

# Ruffer Investment Company Limited

An alternative to alternative asset management

During November the net asset value of the company was up 1.8%. This compared to the FTSE All-Share TR which rose by 7.1%.

Following three consecutive negative quarters across almost all asset classes, the final quarter of 2022 is at last delivering some seasonal cheer for investors. November saw strong gains in both equities and bonds, though obviously not digital assets thanks to the collapse of FTX. This late burst of optimism is founded on the hope that inflation is finally peaking, though by now it clearly no longer warrants either the 'transitory' or 'temporary' labels. Evidence supporting the long-awaited peak in inflation arrived mid-month with US CPI below expectations and crucially lower than previous year on year readings. This sparked a sharp rally in both equities and bonds, as did US Federal Reserve Chair Powell's unexpectedly dovish speech on the very last day of the month. Investors may want to consider, however, whether such short-term volatility (one day gains for US equities of 5% and 3%) really constitutes a sound base for a sustained rally.

We have no argument with the idea that inflation (at least in the US) may have peaked and could fall quite sharply in coming months. Where we disagree with both central bank forecasts and market expectations is in their faith that inflation will return to target anytime soon. We think wage rises will make inflation stickier than predicted and see evidence for this in the strength of both US and UK private sector wage inflation, plus the depressing sight of increasing numbers of strikes here in the UK. This, plus concerns that markets currently underestimate the impact on corporate profits of a likely recession next year, has made us nervous of adding to equities. Instead, we added risk into portfolios through long-duration inflation linked bonds, principally in the US. These holdings performed strongly in the recent market rally.

Ruffer aims to deliver 'all weather' returns whatever happens in financial markets, and we do this by holding a combination of fear (protection) and greed (growth) assets. Over the last 20 years this approach has delivered a positive correlation to stock markets when they are healthy, so we aim to harvest a proportion of equity gains in the good times. However, we have been negatively correlated to equities when times are more difficult, protecting investors in each of the major stock market crises of the last quarter century. This year has been no exception. Ruffer portfolios were negatively correlated to both equities and bonds as they fell sharply earlier in the year. Adjustments to the portfolio meant it was positively correlated to equities in November, as markets staged a recovery. Such 'perfect' shifts in correlation cannot be expected every month, but it is reassuring to see both sides of our investment approach in good working order.

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to 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.

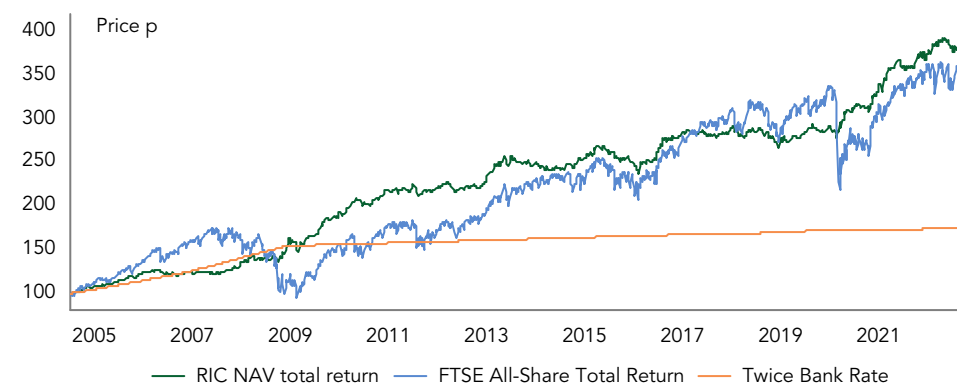


November 2022 Issue 210

## Investment objective

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company predominantly invests in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

## Performance since launch on 8 July 2004



Performance %	Net Asset Value	Share price	As at 30 November 2022	p
November 2022	1.8	0.3	<b>Share price</b>	<b>310.50</b>
Year to date	7.7	7.0	<b>Net Asset Value (NAV) per share</b>	<b>306.99</b>
1 year	7.9	5.5		%
3 years	39.9	47.7	Premium/discount to NAV	1.1
5 years	41.2	39.8	NAV total return since inception <sup>2</sup>	300.4
10 years	78.5	80.3	Standard deviation <sup>3</sup>	1.85
			Maximum drawdown <sup>3</sup>	-8.62

All figures in the above table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table.

<sup>2</sup>Including 45.0p of dividends <sup>3</sup>Monthly data (total return NAV)

12 month performance to September %	2018	2019	2020	2021	2022
RIC NAV total return	1.5	1.6	8.2	15.4	9.7
FTSE All-Share Total Return	5.9	2.7	-16.6	27.9	-4.0
Twice Bank Rate	1.0	1.5	0.8	0.2	1.6

Source: Ruffer LLP, FTSE International

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

# Ruffer Investment Company Limited as at 30 Nov 2022

## Asset allocation



Asset allocation	%
Short-dated bonds	22.1
Illiquid strategies and options	18.2
Cash	10.9
Non-UK index-linked	9.4
Index-linked gilts	8.5
Long-dated bonds	6.6
Long-dated index-linked gilts	6.4
Gold exposure and gold equities	4.0
Global funds	0.2
UK equities	6.9
North America equities	3.1
Europe equities	1.8
Japan equities	1.5
Asia ex-Japan equities	0.1
Other equities	0.2
Currency allocation	%
Sterling	65.0
US dollar	13.1
Yen	11.0
Australian dollar	6.2
Euro	1.7
Other	3.0

## Currency allocation



## 10 largest equity holdings\*

Stock	% of fund
BP	1.7
Sony	0.4
Mitsubishi UFJ Financial Group	0.4
Shell	0.4
Unilever	0.4
Royal Vopak	0.4
Fujitsu	0.4
Meta Platforms	0.3
Trident Royalties	0.3
Haleon	0.3

## 5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2024	8.5
US Treasury 0.125% TIPS 2052	5.5
US Treasury 0.625% TIPS 2023	5.0
US Treasury FRN 2024	4.8
US Treasury FRN 2023	3.3

\*Excludes holdings in pooled funds  
Source: Ruffer LLP.  
Pie chart totals may not equal 100 due to rounding.

NAV £1,095.2m Market capitalisation £1,112.4m Shares in issue 358,267,764

## Company information

Annual management charge (no performance fee)	1.0%		
Ongoing Charges Ratio*	1.08%		
Ex dividend dates	March, October		
NAV valuation point	Weekly, every Tuesday and the last business day of the month		
Stock ticker	RICA LN		
ISIN	GB00B018CS46	SEDOL	B018CS4
Administrator	Sanne Fund Services (Guernsey) Limited		
Broker	Investec		
Custodian	Northern Trust (Guernsey) Limited		
Company structure	Guernsey domiciled limited company		
Share class	£ sterling denominated preference shares		
Listing	London Stock Exchange		
NMPI status	Excluded security		
Wrap	ISA/SIPP qualifying		
Discount management	Share buyback Discretionary redemption facility		

\* Audited as at 31 December 2021

FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication.

## Fund Managers

### Duncan MacInnes

INVESTMENT DIRECTOR

Joined Ruffer in 2012. He graduated from the University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and co-manager of two of Ruffer's flagship funds.



### Jasmine Yeo

INVESTMENT MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, following completion of the CISI Masters in Wealth Management. She has managed private client portfolios and now works with wealth managers and advisors as part of Ruffer's UK wholesale team. She is co-manager of one of Ruffer's flagship funds.



The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of RAIFM at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. RAIFM has not considered the suitability of this investment against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

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 [www.ruffer.co.uk](http://www.ruffer.co.uk).

This financial promotion is issued by Ruffer AIFM Limited (RAIFM), 80 Victoria Street, London SW1E 5JL. RAIFM is authorised and regulated by the Financial Conduct Authority. © RAIFM 2022

## Enquiries

Ruffer AIFM Ltd +44 (0)20 7963 8218  
80 Victoria Street [rif@ruffer.co.uk](mailto:rif@ruffer.co.uk)  
London SW1E 5JL [ruffer.co.uk](http://ruffer.co.uk)

## Ruffer LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 October 2022, assets managed by the group exceeded £25.1bn.