

Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



Global asset markets started the year almost unanimously priced for a perfect soft landing, following the strong rally in both equities and bonds into the year end. This left scope for disappointment in January if either assumption of early interest rate cuts or steady growth were dialled back. In the end it was bonds that gave way as doubts emerged over the speed of likely US rate cuts, whilst equities in aggregate continued to make gains. Tensions in the Middle East remained high, leading to the oil price rising 6% and freight costs rising sharply to more than double the post-covid low seen in October. As yet this has had no impact on inflation expectations, with markets now convinced that this dragon has been slain.

The backup in bond yields, especially in the UK, meant that our remaining holding in long-duration UK inflation-linked bonds was a drag on performance. Having chosen to add risk into portfolios through a significant increase in bond duration in the final quarter of 2023, we took the profits on this position by the year end, adding instead to our net equity exposure this month, in light of continued US economic resilience. We believed yields had fallen too far, too fast, given our concerns over the likely stickiness and volatility of inflation, and so started this year with just a core holding in UK inflation-linked bonds. This was the largest detractor to performance in the month, but we see this as temporary volatility in a core element of our long-term inflation protections. Gold and gold equities also fell back in January.

Global equities were positive overall in January, with the S&P 500 hitting an all-time high during the month. However, it is worth remembering this merely constitutes a recovery from the 2022 bear market, with equities still broadly flat over the last two years and in our view does little to support the current, almost euphoric, levels of stock market positioning. Once again, as we saw last year, equity gains in January remained narrowly based. The S&P 500 rose 1.7% in the month, but the equal weighted version was in negative territory. There has also been what might be considered a worrying concentration of performance within the dominant mega-cap tech stocks. NVIDIA and Meta recorded double digit gains, but Tesla fell 20%, and Apple and Alphabet were flat to down. Elsewhere, investors continued to shun value, with the cheapest markets (China, emerging markets and the UK) all down on the month. For us, the UK appears anomalously undervalued while China now seems to be pricing in despair.

Overall, the big questions for investors remain unresolved. Most equity markets have now recovered their 2022 losses and are increasingly priced on the assumption that inflation will fall to target and stay there, without a decline in profit margins or economic growth. Bond markets appear to be more realistically pricing in a regime of higher interest rates, even if they show periods of over optimism. Has the Fed 'put' now been restored, with the central bank free to cut rates if growth falters, or will sticky and volatile inflation leave them facing more difficult choices? In other words, are equities and bonds still positively correlated or have we returned to the 'Goldilocks' conditions of the pre-covid era? We remain unconvinced that inflation has vanished for good and that there will be no lasting impact from higher interest rates. Therefore protection remains key to the Ruffer portfolio.

JANUARY 2024

Performance %	Net Asset Value	Share price
January	-1.9	-3.5
Year to date	-1.9	-3.5
1 year	-7.7	-14.4
3 years pa	3.7	0.7
5 years pa	5.8	5.6
10 years pa	4.2	3.3
Since inception pa	6.9	6.4

Share price

RIC	265.50
Net Asset Value (NAV) per share	280.32

	Net	Gross
Duration (years)	2.2	2.5
Equity exposure %	23.6	19.7

RIC GBP	Volatility %	Sharpe	Sortino
3 years	6.0	0.2	0.4
5 years	6.7	0.6	1.1
10 years	5.9	0.5	0.9
Since inception	6.4	0.8	1.5

	%
Premium/discount to NAV	-5.3
NAV total return since inception ¹	269.5
Standard deviation ²	1.85
Maximum drawdown ²	-9.59

12 month performance to 31 December 2023

%	2019	2020	2021	2022	2023
RIC	8.4	13.5	12.0	8.0	-6.2
FTSE All-Share TR £	19.2	-9.8	18.3	0.3	7.9
Twice Bank Rate	1.5	0.5	0.2	2.9	9.6

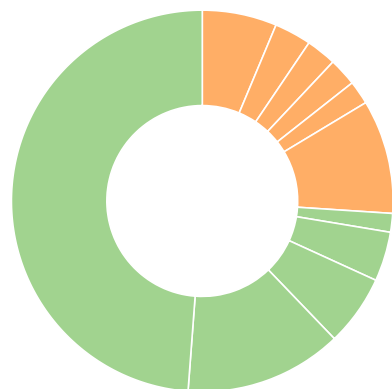
¹ Including 46.4p of dividends ² Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table. One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. 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.

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.

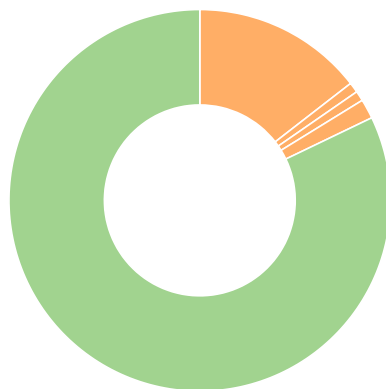
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ASSET ALLOCATION



Asset allocation	%
Short-dated bonds	48.8
Credit and derivative strategies	13.4
Long-dated index-linked gilts	6.0
Gold exposure and gold equities	4.2
Cash	1.6
Commodity exposure	6.3
Energy equities	3.1
Consumer discretionary equities	2.6
Consumer staples equities	2.4
Financials equities	2.0
Other equities	9.7

CURRENCY ALLOCATION



Currency allocation	%
Sterling	82.1
Yen	14.5
Euro	0.9
Hong Kong dollar	0.8
Other	1.7
Geographical equity allocation	%
UK equities	7.8
Asia ex-Japan equities	4.2
North America equities	3.5
Europe equities	3.0
Other equities	1.4

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
BP	2.0
iShares MSCI China A UCITS ETF	1.3
Alibaba Group ADR	1.1
TSMC ADR	0.9
Swire Pacific	0.6

Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

RUFFER LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 December 2023, assets managed by the Ruffer Group exceeded £23.7bn.

NAV **£1,068.5M**

SHARES **381,167,764**

MARKET CAPITALISATION **£1,012.0M**

FUND INFORMATION

Annual management charge %	(no performance fee) 1.00	
Ongoing Charges Ratio %	(audited at 30 Jun 23) 1.08	
Valuation point	Weekly, every Tuesday and the last business day of the month	
Ex dividend dates	March, October	
Administrator	Apex Fund and Corporate Services (Guernsey) Limited	
Custodian	Northern Trust (Guernsey) Limited	
Broker	Investec	
Structure	Guernsey domiciled limited company	
Discount management	Share buyback Discretionary redemption facility	
Listing	London Stock Exchange	
NMPI status	Excluded security	
Stock ticker	RICA LN	
Wrap	ISA/SIPP qualifying	
Share class	ISIN	SEDOL
RIC	GB00B018CS46	B018CS4

ENQUIRIES

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FUND TEAM



Duncan MacInnes

FUND MANAGER

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

FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

Sharpe ratio measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

Sortino ratio measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

DISCLAIMER

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