



# Ruffer Investment Company Limited



All-weather  
investors seeking  
to deliver consistent  
positive returns

Investment Manager's Year End Review  
for the year ended 30 June 2025 (unaudited)

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for the year ended 30 June 2025 (unaudited)



## Philosophy and approach

### Investment philosophy

The Ruffer Investment Company (the Company) follows the Ruffer philosophy and strategy, which have remained unchanged since Ruffer started in 1994. Our aim is simple but unusual – to generate consistent positive returns, however financial markets are performing. Through good markets and bad, our priority is protecting our shareholders' money.



We define this formally with the objective to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. In essence, our goals are two-fold. To protect your money, and to generate a reliable return over the long term.

Since its launch in 2004, the Company's approach has successfully delivered positive returns with a low correlation to equities and other asset classes. Most notably, we preserved shareholder capital during the global financial crisis, the covid-19 pandemic, and the 2022 interest rate shock. This year, we again demonstrated resilience by delivering a positive return amid tariff-induced volatility – when US bonds, equities and the US dollar all fell in tandem.

These results reflect a philosophy focused on capital preservation and a disciplined, differentiated investment approach.

### Investment approach

At Ruffer, we think differently about risk. Our investment approach starts with managing the risk of losing money, identifying assets that can protect against major market risks and potential regime changes, no matter where we are in the cycle. By putting protection in place ahead of time, we're able to remain opportunistic during benign markets and well-positioned to take on risk during or after market downturns.

In an ideal world, one could rotate perfectly between growth and protective assets – selling at the top and buying at the trough. But nobody can determine exactly when these points will be. Market downturns often arrive unexpectedly, from seemingly calm conditions rather than storm clouds.

To remove the need for market timing, the Company's portfolio always maintains a balance between 'protection' and 'growth' assets. The balance shifts, depending on our views and conviction at any given time.

We conduct our own independent research, actively manage the underlying holdings and invest without the constraint of market benchmarks. The portfolio typically includes equities, fixed income, commodities, precious metals exposure, currencies, derivatives and alternative assets – though the composition and weighting of each will vary based on our outlook.

# We aim to protect your money and generate a reliable return over the long term

Rather than rely on historic correlations between asset classes, we consider a broad range of future scenarios and position the portfolio accordingly. Our forward-looking, qualitative assessments of markets are supported by quantitative analysis and stress testing to identify and address vulnerabilities in the portfolio.

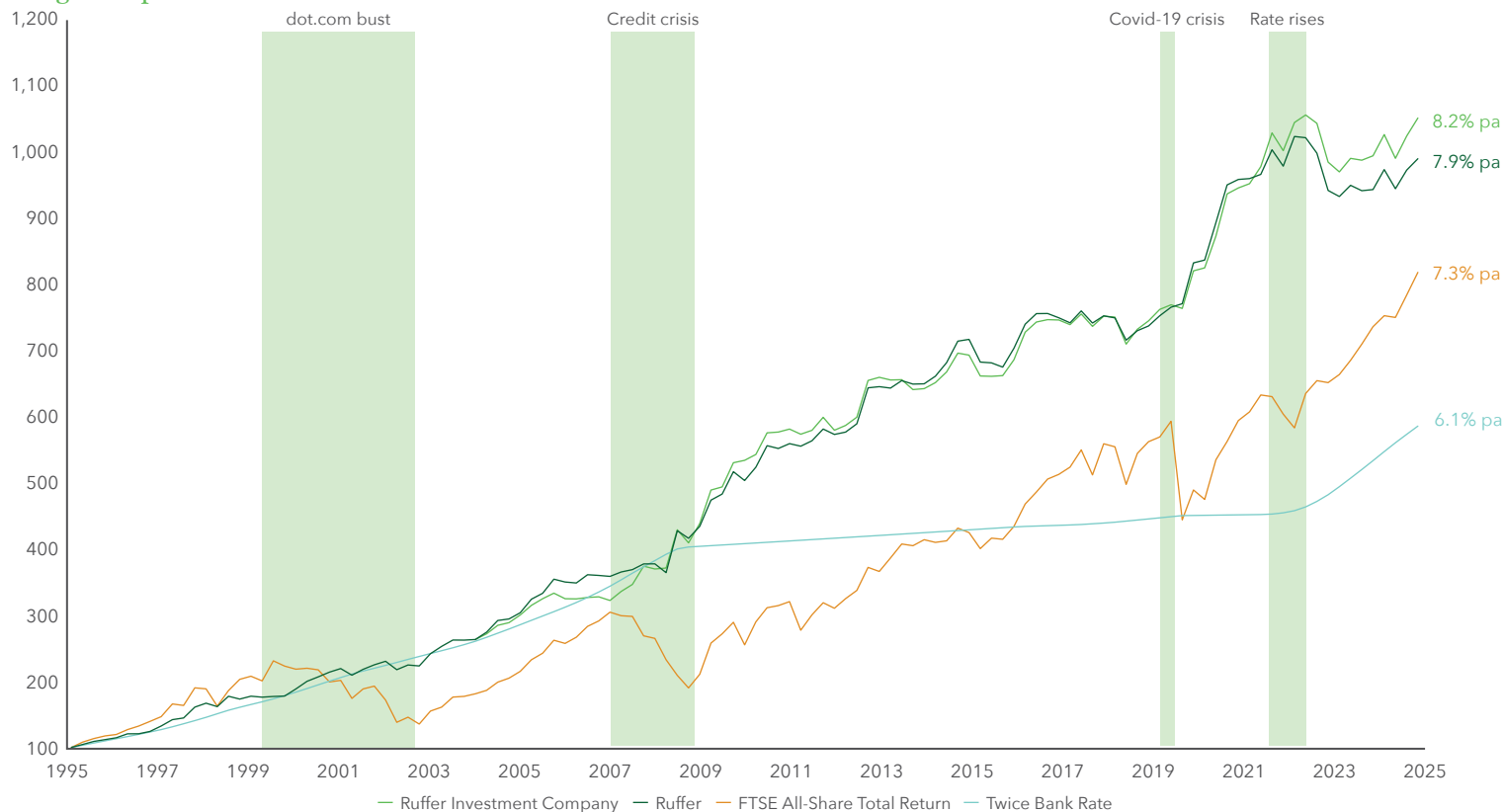
When constructed correctly, the result is an all-weather portfolio – one that aims to preserve capital during periods of market stress. For investors, this means the Company can act as a source of stability and reassurance when other parts of a broader portfolio may be under pressure.

### Long-term performance

Over 30 years, the Ruffer strategy has delivered an annualised return of 7.9%, after all fees and charges. Just as importantly, it has provided meaningful protection and diversification during periods of market stress as illustrated in the chart overleaf.

Ruffer's successful track record stems from our ability to identify major inflection points in financial markets and protect portfolios through them. During investment regime change, asset class correlations often shift. Equities and bonds may fall in tandem. In these moments, investors need genuine diversification: assets that can behave differently, even to deliver a negative correlation to both equities and bonds under stress.

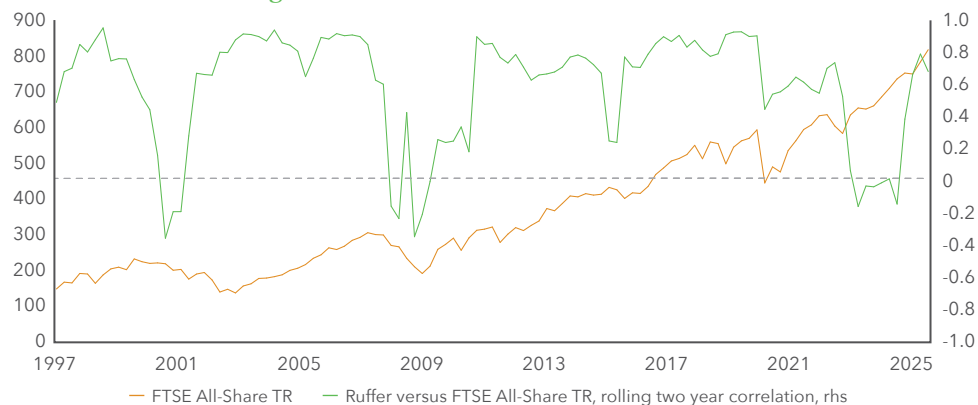
## Long-term performance



Source: Ruffer, RAIFM Ltd, FTSE International, Bloomberg, MSCI, WM. Cumulative performance 30 June 1995 to 30 June 2025, in pounds sterling. Performance data is included in the appendix. All figures include reinvested income. All mentions of Ruffer performance refer to Ruffer's representative portfolio, which is an unconstrained segregated portfolio following Ruffer's investment approach. Ruffer performance is shown after deduction of all fees and management charges. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter. FTSE/MSCI Balanced data prior to 28 February 2017 refers to the FTSE WMA Balanced Index and after 1 March 2017 refers to the MSCI PIMFA Balanced index. Performance prior to 1 July 2022 has been calculated using monthly data points, and thereafter using daily data points. More information: [ruffer.co.uk/methodology](https://ruffer.co.uk/methodology)

The chart opposite shows the rolling two year correlation of the Ruffer portfolio versus the FTSE All-Share Index. Typically, the Ruffer portfolio shows a positive correlation to equity markets in benign conditions. However, during periods of market stress, this correlation tends to fall – often turning sharply negative – providing the kind of diversification our investors rely on when it matters most.

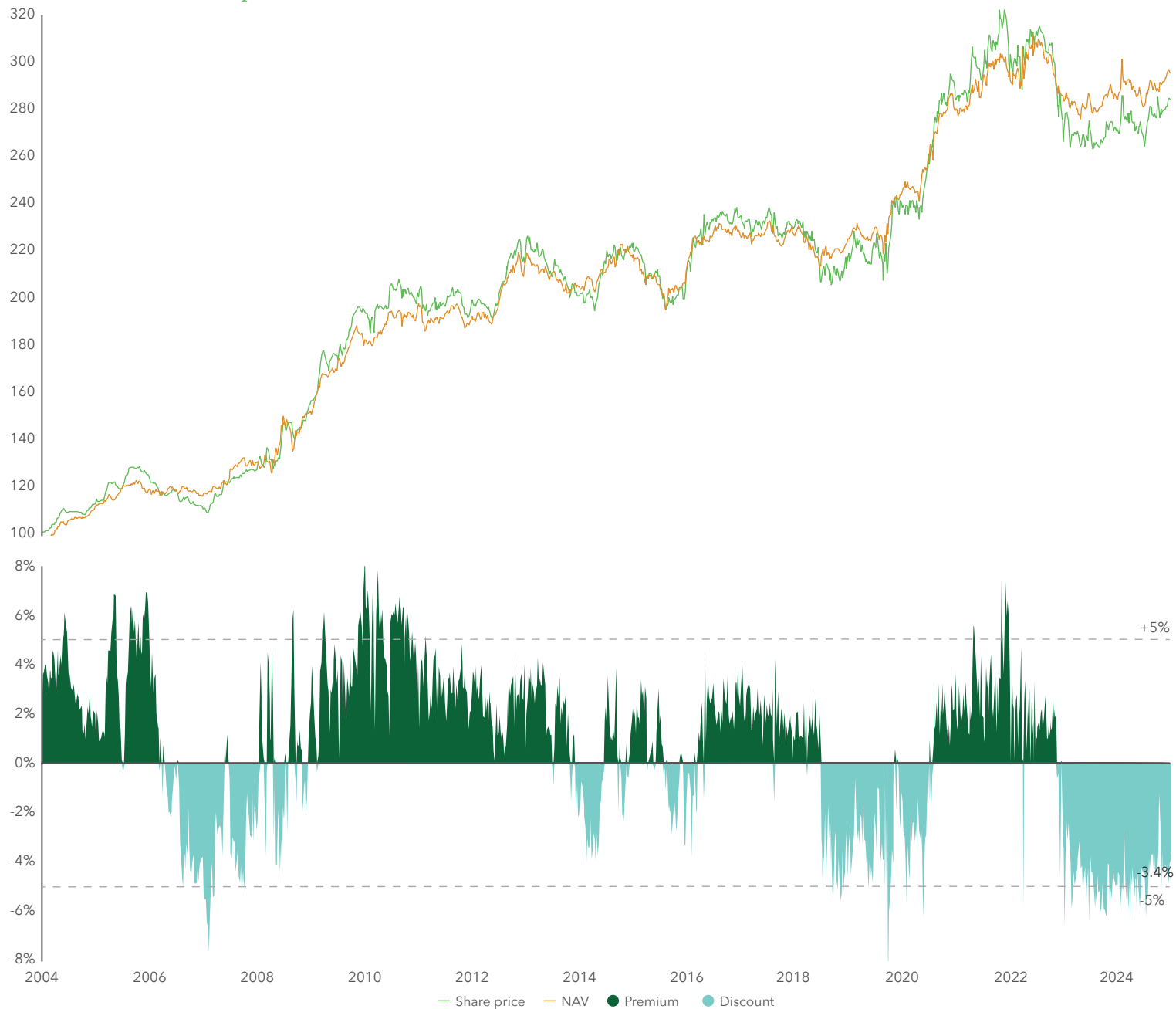
## Correlation falls during market stress



Source: FTSE Russell, Ruffer calculations, based on quarterly performance data from 30 June 1997 to 30 June 2025

## Performance review

### Performance in NAV and price terms



Source: Ruffer Investment Company data 7 July 2004 to 30 June 2025

## Financial highlights

As at 30 June 2025

Share price

**284.00p**

2024: 270.50p

NAV as calculated on an IFRS basis

**£888.20m**

2024: £1,019.74m

NAV as reported to the LSE

**£891.59m**

2024: £1,019.43m

Market capitalisation

**£858.18m**

2024: £968.22m

Number of shares in issue

**302.18m**

2024: 357.94m

NAV per share as calculated  
on an IFRS basis

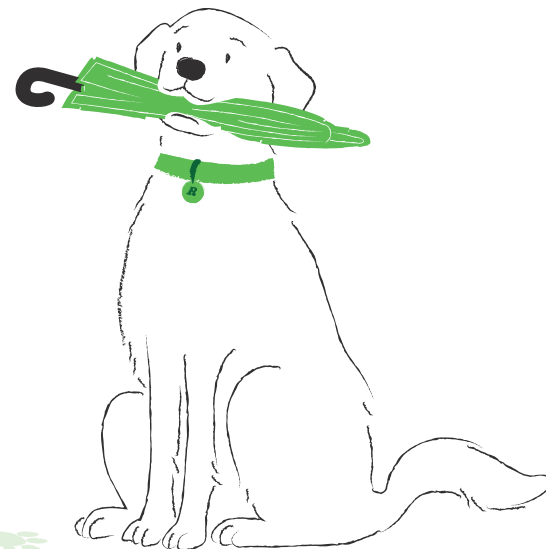
**293.93p**

2024: 284.89p

NAV per share  
as reported to the LSE

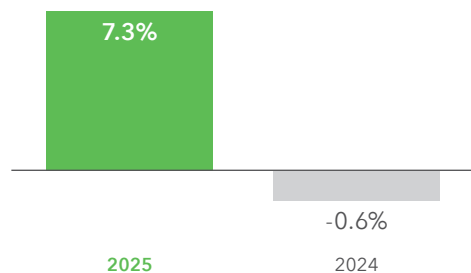
**295.06p**

2024: 284.81p

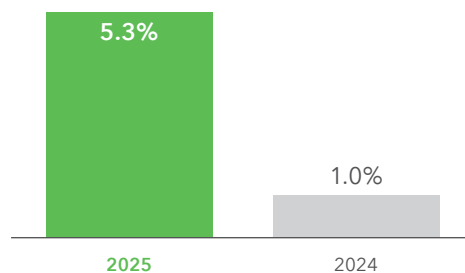


## Key performance indicators

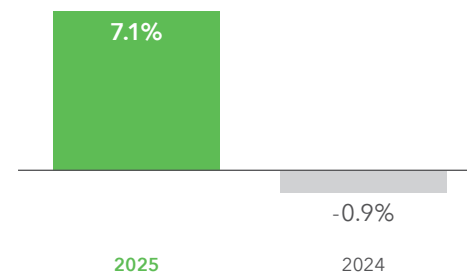
Share price total return over 12 months<sup>1,2</sup>



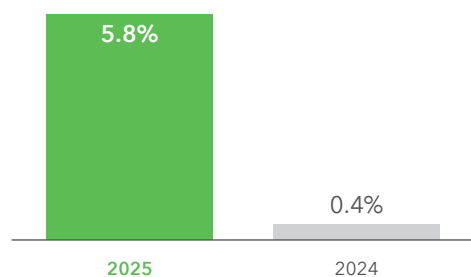
NAV total return per share over 12 months<sup>1,2</sup>



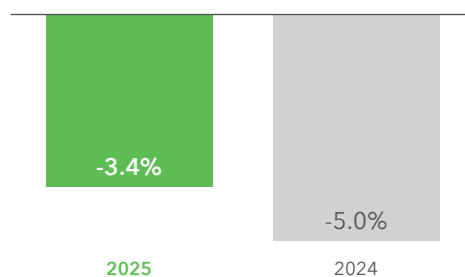
Share price total return over 6 months<sup>1,2</sup>



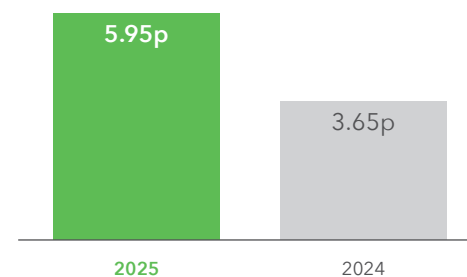
NAV total return per share over 6 months<sup>1,2</sup>



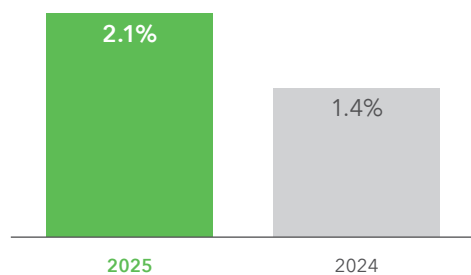
Discount of share price to NAV<sup>2</sup>



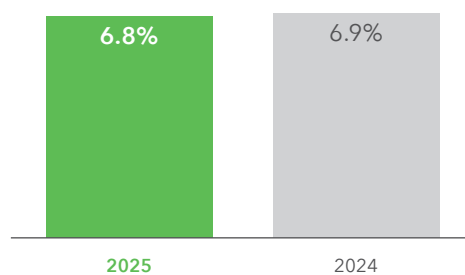
Dividends per share over 12 months<sup>3</sup>



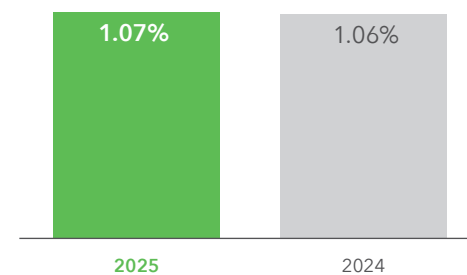
Annualised dividend yield<sup>4</sup>



Annualised NAV total return per share since launch<sup>1</sup>



Ongoing charges ratio<sup>5</sup>



1 Assumes reinvestment of dividends

2 Using NAVs calculated on an IFRS basis

3 Dividends paid during the period

4 Dividends paid during the period divided by closing share price

5 Calculated in accordance with AIC guidance

### Premium and discount over time



Source: Ruffer Investment Company data 7 July 2004 to 30 June 2025

### Premium/discount

The Board has been deliberate in its use of buybacks to manage the discount. Over the last 12 months the Board has purchased approximately 56 million shares for a total of around £153 million. This equates to around 16% of the shares outstanding as of 30 June 2024. Similarly, over the six months to 30 June 2025, the Board purchased approximately 31 million shares for a total of around £85 million. Over the past year, the Company has had one of the most significant capital return policies in the industry. Purchasing its own shares at a discount to NAV enhances NAV per share for ongoing shareholders and offers liquidity to departing shareholders.

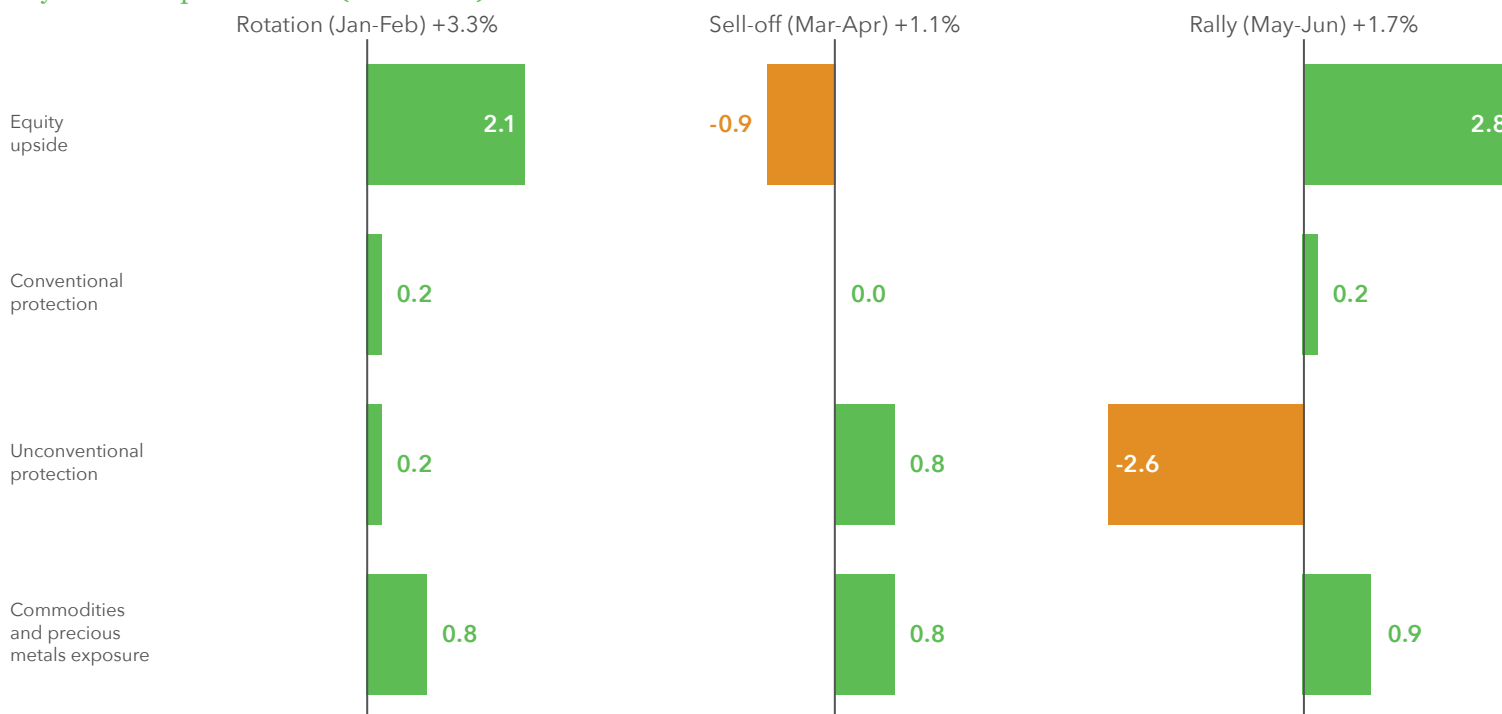
### Recent performance

The year under review was a tale of two halves. In the latter half of 2024, global markets were once again led higher by US exceptionalism – a narrative that was turbo charged after Donald Trump's election victory. Importantly, though, we maintained our defensive posture in the face of what we felt was complacency and over-optimism in US equity and credit markets.

So, although 2024 ended on a disappointing note with flat NAV total return performance in the six months 31 December 2024, we were well positioned for what followed, as Trump's inauguration forced investors to move beyond pricing only the positives and begin confronting the realities of the new administration.

The first half of 2025 witnessed three distinct market environments: in the first six weeks of the year, a benign rotation in equity markets away from the US to Europe and China; a market sell-off from mid-February that was exacerbated by President Trump's reciprocal tariff announcements; and then a relief rally across equity and bond markets from late April onwards, due to the tariffs pause and geopolitical risks remaining contained. Encouragingly, the portfolio performed positively through each of these phases, as demonstrated by the chart overleaf.

### Key drivers of performance (six months)



Source: Ruffer Investment Company 31 December 2024 to 30 June 2025. Returns in local currency and gross of fees so will not total actual performance

During the market rotation away from the US, the portfolio's European, Chinese and commodity equity exposure was helpful, alongside the yen, gold and precious metals exposure. In the market sell-off, the portfolio demonstrated resilience, with the protective assets – especially the portfolio's derivatives – delivering positive returns. Of equal importance was the subsequent market rally, where the portfolio also delivered positive returns, highlighting that, whilst defensive, it remains able to participate in benign market environments.

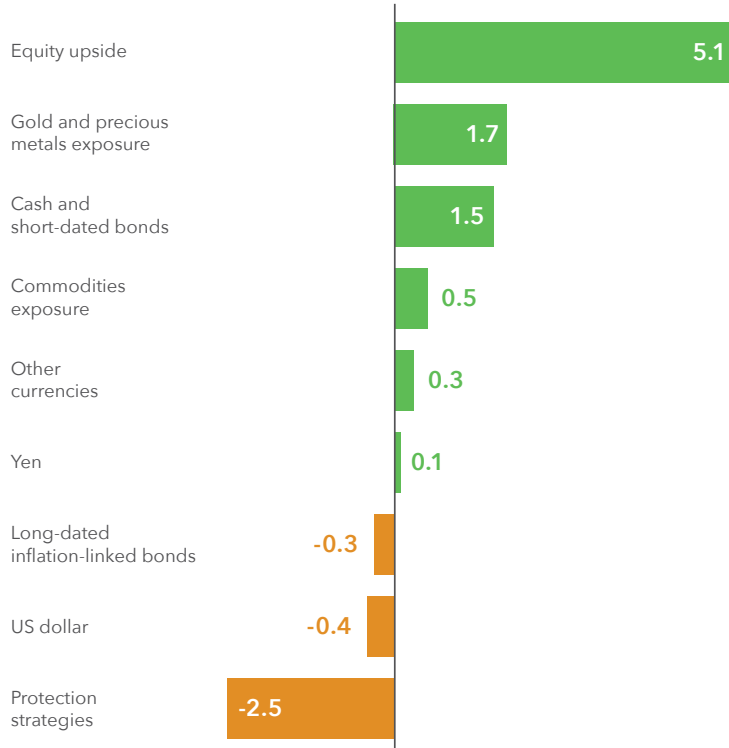
As a result, the portfolio had a strong second half of the reporting period with a NAV total return performance of 5.8%. Amid continually shifting market winds, this gives us confidence the portfolio is well placed to achieve its investment aims.

Whilst global equities ultimately performed well over the period, this masks some important shifts underneath the surface. The US administration's tariff policy heightens both upside inflation risks and downside growth risks. Meanwhile, the economic nationalism agenda poses a potential threat to the foundations of US exceptionalism. Traditional asset class correlations are breaking down: both the dollar and bonds have so far failed to provide investors with protection in 2025.

At the time of writing, risks are rising, yet valuations are once again elevated. The S&P 500 index is back trading at 22 times one year forward earnings, a level that suggests the market is priced, if not for perfection, for very little bad news. We have positioned the portfolio to hopefully deliver genuinely differentiated performance, seeking to protect from further market falls whilst also capitalising on the opportunities presented in benign markets.

## Attribution

### Key drivers of performance (12 months)



Source: Ruffer Investment Company 30 June 2024 to 30 June 2025. Returns in local currency and gross of fees so will not total actual performance

### Factors that helped performance

**Equity upside** The resurgence of Chinese equities, driven by stimulus efforts and DeepSeek's disruption of the US monopoly in AI, attracted global investor interest. Meanwhile, fiscal reforms in Europe boosted confidence in European markets, diminishing the relative appeal of US assets. This shift fuelled a rotation into the undervalued markets of Europe and China, which drove strong equity gains for the portfolio over the past year. Standouts included Alibaba (+58%), Prudential (+30%) and ArcelorMittal (+28%).

**Gold and precious metals exposure** Precious metals delivered strong performance over the past 12 months, as investors sought safe-haven assets amid persistent inflation, rising geopolitical tensions and growing concerns around fiscal sustainability – particularly in the US. More recently, a weaker US dollar has provided a further boost to the asset class. In this supportive environment, the portfolio's allocation to gold mining equities – held primarily via the WS Ruffer Gold Fund – delivered a standout return of over 43%. Holdings in silver (+22%) and platinum bullion (+32%) also made meaningful contributions to performance.

### Factors that hurt performance

**Protection strategies** Overall, a rising equity market meant that the portfolio's protective assets detracted from performance. However, they played a vital role when it mattered most – in August 2024 and April 2025.

- **August 2024** Amid rising geopolitical tensions, a strengthening yen and softer US jobs data, volatility surged with fear indexes (including the VIX), rising as much as 180% intraday. Thanks to our protections, we not only weathered the storm – we delivered positive returns during one of the most turbulent weeks of the year.
- **April 2025** This was the fifth most volatile month for US equities since 1928, shaken by Trump's unexpected 'Liberation Day' reciprocal tariff announcements. This triggered the fifth-largest two-day drop in over 50 years. Even traditional safe havens like the US dollar and US Treasuries fell sharply. In this challenging environment, the portfolio's protective strategies proved their worth.

**US dollar** The portfolio has limited US dollar exposure. For years, it benefited from the so-called 'dollar smile', strengthening in both risk-on and risk-off environments. That pattern appears to be breaking down. During the tariff-driven sell-off from 2 to 9 April, the US dollar provided no support; in fact, an index that tracks its performance against a basket of currencies has declined in excess of 10% since January – its worst first six months for any year since 1973. Our exposure marginally detracted from performance over the year, reinforcing the value of maintaining diversified protections through derivatives, credit and yen exposure in the portfolio.

What sets us apart

# Built differently, to help you outperform

The fund has an unusual mix of investments – some to protect against falls, others to capture growth opportunities.

The aim is to deliver positive returns when more conventional investment strategies typically can't. This makes it a valuable way to help navigate unpredictable markets – and keep your investment plans on track.



Find out more at  
[ruffer.co.uk/ric](https://ruffer.co.uk/ric)



## Portfolio changes

The chart below highlights changes in the asset allocation over the last 12 months. We've outlined the drivers behind any moves exceeding  $\pm 2\%$ , excluding cash and sterling, which are residuals of other portfolio activity.

### Current portfolio structure



Source: Ruffer Investment Company as at 30 June 2025

	June 24 %	June 25 %	Change %
<b>Inflation</b>			
Gold and precious metals exposure	7.5	<b>7.8</b>	+0.3
Long-dated UK inflation-linked bonds	4.6	<b>4.7</b>	+0.1
Short-dated UK inflation-linked bonds	2.7	<b>0.9</b>	-1.8
Long-dated non-UK inflation-linked bonds	11.9	<b>0.2</b>	-11.7
<b>Protection</b>			
Short-dated nominal bonds	32.4	<b>41.0</b>	+8.6
Credit and derivative strategies	12.7	<b>12.4</b>	-0.3
Cash	1.5	<b>4.4</b>	+2.9
Long-dated nominal bonds	–	<b>1.7</b>	+1.7
<b>Growth</b>			
UK equities	11.2	<b>10.6</b>	-0.6
Europe equities	3.7	<b>5.5</b>	+1.8
North America equities	3.7	<b>4.4</b>	+0.7
Asia ex-Japan equities	4.6	<b>2.5</b>	-2.1
Japan equities	–	<b>2.1</b>	+2.1
Other equities	1.0	<b>0.6</b>	-0.4
Commodity exposure	2.5	<b>1.2</b>	-1.3
<b>Currency allocation</b>			
Sterling	87.4	<b>81.3</b>	-6.1
Yen	9.7	<b>14.8</b>	+5.1
Euro	–	<b>1.4</b>	+1.4
US dollar	–	<b>0.9</b>	+0.9
Other	2.9	<b>1.7</b>	-1.2

Ruffer Investment Company. Data in GBP as at 30 June 2025. Totals may not equal 100% due to rounding. The green shading indicates significant portfolio changes which are discussed in more detail on page 13

### Long-dated non-UK inflation-linked bond exposure

We continue to believe that real duration can act as a valuable protection against structural inflation regime change, hence retaining the position in long-dated UK inflation-linked bonds. In addition, we actively managed our bond exposure as a tool for delivering tactical returns. Over the year we flexed our allocation to US inflation-linked bonds (TIPS), buying as real yields rose sharply – when bonds became cheaper—exiting as yields fell and prices recovered. Our successful trades in August 2024 and Q1 2025 reflects the role we think fixed income now plays in portfolios as a tool for delivering tactical returns, rather than as a reliable offset to equities.

### Short-dated nominal bonds and yen exposure

We took advantage of the strength in the yen in August 2024 by monetising some of the portfolio's yen call options, and adding to the yen cash exposure via short-dated nominal bonds in Japan. Although this bout of strength was short-lived, we maintain conviction and continue to hold the yen for its protective characteristics as it typically appreciates sharply in response to market stress.

### Credit and derivative strategies

Whilst in aggregate the allocation is unchanged, we actively managed the profits across our protective positions in August 2024 and April 2025. During August we monetised a portion of the portfolio's protection as volatility spiked. Similarly, in the tariff-induced sell-off, we focused on trimming the volatility protection and equity index puts, taking profits.

We have also been opportunistic in adding to our protection strategies. As volatility and the cost of protection have fallen, we have taken advantage, increasing the portfolio's volatility and credit protection at various moments throughout the year. For example, in January 2025, when volatility collapsed (the VIX index moved from 22 to 15), we took the opportunity to add to the portfolio's VIX call options. These protections proved critical in the subsequent 'Liberation Day' sell-off.

### Asia ex-Japan equities

China's equity market surged nearly 40% from its September trough to its early October peak. We took profits from across the portfolio's 5.3% allocation. Q1 2025 saw further strong performance, with Alibaba leading the charge. We took further profits and resized the stock position to approximately 1%.

### Japan equities

We increased our exposure to Japanese equities in January 2025, targeting companies well positioned to benefit from Japan's governance reforms. The country is undergoing a wave of corporate transformation, with shareholder activism up 74% since 2018, driven largely by investors demanding greater transparency and capital efficiency. These changes are beginning to unlock meaningful value, as companies focus on improving capital allocation and making better use of assets. This position also has a portfolio role as a partial offset to our yen exposure, given many of the companies we own are beneficiaries of a weaker currency.

## Investment outlook

In this year's outlook, we examine the two structural forces driving regime change in investment markets: inflation volatility and the potential waning of US exceptionalism. As we will discuss, these dynamics have far-reaching consequences for portfolios and traditional diversification.

### Evolving regime change

A year ago, we were confident that one key conventional portfolio assumption was under threat – the bond/equity correlation. Now we see two, because the US dollar has also shown itself to be unreliable.

The chart below shows the performance of US equities (orange), long-dated US bonds (blue) and US dollar (green) over the last four years, back to late 2021 when we think this regime change really got underway with the rise of inflation. We've highlighted the two periods of significant equity drawdowns over that period – in 2022 and in April this year.

As we know, in 2022 bonds failed to protect against equity losses (the blue and orange line going down together), and interest rate volatility has been elevated since. The Company's portfolio was able to deliver positive returns thanks to our unconventional assets.

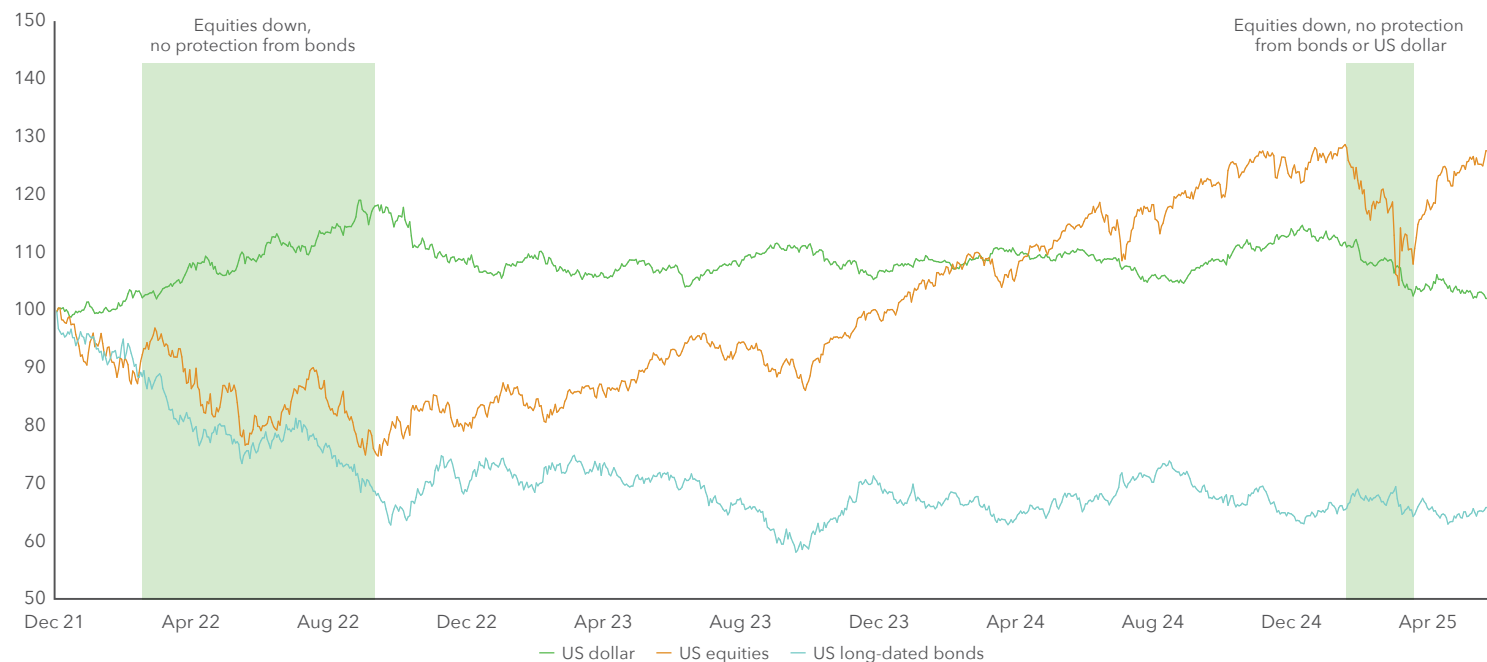
In contrast, strategies that relied solely on conventional diversification struggled – even those with significant US dollar exposure, which performed well that year (the green line rising). In April 2025, however, all three lines moved down the page. Not only did bonds fail to protect, but so did the US dollar. In the first half of 2025, the only safe haven to have worked in 2022 suffered its worst first half year since 1973, falling by more than 10% against a basket of currencies.

It serves as another warning shot to investors to reappraise their approach to diversification. And, at the time of writing, with equity indices once again at all-time highs, they're being offered another chance to prepare.

### Inflation regime change

First, it's worth recapping our structural observations around inflation. We believe the low inflation, low interest rate, low volatility environment investors have enjoyed in recent decades is giving way to a new, more unstable regime. In short, 2% is now the floor for inflation, rather than the ceiling. And that signals a meaningful change because, for the three decades up to late 2021, we have not had to worry about anything north of 2%.

### Bonds and dollar fell with stocks during recent market stress



Source: Bloomberg, SPX, Bloomberg US treasury 20+ year index, DXY. Data 31 December 2021 to 30 June 2025

The previous regime was driven by a series of disinflationary tailwinds. Primarily

- China opening to the world stage and the collapse of the Soviet Union which delivered major positive supply shocks to the global economy by adding cheap labour and resources
- a political backdrop supportive of free trade and globalisation
- technology that allowed businesses to capitalise on global integration
- favourable demographics that ensured a record-high ratio of workers to old-age dependents, flattering welfare state finances

Now, the drivers of this multi-decade period of integration and disinflation are breaking down. Replacing them is a fragmenting world order marked by rolling negative supply shocks. This shift is encouraging greater government intervention, with increased expenditure required for rearmament, ageing populations, the energy transition, crumbling infrastructure, and managing the impact of the technological revolution in AI. At the same time, spending cuts remain politically unpalatable. These dynamics were accelerated by the pandemic and are now increasingly visible in a Trump 2.0 world.

We don't know where inflation will get to, or exactly where it's going. But we do know that it tends to come in waves.

The chart below shows the US Consumer Price Index (CPI) over three different periods: the 1940s, the 1970s and the 2020s. The x axis shows a 10 year period: the 24 months before the peak in inflation, and the following 96 months.

Why is inflation wavy? Firstly, the conditions that lay the groundwork for inflation don't fade after just one surge. Inflationary pressures build over time, and the breakdown of the disinflationary tailwinds of the last regime is well under way. Secondly, the policies and the appetite to curb inflation don't appear after just one episode. Interest rates must usually be hiked – and stay tight – through some economic and market pain. For this to be politically palatable, people must hate the pain of inflation more than they hate the pain of higher interest rates.

So inflation has a tendency for resurgence. And the current US president has made it very clear he would like to see lower interest rates, despite persistent inflationary pressures.

We are not suggesting inflation will reach the levels seen in 2022, nor that we are returning to the 1970s. But we are saying there is an underpriced risk that this is not 'one and done'.

### Inflation comes in waves



Source: US Bureau of Labor Statistics. US CPI year-on-year percentage change. Bottom axis shows months before and after first inflationary peak. Data to May 2025

This age of disruption and changing world order is set against a backdrop of deep and expanding government deficits that show no sign of slowing. Developed economies are running record high peacetime deficits – despite low unemployment. In the US, nearly one fifth of tax revenues are now spent on interest payments alone, exceeding the entire defence budget. But what happens if unemployment rises? Historically, budget deficits have widened by around 4% during downturns.

This creates inherent fragilities. Structural headwinds are making the economy more prone to inflation, just as the scale of government borrowing is making it more sensitive to higher interest rates. The result is a financial system that is less tolerant of both inflation and the policy tools needed to control it.

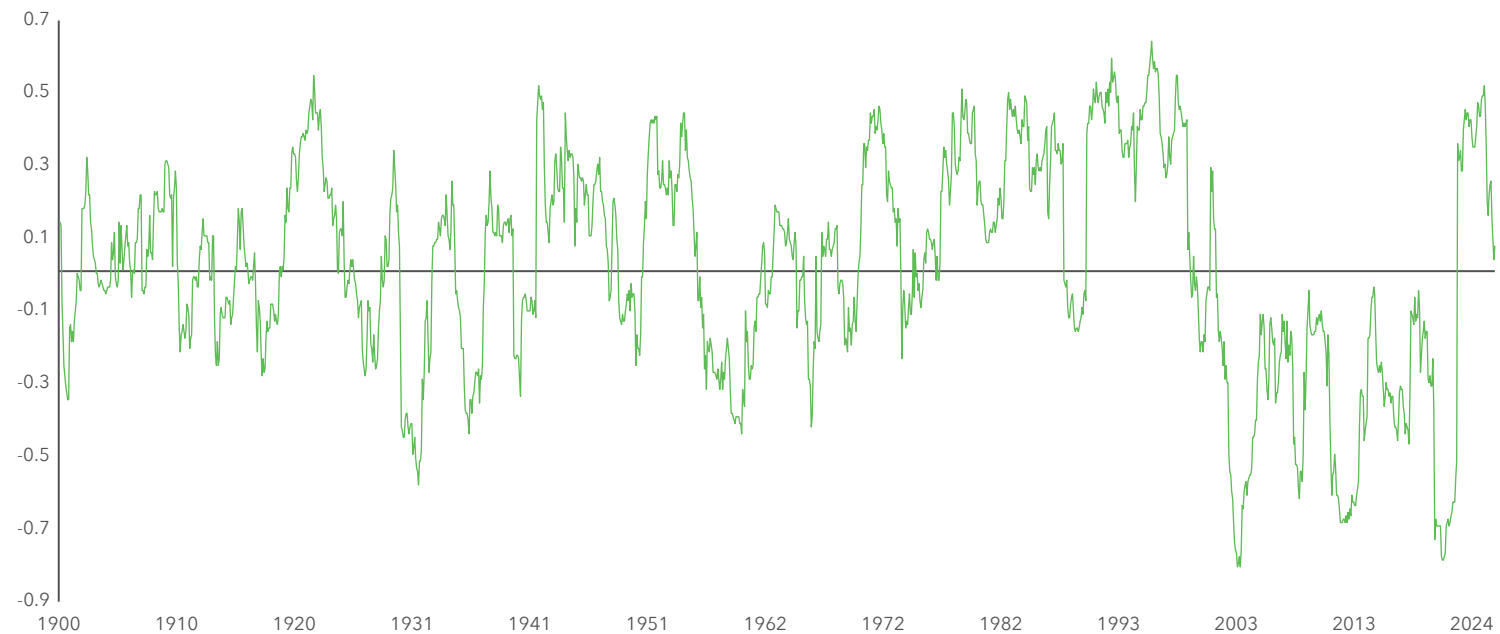
This matters because inflation alters the relationships between the core building blocks of conventional portfolios. When three year average core inflation exceeds just 2.5%, bonds and equities begin to show a positive correlation. It doesn't take double-digit inflation to pose a challenge – just a modest overshoot of central bank targets can be enough.

Whilst this shift presents a significant change for most of today's investors, it is actually a return to the historical norm. The chart below shows the correlation between US stocks and bonds back to 1900. Periods of positive correlation – when both assets move in the same direction – have been more common than not. The real anomaly has been the past few decades, during which bonds (and other duration assets) consistently acted as reliable offsets to equity drawdowns.

The turning point was 2022, when most assets held for diversification proved highly sensitive to rising interest rates – exposing the fragility of portfolios reliant on established assumptions.

To be clear, since 2022, aside from the initial period of disruption, this shift has benefited conventional portfolios, as both major asset classes rose together over 2023 and 2024. The real concern, of course, is if this correlated rise reverses.

### The stock bond correlation remains positive



Source: Global Financial Data. Ruffer. Rolling two year correlation. Data 31 January 1900 to June 2025

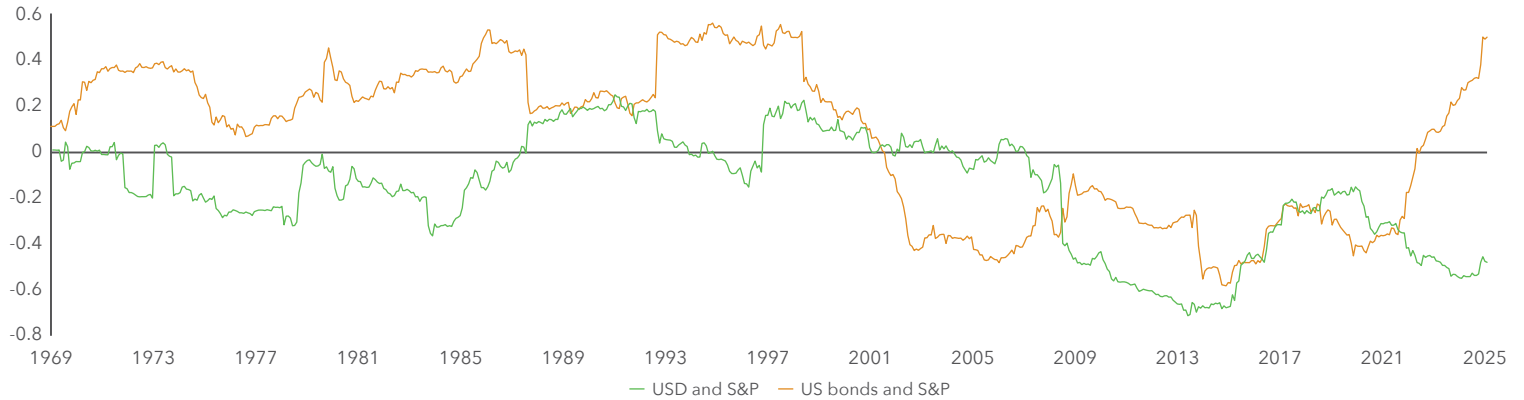
### US exceptionalism

The relationship between bonds and equities was not the only generous feature of the market structure in recent decades. The US dollar too, offered foreign holders of US assets valuable hedging properties.

Given the policy goals and the unpredictability of Trump 2.0, however, the US dollar may also now be a less reliable source of protection for investors.

The chart below again shows the US bond/equity correlation in orange. You can see the negative correlation again from the late 1990s, and then a decisive shift as it moves sharply positive in 2022. In green is the correlation of US dollar with US equities, which was helpfully negative for a prolonged period. But you can see that start to tick up this year. Is there a risk the green line follows the orange?

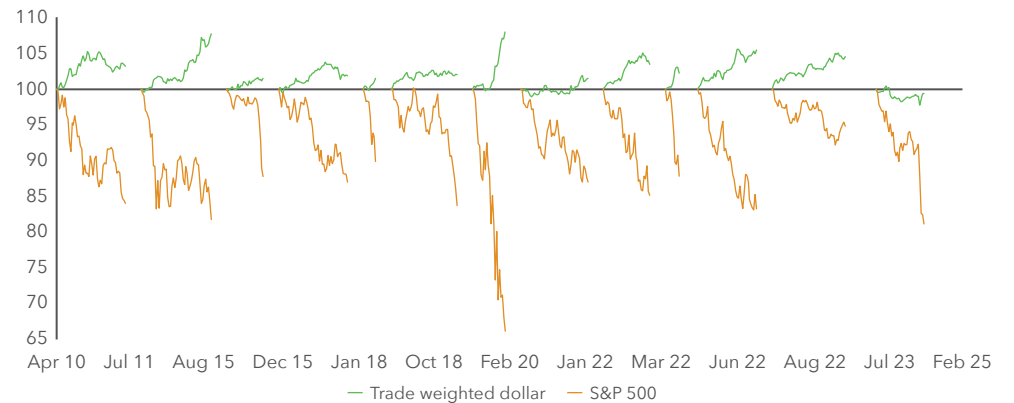
### Five year rolling bond-equity correlation versus US dollar-equity correlation



Source: Bloomberg, data January 1969 to 30 June 2025

Here's another way of viewing it. This chart shows US dollar performance in US equity market corrections of more than 10% (over the last 15 years), with the US dollar in green and the S&P 500 in orange. Every single time the S&P 500 goes down, US dollar goes up. Except this year. Is that just a blip? Or the start of a structural change?

### Dollar in distress



Source: CLSA, Bloomberg

We think it is likely to persist, for several reasons.

For a long time, the US has been truly exceptional. Here we see its earnings per share (EPS) outperformance relative to the rest of the world.

### Exceptional or euphoric?

MSCI US versus MSCI world ex-US, relative returns and earnings



Source: Minack Advisors, relative returns are in US dollar, relative EPS is one year ahead forecast, indexed at 100 in 2010. EPS indices adjusted for share count change implied by reinvested dividends. Shaded areas are NBER-defined US recessions. Data to June 2025

This exceptionalism is grounded in real sources of relative advantage: tech leadership, energy independence, relatively favourable demographics versus other major economies, continental scale. That saw EPS outperformance (in orange) justify return outperformance (in green) – you can see the two lines rising together, initially closely tracking each other.

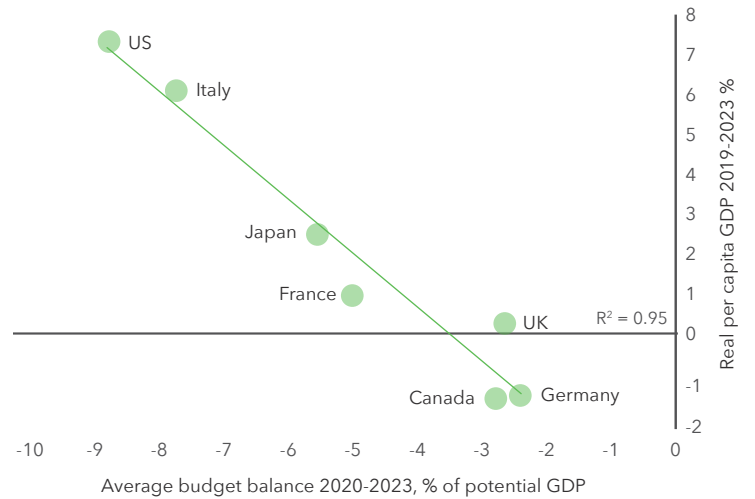
However, since the pandemic, the green line has diverged dramatically from the orange. Relative returns have exceeded the relative EPS, suggesting a euphoric rise in US stocks rather than just exceptional earnings.

More recently this divergence can be explained by extreme fiscal policy in the US, which has been a huge driver of growth. The chart overleaf plots G7 government deficits versus real GDP growth. The more governments spent, the better the growth. Equity markets have reflected that too, with the US doing phenomenally well.

But Trump has now forced a material fiscal expansion in Europe on re-armament and infrastructure, and China has also been stimulating, albeit more incrementally. The US is still spending big, but what matters to markets is the marginal change – the fiscal impulse. Others are now joining the party. If markets ‘follow the fiscal’, we could see a further rotation in geographic equity leadership - an environment that suits the current portfolio well, as seen in the initial months of 2025.

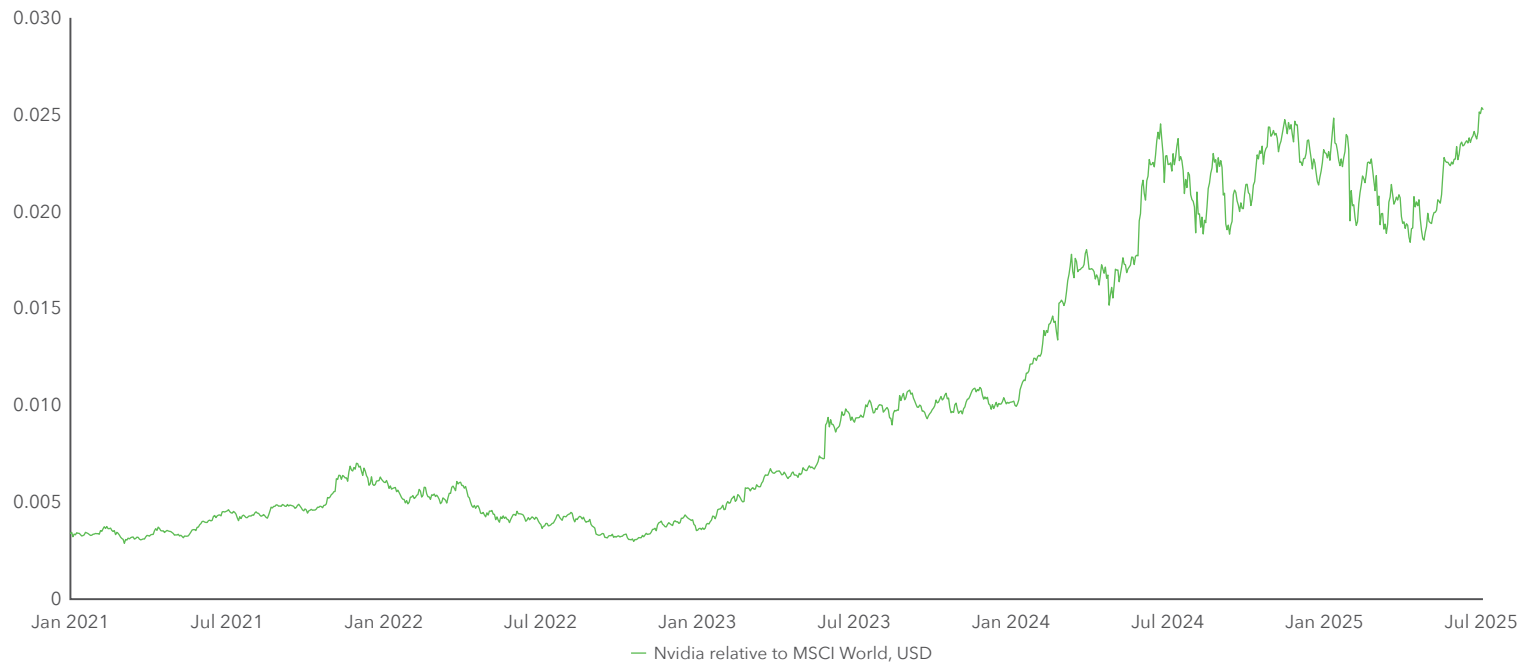
And we can't mention US exceptionalism without touching on AI – given Big Tech is what has driven most of those exceptional earnings. A crude way of making the point is by looking at the Nvidia share price (recently the first company globally to reach a \$4 trillion market capitalisation) relative to the MSCI World Index. The outperformance was turbocharged when Open AI's Chat GPT burst onto the scene in 2022. But the US is no longer the only game in town.

### Follow the fiscal



Source: Minack Advisers. OECD average annual structural budget balance for 2020-2023 versus change in real GDP per capita between 2023 and 2019. China is excluded from the chart. It is a clear outlier to the trend, delivering outsized real per capita GDP growth relative to its average budget balance. We suspect this is due to potential data anomalies in China's reporting

### The AI race



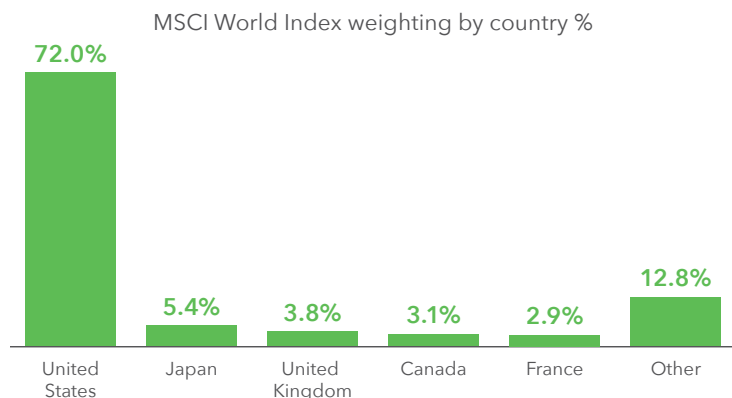
Source: Bloomberg, data 31 December 2020 to 30 June 2025

The arrival of DeepSeek has rightly placed question marks over whether America will be the undisputed winner from the AI revolution and whether only the US market provides profitable exposure to the theme. Can companies like Nvidia maintain their competitive moats, which allowed such high margins and returns on capital? A healthy dose of uncertainty has been injected and the narrative undermined as China's growing tech prowess become clearer.

There's no doubt the US remains a pre-eminent superpower, but its relative advantage appears to be narrowing.

Given this, we think it is difficult for the world's allocators to argue that holdings in US assets, and US dollars, should be exactly what they were a year ago. And, if investors decide to reflect this in portfolios, the current reversal has a lot further to run.

### The potential rotation out of US assets is vast



Source: US NIIP from Federal Reserve Bank of St. Louis, to December 2024; MSCI World Index as at March 2025

The US runs a twin deficit: both fiscal and trade balances are negative. The government spends more than it collects in revenue, and the country imports more than it exports. To sustain this, it relies heavily on foreign capital flows to finance both deficits.

If the pillars of US exceptionalism are being eroded – and foreign investors become less willing to direct the marginal pound, euro or yuan into US assets – the US dollar could face significant further pressure. Notably, we don't need to see mass outflows from US markets to cause a problem. A simple decline in the pace of new inflows could be enough to trigger a meaningful shift.

The potential scale of the rotation out of US assets is considerable. As shown in the chart on the left, the US net international investment position has deteriorated sharply in recent years, now standing at \$26 trillion, equivalent to more than 90% of US GDP. This highlights the extent to which the US owes more to the rest of the world than it owns in foreign assets, leaving it vulnerable to shifts in foreign capital flows.

At the same time, the US dominates global equity markets, representing more than 70% of major global equity indices (as shown on the second chart). Given the scale of concentration in US assets for overseas investors, any material rebalancing cannot happen overnight – but global allocators will be thinking hard about their current positions.

Recent weakness in the US dollar suggests this process may already be underway. Investors appear to be reducing their dollar exposure, even if not yet their outright US asset positions. This trend could accelerate as the Federal Reserve cuts interest rates, making it cheaper to hedge US dollar exposure and potentially adding further momentum to the dollar's decline.

### Implications

While concerns about inflation and doubts over US exceptionalism are widely discussed, investor portfolios remain largely unadjusted. This matters, because the new regime could act as a wrecking ball to several long-standing portfolio assumptions

- the protective role of nominal bonds will be called into question
- the US dollar could become the new long bond – a less reliable source of protection
- the outlook for a typical global equity portfolio (with a benchmark allocation of 70% to the US) could turn less favourable if, with a higher inflation risk premium, we get higher nominal risk-free interest rates and higher equity risk premiums – particularly if they are combined with a rotation out of the US.

So, as this regime change evolves, there is a greater need for genuine diversifiers, with an overarching focus on flexible, dynamic and active management. We believe this will be necessary to deliver true uncorrelated returns, and the liquidity which allows allocators to step into opportunities that arise amidst the volatility.

### Market context

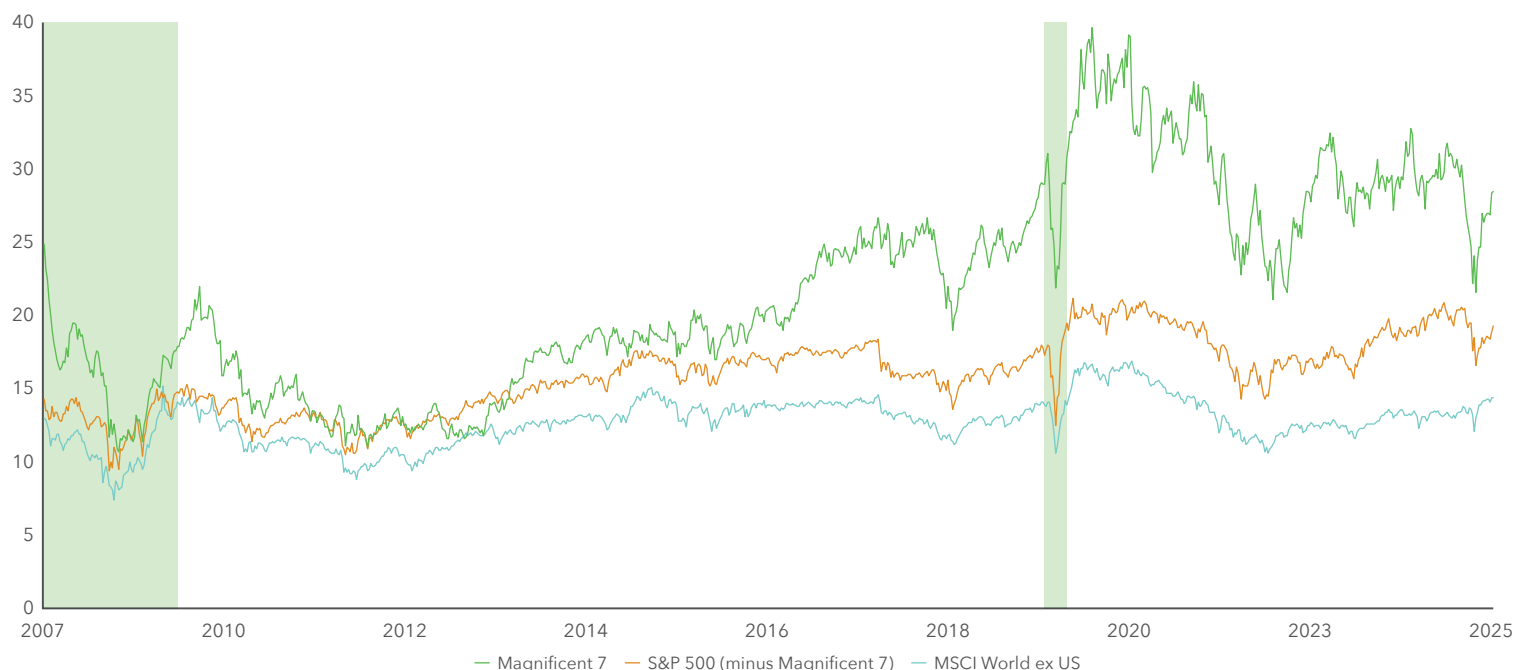
Despite these clear structural risks, valuations in US equity and credit markets remain elevated. After its sharp recovery, the S&P 500 has broken through its all-time high and is back up to trading at 22 times one year forward earnings. This is lofty when compared with its average over the last ten years of 18 times and, extraordinarily, is above the levels immediately after the US election, when the US exceptionalism narrative was arguably at its peak.

And it is not just the AI-fuelled euphoria and Magnificent 7 stocks driving up the index: the other 493 stocks in the S&P 500 are trading at almost a 40% premium to global equities excluding the US. That compares with a historic premium of roughly 15% since the global financial crisis.

It's a similar picture in bond markets. US investment grade credit spreads are back at extremely tight levels. This signals that investors are once again sanguine, shifting the odds away from recession and towards a more benign outcome. Most sentiment indicators underline this optimism (if not yet outright complacency), and investor positioning remains elevated. In particular, hedge fund leverage is at extremes, with borrowing having risen almost 25% over the last year. This is important because they tend to be the marginal buyers and sellers in today's financial markets. This kind of build-up in confidence and leverage is almost always observed somewhere in the system before a market correction.

### US stocks, by most measures, are at or near record high valuations

Prospective PE. By most measures, US stocks were at or near record high valuations coming into 2025. They're still historically expensive



Source: Minack Advisers. Magnificent 7 = Meta (From 2012), Alphabet, Nvidia, Apple, Microsoft, Amazon and Tesla (from 2010)

### Tactical view

So the market is priced for goldilocks growth and inflation – not too hot, not too cold.

This is underpinned by a 'just right' slowdown – Trump related disruption causes economic growth to slow but not collapse, so the Federal Reserve (Fed) can cut interest rates. The 'One Big Beautiful Bill Act' and bank de-regulation will unleash animal spirits and encourage private sector investment and M&A. Contained geopolitical risks will keep a lid on the oil price and global trade flowing. AI will drive productivity gains and keep capital in US assets, the rest of the world will deliver better growth, driven by fiscal expansion.

It's a far from impossible scenario – particularly as sentiment is optimistic rather than euphoric, so there is scope for the equity market to grind higher.

One of the key lessons learned in recent years is the sheer power of this US market 'machine'. Thus we are focused on ensuring the portfolio can cope if this investor buying persists. Given the high valuations at present, we have little appetite for adding significantly to US cash equities. However, we can 'rent' the S&P 500 via call options, which give us exposure to the US market should it grind higher but limit the downside should the market fall. These instruments remain attractively priced due to technical factors in the options market.

However, our base case remains that there is potential for another shock in markets. The hard data post-Liberation Day shocks could turn down just as investors have been sucked back into the market and the liquidity environment becomes less favourable. It is too early to tell whether the impact of tariffs is simply a consumer tax hike, or a tax hike plus an uncertainty growth shock. The path for de-regulation has also been delayed relative to initial expectations.

Alternatively, we could avoid further financial stress as US policymakers attempt to drive a public sector led boom in nominal growth – outgrowing spending, rather than cutting it. This would run the risk of re-igniting the inflationary embers, leading to rising yields and a 2022 style bust.

As always, we don't know where markets will end up over the next 12 months. But we do know it is a fine line between too hot (when yields rise, eventually causing a problem for the equity market) and too cold (with economic weakness impacting earnings), and the answer depends on several policy outcomes. The goldilocks scenario is a narrow tightrope, and one that is almost fully priced into markets.

As a result, the portfolio remains well-protected.

## Positioning

Given all these concerns, what safe haven assets should we own?

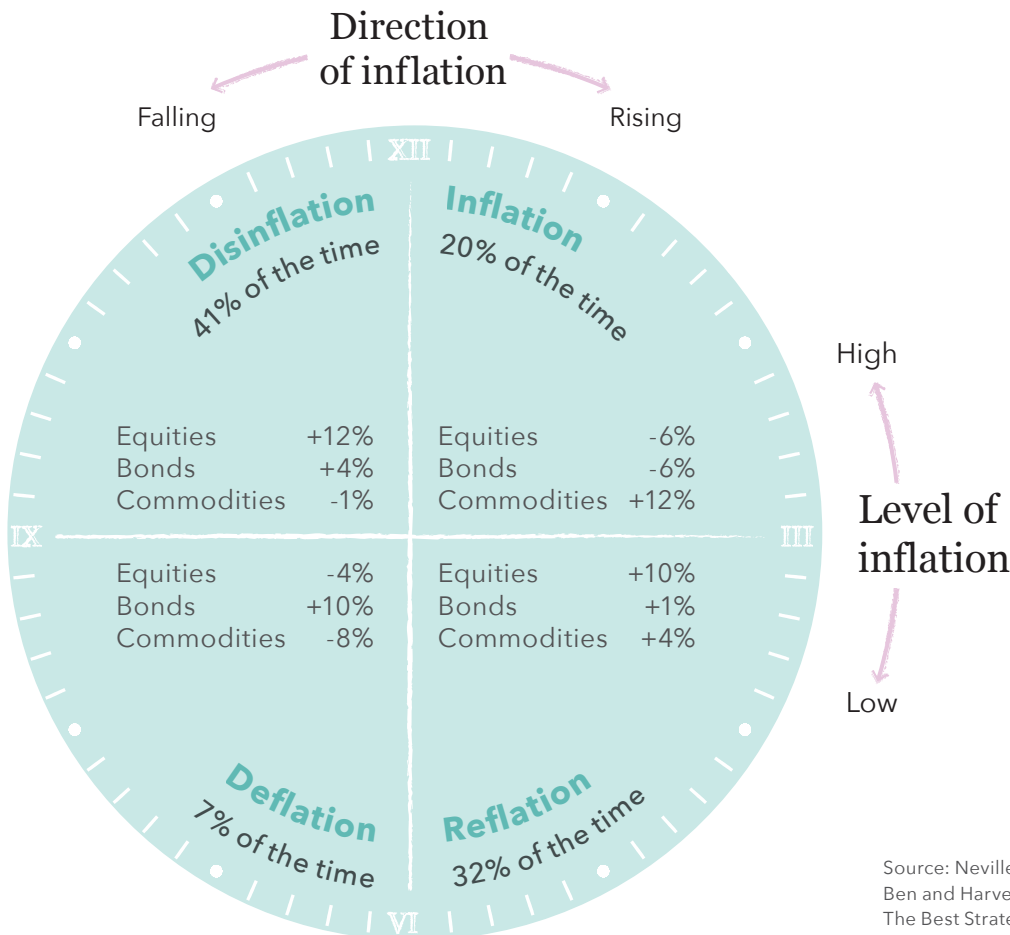
### Inflation protection

In high inflation environments, investors generally turn to gold, real assets and certain flavours of equity as sources of protection. All may have a role to play.

But the research shows the best thing investors can own in a period of high and rising inflation is a diversified basket of commodities. That is what has delivered the highest and most consistent positive real returns during periods of high and rising inflation, based on nearly 100 years of data and a range of asset classes across the UK, the US and Japan.

This image below visualises a century worth of different inflation regimes, defined by the level and direction of inflation: low and rising, low and falling, high and falling, high and rising.

### Different inflation regimes 1926-2024



When inflation is high, bonds and equities are positively correlated.

Historically, high inflation regimes (rising and falling) have been observed 60% of the time. And a third of that time, when inflation is rising, bonds and equities were falling together, whilst commodities were delivering positive returns.

However, certain commodities tend to perform well only in certain regimes, even when inflation is rising.

That is why we own a diversified basket of commodities – including exposure to precious (gold, silver, platinum) and industrial metals (silver, copper) and oil, mining and agricultural equities – and then manage it actively.

A more comprehensive breakdown of this research and its implications is available in [The Ruffer Review 2025](#).

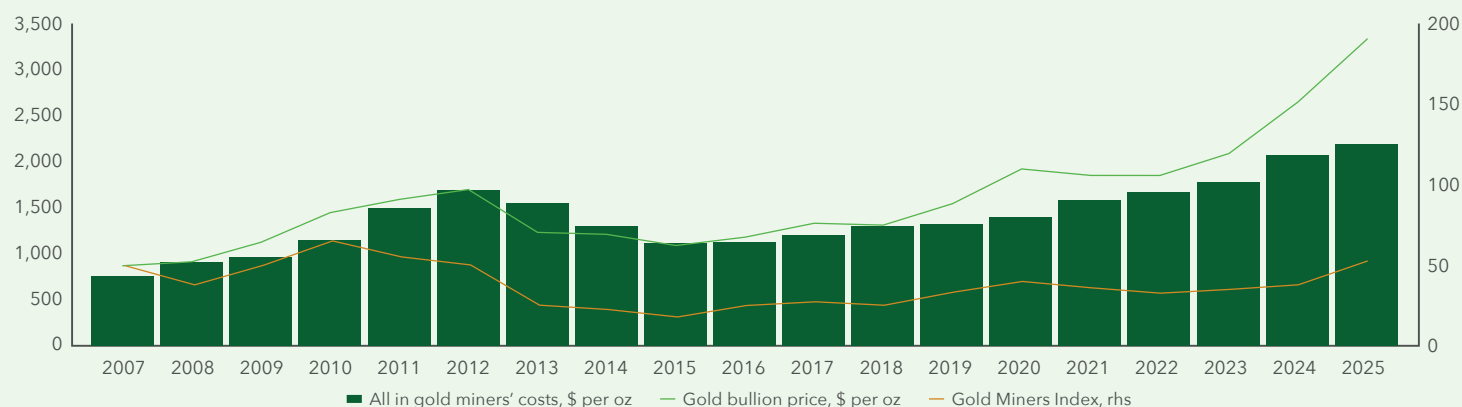
Source: Neville, Henry and Draaisma, Teun and Funnell, Ben and Harvey, Campbell R. and van Hemert, Otto, The Best Strategies for Inflationary Times (25 May 2021)

CASE STUDY | INFLATION

# Gold mining equities

Structurally, gold is an asset with a valuable role to play, as it is a hedge against uncertainty of many kinds: trade uncertainty, monetary instability, currency debasement, geopolitical fragmentation. None of these things are likely to go away. If anything, they are worsening. In a world where the US dollar and US treasuries are less reliable, it may be one of the few assets that can provide protection for investors. In the nearer term, though, we are cautious. At current levels, the gold price looks stretched on a variety of metrics (versus other commodities, rates, inflation etc), hence we have been taking profits in the precious metals bullion exposure we purchased in January.

## Gold miners' margins are at record highs



Source: Scotiabank GBM, FactSet, Ruffer calculations

However, gold mining equities offer more value. They are now benefiting from a record high gold price, whilst their expenses have been falling as input costs (labour, energy prices) have eased. As a result, their operating margins are at record highs. Crucially, these companies are exercising far greater capital discipline than in previous cycles.



## Sell-off protection

Whilst traditional offsets to equities have become less reliable, there remain sources of protection for investors willing to look further afield.

### CASE STUDY | PROTECTION

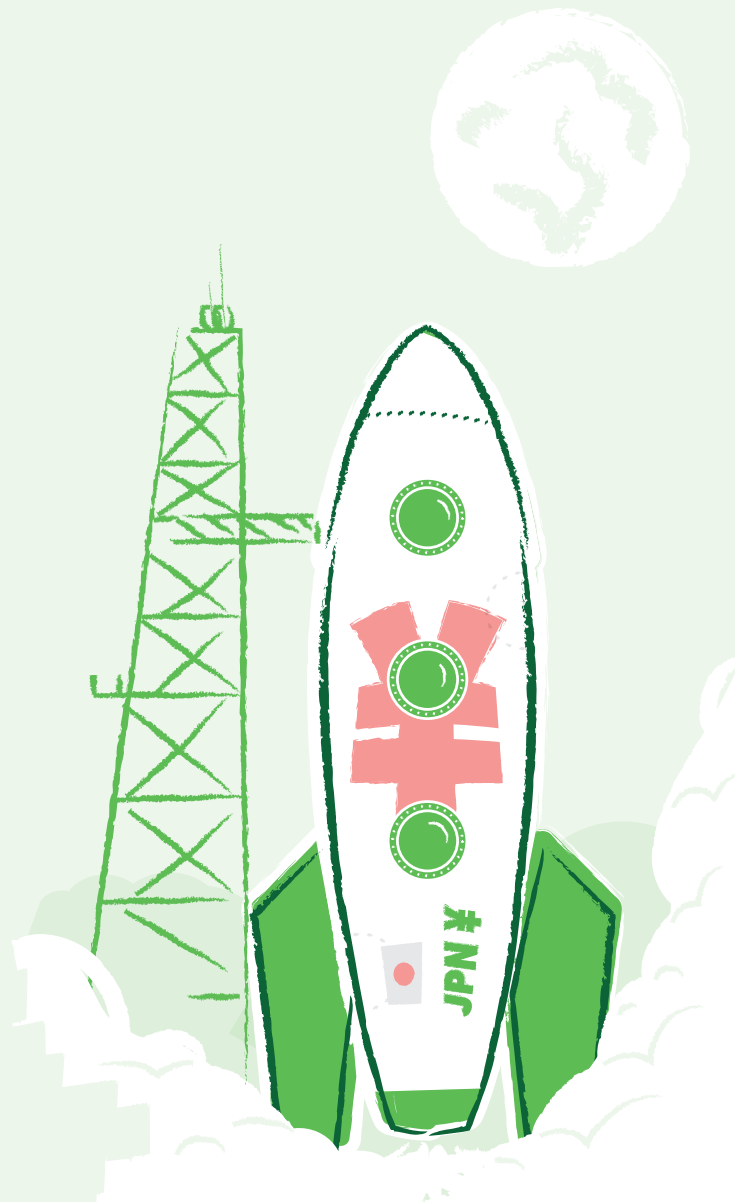
## Yen

The yen is an asset that has offered extremely potent protection in the past and could do so again.

Whilst our yen exposure has struggled recently – mainly due to the Bank of Japan pulling back from raising interest rates, given rising trade deal uncertainty and the upcoming Japanese election – it remains an attractive holding for the portfolio.

The yen appears undervalued, and the wide US-Japan interest rate differential means it acts as a cheap expression of duration, benefiting if the Fed continues cutting rates. Our view is that domestic inflation has become entrenched, with core CPI having surpassed levels in the US, UK, and Eurozone and wage growth climbing above 3%, meaning policy in Japan should eventually normalise, leaving the yen poised for an upward revaluation.

Primarily, though, we hold it as a safe haven asset. As we saw last August, because of the pervasiveness of the yen carry trade and the fact Japan is one of the largest foreign holders of US assets, there is a risk of repatriation flows in a period of market stress. That could lead to another significant appreciation in the yen as has happened in previous crises. A trade deal with the US could further support the yen, particularly if currency strength against the dollar becomes part of the negotiation framework.



## CASE STUDY | PROTECTION

# US credit spreads

Derivatives can provide explicit exposure to rising volatility, falling equity markets or other market stress.

Investment grade (IG) credit spreads have not responded as they normally do to rising policy uncertainty. Economic policy uncertainty is spiking higher, but credit spreads are yet to catch up.

### Credit spreads are lagging uncertainty

US IG credit spreads versus US economic policy uncertainty, credit protection offers an opportunity for positive returns during market or real economy stress.



Source: FRED, Bloomberg. Data to 30 June 2025. ICE BofA US Corporate Index Option-Adjusted Spread. US Economic Policy Uncertainty Index 30 Day Moving Average

This reflects investors' confidence in the outlook, viewing Trump's agenda as pro growth. If that turns out not to be the case or investors reappraise the risk, credit spreads should widen. That would generate returns for the portfolio, given our exposure to rising stress in corporate borrowing markets. This position does not express an expectation of corporate defaults; but of higher risk premia.

We believe it is the combination of protective positions which is crucial. With derivatives, yen, real duration and precious metals, we have assets that can act as powerful offsets in a variety of scenarios. That is key, given the high levels of uncertainty (albeit not priced) in markets today, volatile inflation and the fact that nominal bonds offer less reliable protection in portfolios.



## Growth

Beyond these exciting protective assets, the portfolio also holds a variety of 'growth' investments.

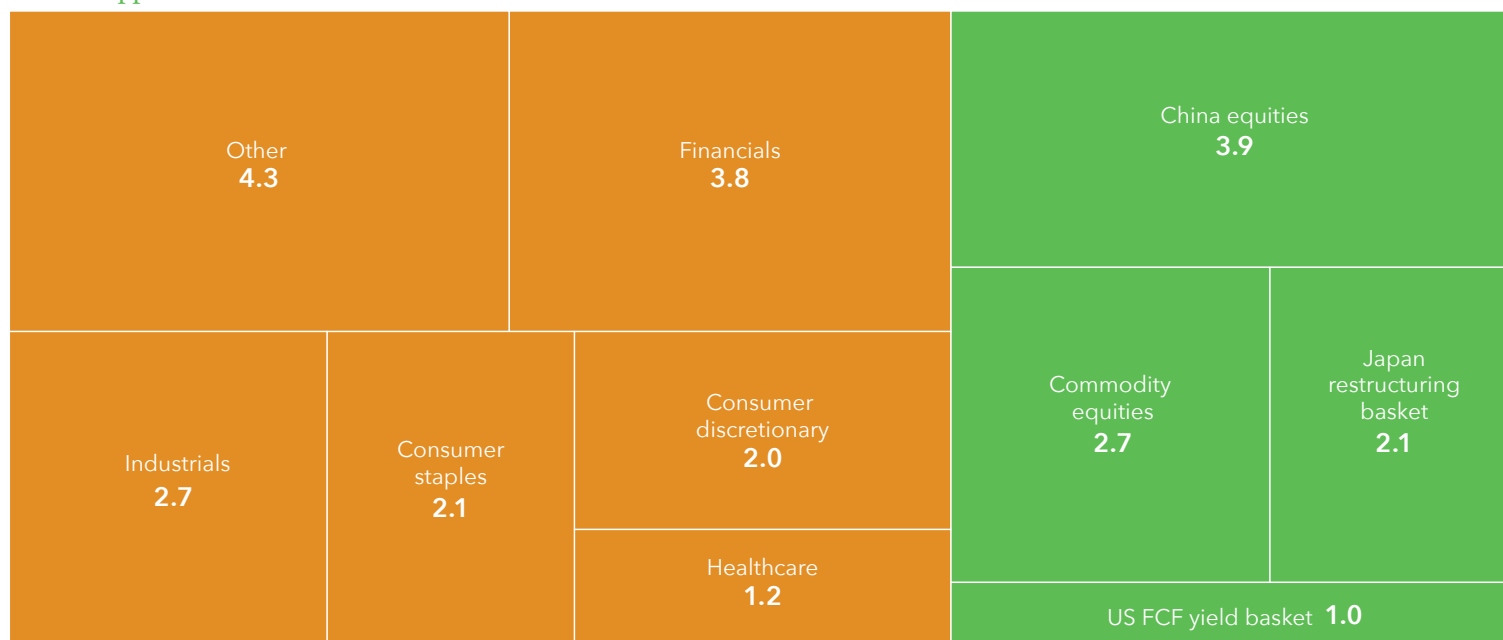
## Equity themes

We entered this year cautious on the US market and have maintained that stance, with only a small portion of our cash equity allocation (around 5% of the portfolio) invested there. However, at times, we have tactically increased this exposure through S&P 500 call options, as mentioned earlier. At the Company's year end this added 6% to our net equity exposure. Our focus remains on taking cash equity risk where we believe the equity risk premium (the additional reward above cash) justifies it and when starting valuations suggest the potential for attractive long-term returns.

Our current equity themes include China (see case study), the UK (well positioned as catch up trade if the equity market rotation continues), commodities (as previously discussed), and financials (which could benefit from of deregulation and higher nominal growth).

Equities clearly remain central to generating long-term returns, but looking ahead, the sources of those returns are likely to broaden. After a prolonged period of US market dominance, it is possible that attention shifts more towards the rest of the world. This shift reflects both policy changes and the US market's high relative valuation.

## Growth opportunities



Source Ruffer Investment Company, as at 30 June 2025. Allocation shown as % of the portfolio and calculated using market value

## STOCK SELECTION

Bottom-up single stock ideas from our fundamental equity analysts. Unconstrained by geography, sector or style, we hunt for highly attractive risk-reward characteristics to drive returns. This includes looking for 'good odds' such as asymmetric risk return 'value' equities, special situations and out of favour sectors.

## MACRO THEMES

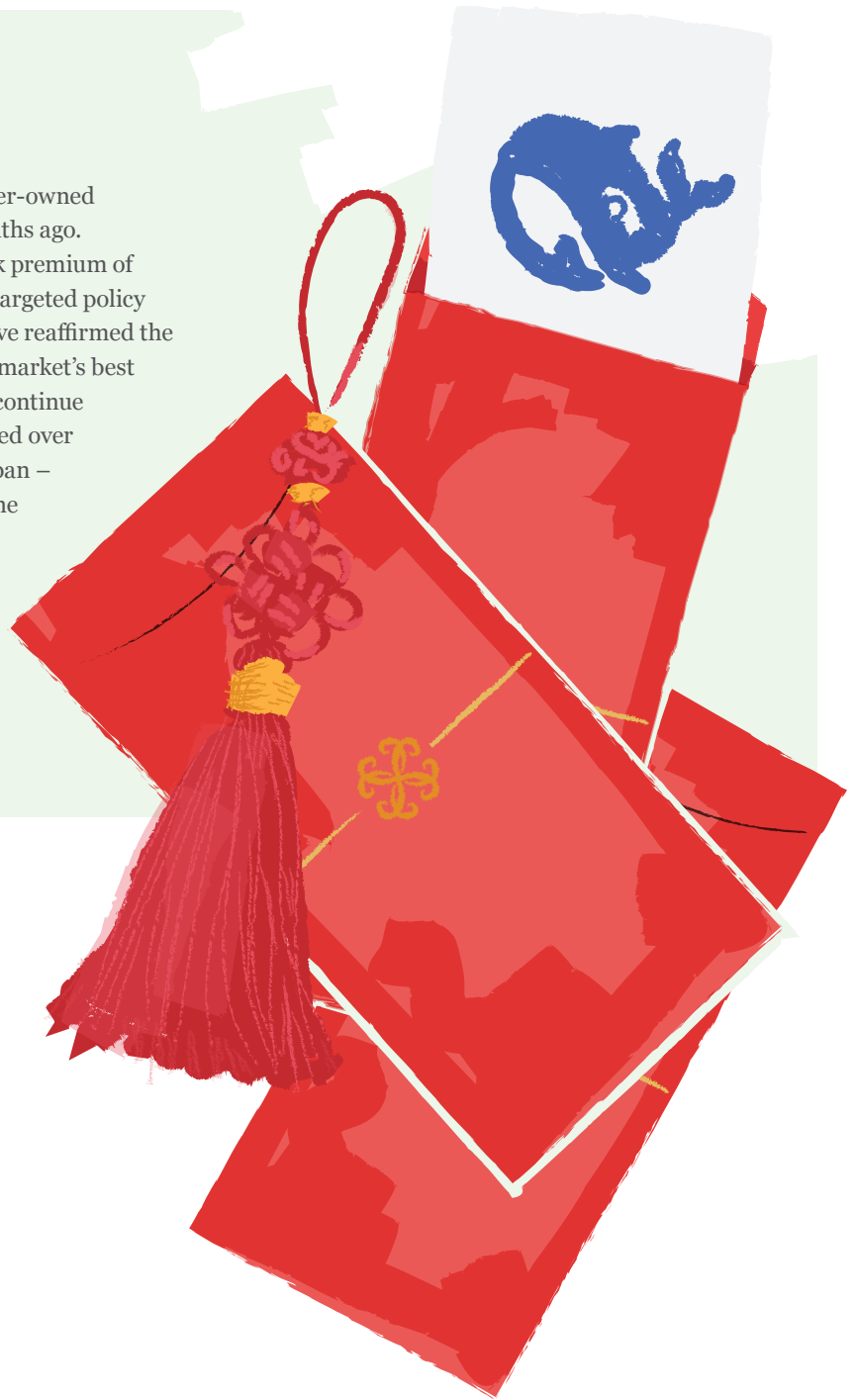
The portion of our equity exposure that represents an expression of Ruffer's macro views, themes and factors. These allocations are often selected for their offsetting exposure to other parts of the portfolio.

CASE STUDY | GROWTH

## China equities

We maintain a position in Chinese equities, which remain under-owned and out of favour globally, albeit to a lesser extent than six months ago. The market offers compelling relative value, with an equity risk premium of approximately 6.9%, compared to just 0.4% in the US. Recent targeted policy measures – including interest rate cuts and fiscal support – have reaffirmed the government's commitment to growth and triggered the equity market's best performance since 2008. Whilst we trimmed the position, we continue to see attractive potential. Chinese households have accumulated over \$11 trillion in excess savings – more than the entire GDP of Japan – creating significant latent demand if confidence improves. At the same time, China is entering a new phase of innovation-led growth, highlighted by the emergence of large-scale AI models such as DeepSeek. Investing in this region carries significant risks, but we consider them manageable given the position size and the broader portfolio context. Supported by attractive valuations, fiscal flexibility, and technological momentum, we believe Chinese equities still offer the potential for outsized returns.

Overall, our cash equity allocation remains modest at around 25% of the portfolio, reflecting the ongoing period of high uncertainty and volatility. Nevertheless, opportunities exist, and we anticipate that the next bull market will differ from the narrow, US-centric rally of recent years. In a post US exceptionalism world, it is not just protective assets that require a different perspective.



## Summary

As Jonathan Ruffer wrote in his recent quarterly review, 'All-weather means combining shock-resistance with satisfactory returns in the good times'.

Over the past year, we have had two equity market shocks (August and April) interspersed with 'good times'. The investment conditions have been volatile and varied – and the portfolio has navigated them effectively. In the rotation away from US markets, growth assets and precious metals delivered strong returns. During the subsequent market sell-off, the protective strategies provided resilience. Just as importantly, the portfolio also participated in the ensuing rally, delivering positive returns and demonstrating that, while defensive in nature, it remains capable of capturing upside in more benign environments.

This performance reinforces our confidence that the portfolio is well positioned to achieve its investment aims.

Those simple aims, however, are now harder won. We are entering a more inflation-prone, volatile era. The US – having been a dominant outlier – is becoming relatively less exceptional. This evolution undermines the traditional sources of protection relied upon by balanced portfolios.

Yet this is not a cause for pessimism. With many equity indices at all-time highs, and investors having benefited from years of helpful asset price correlations, now is a prudent time to take stock, reassess allocations, and prepare for the road ahead.

That road requires more than conventional thinking. It calls for a broader, more adaptable approach – one that embraces active management, deeper diversification, and the strategic use of tools such as derivatives, currencies, and commodities to preserve capital and generate uncorrelated returns.

We are well-equipped for this new landscape, where flexibility and agility are key. The portfolio is set up to thrive in this shifting environment – to seek out opportunity in uncertainty, and to deliver differentiated, all-weather returns through the changing seasons ahead.

**All-weather means combining  
*shock-resistance* with *satisfactory*  
*returns* in the good times.**

| Jonathan Ruffer

## Portfolio statement

as at 30 June 2025 (unaudited)

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
<b>Government bonds 48.57%</b> (30 Jun 24: 51.50%)				
<b>Long-dated UK inflation-linked bonds</b>				
UK index-linked gilt 0.125% 10/08/2048	GBP	2,647,000	2,438,312	0.27
UK index-linked gilt 0.125% 22/03/2051	GBP	2,692,000	2,200,073	0.25
UK index-linked gilt 1.25% 22/11/2054	GBP	2,704,000	2,294,000	0.26
UK index-linked gilt 0.375% 22/03/2062	GBP	7,799,000	7,580,692	0.85
UK index-linked gilt 0.125% 22/11/2065	GBP	8,372,000	6,257,663	0.70
UK index-linked gilt 0.125% 22/03/2068	GBP	13,317,000	10,117,589	1.14
UK index-linked gilt 0.125% 22/03/2073	GBP	15,847,000	10,846,487	1.23
<b>Total long-dated UK inflation-linked bonds</b>			<b>41,734,816</b>	<b>4.70</b>
<b>Long-dated nominal bonds</b>				
Japan 2.4% 20/03/2055	JPY	3,298,500,000	15,298,039	1.72
<b>Total long-dated nominal bonds</b>			<b>15,298,039</b>	<b>1.72</b>
<b>Long-dated non-UK inflation-linked bonds</b>				
US Treasury inflation indexed bond 2.375% 15/02/2055	USD	2,760,600	1,980,170	0.22
<b>Total long-dated non-UK inflation-linked bonds</b>			<b>1,980,170</b>	<b>0.22</b>
<b>Short-dated UK inflation-linked bonds</b>				
UK index-linked gilt 0.125% 22/03/2026	GBP	5,267,000	8,085,182	0.91
<b>Total short-dated UK inflation-linked bonds</b>			<b>8,085,182</b>	<b>0.91</b>
<b>Short-dated nominal bonds</b>				
Japan 0.005% 01/08/2025	JPY	3,413,000,000	17,248,240	1.94
Japan 0.005% 01/09/2025	JPY	6,000,000,000	30,310,304	3.40
Japan 0.005% 01/12/2025	JPY	4,000,000,000	20,182,805	2.27
Japan 0.2% 01/03/2026	JPY	1,700,000,000	8,577,520	0.97
Japan 0.2% 01/04/2026	JPY	1,700,000,000	8,572,879	0.97
Japan 0.3% 01/05/2026	JPY	463,000,000	2,335,762	0.26
Japan 0.4% 01/06/2026	JPY	1,865,100,000	9,415,263	1.06
Japan 0.4% 01/07/2026	JPY	1,862,450,000	9,398,873	1.06

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
UK gilt 4.125% 29/01/2027	GBP	7,942,000	7,977,104	0.90
US Treasury floating rate bond 31/10/2026	USD	63,691,000	46,428,291	5.23
US Treasury floating rate bond 31/01/2027	USD	64,681,800	47,067,644	5.30
US Treasury floating rate bond 30/01/2026	USD	63,700,000	46,438,098	5.23
US Treasury floating rate bond 30/04/2026	USD	63,739,000	46,432,181	5.23
US Treasury floating rate bond 31/07/2026	USD	63,634,000	46,383,032	5.22
US Treasury bond 31/01/2027	USD	24,000,000	17,555,937	1.98
<b>Total short-dated nominal bonds</b>			<b>364,323,933</b>	<b>41.02</b>
<b>Total government bonds</b>			<b>431,422,140</b>	<b>48.57</b>
<b>Equities 25.69%</b> (30 Jun 24: 24.24%)				
<b>Europe</b>				
Accor	EUR	29,933	1,138,836	0.13
AIB	EUR	415,498	2,487,852	0.28
Airbus	EUR	10,393	1,581,299	0.18
Alcon	CHF	14,162	912,151	0.10
Arcelormittal	EUR	302,048	6,964,554	0.79
Banco Santander	EUR	246,711	1,488,017	0.17
Bayer	EUR	87,290	1,918,297	0.22
Canal+	EUR	406,049	924,980	0.10
Dassault Aviation	EUR	5,709	1,470,255	0.17
Deutsche Post	EUR	56,063	1,886,092	0.21
Groupe Danone	EUR	18,510	1,102,115	0.12
Havas	EUR	887,155	1,109,229	0.12
Heineken	EUR	36,747	2,334,975	0.26
JDE Peet's	EUR	128,592	2,675,826	0.30
Koninklijke Philips	EUR	83,760	1,467,544	0.17
Louis Hachette	EUR	225,155	335,829	0.04
Nestle	EUR	29,020	2,099,841	0.25
Orange	EUR	131,280	1,455,474	0.16
Prosegur Cash	EUR	859,857	602,321	0.07
Prosus	EUR	67,020	2,731,084	0.31
Roche	CHF	10,450	2,478,913	0.28

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
Ryanair ADR	USD	41,177	1,729,002	0.19
Smurfit WestRock	GBP	145,470	4,569,213	0.51
Syensqo	EUR	19,576	1,100,383	0.12
TUI	EUR	198,961	1,259,796	0.14
Vallourec	EUR	55,575	748,776	0.08
Vivendi	EUR	225,155	565,932	0.06
<b>Total Europe equities</b>			<b>49,138,586</b>	<b>5.53</b>
<b>United Kingdom</b>				
Aberforth Smaller Companies	GBP	270,000	4,147,200	0.47
Admiral Group	GBP	91,988	3,008,008	0.34
BAE Systems	GBP	76,020	1,433,737	0.16
Barclays	GBP	546,174	1,842,245	0.21
Barratt Redrow	GBP	303,594	1,384,085	0.16
Beazley	GBP	112,504	1,051,912	0.12
BP	GBP	4,104,047	15,008,500	1.69
British American Tobacco	GBP	77,491	2,681,963	0.30
Castings	GBP	126,450	347,738	0.04
Conduit	GBP	228,920	859,595	0.10
Glencore	GBP	764,240	2,167,385	0.24
Informa	GBP	246,647	1,987,481	0.22
JD Sports Fashion	GBP	1,209,602	1,072,917	0.12
Jet2	GBP	102,244	1,885,379	0.21
National Grid	GBP	234,037	2,484,303	0.28
PRS REIT	GBP	2,870,000	3,099,600	0.35
Prudential	GBP	1,440,430	13,145,364	1.48
Reckitt Benckiser	GBP	35,597	1,763,831	0.20
Rio Tinto	GBP	49,570	2,104,246	0.24
Rolls-Royce Holdings	GBP	162,369	1,570,758	0.18
RS Group	GBP	528,414	3,035,738	0.34

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
Ruffer SICAV UK Mid & Smaller Companies Fund <sup>1</sup>	GBP	6,977,245	19,310,922	2.17
Science Group	GBP	355,800	1,832,370	0.21
Severn Trent	GBP	52,689	1,439,990	0.16
Spectris	GBP	32,406	1,243,094	0.14
Unilever	GBP	57,853	2,559,417	0.29
United Utilities	GBP	102,114	1,165,121	0.13
<b>Total UK equities</b>			<b>93,632,899</b>	<b>10.55</b>
<b>North America</b>				
ACM Research	USD	11,051	208,112	0.02
Alphabet	USD	19,566	2,510,438	0.28
Amazon	USD	51,294	8,193,891	0.93
Bank of America	USD	113,745	3,915,472	0.44
Arrow Electronic	USD	3,995	370,844	0.04
Borgwarner	USD	8,963	218,331	0.02
Boyd Gaming	USD	4,240	241,549	0.03
ChampionX	USD	14,998	271,192	0.03
Cheesecake Factory	USD	16,338	745,513	0.08
Citigroup	USD	77,763	4,818,565	0.55
Cooper	USD	14,305	741,293	0.08
Copa Holdings	USD	2,409	192,762	0.02
Dorman Products	USD	2,331	208,147	0.03
Energys	USD	2,786	174,013	0.02
Exelixis	USD	3,189	102,344	0.01
Exxon Mobil	USD	20,033	1,572,062	0.18
Fox	USD	9,549	389,484	0.04
General Digital	USD	15,012	321,186	0.04
General Electric	USD	6,960	1,303,707	0.15
Genpact	USD	6,122	196,161	0.02
Gilead Sciences	USD	1,889	152,419	0.02
Griffon	USD	1,676	88,279	0.01
Halozyme Therapeutic	USD	1,720	65,145	0.01
H&R Block	USD	5,287	211,257	0.02
Harmony Bioscience	USD	3,670	84,400	0.01

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
Hewlett Packard	USD	23,737	353,324	0.04
Incyte	USD	2,845	141,090	0.02
Interpublic Group	USD	20,643	368,002	0.04
Iqvia Holdings	USD	12,447	1,427,616	0.16
KB Home	USD	4,539	175,088	0.02
Match Group	USD	11,980	269,402	0.03
Matson	USD	1,191	96,550	0.01
Maximus	USD	4,303	220,132	0.02
Merck	USD	3,891	224,132	0.03
Molson Coors	USD	9,416	329,752	0.04
Mueller Industries	USD	2,969	171,801	0.02
Noble	USD	17,150	331,585	0.04
Oshkosh	USD	1,788	147,720	0.02
Ovintiv	USD	11,049	306,237	0.03
Owens Corning	USD	1,214	121,577	0.01
Pfizer	USD	69,850	1,232,497	0.14
Philip Morris	USD	6,614	876,890	0.10
Pilgrim's Pride	USD	9,501	311,211	0.04
PNC Financial	USD	5,490	745,180	0.08
Powell Industries	USD	718	109,802	0.01
Pulte Homes	USD	2,641	202,806	0.02
Rev Group	USD	4,345	150,550	0.02
Royalty Pharma	USD	7,425	194,709	0.02
Smurfit WestRock	USD	29,643	931,039	0.10
Suncorp	CAD	60,761	1,658,685	0.19
Taylor Morrison	USD	4,274	191,197	0.02
TD Synnex	USD	3,565	352,061	0.04
Toll Brothers	USD	2,480	206,227	0.02
United Therapeutic	USD	452	94,584	0.01
<b>Total North America equities</b>			<b>39,238,012</b>	<b>4.42</b>

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
<b>Japan</b>				
Advantest	JPY	6,305	339,465	0.04
Asics	JPY	19,296	357,326	0.04
Astellas Pharma	JPY	83,736	599,427	0.07
Baycurrent	JPY	8,106	304,068	0.03
Chugan Pharmaceutical	JPY	9,640	366,582	0.04
Daito Trust	JPY	9,439	747,510	0.09
Dena	JPY	25,754	347,239	0.04
Denso	JPY	54,535	537,615	0.06
Fast Retailing	JPY	2,293	573,812	0.06
Fuji Electric	JPY	14,201	477,349	0.05
Hoya	JPY	4,059	351,509	0.04
Inpex	JPY	51,345	525,245	0.06
Isetan Mitsukoshi	JPY	27,935	310,340	0.03
Japan Airlines	JPY	56,477	838,564	0.09
Japan Exchange	JPY	82,442	608,502	0.07
Komatsu	JPY	24,725	591,232	0.07
Kubota	JPY	74,320	609,233	0.07
Ly	JPY	173,908	466,144	0.05
Micronics Japan	JPY	10,880	297,568	0.03
Namura Shipbuilding	JPY	19,045	302,323	0.03
Nippon Paint	JPY	84,586	494,116	0.06
Note	JPY	21,959	166,963	0.02
Olympus	JPY	38,983	337,002	0.04
Otsuka Holdings	JPY	11,578	417,392	0.05
Recruit Holdings	JPY	10,532	452,575	0.05
Sanrio	JPY	9,527	335,554	0.04
Screen Holdings	JPY	5,293	314,145	0.04
Shibaura Mechatronics	JPY	6,402	352,455	0.04
Shift	JPY	30,003	264,983	0.03

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
Shin-Etsu Chemical	JPY	19,707	474,229	0.05
Socionext	JPY	19,769	277,387	0.03
Suzuki Motor	JPY	66,703	586,584	0.07
Taisei	JPY	13,935	591,621	0.07
Takeda Pharmaceutical	JPY	42,370	946,120	0.11
Tokyo Gas	JPY	26,098	630,001	0.07
Tomy	JPY	30,495	501,657	0.06
Toyo Suisan Kaisha	JPY	9,583	464,262	0.05
Trend Micro	JPY	7,169	360,106	0.04
Yakult Honsha	JPY	47,572	651,750	0.07
Yokogawa Electric	JPY	27,359	530,013	0.06
<b>Total Japan equities</b>			<b>18,699,968</b>	<b>2.11</b>
<b>Asia (ex-Japan)</b>				
Alibaba Group	HKD	650,376	6,623,932	0.75
Alibaba Group ADR	USD	20,473	1,690,528	0.18
iShares MSCI China	USD	3,671,655	13,821,107	1.56
<b>Total Asia (ex-Japan) equities</b>			<b>22,135,567</b>	<b>2.49</b>
<b>Other equities</b>				
Taylor Maritime Investments	GBP	5,000,000	3,250,000	0.37
Tufton Oceanic Assets	USD	2,383,561	1,996,137	0.22
<b>Total other equities</b>			<b>5,246,137</b>	<b>0.59</b>
<b>Total equities</b>			<b>228,091,169</b>	<b>25.69</b>

	Currency	Holding at 30 Jun 25	Fair value £	% of total net assets
<b>Commodity exposure 1.18%</b> (30 Jun 24: 2.46)				
WisdomTree Copper	USD	197,428	6,445,308	0.73
Yellow Cake	GBP	764,760	4,026,461	0.45
<b>Total commodity exposure</b>			<b>10,471,769</b>	<b>1.18</b>
<b>Gold exposure and gold equities 7.75%</b> (30 Jun 24: 7.56)				
Barrick Mining	USD	357,497	5,417,647	0.61
Denarius Metals	CAD	30,840	7,757	0.00
Denarius Metals 12% 19/10/2029	CAD	1,872,720	1,136,422	0.13
WisdomTree Platinum	USD	82,200	7,283,188	0.82
WisdomTree Silver	USD	340,143	8,887,512	1.00
WS Ruffer Gold Fund <sup>1</sup>	GBP	8,190,635	38,577,997	4.34
Newmont	USD	177,154	7,514,725	0.85
<b>Total gold exposure and gold equities</b>			<b>68,825,248</b>	<b>7.75</b>
<b>Credit and derivative strategies 12.39%</b> (30 Jun 24: 12.77)				
Ruffer Illiquid Multi Strategies Fund 2015 <sup>1</sup>	GBP	126,581,748	62,776,193	7.06
Ruffer Protection Strategies <sup>1</sup>	GBP	7,898,000	47,309,023	5.33
<b>Total credit and derivative strategies</b>			<b>110,085,216</b>	<b>12.39</b>
<b>Total investments</b>			<b>848,895,542</b>	<b>95.58</b>
<b>Cash and other net current assets</b>			<b>39,300,463</b>	<b>4.42</b>
			<b>888,196,005</b>	<b>100.00</b>

<sup>1</sup> 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. WS Ruffer Gold Fund and Ruffer SICAV UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager

## Appendix

### Regulatory performance data

To 30 Jun %	96	97	98	99	00	01	02	03
Ruffer	14.6	15.5	26.1	6.3	6.1	16.4	5.0	5.0
Ruffer Investment Company <sup>†</sup>	–	–	–	–	–	–	–	–
FTSE All-Share	19.6	22.6	28.7	10.1	5.1	-7.8	-14.8	-9.7
Twice Bank Rate	13.2	12.2	14.6	13.3	11.3	12.0	9.0	8.0
To 30 Jun %	04	05	06	07	08	09	10	11
Ruffer	8.9	15.4	15.3	2.4	5.3	15.0	16.0	11.1
Ruffer Investment Company	–	<sup>†</sup> 14.1	8.2	-0.8	14.8	18.6	21.8	8.8
FTSE All-Share	16.9	18.7	19.7	18.4	-13.0	-20.5	21.1	25.6
Twice Bank Rate	7.7	9.8	9.3	10.2	11.3	5.6	1.0	1.0
To 30 Jun %	12	13	14	15	16	17	18	19
Ruffer	2.5	12.6	0.7	10.3	-1.9	6.5	0.4	-2.0
Ruffer Investment Company	-0.3	13.8	-2.6	7.9	-1.0	8.8	0.8	-0.9
FTSE All-Share	-3.1	17.9	13.1	2.6	2.2	18.1	9.0	0.6
Twice Bank Rate	1.0	1.0	1.0	1.0	1.0	0.6	0.8	1.4
To 30 Jun %			20	21	22	23	24	<b>25</b>
Ruffer			12.9	15.2	2.1	-3.8	0.1	<b>4.9</b>
Ruffer Investment Company			10.1	15.3	6.0	-1.7	1.0	<b>5.3</b>
FTSE All-Share			-13.0	21.5	1.6	7.9	13.0	<b>11.2</b>
Twice Bank Rate			1.2	0.2	0.7	6.0	10.7	<b>9.8</b>

Performance data is calculated over 12 months to 30 June each year. † From July 2004 ‡ NAV total return

Source: RAIFM Ltd, 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. All figures include reinvested income. All mentions of Ruffer performance refer to Ruffer's representative portfolio, which is an unconstrained segregated portfolio following Ruffer's investment approach. Ruffer performance is shown after deduction of all fees and management charges. Performance prior to 1 July 2022 has been calculated using monthly data points, and thereafter using daily data points. More information: [ruffer.co.uk/methodology](http://ruffer.co.uk/methodology). 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. © RAIFM 2025 © Ruffer LLP 2025.

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