Ruffer Investment Company Limited

Half-yearly financial report
for the period ended
31 December 2023 (unaudited)

Contents

Key performance indicators

	31 Dec 23 %	31 Dec 22 %
Share price total return over six months[1]	0.3	4.1
NAV total return per share over six months[1]	0.6	4.8
(Discount)/premium of traded share price to NAV	(3.7)	1.0
Dividend per share over six months[2]	1.65p	1.25p
Annualised dividend yield[3]	1.20	0.8
Annualised NAV total return per share since launch[1]	7.0	7.8
Ongoing charges ratio[4]	1.08	1.08

Financial highlights

	31 Dec 23	30 Jun 23
Share price	275.00p	276.00p
NAV as calculated on an IFRS basis[5]	£1,094,597,030	£1,092,040,335
NAV as reported to the LSE	£1,095,395,721	£1,096,014,803
Market capitalisation[6]	£1,054,261,351	£1,058,509,029
Number of shares in issue	383,367,764	383,517,764
NAV per share as calculated on an IFRS basis[5]	285.52p	284.74p
NAV per share as reported to the LSE	285.73p	285.78p

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

2 Dividend declared during the period.

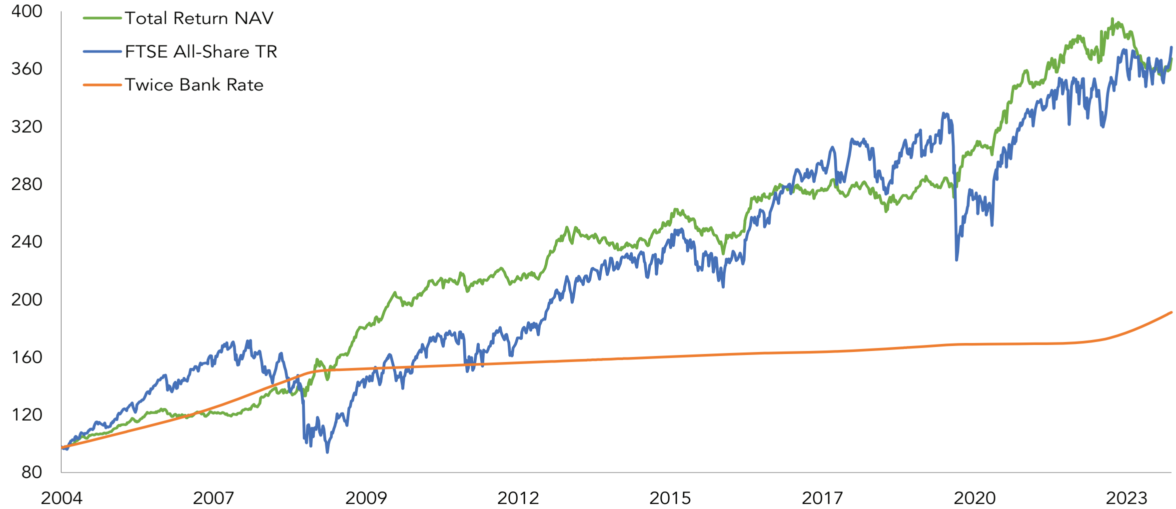
3 Annualised dividend yield is calculated using share price at the period end and dividends declared during the period.

4 See note 7.

5 This is the NAV/NAV per share as per these Financial Statements. Refer to note 12 on page 50 for a reconciliation between this figure and the NAV/NAV per share as reported to the LSE through RNS. See appendix for Alternative Performance Measures (APMs).

6 See appendix for Alternative Performance Measures (APMs).

PERFORMANCE TO 31 DECEMBER 2023



Source: RAIFM Ltd, FTSE International, data to 31 December 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

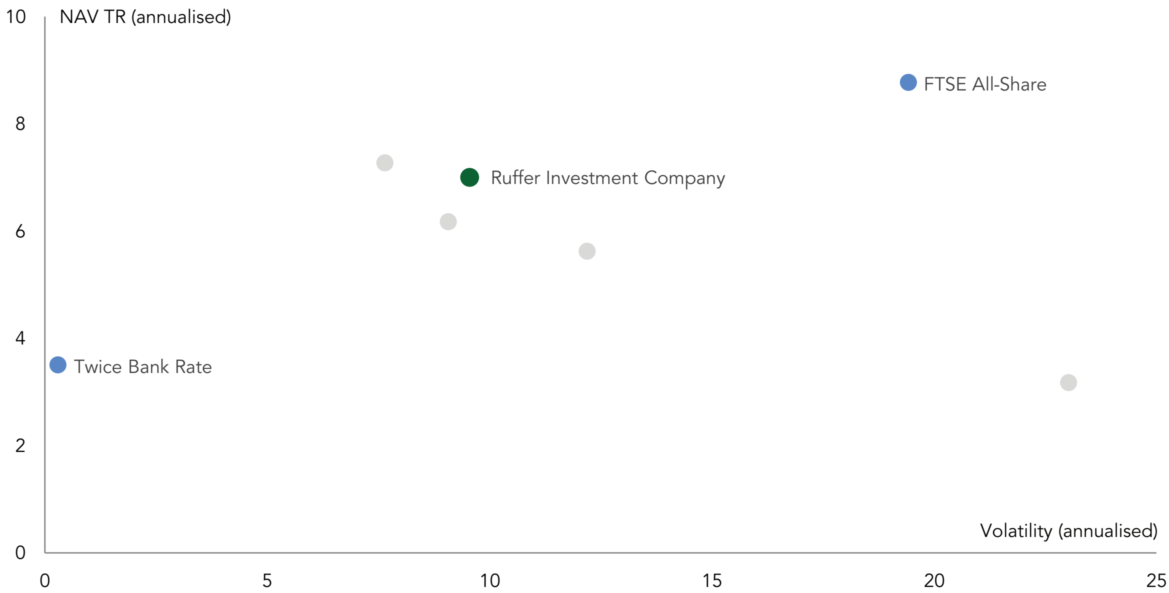
The 'dog which didn't bark' was the clue to the performance of Ruffer Investment Company Limited (RICL) in 2023. The event which didn't happen was a global, synchronised de-risking of investor portfolios and instead markets climbed the proverbial 'wall of worry'. In an 'all weather' portfolio, when one prepares for a hurricane but the barometer sets 'fair', the aftermath sees only the cost of the insurance premium on the house which was not blown away. The costs of being prepared in the RICL portfolio exceeded the offsetting positives in 2023.

Our Investment Manager said in the interim report this time last year: 'we go into the year set up for an uncomfortable ride'. They were right. It was. Net asset value (NAV) total return (NAV TR) per share for the six months to 31 December 2023 was +0.6%, and share price total return +0.3%. However, the twelve-month numbers were -6.2% and -10.6% respectively – the worst twelve calendar month returns in the history of RICL, where a negative NAV TR was compounded by the move from a 1.0% premium to a 3.7% discount of the share price to NAV.

Over any other annualised calendar year period to 31 December 2023 since inception, excluding the last twelve months but including the last two years and beyond, the NAV TR has been positive. Since inception of the Company in 2004, the annualised NAV TR to end-December 2023 was 7.0%.

Whatever the absolute return numbers, the pattern of returns has remained important to portfolios which contain RICL shares. The Manager's report shows that the RICL portfolio has continued to contribute diversification characteristics which have eluded conventional portfolios. This pattern of returns has not only provided diversifying offset for multi-assets portfolios which contain RICL shares but has continued to offer long-term asset returns comparable to those of competitive long duration assets but at a lower level of volatility.

NAV TOTAL RETURN VERSUS VOLATILITY, JULY 2004 – 31 DECEMBER 2023



Source: Morningstar, Ruffer. Constituents: Ruffer Investment Company, Aberdeen Diversified Income & Growth, Capital Gearing, Personal Assets, BH Macro, Twice Bank Rate, FTSE All-Share

Volatility is not a complete measure of risk but provides a basis for comparison.

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

July 2004 to 31 December 2023	Sharpe ratio	Sortino ratio
Ruffer Investment Company Limited	0.74	1.29
FTSE All-Share Total Return	0.41	0.66

FTSE All-Share index in GBP. Source: Factset. Ruffer Investment Company data is Total Return NAV. All data measured to 31 December 2023.

The Company's risk-adjusted NAV total return is 80% higher than that of the FTSE All-Share Index since the Company's launch. In terms of the Sortino ratio, the Company has generated approximately twice more excess return per unit of risk than an investment in the FTSE All-Share Index.

Earnings and dividends

Earnings per share for the half year were 2.27p on the revenue account and 0.15p on the capital account. 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 absolute return and the preservation of capital.

The Board is committed to distributing at least 85% of total revenue (after withholding tax) 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 October 2023, amounting to 1.65p per share, the Company has declared a second interim dividend for this financial year of 2.0p 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.

Discount/Premium management

NAV TR is the only matter, apart from costs, which concerns investors in an open-ended fund, while in the case of RICL, as a closed-ended vehicle, shareholder return is always top of the list. While NAV TR is the responsibility of the Investment Manager, deciding the amount of NAV TR to distribute and managing the difference between NAV and share price is the responsibility of your Board.

In November and December 2023, we appreciated the opportunity to have a number of conversations directly with large and small shareholders, primarily to discuss discount and premium management. An important outcome of those discussions was a review by the Board of the levels of discount and flexibility of broker discretion over when buy-backs would be made and what further discount control measures could be taken should they become necessary.

In August 2023, we bought in to treasury 150,000 shares for the first time in RICL's history, and we repeated this with a further 5,900,000 acquired subsequent to the period end. In total RICL has bought back 1.58% of share capital at an average discount to NAV of 5.43%.

One of the advantages of being a closed-end fund is the ability to make money for the Company by buying in or issuing shares at a significant discount or premium respectively to NAV. Every 10% of capital issued at a 5% premium or bought in at a 5% discount adds 1.230p and 1.48p per share respectively to NAV. Only a fraction of that value would accrue to buying in or issuing at a 1% premium or discount.

The premium or discount of share price to NAV has been less than 5% in nine out of every ten weeks since the Company was launched in 2004. Close to 5% we have seen some investors trading the discount, taking a view on it narrowing and thereby compounding positive underlying performance. Others have arbitraged between the Company's shares and units in the Ruffer open-ended funds. RICL is unusual in having such similarly managed open-ended fund equivalents.

Around a mid-single digit discount, the Board assesses with the broker the market position in the shares: who are the sellers and buyers; 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 or a longer-term signal for which action other than a share buy-back may be required. The objective of the buy-back and other measures is to make money for remaining shareholders by adding to the NAV per share, to bring the share price closer to the NAV and to help provide liquidity in the shares to facilitate buyers and sellers.

Board matters

The annual 'Kick the Tyres' day, when the Board spends a day meeting with executives from different departments of Ruffer LLP (Ruffer), was held in September 2023. Areas of focus were: people and turnover; implementation of protection strategies; responsible investment analysis; investment delivery and communications; compliance and consumer duty; and risk and business strategy. One particular area of discussion and agreement was a proposal to bring more of the derivative trading in-house for more seamless integration with asset allocation.

In the Annual Report published in October 2023 I mentioned that we had started a programme of initiatives facilitated by external parties to evaluate the Board, review Board remuneration and recruit my successor.

After a review of potential board evaluators last year, the Board chose Lintstock. The evaluation not only involved a questionnaire, but also one-on-one interviews with Board members, including feedback from our Investment Manager.

A number of recommendations emerged from the evaluation. These included the need for more Director-only meetings, enhancing the efficiency of Board packs and the time allocation to Board meetings; refining the challenge to the Investment Manager over investment matters; clarifying specific actions which demonstrate better delivery of ESG matters; and improving communication to shareholders of discount control policy.

One of the specific matters addressed was Chair succession, given the need to determine what recruitment process should be applied in the light of skill sets, experience and residence. The Board needs to maintain a majority of offshore members while maintaining a balance of skills, experience and diversified thought.

The first question was whether there was any consensus on the need for an internal or external candidate for the Chair role and what skill set was needed to complement the Board after my retirement. There was unanimous feedback that Nick Pink, Senior Independent Director, should succeed me as Chair when I step down from the Board and that a desirable added skill would be more investment experience. Deciding on the Chair therefore meant that the specification to the recruitment agent for my replacement could focus on finding an offshore candidate with investment but not necessarily chair experience. The recruitment process has now begun using Offshore Specialist Appointments (OSA) to facilitate the outcome.

Outlook

'Invest in preparedness, not prediction' is a concept of Nicholas Taleb which summarises the Ruffer approach to building an 'all weather' portfolio designed for capital protection. The strategy depends on identifying relationships between scenarios which are not simply historic probabilities derived statistically, but identities which can be logically applied to future possible outcomes. The objective is to mitigate shocks created by uncertainty where, as Keynes observed, 'there is no scientific basis on which to form any calculable probability whatever. We simply do not know.'

While 2023 was the year in which the financial hurricane failed to materialise and RICL suffered from the offsets in protecting asset returns, today markets are more vulnerable and the offsets are cheaper than a year ago. Inflation volatility remains a core concern and expectations which are priced into longer duration assets are dangerously benign. Ruffer continues to believe that tighter liquidity conditions present a significant risk to markets and it is too early to declare the soft landing that is implied in forward rates and current valuations.

RICL suffered in 2023 from the compounding effect of a widening discount of share price to a falling NAV. Today, however, we are close to the bottom end of the range of RICL share price discount to NAV. With tighter parameters of discount management, there is the prospect of compounding positively a positive NAV TR in 2024. Over the next twelve months, if RICL were to achieve a 5% positive NAV return and a share price to NAV move from a discount of 4% to no more than NAV, with a dividend comparable to 2023, this would translate into a double figure shareholder total return over the next twelve months. That does not seem an over-ambitious target, which would meet the RICL investment objective and exceed the annualised long-term return on the fund.

Christopher Russell

28 February 2024

Investment Manager's report

Performance review

The net asset value total return (NAV TR) for the six months to 31 December 2023 was 0.6% and the share price total return was 0.3%.

The NAV TR for the calendar year to 31 December 2023 was -6.2% and the share price total return was -10.6%.

The annualised NAV TR since inception of the Company in 2004 is 7.0%, which is in line with UK equities, behind global equities, but with a much lower level of volatility and drawdowns than both.

2023 was a challenging year for the Ruffer strategy and for many active managers. To say that markets climbed a wall of worry would be an understatement. If we went back to 31 December 2022 and a crystal ball told you all that would happen in 2023

- the Federal Reserve and the Bank of England would raise rates above 5%
- quantitative tightening would be ongoing at just shy of $100 billion per month
- the war in Ukraine would be rumbling on, a new conflict would break out in the Middle East
- China would remain stuck in a self-induced stupor all year
- a banking crisis would hit the US and it would spread across the Atlantic and topple 167-year-old Credit Suisse

It is unlikely you would have predicted the Nasdaq index to be up 43% and the volatility index (VIX) to be down 43%.

By far the most obvious reason to be bullish was that most investors were bearish. It isn't often that we find ourselves positioned with the consensus, but at the start of 2023 our bearish positioning was not as contrarian as perhaps we thought. Most other investors were also cautious; we under-estimated the ability and willingness for market participants to re-risk and re-leverage their portfolios when recession and liquidity risks did not emerge.

Same destination, different journey

There is no hiding from 2023 being a disappointing year, the worst in the history of Ruffer Investment Company – narrowly topping 2018's -6.1% NAV TR. However, zooming out a little does provide some perspective, and shows a more balanced outcome.

Taking 2022 and 2023 together, effectively the beginning of the Fed tightening cycle, the NAV TR of the portfolio is 1.3%. As seen in the chart below, global equities are also slightly positive over two years but with a very different journey which points to the usefulness of Ruffer as an uncorrelated diversifier and volatility dampener to multi-asset portfolios.

RUFFER PERFORMANCE VERSUS GLOBAL EQUITIES

Source: Ruffer Investment Company Limited, Bloomberg, data to December 2023

What's the lesson of the last couple of years? Some would say 'HODL' (Hold on for dear life), ignore the noise, have a long time horizon. We take a different lesson. 2022 gave a taste of what the new regime might look like. The illusion of diversification hurt portfolios with stocks and bonds positively correlated whilst falling, many alternatives were just duration in disguise. It's no longer conjecture that conventional portfolios are insufficiently protected and diversified.

2023 made this lesson too easily forgotten. The risk rally of 2023 has given investors the golden ticket, a chance to rebalance and re-orient their portfolios for a future they were ill-prepared for, and to do so at the lofty prices of 2021. In October 2022 what would they have given for that second bite at the cherry? But the question is, have they learned the right lesson?

Performance contributions for 12 months

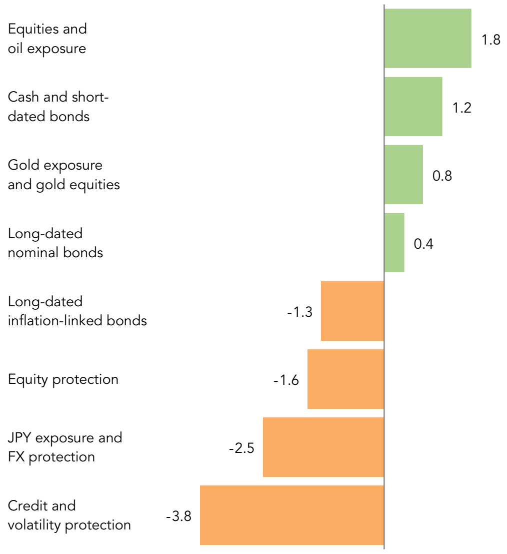
2023 was almost the mirror image of the previous year, with our unconventional protective toolkit going from the key driver to the primary detractor of performance. The largest costs to the portfolio were the credit protections detracting over 3% as, despite credit conditions tightening significantly (as evidenced by the Senior Loan Officer Opinion Survey of bank lending), market borrowing costs fell – meaning assets held to guard against stress in the corporate bond market were not required. The index puts and VIX exposures held within our equity derivatives were also costly, to the tune of 2%. Long-dated index-linked bonds were a helpful contributor towards the calendar year end as yields fell sharply but suffered over 12 months as inflation-adjusted interest rates continued to rise.

The other main detractor was the yen, which we hold in size in anticipation of the removal of zero interest rate policy in Japan, as well as for its protective characteristics in market crises, something that served us so well in 2008. However, in the absence of market stress and with continued dispersion between Bank of Japan and western central bank monetary policy, the yen weakened 12% versus sterling over the period, costing the portfolio 1.8%. The yen now sits at a multi-decade low on several valuation metrics.

In terms of offsets, whilst there, they were insufficient in size (both green and orange bars are evident on the attribution chart), and not focused on the themes that outperformed (almost exclusively US technology giants). However, our equities did contribute 1.8% in aggregate, helped by small holdings in Amazon and Meta.

The mistake in having too little exposure here was compounded by the fact that our other growth assets (primarily commodities) did not behave as we expected and, for much of the period, lost money in the same environment as our protection (they were one of the few asset classes to discount recession risk, not helped by a disappointing Chinese economic recovery post-Covid). However, one highlight here was our exposure to uranium (held via Yellow Cake plc which rose 65%), contributing 0.3% to performance as a global supply deficit was revealed.

PERFORMANCE ATTRIBUTION 31 DEC 2022 TO 31 DEC 2023 (12 MONTHS)



Source: Ruffer Investment Company Limited

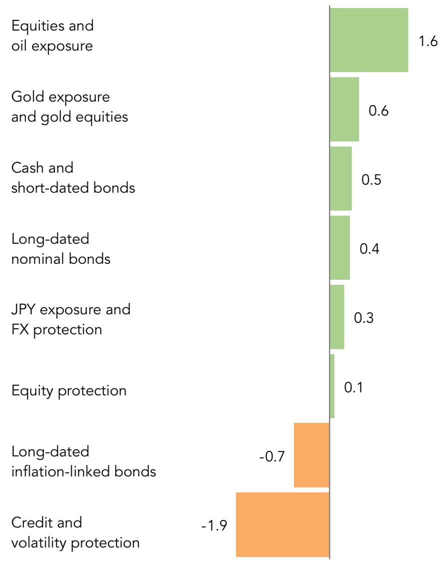
Performance contributions for six months

The performance drivers over the second half of the period look similar to the first; derivative protections dragging as falling yields allowed equity markets to continue their upward march and credit spreads to narrow. One bright spot that allowed the equity derivatives to register as flat over the period were the S&P call options and call spreads purchased in October as a way of tactically increasing the portfolio's equity exposure. This added 0.6% to performance over six weeks.

Over the six-month period, the long-dated inflation linked bonds continued to cost the portfolio as yields rose into the autumn. However, we successfully traded long-dated bonds by adding to US 30-year nominal treasuries and ten-year inflation-linked treasuries just as yields peaked in October, reducing the exposure (albeit too early) as yields came racing back down. Together this contributed 0.7% to performance. Equities were the single largest contributor in the second half of 2023, as markets ripped higher. Unfortunately, one of the biggest themes within our growth assets, China, failed to participate in the rally.

Oil was one of the largest contributors over the period, adding 0.6%, as geopolitical tensions flared. These events, along with the fall in yields, helped take the gold price to new highs, allowing our exposure to the metal (via both bullion and equities) to add a further 0.6% to performance.

PERFORMANCE ATTRIBUTION 30 JUN 2023 TO 31 DEC 2023 (SIX MONTHS)



Source: Ruffer Investment Company Limited

Portfolio changes

Over the past 12 months, the portfolio has endured a lot of pain, we've made some mistakes, and a few times it has felt like things haven't gone our way. Crucially, our philosophy of aiming to protect and grow capital in all market conditions remains unchanged, and we think the set up for our portfolio from here is attractive.

It remains our belief that tighter liquidity conditions and the full impact of higher rates present a significant risk to markets. To prepare the portfolio for this, and whilst the immediate environment remains benign, we have taken the opportunity to reduce risk in the portfolio and trimmed our duration exposure, taking US treasury inflation-protected securities (TIPS) holding down to zero in December. As a result, the portfolio's duration has halved from its recent peak of around seven years in October. Alongside the bond sales, we have sold our remaining gold bullion exposure and rotated into what we see as cheaper expressions of duration, such as defensive, high-yielding equities and additional exposure to the yen (the latter via derivatives).

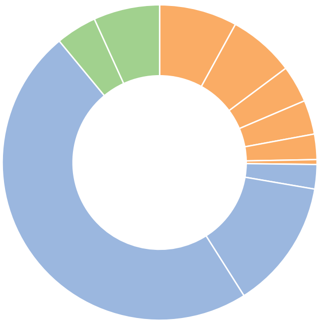
Within our unconventional protective strategies, over the last six months we have reintroduced VIX call options, given the subdued levels of equity market volatility despite the macroeconomic conditions. If liquidity conditions and the economy do deteriorate, these positions, alongside the credit protection, should appreciate sharply. There were glimmers of this in December, as a small but sharp one day sell-off in the S&P saw the VIX index spike 12% intraday.

The portfolio holds over 20% across equities and commodities which should benefit from a broader market rally and further economic strength, supported by the remaining fixed income positions and gold equities, which should rise in value if yields fall further. We have maintained the portfolio's commodity exposure, expressed primarily through oil and copper exchange-traded commodity (ETC) holdings, throughout the year, taking profits in the oil position in September.

In December we added to BP on price weakness, as an attractive way to get additional exposure to oil, given the recent share price fall and an attractive 5% dividend yield. Elsewhere on the equity front, alongside additions to the more defensive names, in November we added to our beleaguered China exposure where the authorities are coming under greater pressure to provide support. We would expect this part of the portfolio to perform on any stimulus news or further surprises to the upside in growth.

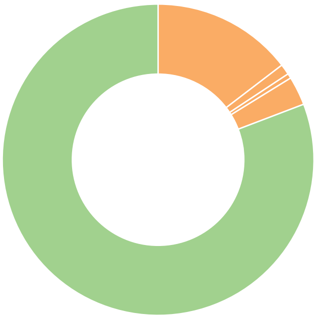
As a result of these changes, portfolio balance is much more secure – evident in recent months as markets rallied and the portfolio delivered a positive return, despite its defensive positioning.

ASSET ALLOCATION



Inflation	%
Long-dated index-linked gilts	6.8
Gold exposure and gold equities	4.2
Protections strategies and cash	
Short-dated bonds	48.0
Credit and derivative strategies	13.3
Cash	2.5
Growth	
UK equities	8.0
Commodity exposure	6.8
Asia ex-Japan equities	3.8
North America equities	3.5
Europe equities	2.6
Other equities	0.5

CURRENCY ALLOCATION



	%
Sterling	80.8
Yen	14.6
US dollar	1.1
Euro	0.5
Other	3.0

Source: Ruffer Investment Company Limited, as at December 2023.
Totals may not equal 100% due to rounding

1 In green, assets to protect against the long-term inflation volatility we expect, including inflation-linked bonds and gold

2 In blue, we have a large position in short-dated bonds and cash to provide dry powder and positive carry. Alongside, a potent allocation to derivative protections to address the risk of a sharp market decline if liquidity dries up and/or a recession strikes as rates really bite

3 Last but not least, we are always asking ourselves 'what if we're wrong' to try and identify the right offsets to achieve portfolio balance. So, in orange we hold a range of equities and commodities to profit from a broader market rally and continued economic strength if no recession emerges

Investment outlook

Challenging market certainties

> *'It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so.'*

Nobody knows what is going to happen next for the market and the global economy.

Our job at Ruffer is to assess the macroeconomic, geopolitical and market landscapes and attempt to identify the risks and opportunities, the things that might happen. The next step is to look at what is priced into asset markets and then, and only then, decide how much risk to take.

When we survey the landscape today, we see elevated macro uncertainty and fragile, avalanche prone and expensive markets. This is a dangerous combination and we think risk taking will be poorly compensated over the full cycle.

In contrast, one can infer from the pricing in markets today that participants, in aggregate, appear certain that inflation has been conquered, recession avoided, and therefore markets' 2023 ebullience was justified.

We think this newfound confidence is what the market knows for sure that just ain't so.

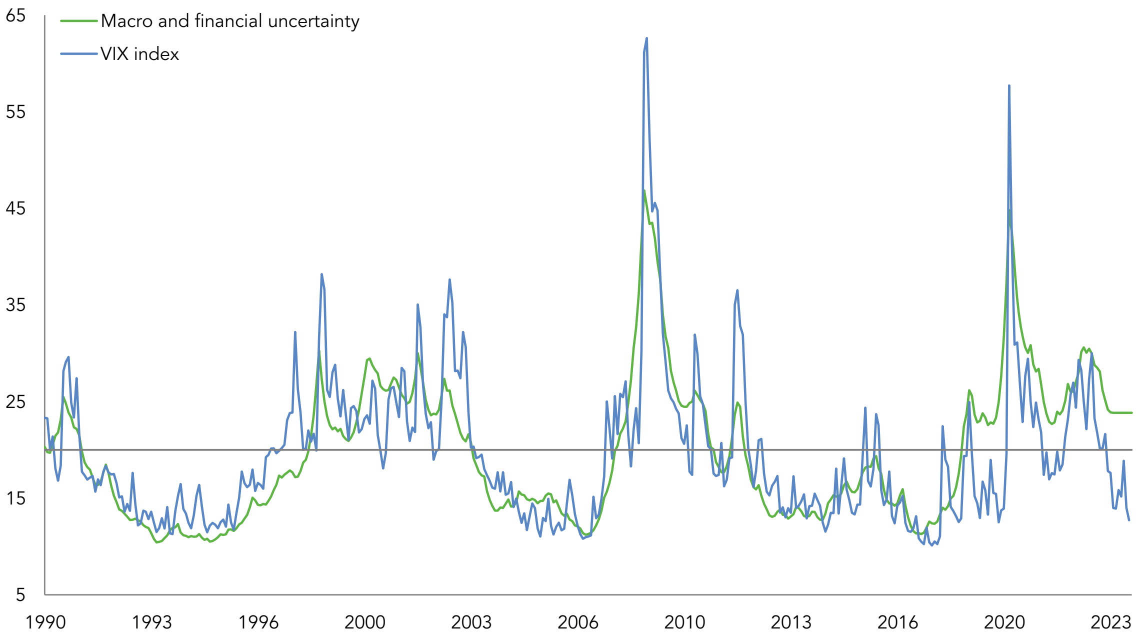
Cake-ism is the false belief that one can enjoy the benefits of two choices that are in fact mutually exclusive. The desire to have one's cake and eat it. We are taking the other side of these perceived market certainties. We doubt that 2024 pans out with an immaculate disinflation, no recession, the six Fed rate cuts currently priced in and 11% earnings growth. Even if that does happen, markets are already priced for it, so why take the risk?

The absence of fear

As volatility ground lower in 2023 it has encouraged greater risk taking in markets. Risk parity, vol-controlled and leveraged strategies, cumulatively controlling trillions of assets, gear up in low volatility environments. Low volatility is also illustrative of investors having an absence of fear, or increased certainty. This creates an exciting opportunity.

One indicator we use (below) demonstrates that despite all the macro uncertainty, volatility is extremely cheap. This allows us to acquire significant amounts of protection at low cost and with exceptional asymmetry should market stress return.

A DISCONNECT BETWEEN VOLATILITY AND UNCERTAINTY



Source: Bloomberg, Ruffer representative portfolio to December 2023. The model compares actual versus predicted VIX levels based on a two-variable model comprising S Ludvigson's macro and financial uncertainty indices. These academic models take macro data like unemployment, inflation, economic indicators, and corporate earnings to produce estimates of uncertainty.

Recession?

If there is a single story that defined 2023 it was the Fed's ability to advance their disinflation ambitions whilst avoiding recession and sustaining a 'no-landing' trajectory on US growth expectations.

Clearly, whilst our concerns around a recession were early, it remains too soon to say they are wrong. The picture is mixed – contrasting different sectors of the economy and market-related signals. Interest rate-sensitive sectors, such as commercial real estate, venture financing and banking have been very weak. Liquidity was being sucked from markets via quantitative tightening (QT), until the banking crisis in March begat an emergency reprieve. Market signals like the inverted yield curve, lending standards and the conference board leading indicators continue to flash warning signals – we are not out of the woods yet.

However, at the same time, we must acknowledge the consumer is strong and the jobs market appears impervious. As mentioned above, fiscal stimulus and liquidity provision ended up being more positive than we foresaw – temporarily, we think, forestalling any slowdown. The Biden administration will be keen to maintain the momentum through to the November 2024 election.

This is inflation volatility

It is important to consider that the journey from high growth and inflation towards recession and deflation must first pass through a period of disinflation and decelerating growth that looks like a soft landing. In fact, most recessions begin looking like soft landings.

For several years Ruffer commentary has been warning that the new regime will be one of inflation volatility. That means periods of higher inflation like we saw in 2021 and 2022; but it also means periods of aggressive disinflation and perhaps outright deflation. At this moment, it is impossible to distinguish whether we are experiencing a 'normalisation' back to the world of low inflation, or just the disinflationary leg of another inflationary oscillation. The inflationary journey of the 1970s was characterised by waves – inflation first, followed by premature celebration that inflation had been slain, followed by an inflationary relapse and crisis.

These oscillations are uncomfortable, even if expected, often meaning an inflation-protected portfolio looks wrong. This was the experience of 2023.

Pivot?

Did Fed Chair Powell's mid-December 'pivot' change everything? He suggested the battle against inflation was won, the Fed could refocus upon full employment and financial stability, and that the debate was now about how many cuts could be achieved in 2024.

This would be the soft landing, the immaculate disinflation – a triumph of modern central banking and communication policy. Markets didn't need to be told twice and rallied strongly.

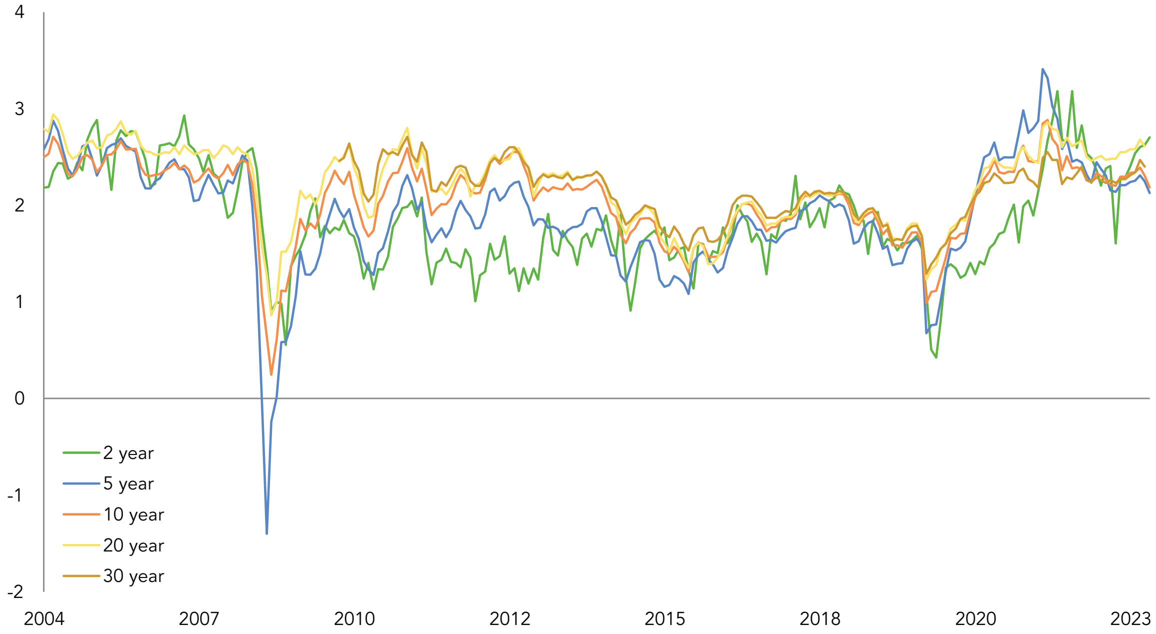
But surely the easing of financial conditions and the surge in asset prices in the second half of 2023 will lead to stronger growth, positive wealth effects, and 'stickier' inflation?

Why would the Fed cut interest rates with unemployment at 50-year lows, stock markets at all time highs and nominal GDP humming along at 5%? Particularly thorny would be the issue of cutting in an election year, leaving themselves open to accusations of politicisation?

If the Fed declares ‘mission accomplished’, while most underlying inflation measures are only just reaching the 3-4% range, and the US economy shows no signs of major weakness, this could be interpreted as effectively abandoning the 2% definition of ‘price stability’.

What if, without explicitly saying so, the Fed just moved the target? This is a risk that is not remotely priced into markets and remains a key reason for long term inflation protection.

US BREAKEVEN RATE, %



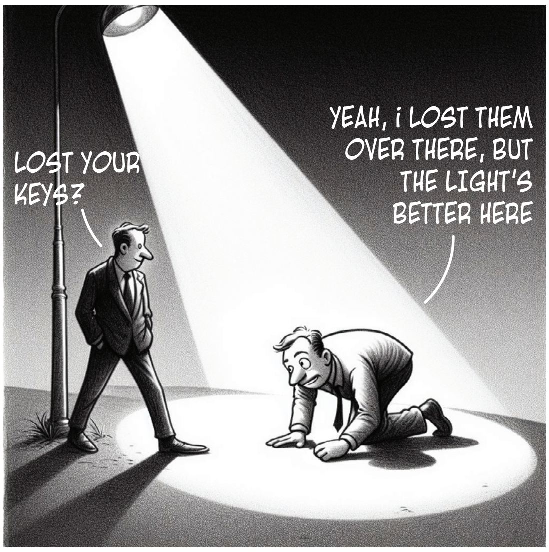
Source: St Louis Fed. FRED, data to December 2023

As can be seen on the chart, over any period, the market remains sanguine that inflation will be in line with the Fed target of 2%. This is a failure of imagination by market participants to conceive of a world where these goal posts get moved. This is a sign of excessive faith in central bankers who do not fully control their own destiny in a highly politicised environment. It is also the opportunity; if the market were to sniff this out, it would be hugely bullish for gold and inflation-linked bonds.

Inflation is the biggest threat to asset prices

The most important thing, that gets the least attention, is how and why inflation matters to your portfolio.

It matters because it doesn't just change which assets perform best, it changes the way the assets in your portfolio relate to one another. The assumptions around correlations and diversifications our industry makes are mostly based on the last 30 years, not because that's where the insight is, because that's where the data is.

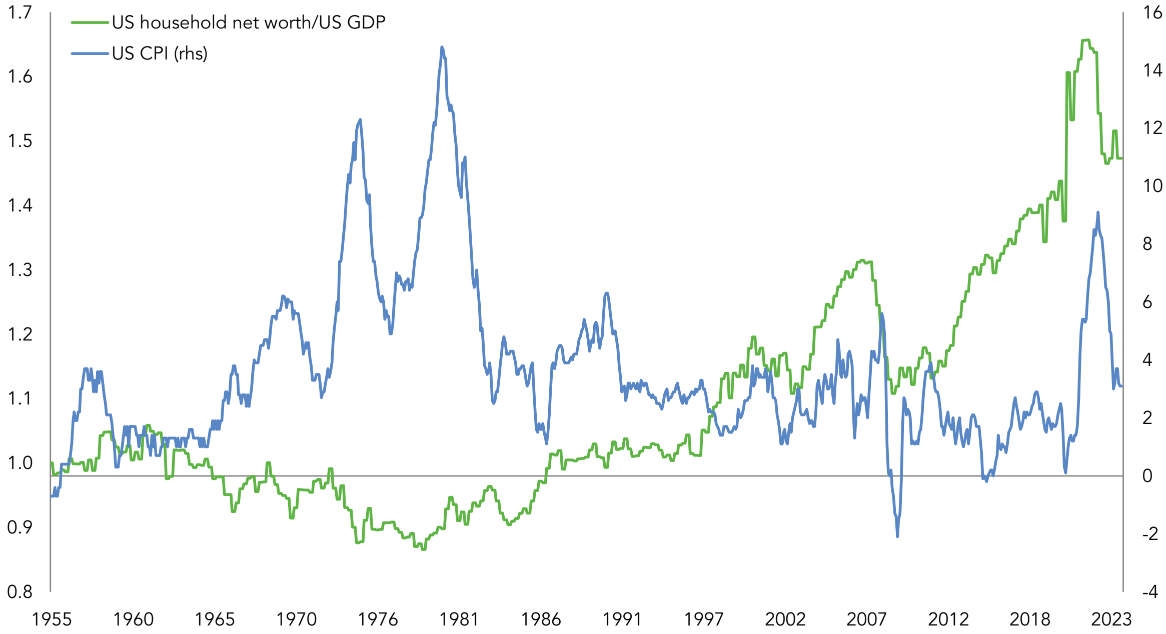


However, those thirty years are effectively one regime of low and stable inflation – it isn't much of a sample. Asset correlations are regime dependent and a new regime equals new correlations. As stated earlier, 2022 was the lesson in this, but 2023 makes it too easily forgotten.

There remains the possibility of the 'immaculate disinflation' or the 'beautiful deleveraging' as we have occasionally seen in previous cycles. However, it strikes us as unlikely the economy can return to the way it functioned pre-covid. Through all the distortions associated with the pandemic, Cold War II and the war in Ukraine, there has been a permanent rewiring of the global economy – across supply chains, commodity and labour markets, and geopolitics. Labour disputes, deglobalisation, the energy transition, re-shoring and 'just in case', over 'just in time' are not going away.

If inflation is likely to be a more permanent feature, and remember the market currently ascribes this a near zero probability, then it changes the way assets are priced. This chart demonstrates that when inflation is higher household net worth, as a proxy for asset prices, shrinks relative to GDP. Inflation is an attack on financial assets.

A HOT ECONOMY = A COLD MARKET



Source: Bloomberg, data to December 2023

In an inflationary world, real assets like commodities will dominate financial assets.

Commodities

We view commodities as a key portfolio allocation for the new regime. Across oil, copper, gold, uranium, and industry equities, commodity exposure makes up almost 15% of the portfolio. We expect this to be a long-term allocation – the size and shape of which will flex, tactically. In his previous role, our Head of Investment Strategy, Teun Draaisma, contributed to a study which documented commodities are a superior asset class in inflationary times. His work demonstrates that during inflationary periods commodities should provide strong returns, but also useful correlation benefits to a portfolio.

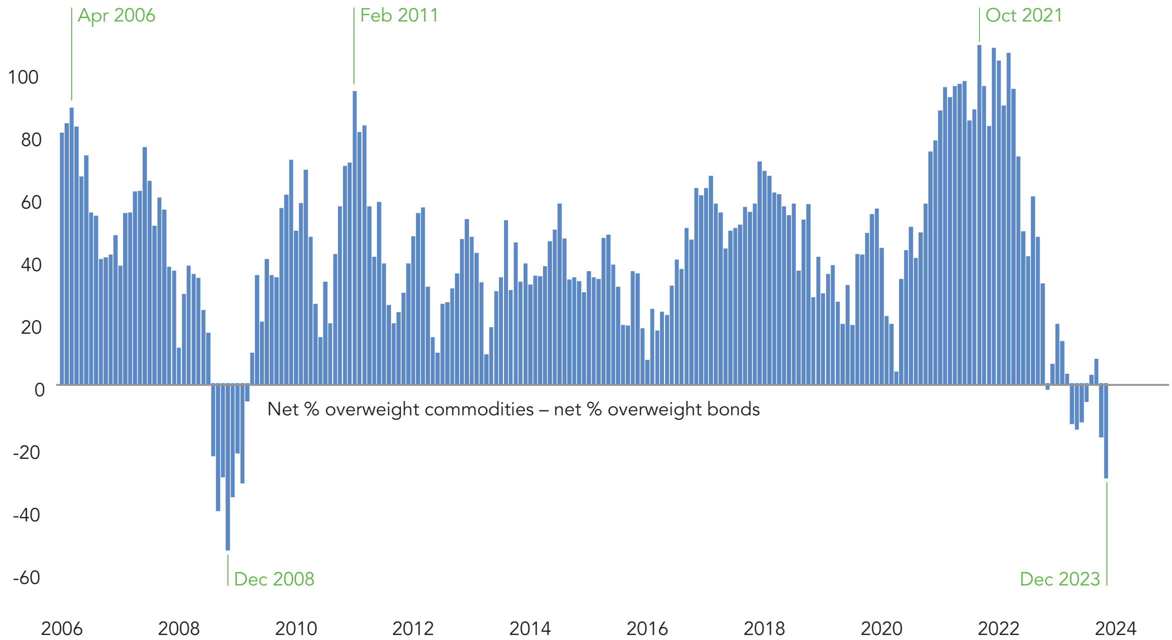
The secular demand case is clear, the world requires a global capex boom. The list is endless; upgrading ageing developed world infrastructure, the global energy transition, building a new electric grid, giving emerging markets' access to air conditioning, clean water, and vehicles. All these desirable outcomes will require vast quantities of raw materials to be used between here and there.

Supply on the other hand remains constrained. These industries have a long history of squandering shareholder capital – as the old saying goes, a gold mine is a hole in the ground with a liar standing over it. Despite current high profitability, capital remains scarce due to the pressures of reduced bank financing and investor support because of ESG pressures. From a capital cycle perspective, we have not seen the rush of capital that we might expect given the returns on offer.

Despite strong returns in 2022, commodities flopped in the disinflation of 2023. This gives an attractive tactical setup should we avoid recession in 2024. From this perspective, in the shorter term, commodities can act as an offsetting asset to our core view.

As demonstrated in the chart below, investors are structurally and tactically underweight commodities right at the time they might prove most useful. Commodity assets that have been shunned or ignored by investors may represent a 'heads I win, tails I don't lose (very much)'.

MOST UNDERWEIGHT COMMODITIES VERSUS BONDS SINCE MARCH 2009



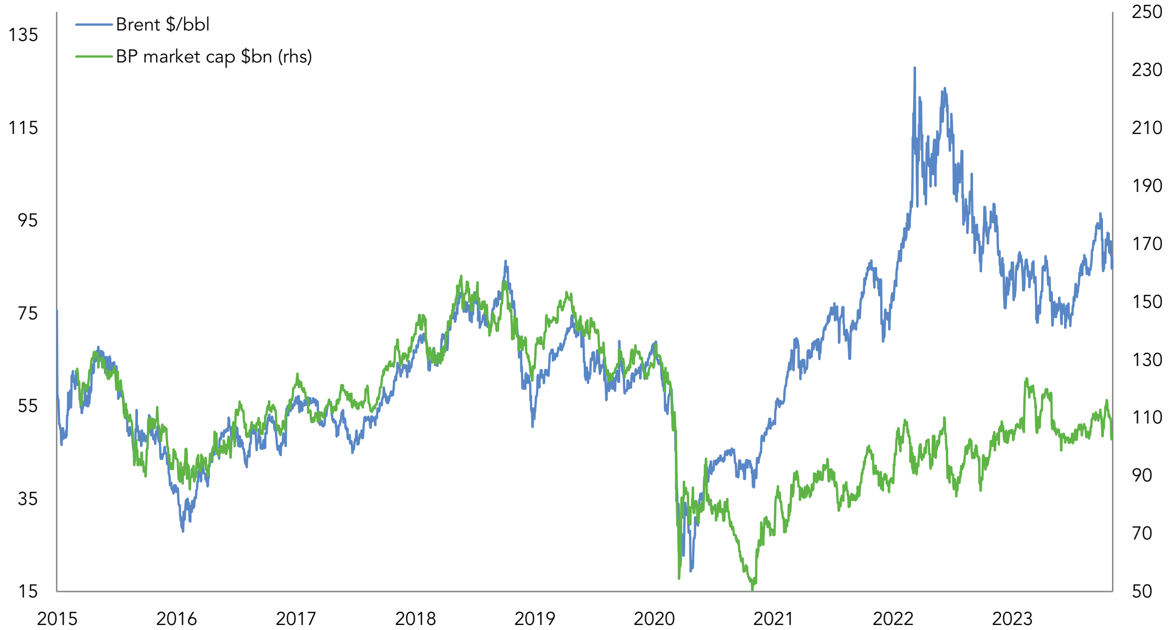
Source: BofA Global Fund Manager Survey, BofA Global Research

Oil

In the December 2021 Interim Report we observed that oil was Homer Simpson's investment idea. His great insight was that beer is the cause of, and solution to, all of life's problems. We suggested oil was the cause of, and solution to, all your portfolio problems. Having round-tripped back to $70 per barrel, versus a Ukraine War peak of $123, we think this 'each way bet' characteristic has returned and have around 6% exposure via both physical and equity holdings.

The portfolio role is clear, oil acts as a useful protection – a crisis hedge, an inflation hedge and a war hedge. The vulnerability to shocks has increased as the US has run down the Strategic Petroleum Reserve. The OPEC+ group of countries is also highly motivated to maintain high oil prices (above $75) by cutting output if faced with weak prices as they spend on ambitious domestic growth projects to diversify their economies away from energy. However, on the other hand, oil also benefits from robust economic growth and from fiscal stimulus. The equities offer double-digit free cash flow yields at current, arguably depressed, oil prices. BP is the biggest equity holding in the portfolio at 1.6%.

BP OFFERS COMPELLING VALUE



Source: Bloomberg, data to December 2023

Gold

Gold has been held in the Ruffer portfolio, in some form or size, since inception.

Gold's recent performance seems to have frustrated bulls and bears alike. The bulls wish it had run harder during war and 40-year highs on realised inflation. The bears point to the surge in real interest rates which would point at a price closer to $1,500 than $2,000 and question a $500 geopolitical risk premium. Despite this, gold sits at all-time highs in every currency in the world apart from US dollars. Few appreciate that gold price performance is roughly in line with the global equities (ex dividends) over three, five and seven years. If one was to build a one-asset portfolio for the coming decade – gold would surely be in the conversation?

Despite strong, uncorrelated performance, investor interest remains low as proxied by the holdings in ETFs dwindling in this latest bull market. Crypto has offered a shiny distraction and interest rate rises have increased the opportunity cost.

INVESTOR DEMAND CONTINUES TO FALL

Source: Bloomberg, GlobalData TS Lombard

The buying of physical gold is coming from global central banks and HNWs – consistently, relentlessly and price insensitively since the confiscation of Russian assets in the western banking system in March 2022.

Although not the focus of central bank buying, at current gold prices the mining companies offer compelling value and asymmetry. On a variety of metrics – price to NAV, EV to ounces in the ground, price to cash flow – the industry is as attractive as it has been in at least a decade. Balance sheets are strong. Despite decent performance in 2023, the entire gold mining sector market capitalisation is smaller than Home Depot, the US DIY retailer. Few things are certain in the mining industry, but one can confidently assert that if the gold price stays anywhere near $2,000 then the gold miners should offer highly attractive returns. We have a 4.2% weighting here.

The outlook for equities

After a bumper 2023, equities have reclaimed all the lost ground of 2022 to be around flat after two years. Is this the start of a major bull market? We would contend that bull markets tend not to start with full employment, earnings at record highs, a PE multiple of 20x and 40% nominal growth in the economy since the last recession – these are data points coincident with the end of cycles, not the beginning. The market exited 2023 on valuation levels that have only been sustainably eclipsed during the tech bubble.

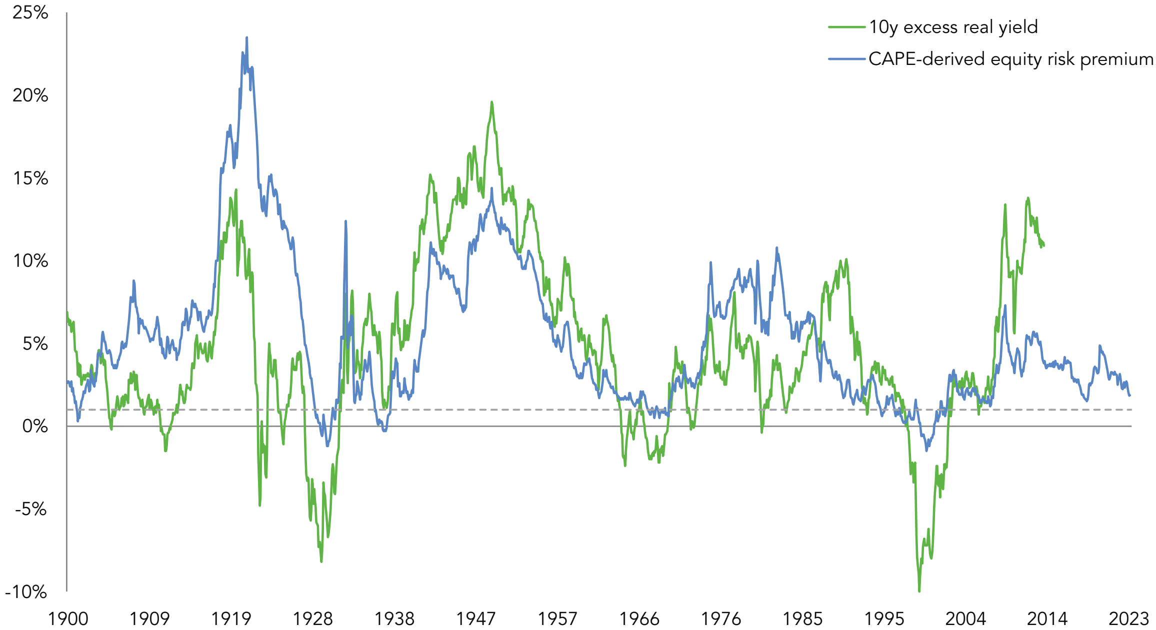
Cake-ism is rife in equity land, the bull thesis for 2024 is

- the economy will slow, but not too much.
- that will be sufficient to bring inflation down to 2%.
- despite the economy slowing and inflation coming down, earnings growth will be 11% and sales growth will be 5%. Sales and earnings are nominal numbers – they benefit from inflation.
- despite asset prices, earnings and the economy all doing well, the Fed will cut by 1.5%
- the price/earnings multiple will stay in the high teens or low twenties
- therefore, stocks are attractive relative to 5.2% on T-Bills

Whilst the above is possible, it appears a rather fragile set of circumstances to rely upon as the bedrock of your portfolio. Particularly, when there are reasonable nominal and real returns available on risk-free assets.

The longer-term outlook is also bleak from this starting point. The chart below demonstrates the equity risk premium in the US is dangerously compressed.

EQUITY RISK PREMIUM



Source: Shiller, Bloomberg, Ruffer analysis. CAPE-derived Equity Risk Premium (Shiller) is CAEY (10y treasury (nominal) CPI CAGR (using 10y average)). The Ruffer version of the ERP (2001-) uses 10y TIPS-derived rates as opposed to the Shiller proxy described above, data to Nov 2023

To find similar levels of overvaluation you need to look back to some inauspicious moments in history – the peak of the dot.com bubble, 1966 or before the Great Crash in 1929.

A low equity risk premium does not necessarily mean markets are going to fall tomorrow, but what it does mean is that if you are buying US equities today, which make up around two thirds of global benchmarks, you are not being rewarded for the risk you are taking. Expected returns are low, the risk of large drawdowns is high. The same is true in credit markets. We would expect these assets to offer poor Sharpe ratios from here and expect to be opportunistically short through 2024.

However, it is worth noting that there are areas where risk premiums are elevated and may be worth taking on. Examples include, the UK, commodities, Japan and the closed ended fund space. But the question is whether these areas can perform despite recession risks and if the US market is weaker?

Summary

After strong performance through covid and the post-covid period the portfolio has faced headwinds in 2023. However, after considerable introspection, we are energised by what we see ahead of us.

The last time our portfolio felt as poised for relative and absolute outperformance was the summer of 2021. We were positioned for a new inflation regime, that inflation was not transitory, that value stocks and commodities would make a comeback, conventional portfolios had an illusion of diversification – and few wanted to hear it. That was a great setup for Ruffer to significantly outperform equities and conventional portfolios in 2022.

Today, markets have deemed 2022 a transitory bad dream and we are reverting to the world that existed, and dominated, the careers of everyone currently operating in financial markets. A world of low and stable inflation, where deflation is the predominant threat, a world of growth and geopolitical stability, where risk premiums can be low and asset prices are high. This is the certainty we challenge.

Longer term we continue to believe structural changes to the global economy are likely to create a more inflation-prone and volatile environment, whilst the unsustainable debt dynamics of governments push us closer to financial repression. If inflation proves sticky in 2024 and the Fed cut rates too soon, we expect to see inflation expectations adjust upwards – an environment in which our long-dated inflation-linked bonds, along with our gold equities, would benefit. The biggest difference versus 12 months ago is that none of this is now priced in.

In sum, we have very differentiated positioning to protect against and prosper from the various scenarios we see, and the portfolio today holds powerful offsets which are now even cheaper and more interesting than they were a year ago. This gives investors a golden opportunity, we have seen what inflation volatility can do to portfolios and now we have a second chance to prepare. A second bite at the cherry.

Ruffer AIFM Limited

28 February 2024

Top ten holdings

Investments	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
Ruffer Protection Strategies International†	GBP	9,334,953	73,629,632	6.73
Ruffer Illiquid Multi Strategies Fund 2015†	GBP	110,392,473	71,565,564	6.54
US Treasury floating rate bond 31/10/2025	USD	76,496,600	59,985,929	5.48
US Treasury floating rate bond 31/01/2025	USD	76,342,700	59,949,198	5.48
US Treasury floating rate bond 31/07/2025	USD	69,614,000	54,584,463	4.99
US Treasury floating rate bond 30/04/2025	USD	67,414,900	52,902,506	4.83
US Treasury floating rate bond 31/10/2024	USD	64,644,200	50,740,949	4.63
US Treasury floating rate bond 31/07/2024	USD	64,609,500	50,710,667	4.63
Wisdomtree Brent crude oil	USD	1,200,000	44,178,776	4.04
LF Ruffer Gold Fund†	GBP	11,158,837	31,340,988	2.86

† Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 are classed as related parties as they share the same Investment Manager as the Company. LF Ruffer Gold Fund is also classed as a related party as its investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

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 and Risk 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 2023. The principal risks disclosed include investment performance and strategy risk, financial risk, interest rate risk, operational risk, accounting, legal and regulatory risk, geopolitical risks, climate change risk, fraud and cybersecurity risk and service provider continuity risk. The Board and Investment Manager have not identified any new principal risks or emerging risks that will impact the remaining six months of the financial year. A detailed explanation of these can be found on pages 15 to 17 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 2023.

Going concern

The Directors have considered the Company's investment objective (see the Strategic Report on page 11 of the Annual Financial Report), financial risk management and associated risks (see note 19 to the Financial Statements on pages 110 to 122 of the Annual Financial Report). In view of the liquidity of the Company's investments (assuming, as the Board does, that market liquidity continues), the income deriving from those investments and its holdings in cash and cash equivalents, the Directors believe that 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. 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 materially adversely affected in terms of value or cashflows by the impacts of geopolitical conflicts, or the cost of living crisis and rising interest rates arising from the current high-inflation economic environment.

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 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company 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

Susie Farnon, Director

28 February 2024

Independent review report to the shareholders of Ruffer Investment Company Limited

Conclusion

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 2023 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.

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 2023 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.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 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.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards 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.

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of 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.

In preparing the half-yearly financial report, 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.

Our responsibility

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. 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.

Deloitte LLP
St Peter Port
Guernsey

28 February 2024

Condensed statement of financial position (unaudited)

As at 31 December 2023

	Notes	31 Dec 23 £ (unaudited)	30 Jun 23 £ (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	10, 11	1,067,631,545	1,037,539,714
Current assets			
Cash and cash equivalents		22,804,313	50,508,224
Trade and other receivables		3,435,870	1,992,046
Derivative financial assets	11	6,860,611	3,497,285
Total current assets		33,100,794	55,997,555
Total assets		1,100,732,339	1,093,537,269
Liabilities			
Current liabilities			
Trade and other payables		5,934,876	1,496,934
Derivative financial liabilities	11	200,433	–
Total liabilities		6,135,309	1,496,934
Net assets		1,094,597,030	1,092,040,335
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	4	791,315,529	791,710,799
Capital reserve		193,690,787	193,130,681
Retained revenue reserve		14,541,155	12,149,296
Other reserves		95,049,559	95,049,559
Total equity		1,094,597,030	1,092,040,335
Net assets attributable to holders of redeemable participating preference shares (per share)	12	2.8552	2.8474

The Unaudited Condensed Interim Financial Statements on pages 34 to 51 were approved on 28 February 2024 and signed on behalf of the Board of Directors by

Susie Farnon, Director

The notes on pages 38 to 51 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of comprehensive income (unaudited)

For the period ended 31 December 2023

	Notes	Revenue £	Capital £	1 Jul 23 to 31 Dec 23 Total £	1 Jul 22 to 31 Dec 22 Total £
Fixed interest income		5,376,386	–	5,376,386	3,661,974
Dividend income		3,574,727	–	3,574,727	2,930,649
Bank interest		592,260	–	592,260	–
Net changes in fair value of financial assets at fair value through profit or loss	5,10	–	(382,003)	(382,003)	47,661,758
Other gains	6	–	6,488,483	6,488,483	769,651
Total income		9,543,373	6,106,480	15,649,853	55,024,032
Management fees	8	–	(5,335,295)	(5,335,295)	(5,069,466)
Expenses	7	(524,116)	(211,079)	(735,195)	(524,657)
Total expenses		(524,116)	(5,546,374)	(6,070,490)	(5,594,123)
Profit for the period before tax		9,019,257	560,106	9,579,363	49,429,909
Withholding tax		(299,355)	–	(299,355)	(233,220)
Profit for the period after tax		8,719,902	560,106	9,280,008	49,196,689
Total comprehensive income for the period		8,719,902	560,106	9,280,008	49,196,689
Basic and diluted earnings per share*		2.27p	0.15p	2.42p	14.29p

* 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 period. The weighted average number of shares for the period was 383,410,971 (31 Dec 22: 344,365,889). As there are no items which would cause a dilution to occur, the basic and diluted earnings per share are the same.

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.

The notes on pages 38 to 51 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of changes in equity (unaudited)

For the period ended 31 December 2023

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 23 to 31 Dec 23 £
Balance at 30 June 2023		791,710,799	193,130,681	12,149,296	95,049,559	1,092,040,335
Total comprehensive income for the period		–	560,106	8,719,902	–	9,280,008
Transactions with Shareholders						
Share buy-backs	4	(394,875)	–	–	–	(394,875)
Share buy-back costs	4	(395)	–	–	–	(395)
Distribution in the period	3	–	–	(6,328,043)	–	(6,328,043)
Balance at 31 December 2023		791,315,529	193,690,787	14,541,155	95,049,559	1,094,597,030

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 22 to 31 Dec 22 £
Balance at 30 June 2022		608,654,303	240,914,299	8,166,612	95,049,559	952,784,773
Total comprehensive income for the period		–	43,347,801	5,848,888	–	49,196,689
Transactions with Shareholders						
Share capital issued	4	127,490,125	–	–	–	127,490,125
Share issue costs	4	(902,557)	–	–	–	(902,557)
Distribution in the period	3	–	–	(4,311,472)	–	(4,311,472)
Balance at 31 December 2022		735,241,871	284,262,100	9,704,028	95,049,559	1,124,257,558

*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 reserve. In order to provide clearer information relating to this reserve, the Company has separately identified it 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 38 to 51 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of cash flows (unaudited)

For the period ended 31 December 2023

	Notes	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Cash flows from operating activities			
Profit for the period after tax		9,280,008	49,196,689
Adjustments for			
Net changes in fair value of financial assets at fair value through profit or loss	5,10	382,003	(47,661,758)
Realised gains on forward foreign exchange contracts	6	(3,962,811)	(4,481,566)
Movement in unrealised (gains)/losses on forward foreign exchange contracts	6	(3,162,893)	5,850,701
Foreign exchange losses/(gains) on cash and cash equivalents	6	637,221	(2,138,786)
Increase in trade and other receivables		(1,461,509)	(856,663)
Increase in trade and other payables		54,195	201,792
		1,766,214	110,409
Net cash received on closure of forward foreign exchange contracts		3,962,811	4,481,566
Purchases of investments		(891,833,758)	(931,538,254)
Sales of investments		865,761,356	756,836,203
Net cash used in operating activities		(20,343,377)	(170,110,076)
Cash flows from financing activities			
Share capital issued		–	127,490,125
Share issue costs		–	(843,644)
Share buy-backs	4	(394,875)	–
Share buy-back costs	4	(395)	–
Dividend paid	3	(6,328,043)	(4,311,472)
Net cash (used in)/generated from financing activities		(6,723,313)	122,335,009
Net decrease in cash and cash equivalents		(27,066,690)	(47,775,067)
Cash and cash equivalents at beginning of the period		50,508,224	91,882,581
Exchange (losses)/gains on cash and cash equivalents	6	(637,221)	2,138,786
Cash and cash equivalents at end of the period		22,804,313	46,246,300

The notes on pages 38 to 51 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 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, 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 2023 have been prepared using accounting policies consistent with IFRSs as adopted by the European Union 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 2023 to 31 December 2023, 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 2023, 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 2023.

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 2023. 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/October and February each year. The Company declared and paid the following dividends during the period.

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Interim dividend of 1.65p per share (2022: 1.25p)	6,328,043	4,311,472

A second interim dividend of 2.0p per share in respect of the half year ended 31 December 2023 was declared on 29 February 2024. The dividend is payable on 22 March 2024 to shareholders on record at 8 March 2024.

4 Share capital

Authorised share capital	31 Dec 23 £	30 Jun 23 £
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	
Issued share capital	1 Jul 23 to 31 Dec 23	1 Jul 22 to 30 Jun 23	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 30 Jun 23 £
Redeemable Participating Preference Shares of 0.01p each				
Balance at start of period/year	383,517,764	323,002,764	791,710,799	608,654,303
Issued during the period/year	–	60,515,000	–	184,342,250
Share issue costs	–	–	–	(1,285,754)
Share buy-backs during the period/year	(150,000)	–	(394,875)	–
Share buy-back costs	–	–	(395)	–
Balance as at end of period/year	383,367,764	383,517,764	791,315,529	791,710,799

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 2023: Nil).

Block listing and additional shares issued

At the start of the period, the Company had the ability to issue 9,341,551 redeemable participating shares under a block listing facility. During the period, no new redeemable participating preference shares were allotted and issued under the block listing facility (30 June 2023: 60,515,000 new shares issued during the year).

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

As at 31 December 2023, the Company had the ability to issue a further 9,341,551 (30 June 2023: 9,341,551) redeemable participating preference shares under the block listing facility.

Redeemable participating preference shares in issue

As at 31 December 2023, the Company had 383,367,764 (30 June 2023: 383,517,764) redeemable participating preference shares of 0.01 pence each in issue. Therefore, the total voting rights in the Company at 31 December 2023 were 383,367,764 (30 June 2023: 383,517,764).

Purchase of own shares by the Company

A special resolution was passed on 30 November 2023 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 value of a share calculated on the basis of the higher of the price quoted for the last independent trade and the highest independent bid for any number of the shares on the trading venue where the purchase is carried out

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 prevailing NAV per share

v the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2024 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.

In August 2023, the Company bought back 150,000 redeemable participating preference shares into treasury.

Subsequent to the period end, the Company has bought back a further 5,900,000 redeemable participating preference shares into treasury.

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

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Net changes in financial assets at fair value through profit or loss during the period comprise		
Gains realised on investments sold during the period	14,694,528	49,625,785
Losses realised on investments sold during the period	(29,446,461)	(43,511,937)
Net realised (losses)/gains on investments sold during the period	(14,751,933)	6,113,848
Movement in unrealised gains/(losses) arising from changes in fair value	14,369,930	41,547,910
Net changes in fair value on financial assets at fair value through profit or loss	(382,003)	47,661,758

6 Other gains/(losses)

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Movement in unrealised gains/(losses) on forward foreign currency contracts	3,162,893	(5,850,701)
Realised gains on forward foreign currency contracts	3,962,811	4,481,566
Foreign exchange (losses)/gains on cash and cash equivalents	(637,221)	2,138,786
	6,488,483	769,651

7 Other expenses

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Expenses charged to revenue		
Administration fee*	128,216	125,668
Directors' fees (note 8)	114,000	123,274
Custodian and Depositary fees*	85,469	83,131
Broker's fees	21,250	17,644
Audit fee	28,000	42,132
Auditor's remuneration for interim review	21,000	21,000
Legal and professional fees	24,071	20,335
Registrar fees	42,723	23,779
General expenses	59,387	53,552
	524,116	510,515
Expenses charged to capital		
Investment transaction costs	211,079	14,142
Total other expenses	735,195	524,657

* The basis for calculating the Administration fee as well as the Custodian and Depositary fees are set out in the General Information on pages 57 to 58.

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 is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Management fee (see note 8)	5,335,295	5,069,466
Other expenses (see above)	735,195	524,657
	6,070,490	5,594,123
Excluded expenses*	(225,700)	–
Total ongoing expenses	5,844,790	5,594,123
Average NAV†	1,080,601,064	1,027,637,342
Annualised ongoing charges ratio (using AIC methodology)	1.08%	1.08%

* Excluded expenses in the period principally comprise investment transaction costs.

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

8 Related party transactions and material contracts

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 Company's Articles of Incorporation.

The market value of holdings in the LF Ruffer Funds where an investment management fee is already charged from within that 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 52 to 56.

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 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Management fees for the period	5,335,295	5,069,466

	31 Dec 2023 £	30 June 2023 £
Payable at end of the period	926,705	880,118

Directors

As at 31 December 2023, the Company had five non-executive Directors, all of whom were independent from the Investment Manager and its parent entity, Ruffer LLP.

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 2023: £300,000) per annum.

During the period, each Director was paid a fee of £39,000 (30 June 2023: £39,000) per annum, except for the Chairman, who was paid £58,000 (30 June 2023: £58,000) per annum, the Chair of the Audit Committee, who was paid £48,000 (30 June 2023: £48,000) per annum, the Senior Independent Director, who was paid £41,500 (30 June 2023: £41,500) per annum, and the Chair of the Management Engagement Committee, who was paid £41,500 (30 June 2023: £41,500) per annum.

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 31 Dec 22 £
Directors' fees for the period	114,000	123,274

	31 Dec 2023 £	30 June 2023 £
Payable at end of the period	–	–

Shares held by related parties

As at 31 December 2023, Directors of the Company held the following numbers of shares beneficially.

Directors	31 Dec 23 shares	30 Jun 23 shares
Christopher Russell	125,000	125,000
Nicholas Pink	55,027	55,027
Shelagh Mason	14,698	14,698
Susie Farnon	16,200	16,200
Solomon Soquar	–	–
	210,925	210,925

As at 31 December 2023, Duncan MacInnes, Investment Director of the Investment Manager owned 58,100 (30 June 2023: 43,100) shares in the Company.

As at 31 December 2023, Jasmine Yeo, Investment Manager of the Investment Manager owned 15,000 (30 June 2023: nil) shares in the Company.

As at 31 December 2023, Jonathan Ruffer, chairman of Ruffer LLP, owned 499,335 (30 June 2023: 499,335) shares in the Company.

As at 31 December 2023, Ruffer LLP (the parent entity of the Company's Investment Manager) and other entities within the Ruffer Group held 3,794,348 (30 June 2023: 2,891,816) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 31 December 2023, the Company held investments in four (30 June 2023: four) related investment funds valued at £198,299,786 (30 June 2023: £211,696,123). Refer to the Portfolio Statement on pages 52 to 56 for details.

9 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.

10 Investments at fair value through profit or loss

	1 Jul 23 to 31 Dec 23 £	1 Jul 22 to 30 Jun 23 £
Cost of investments at the start of the period/year	1,064,658,652	787,014,198
Acquisitions at cost during the period/year	896,217,505	1,509,213,642
Disposals during the period/year	(865,743,671)	(1,270,341,029)
(Losses)/gains on disposals during the period/year	(14,751,933)	38,771,841
Cost of investments held at the end of the period/year	1,080,380,553	1,064,658,652
Fair value below cost	(12,749,008)	(27,118,938)
Fair value of investments held at the end of the period/year	1,067,631,545	1,037,539,714

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 fair value hierarchy at 31 December 2023.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 23 total £
Financial assets at fair value through profit or loss				
Long-dated index-linked gilts	74,652,185	–	–	74,652,185
Short-dated bonds	525,431,832	–	–	525,431,832
Credit and derivative strategies	–	145,195,196	–	145,195,196
Gold exposure and gold equities	14,494,479	31,340,988	–	45,835,467
Commodity exposure	75,023,543	–	–	75,023,543
Equities	179,729,720	21,763,602	–	201,493,322
Derivative financial assets	–	6,860,611	–	6,860,611
Total financial assets at fair value through profit or loss	869,331,759	205,160,397	–	1,074,492,156
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	200,433	–	200,433
Total financial liabilities at fair value through profit or loss	–	200,433	–	200,433

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

	Level 1 £	Level 2 £	Level 3 £	30 Jun 23 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 financial assets at fair value through profit or loss	823,632,211	217,404,788	–	1,041,036,999
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	–	–	–
Total financial liabilities at fair value through profit or loss	–	–	–	–

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. During the period ended 31 December 2023, no transfers were made. In the prior year ended 30 June 2023, no transfers were made.

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 closing NAV for the financial period to the LSE, not all the latest prices for the investments are available. Once these prices became available, adjustments are made to the NAV in the Financial Statements where the price differences are material. Adjustments may also be made to expense accruals where the last working day of the financial period (and therefore the date of the NAV) is not the financial period end date. 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 23		30 June 23	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV per share published on the LSE as at the period/year end	1,095,395,721	2.8573	1,096,014,803	2.8578
Adjustments to expense accruals	(48,732)	(0.0001)	–	–
Adjustments to valuations	(749,959)	(0.0020)	(3,974,468)	(0.0104)
Net assets attributable to holders of redeemable participating preference shares	1,094,597,030	2.8552	1,092,040,335	2.8474

13 Subsequent events

These Financial Statements were approved for issuance by the Board on 28 February 2024. Subsequent events have been evaluated up until this date.

Subsequent to the period end, the Company has bought back 5,900,000 redeemable participating preference shares into treasury.

A second interim dividend of 2.0p per share in respect of the half year ended 31 December 2023 was declared on 29 February 2024. The dividend is payable on 22 March 2024 to shareholders on record at 8 March 2024.

Portfolio statement (unaudited)

As at 31 December 2023

	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
Government bonds 54.83%				
(30 Jun 23: 53.28%)				
Long-dated index-linked gilts				
UK index-linked gilt 0.375% 22/03/2062	GBP	10,744,368	14,205,609	1.30
UK index-linked gilt 0.125% 22/11/2065	GBP	11,000,000	11,882,141	1.09
UK index-linked gilt 0.125% 22/03/2068	GBP	20,020,000	22,551,492	2.06
UK index-linked gilt 0.125% 22/03/2073	GBP	26,700,000	26,012,943	2.38
Total long-dated index-linked gilts			74,652,185	6.83
Short-dated bonds				
Japan 0.005% 01/04/24	JPY	5,000,000,000	27,856,892	2.55
Japan 0.005% 01/05/24	JPY	5,000,000,000	27,858,563	2.55
Japan 0.005% 01/06/24	JPY	5,000,000,000	27,861,347	2.55
Japan 0.005% 01/07/24	JPY	4,000,000,000	22,289,524	2.04
Japan 0.005% 01/08/24	JPY	4,300,000,000	23,961,238	2.18
Japan 0.005% 01/01/25	JPY	5,426,400,000	30,232,226	2.75
UK gilt 0.25% 31/01/2025	GBP	22,949,000	21,958,980	2.01
UK gilt 2.00% 07/09/2025	GBP	15,000,000	14,539,350	1.33
US Treasury floating rate bond 31/07/2024	USD	64,609,500	50,710,667	4.63
US Treasury floating rate bond 31/10/2024	USD	64,644,200	50,740,949	4.63
US Treasury floating rate bond 31/01/2025	USD	76,342,700	59,949,198	5.48
US Treasury floating rate bond 30/04/2025	USD	67,414,900	52,902,506	4.83
US Treasury floating rate bond 31/07/2025	USD	69,614,000	54,584,463	4.99
US Treasury floating rate bond 31/10/2025	USD	76,496,600	59,985,929	5.48
Total short-dated bonds			525,431,832	48.00
Total government bonds			600,084,017	54.83

	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
Equities 18.40%				
(30 Jun 23: 13.57%)				
Europe				
Accor	EUR	21,100	632,726	0.06
AIB	EUR	462,800	1,555,907	0.14
Arcelormittal	EUR	144,081	3,206,380	0.30
Banco Santander	EUR	382,850	1,254,261	0.11
Bank of Ireland	EUR	218,800	1,558,820	0.14
Bayer	EUR	115,579	3,376,511	0.32
Dassault Aviation	EUR	7,700	1,196,220	0.11
Grifols	EUR	35,480	475,220	0.04
Grifols ADR	USD	66,561	604,387	0.06
Groupe Bruxelles Lambert	EUR	20,800	1,283,523	0.12
Groupe Danone	EUR	34,400	1,749,077	0.16
Hellenic Telecom	EUR	43,650	485,883	0.04
JDE Peet's	EUR	52,000	1,098,153	0.10
Orange	EUR	114,000	1,018,341	0.09
Prosegur Cash	EUR	720,973	335,641	0.03
Roche	CHF	7,400	1,688,064	0.15
Ryanair ADR	USD	26,800	2,807,569	0.26
Vallourec	EUR	187,127	2,274,400	0.21
Vivendi	EUR	162,900	1,365,903	0.12
Total Europe equities			27,966,986	2.56
United Kingdom				
Aberforth Smaller Companies	GBP	270,000	3,720,600	0.34
Admiral	GBP	93,875	2,519,605	0.23
BAE Systems	GBP	153,000	1,699,065	0.16
Balfour Beatty	GBP	294,430	975,152	0.09
Beazley	GBP	299,700	1,562,935	0.14
BP	GBP	3,735,600	17,415,367	1.59
British American Tobacco	GBP	72,000	1,652,040	0.15

	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
Castings	GBP	750,000	2,640,000	0.24
Conduit	GBP	262,960	1,231,968	0.11
Deliveroo	GBP	349,045	445,381	0.04
GlaxoSmithkline	GBP	91,500	1,326,933	0.12
Glencore	GBP	691,356	3,263,892	0.30
Grit Real Estate	GBP	3,743,544	748,709	0.07
Hipgnosis Songs Fund	GBP	5,500,000	3,960,000	0.36
Jet2	GBP	124,200	1,551,258	0.14
Marks & Spencer	GBP	636,330	1,733,363	0.16
PRS REIT	GBP	2,600,000	2,241,200	0.20
Reckitt Benckise	GBP	28,500	1,544,700	0.14
Renn Universal Growth Trust	GBP	937,500	0	0.00
Rolls-Royce Holdings	GBP	736,255	2,203,611	0.20
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	8,812,245	21,763,602	1.99
Science Group	GBP	347,530	1,341,466	0.12
Taylor Maritime Investments	GBP	5,000,000	3,330,000	0.30
Trident Royalties	GBP	7,557,947	2,418,543	0.22
Tufton Oceanic Assets	USD	2,562,500	1,952,419	0.18
Unilever	GBP	115,651	4,394,160	0.40
Vodafone	GBP	561,600	385,258	0.04
Total UK equities			88,021,227	8.03
North America				
Amazon	USD	31,159	3,766,455	0.34
Bank of America	USD	36,500	965,038	0.09
Capri	USD	18,800	741,899	0.07
Cigna	USD	13,933	3,277,883	0.30
Citigroup	USD	41,800	1,689,599	0.15
Coty A	USD	246,500	2,402,847	0.22
East West Banking	USD	29,500	1,666,515	0.15
Exxon Mobil	USD	15,800	1,240,817	0.11
General Electric	USD	19,500	1,954,748	0.18

	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
General Motors	USD	79,190	2,233,692	0.20
Jackson Financial	USD	55,325	2,222,821	0.20
Kenvue	USD	113,600	1,920,251	0.18
M & T Bank	USD	5,000	538,135	0.05
Meta Platforms	USD	2,960	822,946	0.08
Noble	USD	19,700	745,075	0.07
NOV	USD	123,100	1,960,936	0.18
Pfizer	USD	165,491	3,741,129	0.34
Pioneer Natural	USD	20,000	3,534,836	0.32
PNC Financial	USD	8,900	1,082,807	0.10
Suncorp	CAD	59,791	1,504,078	0.14
Total North America equities			38,012,507	3.47
Asia (ex-Japan)				
Alibaba Group ADR	USD	185,438	11,288,544	1.03
Citic Securities	HKD	1,700,000	2,721,395	0.25
iShares MSCI China	USD	3,650,000	11,780,575	1.08
Swire Pacific	HKD	1,050,000	6,963,117	0.63
Taiwan Semiconductor Manufacturing	USD	110,000	8,981,620	0.82
Total Asia (ex-Japan) equities			41,735,251	3.81
Other equities				
AMBEV ADR	USD	2,617,744	5,757,351	0.53
Total other equities			5,757,351	0.53
Total equities			201,493,322	18.40
Commodity exposure 6.85%				
(30 Jun 23: 8.10%)				
Wisdomtree Brent crude oil	USD	1,200,000	44,178,776	4.04
Wisdomtree copper	USD	800,201	21,823,092	1.99
Yellow Cake	GBP	1,461,000	9,021,675	0.82
Total commodity exposure			75,023,543	6.85

	Currency	Holding at 31 Dec 23	Fair value £	% of total net assets
Gold exposure and gold equities 4.19%				
(30 Jun 23: 5.02%)				
Agnico Eagle Mining	USD	100,000	4,307,596	0.39
Barrick Gold	USD	374,000	5,311,382	0.49
LF Ruffer Gold Fund*	GBP	11,158,837	31,340,988	2.86
Newmont	USD	150,000	4,875,501	0.45
Total gold exposure and gold equities			45,835,467	4.19
Credit and derivative strategies 13.27%				
(30 Jun 23: 14.84%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	110,392,473	71,565,564	6.54
Ruffer Protection Strategies*	GBP	9,334,953	73,629,632	6.73
Total credit and derivative strategies			145,195,196	13.27
Total investments			1,067,631,545	97.54
Cash and other net current assets			26,965,485	2.46
			1,094,597,030	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 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 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 Unaudited Condensed Interim Financial Statements were authorised for issue on 28 February 2024 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 for United Kingdom tax purposes. 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 required the Company to pay dividends such that it retains no more than 15% of the total revenue (after withholding tax) that it receives or is deemed to receive for UK tax purposes on an annual basis.

Sanne Fund Services (Guernsey) 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
Solomon Soquar

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Auditor
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Investment Manager and Alternative Investment Fund Manager
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80 Victoria Street
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Sponsor and broker
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London EC2V 7QP

Solicitors to the Company as to UK law
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Company Secretary and Administrator
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Guernsey GY1 2HL

CREST agent
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Advocates to the Company as to Guernsey law
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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

Appendix (unaudited)

Regulatory performance data

To 31 Dec %	†2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RIC NAV TR	8.2	12.9	0.9	6.0	23.8	15.1	16.5	0.7	3.4	9.5	1.8
FTSE All-Share TR	9.7	22.0	16.8	5.3	-29.9	30.1	14.5	-3.5	12.3	20.8	1.2
Twice UK Bank Rate	4.8	9.7	9.5	11.4	10.2	1.5	1.0	1.0	1.0	1.0	1.0
FTSE All-World	5.8	24.9	7.2	10.8	-19.4	21.2	16.7	-6.6	12.0	21.0	11.3
Bloomberg Global Agg	6.0	5.8	3.3	5.8	7.6	5.3	4.8	5.8	5.9	0.0	7.9

To 31 Dec %	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annualised
RIC NAV TR	-1.0	12.4	1.6	-6.0	8.4	13.5	12.0	8.0	-6.2	7.0
FTSE All-Share TR	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	0.3	7.9	7.0
Twice UK Bank Rate	1.0	0.8	0.6	1.2	1.5	0.5	0.2	2.6	9.5	3.5
FTSE All-World	4.0	29.6	13.8	-3.4	22.3	13.0	20.0	-7.3	15.7	10.2
Bloomberg Global Agg	1.4	3.7	1.9	0.1	6.5	5.0	-1.5	-12.2	6.2	3.4

† From July 2004

Source: Ruffer, Bloomberg, FTSE International. 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. This document is issued by Ruffer AIFM Limited (RAIFM), 80 Victoria Street, London SW1E 5JL. Ruffer LLP and Ruffer AIFM Limited are authorised and regulated by the Financial Conduct Authority. Ruffer AIFM is a wholly owned subsidiary of Ruffer LLP.

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 Interim 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.

		Period ended 31 Dec 23		Period ended 31 Dec 22	
		Total NAV return	Total share price return	Total NAV return	Total share price return
Opening IFRS NAV/share price per share		285.78p	276.00p	294.98p	300.00p
Closing IFRS NAV/share price per share	(a)	285.73	275.00p	307.92p	311.00p
Dividends paid	(b)	1.65p	1.65p	1.25p	1.25p
Weighted average IFRS NAV/share price per share on ex-dividend date	(c)	273.81	262.35	300.28p	308.25p
Dividend adjustment factor (d = b/c +1)	(d)	1.0060	1.0063	1.0042	1.0041
Adjusted closing NAV per share (e = a x d)	(e)	287.45	276.73	309.20	312.26
Total NAV/share price return		0.6%	0.3%	4.8%	4.1%

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 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 present share price.