8)	80,919	77,750
Custodian and Depositary fees*	40,066	37,874
Printing costs	3,626	20,616
Broker's fees	17,604	36,614
Audit fee	13,475	15,475
Auditor's remuneration for interim review	8,400	8,400
Other expenses	82,740	83,478
	328,847	509,710

*The basis for calculating the Administration fee as well as the Custodian and Depositary fees are set out in the General Information on pages 41 to 42.

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, gains or losses on investments and any other expenses of a non-recurring nature. The OCR for the current period has been calculated as the total ongoing charges for the period divided by the average net asset value over that period, in accordance with the methodology recommended by the Association of Investment Companies (AIC).

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Management fee (see note 8)	1,917,784	1,891,129
Other expenses (see above)	328,847	509,710
	2,246,631	2,400,839
Excluded expenses*	(27,000)	–
Total ongoing expenses	2,219,631	2,400,839
Average NAV	414,408,659	401,641,128
Annualised ongoing charges ratio†	1.07%	1.20%

*Excluded expenses in the current period include consultancy costs relating to Board recruitment & certain non-recurring project costs.

†In the Company's 2018 Interim Financial Report, the OCR for the period ended 31 December 2018 was reported as 1.18%, which was calculated as total ongoing charges divided by the opening IFRS NAV. In order to align the calculation with AIC methodology, and to provide comparability with the current period, the prior period OCR presented here has been recalculated using average NAV over the period.

8 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.

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 Company's Articles of Incorporation.

The market value of LF Ruffer Japanese Fund and LF Ruffer Gold Fund are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information, refer to the Portfolio Statement on pages 37 to 40.

Total management fees charged to the capital reserves of the Company, including the outstanding management fees at the end of the period, are detailed below.

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Management fees for the period	1,917,784	1,891,129

	31 Dec 19 £	30 Jun 19 £
Payable at end of the period	332,031	612,539

Shares held in Ruffer Management Limited (RML), the Managing Member of Ruffer LLP

As at 31 December 2019, an immediate family member of the Chairman, Ashe Windham, owned 100 (30 June 2019: 100) Shares in RML, the Managing Member of Ruffer LLP, which is the parent entity of the Investment Manager of the Company. This amounts to less than 1% (30 June 2019: less than 1%) of RML's issued share capital.

Directors

As at 31 December 2019, the Company had five non-executive Directors, all of whom were independent from the Investment Manager and its parent entity, Ruffer LLP. There was no change to directorships during the period ended 31 December 2019.

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 £200,000 (30 June 2019: £200,000) per annum.

Each Director was paid a fee of £28,750 (30 June 2019: £28,750) per annum, except for the Chairman who was paid £40,500 (30 June 2019: £40,500) per annum and the Chairman of the Audit Committee who was paid £33,000 (30 June 2019: £33,000) per annum.

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 31 Dec 18 £
Directors' fees for the period	80,919	77,750

	31 Dec 19 £	30 Jun 19 £
Payable at end of the period	–	–

Shares held by related parties

As at 31 December 2019, Directors of the Company held the following numbers of shares beneficially.

Directors

	31 Dec 19 shares	30 Jun 19 shares
Ashe Windham*	105,000	105,000
Christopher Russell	50,000	50,000
David Staples	40,000	40,000
Jill May	11,000	11,000
John V Baldwin	–	–
	206,000	206,000

* Ashe Windham holds 80,000 shares whilst his wife holds 25,000 shares

As at 31 December 2019, Hamish Baillie, Investment Director of the Investment Manager owned 205,000 (30 June 2019: 205,000) shares in the Company.

As at 31 December 2019, Steve Russell, Investment Director of the Investment Manager owned 6,450 (30 June 2019: 6,450) shares in the Company.

As at 31 December 2019, Duncan MacInnes, Investment Director of the Investment Manager owned 28,800 (30 June 2019: 28,800) shares in the Company.

As at 31 December 2019, Jonathan Ruffer, chairman of Ruffer LLP, owned 1,039,335 (30 June 2019: 1,039,335) shares in the Company.

As at 31 December 2019, Ruffer LLP (the parent entity of the Company's Investment Manager) and other entities within the Ruffer Group held 6,783,039 (30 June 2019: 6,775,074) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 31 December 2019, the Company held investments in five (30 June 2019: five) related investment funds valued at £81,822,744 (30 June 2019: £72,973,335). Refer to the Portfolio Statement on pages 29 to 32 for details.

9 Operating segment reporting

The Board of Directors makes the strategic decisions on behalf of the Company. The Company has determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for monitoring the Investment Manager's positioning of the Company's portfolio and considers the business to have a single operating segment.

There were no changes in the reportable segments during the period.

Revenue earned is reported separately in the Statement of Comprehensive Income as dividend income received from equities, and interest income received from fixed interest securities and bank deposits.

The Statement of Cash Flows separately reports cash flows from operating and financing activities.

10 Investments at fair value through profit or loss

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 30 Jun 19 £
Cost of investments at the start of the period/year	351,139,573	334,523,278
Acquisitions at cost during the period/year	127,795,096	295,763,936
Disposals during the period/year	(150,540,444)	(265,156,928)
Gains/(losses) on disposals during the period/year	20,351,226	(13,990,713)
Cost of investments held at the end of the period/year	348,745,451	351,139,573
Fair value above cost	27,792,658	39,078,312
Fair value of investments held at the end of the period/year	376,538,109	390,217,885

11 Fair Value Measurement

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value, and requires the Company to classify its financial instruments into the level of the fair value hierarchy that best reflects the significance of the inputs used in making fair value measurements. 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 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 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.

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy at 31 December 2019.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 19 total £
Financial assets at fair value through profit or loss				
Government index-linked bonds	137,548,026	–	–	137,548,026
Options	–	8,536,825	–	8,536,825
Equities	151,158,784	19,436,312	1,593,750	172,188,846
Gold and gold mining equities	1,908,605	29,551,043	–	31,459,648
Investment funds	1,617,000	25,187,764	–	26,804,764
Derivative financial assets	–	944,382	–	944,382
Total assets	292,232,415	83,656,326	1,593,750	377,482,491
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	198,807	–	198,807
Total liabilities	–	198,807	–	198,807

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy at 30 June 2019.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 19 total £
Financial assets at fair value through profit or loss				
Government index-linked bonds	103,537,709	–	–	103,537,709
Short dated conventional government bonds	54,914,791	–	–	54,914,791
Options	–	4,874,494	–	4,874,494
Equities	147,150,646	14,131,054	1,593,750	162,875,450
Gold and gold mining equities	6,628,974	24,760,560	–	31,389,534
Investment funds	1,716,000	30,909,907	–	32,625,907
Total assets	313,948,120	74,676,015	1,593,750	390,217,885
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	332,037	–	332,037
Total liabilities	–	332,037	–	332,037

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the period ended 31 December 2019, no transfers were made. In the prior year ended 30 June 2019, no transfers were made.

Movements in Level 3 investments

	1 Jul 19 to 31 Dec 19 £	1 Jul 18 to 30 Jun 19 £
Opening valuation	1,593,750	1,593,750
Unrealised movement on revaluation of investments	–	–
Closing valuation	1,593,750	1,593,750

Assets classified in Level 1 consist of listed or quoted equities or 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 forwards are fair valued using publicly available data. The foreign exchange forwards are shown as derivative financial assets and liabilities in the fair value hierarchy 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.

12 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 NAV to the LSE for 31 December 2019, not all the latest prices were available. Adjustments were made to the NAV in the Financial Statements once these prices became available. The following is a reconciliation of the NAV per share attributable to redeemable participating preference shareholders as presented in these Financial Statements, using IFRS, to the NAV per share reported to the LSE.

	31 Dec 19		30 Jun 19	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV published on the LSE as at the period/year end	418,351,672	2.3140	406,745,803	2.2498
Adjustments to valuations	(122,955)	(0.0006)	(470,806)	(0.0026)
Net assets attributable to holders of redeemable participating preference shares	418,228,717	2.3134	406,274,997	2.2472

13 Subsequent events

These Financial Statements were approved for issuance by the Board on 28 February 2020. Subsequent events have been evaluated up until this date.

A second interim dividend of 0.95p per share in respect of the half year ended 31 December 2019 was declared on 28 February 2020. The dividend is payable on 27 March 2020 to shareholders on record at 13 March 2020.

Portfolio statement (unaudited)

As at 31 December 2019

	Currency	Holding at 31 Dec 19	Fair value £	% of total net assets
Government index-linked bonds 32.89%				
(30 Jun 198 – 39.00%)				
United Kingdom				
UK index-linked Gilt 2.000% 22/07/2020	GBP	15,000,000	15,111,750	3.61
UK index-linked Gilt 1.875% 22/11/2022	GBP	1,500,000	2,386,392	0.57
UK index-linked Gilt 0.375% 22/03/2062	GBP	5,900,000	16,363,373	3.91
UK index-linked Gilt 0.125% 22/03/2068	GBP	6,600,000	18,194,046	4.36
			52,055,561	12.45
Japan				
Japanese Index Linked Bond 10/03/2026	JPY	350,000,000	2,525,373	0.60
Japanese Index Linked Bond 10/03/2027	JPY	350,000,000	2,543,678	0.61
Japanese Index Linked Bond 10/03/2028	JPY	350,000,000	2,527,242	0.60
			7,596,293	1.81
United States				
US Treasury Inflation Indexed Bond 0.125% 15/04/2020	USD	18,234,000	15,097,182	3.61
US Treasury Inflation Indexed Bond 1.250% 15/07/2020	USD	15,090,000	13,553,629	3.24
US Treasury Inflation Indexed Bond 1.125% 15/01/2021	USD	15,000,000	13,433,767	3.21
US Treasury Inflation Indexed Bond 0.125% 15/04/2021	USD	20,000,000	16,346,603	3.91
US Treasury Inflation Indexed Bond 0.625% 15/07/2021	USD	22,350,000	19,464,991	4.66
			77,896,172	18.63
Total government index-linked bonds			137,548,026	32.89
Equities 41.17%				
(30 Jun 19: 40.09%)				
Europe				
France				
Vivendi	EUR	33,000	2,904,068	0.69
			2,904,068	0.69

	Currency	Holding at 31 Dec 19	Fair value £	% of total net assets
Norway				
Equinor	NOK	224,066	3,376,777	0.81
Yara International	NOK	60,000	1,881,618	0.45
			5,258,395	1.26
Luxembourg				
ArcelorMittal	EUR	365,000	4,826,951	1.15
			4,826,951	1.15
United Kingdom				
Belvoir Lettings	GBP	890,000	1,237,100	0.30
Better Capital (2012)	GBP	3,088,700	216,209	0.05
Better Capital (2009)	GBP	294,641	138,481	0.03
BHP	GBP	117,990	2,096,446	0.50
Breedon	GBP	1,700,000	1,411,000	0.34
Countryside Properties	GBP	724,340	3,297,196	0.79
Dixons Carphone	GBP	1,210,626	1,745,723	0.42
Hipgnosis Songs Fund	GBP	1,781,379	1,923,889	0.46
Hipgnosis Songs Fund C	GBP	400,000	412,000	0.10
International Consolidated Airline	GBP	780,000	4,875,000	1.16
Land Securities	GBP	180,000	1,781,640	0.43
Lloyds Banking Group	GBP	15,200,000	9,500,000	2.27
Ocado Group	GBP	400,000	5,094,000	1.22
PRS Real Estate Investment Trust	GBP	2,500,000	2,250,000	0.54
Renn Universal Growth Trust	GBP	937,500	1,593,750	0.38
Royal Bank of Scotland Group	GBP	2,561,530	6,155,357	1.47
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	53,136	11,927,892	2.85
Secure Trust Bank	GBP	58,345	921,851	0.22
Supermarket Real Estate Investment Trust	GBP	689,907	751,999	0.18
System1 Group	GBP	434,674	869,348	0.21
Tesco	GBP	3,612,600	9,212,130	2.20
Tufton Oceanic Assets	GBP	2,348,347	1,824,544	0.44
Valaris	USD	448,385	2,211,992	0.53
Van Elle	GBP	1,525,573	762,787	0.18
			72,210,334	17.27
Total European equities			85,199,748	20.37

	Currency	Holding at 31 Dec 19	Fair value £	% of total net assets
United States				
Bristol Myers Squibb CVR	USD	77,000	178,313	0.04
Bristol Myers Squibb	USD	77,000	3,724,832	0.89
Centene	USD	76,000	3,602,504	0.86
Cigna	USD	21,000	3,237,203	0.77
ExxonMobil	USD	90,000	4,735,234	1.13
Foot Locker	USD	98,000	2,881,527	0.69
Freeport – McMoran Copper B	USD	250,000	2,474,165	0.59
General Motors	USD	220,000	6,073,772	1.45
Humana	USD	8,000	2,210,938	0.53
McKesson	USD	15,000	1,564,381	0.37
National Oilwell Varco	USD	148,000	2,796,560	0.67
Synchrony Financial	USD	90,000	2,443,992	0.59
Walt Disney	USD	95,000	10,358,490	2.48
Total United States equities			46,281,911	11.06
Asia				
Japan				
Bandai Namco Holdings	JPY	81,000	3,727,511	0.89
LF Ruffer Japanese Fund*	GBP	2,600,000	7,508,420	1.80
Fujitsu	JPY	61,600	4,388,944	1.05
Hoya	JPY	50,000	3,624,924	0.87
Mitsubishi Electric	JPY	260,000	2,703,370	0.65
Mitsubishi UFJ Financial Group	JPY	500,000	2,058,346	0.49
Nomura Real Estate Holdings	JPY	245,000	4,450,310	1.06
Sony	JPY	125,000	6,415,195	1.53
Sumitomo Mitsui Financial Group	JPY	70,000	1,961,450	0.47
T&D Holdings	JPY	250,000	2,420,665	0.58
			39,259,135	9.39
Total Asian equities			39,259,135	9.39

	Currency	Holding at 31 Dec 19	Fair value £	% of total net assets
Africa				
South Africa				
Grit Real Estate	USD	1,626,850	1,448,052	0.35
Total African equities			1,448,052	0.35
Total equities			172,188,846	41.17
Global investment funds 6.41%				
(30 Jun 19: 8.03%)				
United Kingdom				
Herald Worldwide Fund	GBP	13,000	889,200	0.21
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	55,461,992	24,298,564	5.81
Weiss Korea Opportunity Fund	GBP	1,100,000	1,617,000	0.39
			26,804,764	6.41
Total global investment funds			26,804,764	6.41
Gold and gold mining equities 7.52%				
(30 Jun 19: 7.73%)				
United Kingdom				
LF Ruffer Gold Fund*	GBP	14,102,178	29,551,043	7.06
			29,551,043	7.06
United States				
Ishares Physical Gold	USD	85,000	1,908,605	0.46
			1,908,605	0.46
Total gold and gold mining equities			31,459,648	7.52
Options 2.04%				
(30 Jun 19: 1.20%)				
United Kingdom				
Ruffer Protection Strategies International*	GBP	5,500,177	8,536,825	2.04
Total options			8,536,825	2.04
Total financial assets at fair value through profit or loss		376,538,109		90.03
Other net current assets		41,690,608		9.97
Total value of Company (attributable to redeemable participating preference shares)		418,228,717		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, LF Ruffer Japanese Fund and Ruffer SICAV Global 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 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 accounting date of the Company is 30 June in each year. These Unaudited Condensed Interim Financial Statements were authorised for issue on 28 February 2020 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 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. This means that the Company might pay dividends in respect of any income that it receives or is deemed to receive for UK tax purposes so that it would qualify as an investment trust if it were UK tax-resident.

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
Ashe Windham
John V Baldwin
Christopher Russell
Jill May
David Staples

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St Peter Port
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Auditor
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Regency Court
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Ruffer AIFM Limited
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Sponsor and broker
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Gowling WLG
4 More London Riverside
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Company Secretary and Administrator
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St Peter Port
Guernsey GY1 3DA

Depositary
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