Ruffer Investment Company Limited

Investment Manager's Year End Review
for the year ended 30 June 2026 (unaudited)

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Philosophy and approach

Investment philosophy

Ruffer Investment 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.

Formally, our objective is 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. More recently, the portfolio delivered positive returns during the August 2024 yen carry trade unwind and the 2025 tariff shock, demonstrating its ability to navigate shorter-lived episodes of market stress.

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

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

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 'protection' 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, exposure to precious metals and other commodities, currencies, derivatives and alternative assets – though the composition and weighting of each will vary based on our outlook.

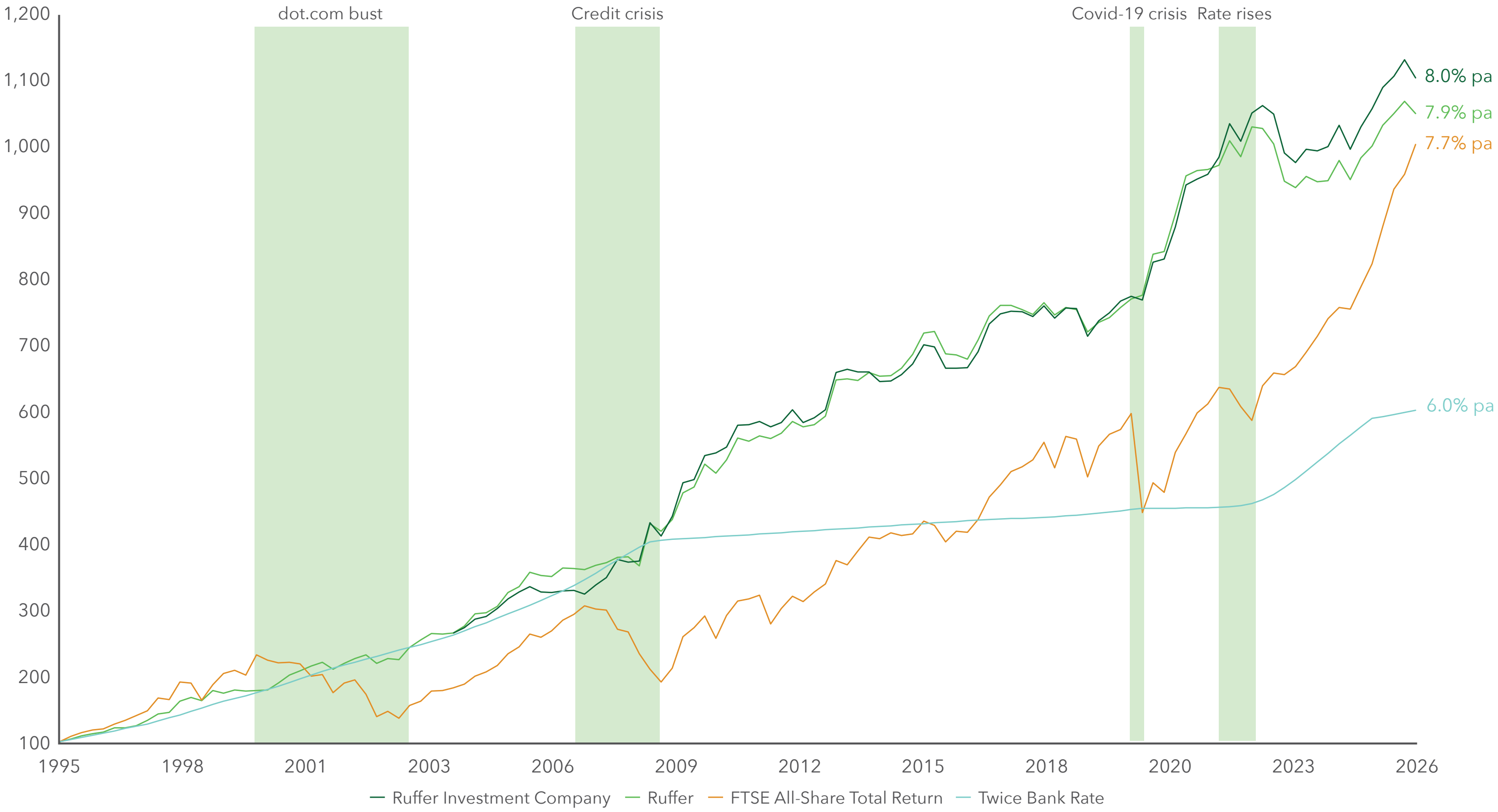
Rather than rely on historic correlations between asset classes, we consider a broad range of future scenarios and position the portfolio accordingly. Our forward-looking, qualitative assessments of markets are supported by quantitative analysis and stress testing to identify and address vulnerabilities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

When constructed correctly, the result is an all-weather portfolio – one that aims to preserve capital during periods of market stress as well as capturing opportunities in rising markets. 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, helping to generate a reliable return over the long term.

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 below.

Long-term performance

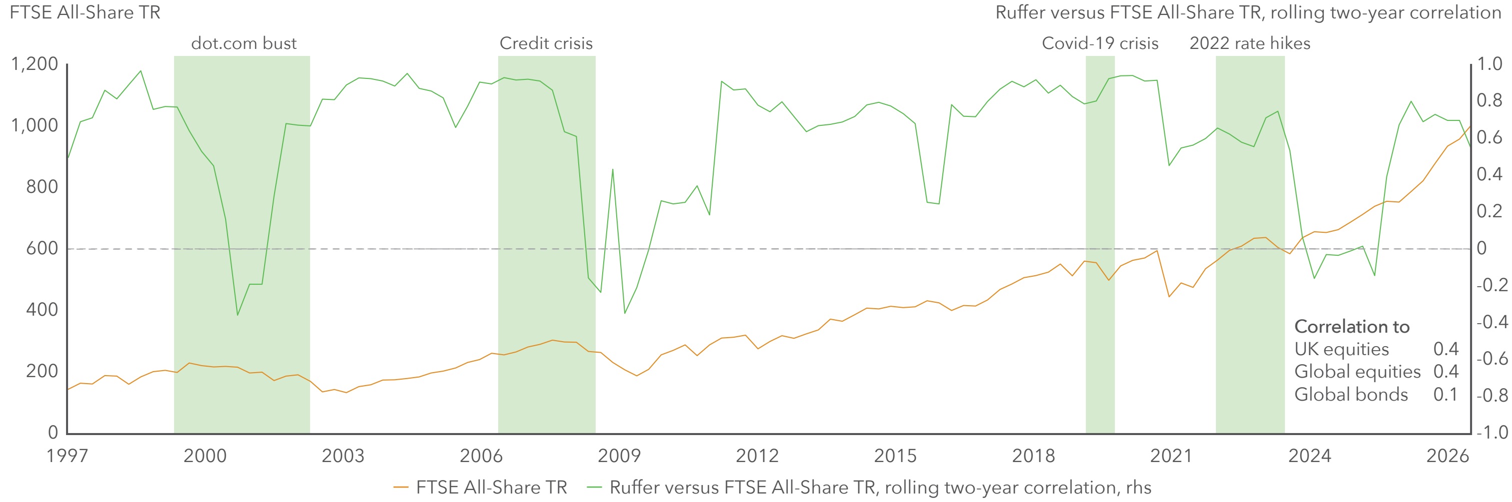


Source: Ruffer, FTSE International, Bloomberg. Cumulative performance 30 June 1995 to 30 June 2026, in pounds sterling. Performance data is included in the appendix. All figures include reinvested income. All mentions of Ruffer performance refer to Ruffer's representative portfolio, which is an unconstrained segregated portfolio following Ruffer's investment approach. Ruffer performance is shown after deduction of all fees and management charges. Ruffer Investment Company series and annualised performance figure uses Ruffer performance prior to the launch of Ruffer Investment Company on 7 July 2004 and Ruffer Investment Company performance thereafter. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter. 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

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 and deliver a negative correlation to both equities and bonds under stress.

The chart overleaf 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 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 2026. UK equities refers to the FTSE All-Share, global equities refers to the FTSE All World, and global bonds refers to the Bloomberg Global Bond Aggregate. Correlation figures are since inception

Performance review

Performance in Net Asset Value (NAV) and price terms

Source: Ruffer Investment Company data 7 July 2004 to 30 June 2026

Financial highlights

As at 30 June 2026

Share price

293.50p

2025: 284.00p

NAV as calculated on an IFRS basis

£889.09m

2025: £888.20m

NAV as reported to the LSE

£889.90m

2025: £891.59m

Market capitalisation

£865.72m

2025: £858.18m

Number of shares in issue

294.96m

2025: 302.18m

NAV per share as calculated on an IFRS basis

301.42p

2025: 293.93p

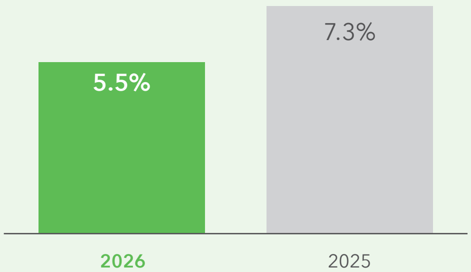
NAV per share as reported to the LSE

301.70p

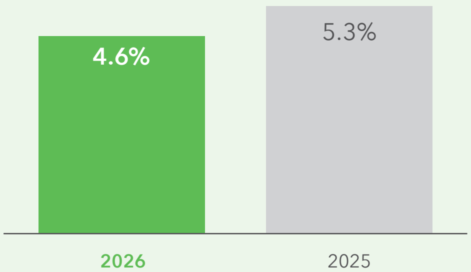
2025: 295.06p

Key performance indicators

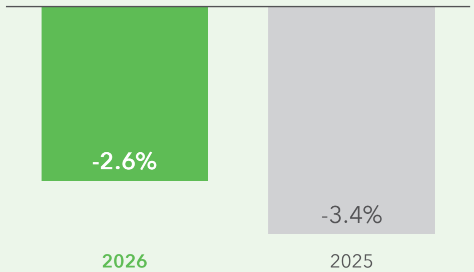
Share price total return over 12 months[1,2]



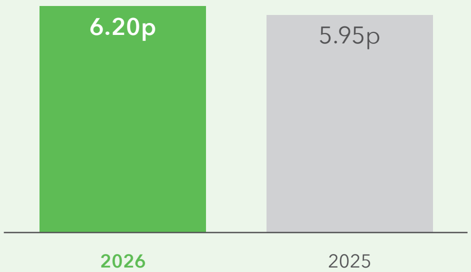
NAV total return per share over 12 months[1,2]



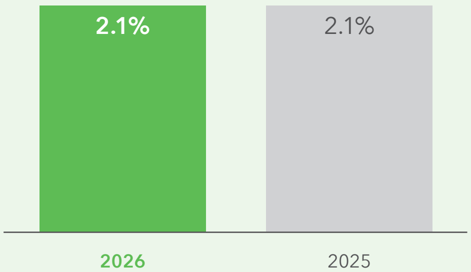
Discount of share price to NAV[2]



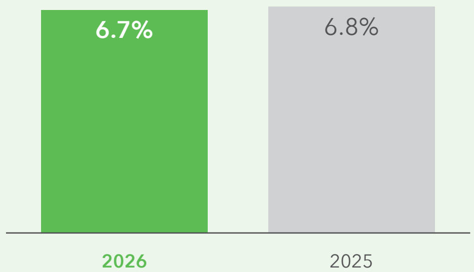
Dividends per share over 12 months[3]



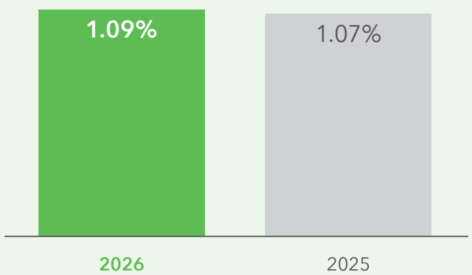
Annualised dividend yield[4]



Annualised NAV total return per share from launch[1]

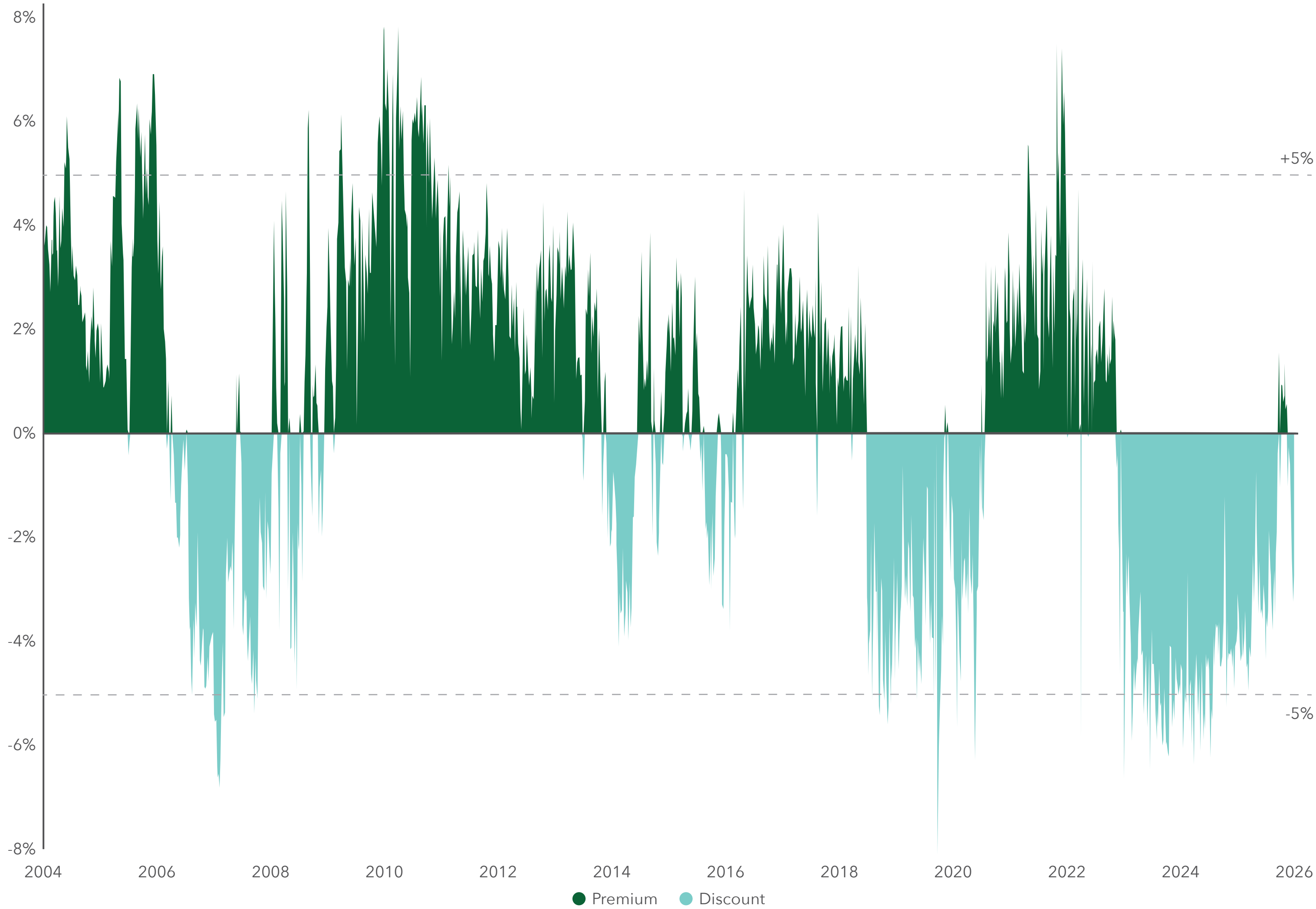


Ongoing charges ratio[5]



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 2026

Premium/discount

The Board has continued to take a disciplined and proactive approach to discount management through share buybacks. Over the last 12 months, it has repurchased approximately 7.7 million shares at a total cost of around £22.2 million, equivalent to c2.6% of shares outstanding as at 30 June 2025. These buybacks were accretive to NAV per share for continuing shareholders, whilst providing liquidity to those wishing to exit their investment.

This activity, alongside strong investor demand, contributed to a significant narrowing of the discount over the period, with the shares moving from a 3.4% discount at 30 June 2025 to a 1.4% premium by 30 April 2026. Reflecting this improved demand, the Company was able to issue 0.5 million new shares at a premium of 1.5% in April 2026.

During May and June 2026, the shares returned to a narrow discount, at which point the Board recommenced buybacks. This recent activity is a validation of the Board's approach of monitoring the discount closely and using buybacks in a measured and flexible manner where it believes this is in shareholders' interests.

Recent performance

Over the last 12 months, the Company delivered a positive NAV total return of 4.6%, achieving its aim of preserving and growing shareholder capital through a range of different market environments, though failing to deliver on its explicit objective of a return at least twice the Bank of England base rate (8.0% over the period).

The year unfolded in three distinct phases. From the end of June 2025 to late February 2026, conditions were supportive for the Company's positioning. Market leadership broadened beyond the US and expensive technology shares, with stronger performance from Europe, China, Japan and other previously overlooked areas. The Company's equity book benefited from this dynamic, with its exposure to attractively valued non-US equities contributing meaningfully to performance.

The second phase began in late February, as investors became more discerning about areas of the market where expectations looked stretched. In AI, the concern was less about the long-term potential of the technology and more about the scale and economics of the investment required to support it, particularly among the US hyperscalers. This more selective approach also weighed on software companies, where high valuations and elevated growth expectations came under pressure as investors worried what AI might mean for their business models.

The weakness in these crowded areas of equity markets coincided with growing concerns around private credit, prompting a broader reassessment of risk. Credit spreads began to widen through February and March as popular, highly valued areas of the market came under pressure. The outbreak of conflict in the Middle East at the end of the month added further to investor caution. Whilst this weighed on risk assets, parts of the Company's protection book performed as intended. Credit protection was the standout contributor, benefiting from wider spreads, greater dispersion, and a more volatile market backdrop. Commodity exposure also proved an important offset. The conflict pushed oil prices higher and supported the Company's exposure to energy and related commodity assets.

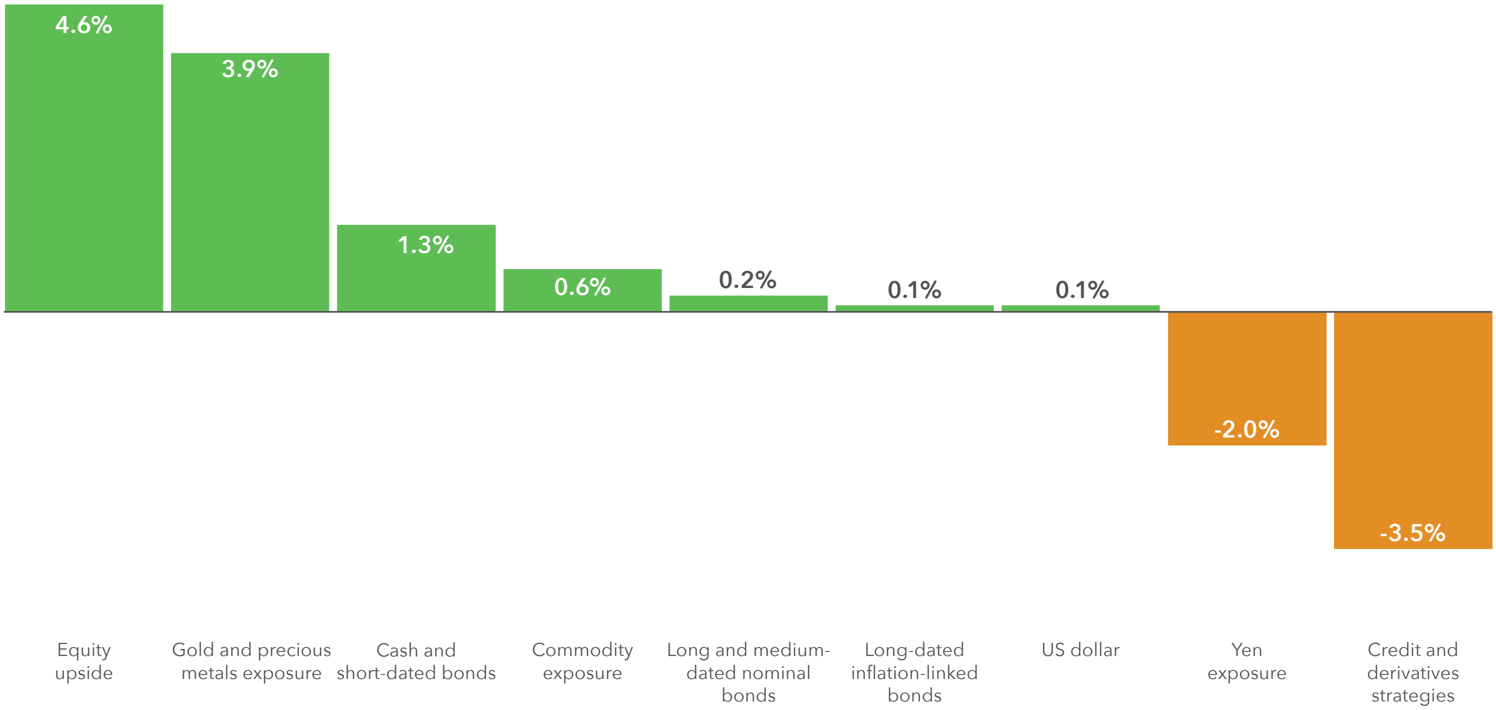
That stress, however, proved short-lived and the final quarter of the period proved a challenging backdrop for the Company. Through April, May and June, credit spreads retraced, volatility fell back and equity markets recovered – in many cases going on to make new all-time highs.

Yet the apparent strength in headline indices masked a much narrower market beneath the surface. Leadership was concentrated in a small number of US and Asian hardware names, where the Company had limited exposure. The Company therefore faced a less favourable backdrop. Markets were not weak enough for protections to contribute meaningfully, but neither was participation broad enough for its growth assets to drive performance decisively. Whilst the market rally in the closing weeks of the period has shown tentative signs of broadening, it has yet to extend meaningfully to other areas of the portfolio's equity exposure, including China tech, software and the UK.

Whilst the final quarter was frustrating, the 12-month period demonstrated the value of the Company's balanced approach. It participated in the broadening of market leadership earlier in the reporting period, whilst elements of the protection book responded when markets experienced a notable pullback. Looking forward, we are confident the portfolio is well placed for a range of outcomes. It retains exposure to areas that should benefit if economic growth broadens, whilst maintaining protection against geopolitical shocks, inflation volatility and market fragility created by unusual concentration.

Attribution

Key drivers of performance (12 months)



Source: Ruffer Investment Company 30 June 2025 to 30 June 2026. Returns in local currency and gross of fees so will not total actual performance

Factors that helped performance

Equity upside was the largest contributor. The Company's equity exposure increased from c26% to c33%, helping it to participate in a strong period for markets, with global equities up over 25% in sterling terms. Returns came from Japanese equities focused on corporate change, where improving governance and better capital allocation continued to unlock value. Commodity-related equities, including Rio Tinto (+76%) and BP (+30%), also supported performance as geopolitical tension, energy disruption and inflation volatility increased demand for real assets.

Gold and precious metals exposure added 3.9% to performance. This benefited as the broader precious metals rally gathered momentum and investor interest increased, including retail buying, particularly from Asia. The Company expressed its exposure through mining equities rather than bullion. This reflects the attractive margins available to producers whilst gold prices remained elevated, and costs relatively contained.

Commodity exposure contributed meaningfully to performance, especially in the second half of the period. Energy prices rose sharply as the escalating conflict in the Middle East forced markets to reassess the risk of a meaningful supply shock. Brent oil rose by c85% at its peak, benefiting the Company's 1.2% direct oil exposure and c3.4% in commodity-related equities. We took profits in part of the direct oil position as prices spiked. The chart overleaf shows how exposure was built when oil prices were weak and reduced after prices rose sharply. The Company retains around 3% in commodity equities, which we expect to benefit from a more volatile geopolitical backdrop and a higher, more variable inflation environment.

Actively managing oil exposure

Brent crude futures

Source: Ruffer, Bloomberg. CO1 cmdty. 31 March 2025 to 30 June 2026

Factors that hurt performance

Yen exposure detracted from returns as the currency weakened following Sanae Takaichi's appointment as LDP leader (with the snap general election cementing her position) as markets priced a greater likelihood of expansionary fiscal policy. The yen came under further pressure after Federal Reserve (Fed) Chair Kevin Warsh's more hawkish tone at the June Federal Open Market Committee (FOMC) meeting supported the dollar. We trimmed the yen cash exposure in recognition of these headwinds, instead increasing our exposure to the currency contingently via call options. This should help mitigate the cost of the position whilst allowing the Company to retain meaningful exposure (c10%). We continue to view the position as an asymmetric source of protection: official willingness to support the currency, as demonstrated in February, should help limit further downside, whilst any broader market sell-off could prompt a sharp reversal as US interest rates are likely cut and yen-funded carry trades are unwound.

Credit and derivatives strategies detracted from returns as risk assets advanced over the period. We see this as a necessary cost of building resilience into the portfolio. With bonds and equities still positively correlated, traditional diversification is less reliable, making unconventional protection a must-have rather than a nice-to-have. It is a cost to the portfolio in benign markets, but it is designed to preserve and grow capital should market conditions deteriorate. Credit protection demonstrated this defensive value during the period as concerns rose around private credit and geopolitical tensions escalated in February and March.

What sets us apart

Steady hands for unsettled markets

Markets can change quickly. That's why Ruffer's approach is deliberately conservative, focusing first on protecting capital, then on finding opportunities to grow it.

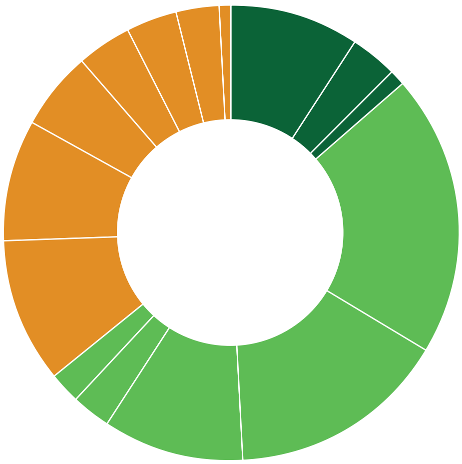
By staying disciplined when markets are unsettled, we've helped investors navigate uncertainty with confidence for more than 30 years.

Find out more
ruffer.co.uk/ric

Portfolio changes

The chart below shows how the Company's asset allocation changed over the period. The commentary focuses on moves of more than ±2%, excluding cash and sterling, which largely reflect the net effect of other portfolio activity.

Current portfolio structure



Source: Ruffer Investment Company

Inflation	Jun 25 %	**Jun 26 %**	Change %
Gold and precious metals exposure	7.8	**3.3**	-4.5
Long-dated non-UK inflation-linked bonds	0.2	**9.3**	+9.1
Long-dated UK inflation-linked bonds	4.7	**1.2**	-3.5
Short-dated UK inflation-linked bonds	0.9	**–**	-0.9
Protection			
Short-dated nominal bonds	40.9	**20.0**	-20.9
Medium-dated nominal bonds	–	**15.4**	+15.4
Long-dated nominal bonds	1.7	**2.2**	+0.5
Cash	4.3	**2.9**	-1.4
Credit and derivative strategies	12.8	**10.1**	-2.7
Geographic equity allocation			
UK equities	10.6	**10.2**	-0.4
North America equities	4.4	**8.5**	+4.1
Europe equities	5.5	**5.6**	+0.1
Asia ex-Japan equities	2.5	**3.9**	+1.4
Japan equities	2.1	**3.6**	+1.5
Other equities	0.6	**0.7**	+0.1
Commodity exposure	1.2	**3.1**	+1.9
Currency allocation			
Sterling	81.3	**76.1**	-5.2
US dollar	0.9	**10.7**	+9.8
Yen	14.8	**5.0**	-9.8
Euro	1.4	**2.5**	+1.1
Other	1.7	**5.7**	+4.0

Source: Ruffer Investment Company. Data in GBP as at 30 June 2026. Totals may not equal 100%, due to rounding. Shading indicates significant portfolio changes, which are discussed in more detail overleaf

Gold and precious metals exposure was significantly reduced over the period. We took the opportunity to realise profits in gold mining equities. With central bank buying slowing and retail participation becoming more prominent, we grew concerned that gold was vulnerable to a near-term pullback. We reduced exposure ahead of gold's decline in October and again ahead of the outbreak of conflict in the Middle East.

Long-dated non-UK inflation-linked bonds were dynamically managed over the year. We added when yields had risen and reduced exposure after prices recovered. We added to ten-year US TIPS, funding the position through a reduction in US floating rate notes and UK index-linked bonds. US real yields had moved above 2%, and we believed yields could fall if geopolitical tensions eased, or if a prolonged conflict shifted market attention away from inflation and rate rises towards weaker growth.

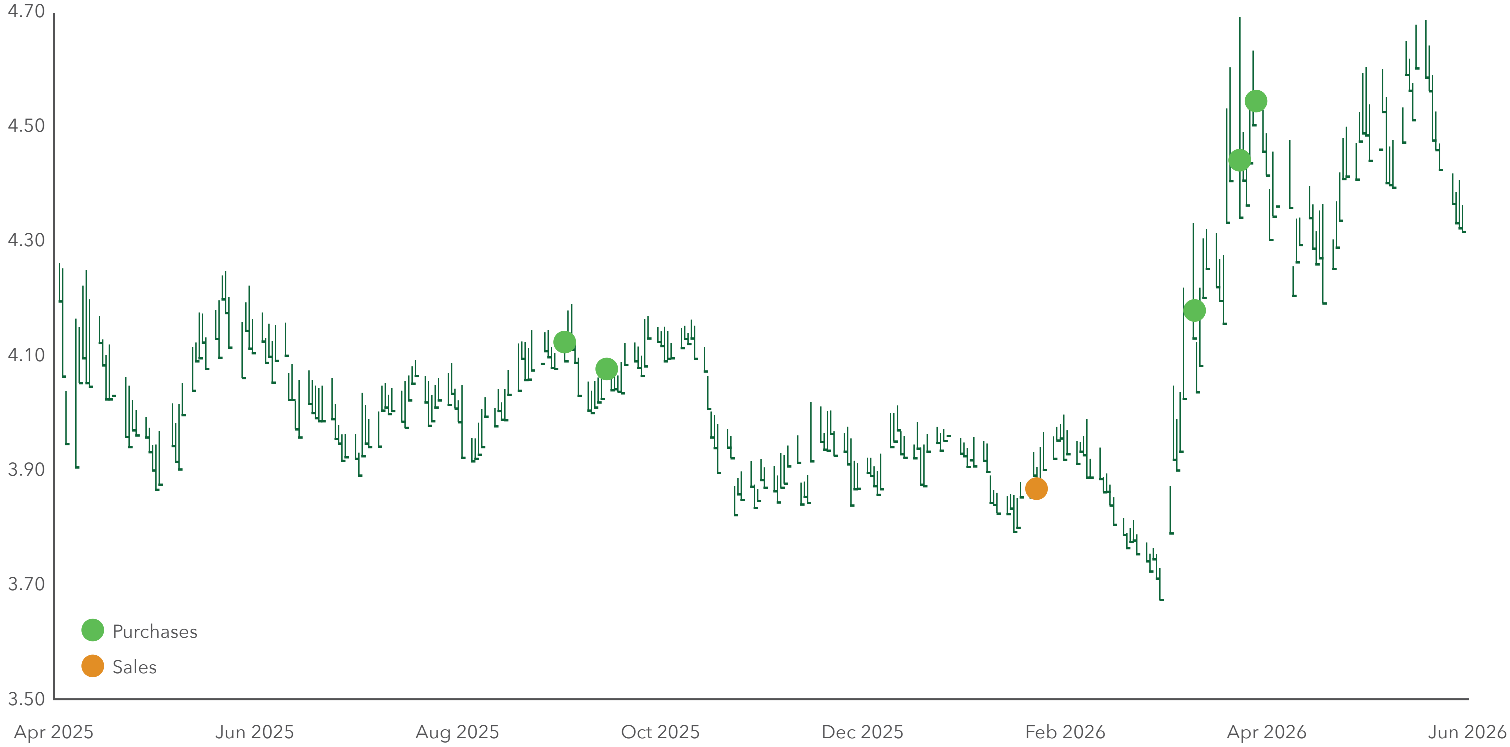
Overall, we take an active approach to managing our bond exposure, increasing duration (interest rate sensitivity) opportunistically when we see attractive risk-reward, but remain cautious on bonds as portfolio protection in an environment where inflation can undermine their traditional defensive role. Over the course of the period, the portfolio's duration exposure remained low, ranging from 1.1 to 2.6 years. It currently stands at 2.3 years.

Long-dated UK inflation-linked bonds were reduced and rotated into Treasury Inflation-Protected Securities (TIPS). This reduced UK-specific risk whilst improving liquidity. We retain a small position (c1.2%), given their potential to benefit materially if long-term inflation expectations rise, causing real yields to fall. These assets have historically been a cornerstone of our inflation protection but we have grown more cautious on the risks at the long end of the UK yield curve. Today's portfolio builds inflation resilience through a broader toolkit, including commodities, commodity-related equities, precious metals and derivatives, alongside this smaller holding in index-linked gilts.

Medium-dated bonds were traded over the period, with the initiation of a position in five-year UK gilts. We added to the position in September 2025, when yields looked attractive, reduced exposure in January 2026 after prices had recovered, and rebuilt the position in March as yields rose sharply again. The March move was driven by higher energy prices after the outbreak of conflict in the Middle East, a rapid repricing of UK rate expectations, and political uncertainty around Prime Minister Sir Keir Starmer's position. We believed if there was resolution to the conflict in the Middle East and greater certainty around the UK political situation, there was the potential for yields to retrace.

Trading five-year UK gilts

UK five-year yield



Source: Ruffer, Bloomberg, data to 30 June 2026

Credit and derivative strategies declined in value as markets continued to trend upwards and spreads narrowed. We have not reduced our exposure, and the Company retains potent protective positions that should enable it to preserve and grow capital in the event of a significant market downturn.

North America equities were selectively increased through two diversified baskets of stocks: software and AI-at-risk; and US companies with superior free cash flow (FCF) yields. In software, a sharp sell-off in early 2026 appeared indiscriminate, creating an opportunity to add high-quality, cash-generative companies at more attractive valuations whilst avoiding reliance on a small number of winners. The US FCF yield basket provides targeted exposure to a broader US equity rally. It is focused on high-quality, cash-generative businesses trading on attractive valuations with superior FCF yields versus the market.

US dollar exposure increased. Whilst we see the dollar as a less reliable long-term safe haven and expect it to face structural headwinds, we believe it can play a tactical role in the portfolio, particularly given the Company's deliberately limited exposure to US equities. It could support returns if US growth accelerates, and may also benefit during a renewed oil shock as the US is a net energy exporter.

Yen exposure was reduced over the period, with the change concentrated in the Company's cash yen position, which was cut from 15% to c5%, mainly by reducing the portion held against sterling. We acknowledge the yen may remain under pressure in the near term, as higher expected interest rates in the US make it harder for the currency to strengthen. Importantly though, the reduction does not signal a loss of confidence in the yen's protective role, and we retain meaningful exposure via yen call options. In a market shock, we would expect the yen to benefit from the unwinding of yen-funded carry trades, and from the narrowing of interest-rate differentials as Western central banks cut interest rates.

Investment outlook

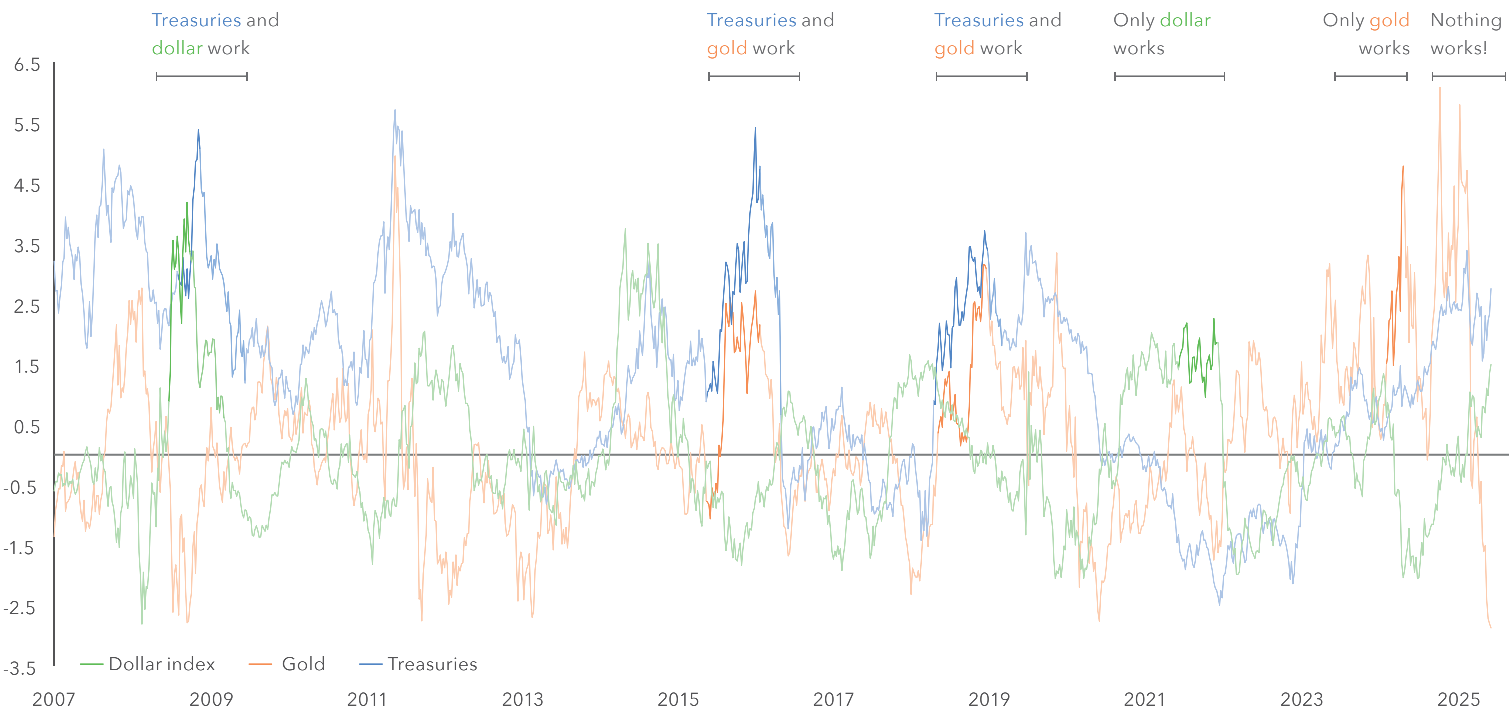
In last year's full year report, we set out the two structural forces driving a regime change in investment markets: inflation volatility and the potential waning of US exceptionalism. The low inflation, low interest rate and low volatility environment that investors have enjoyed in recent decades is giving way to a new, more unstable regime. In short, 2% is now the floor for inflation, rather than the ceiling. The pillars of US exceptionalism are being eroded, with the shift to a multi-polar world order raising the risk that a smaller proportion of global capital finds its way into US assets. To read about the drivers of these structural views, the June 2025 Investment Manager's Report is available at ruffer.co.uk/ric

In the Interim Report published in January, we argued that these shifts in policy and geopolitics were no longer distant risks but increasingly defining market conditions today – highlighting inflation volatility as a key risk in 2026.

The first six months of the calendar year reinforced these concerns, with the conflict in Iran and resulting energy shock swiftly taking Fed cuts off the menu, followed by the appointment of Chair Warsh, whose hawkish rhetoric pushed markets to further re-price interest rate expectations.

Gold, government bonds and equities all fell together in March, when there were few places for investors to hide. This was the third significant episode since 2022 when bonds and equities have fallen together, as the failure of traditional safe havens becomes increasingly common.

Normalised conventional offsets

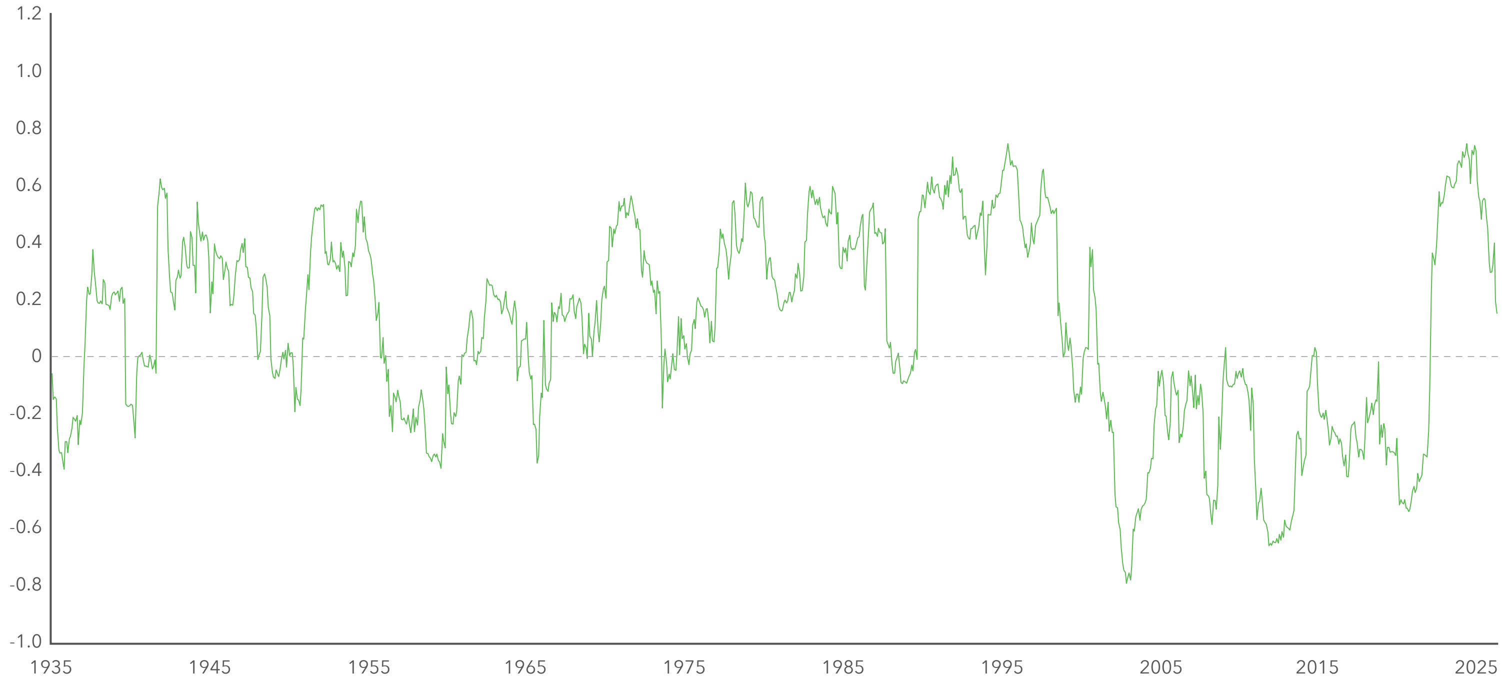


Source: Ruffer, Bloomberg, data from 2007 to 26 June 2026

In a world of higher, more volatile inflation – with increasingly indebted governments that are less able or willing to cut spending – we do not believe conventional assets can be relied on to deliver a consistent offset to equity risk. As the chart below illustrates, the negative correlation between equities and bonds that characterised much of the last two decades was largely a feature of the disinflationary era. As inflation has re-emerged, bonds have increasingly moved alongside equities rather than offsetting their declines, reducing their effectiveness as a diversifier.

Genuine protection is hard to find

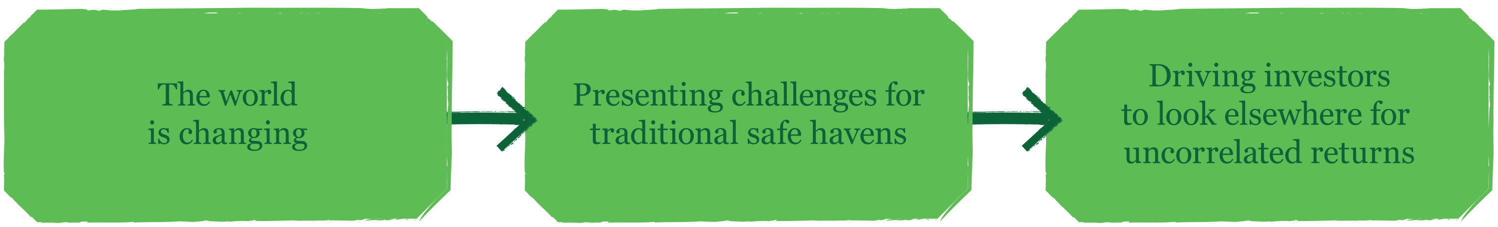
US two-year bond-equity correlation, monthly data



Source: Global Financial Data. Ruffer. Rolling two-year correlation. Data to June 2026

The recent conflict is reflective of this broader regime change and an uncomfortable reminder that the world has changed and inflationary jolts can emerge quickly, with significant market consequences.

As a result, we have long argued for a fresh approach to asset allocation. As this regime change evolves, the need for genuine diversifiers becomes more pressing. The years ahead will be defined by not just greater volatility but the increasing frequency with which traditional relationships break down – a dynamic that reinforces the importance of building portfolios capable of withstanding a wide range of outcomes.



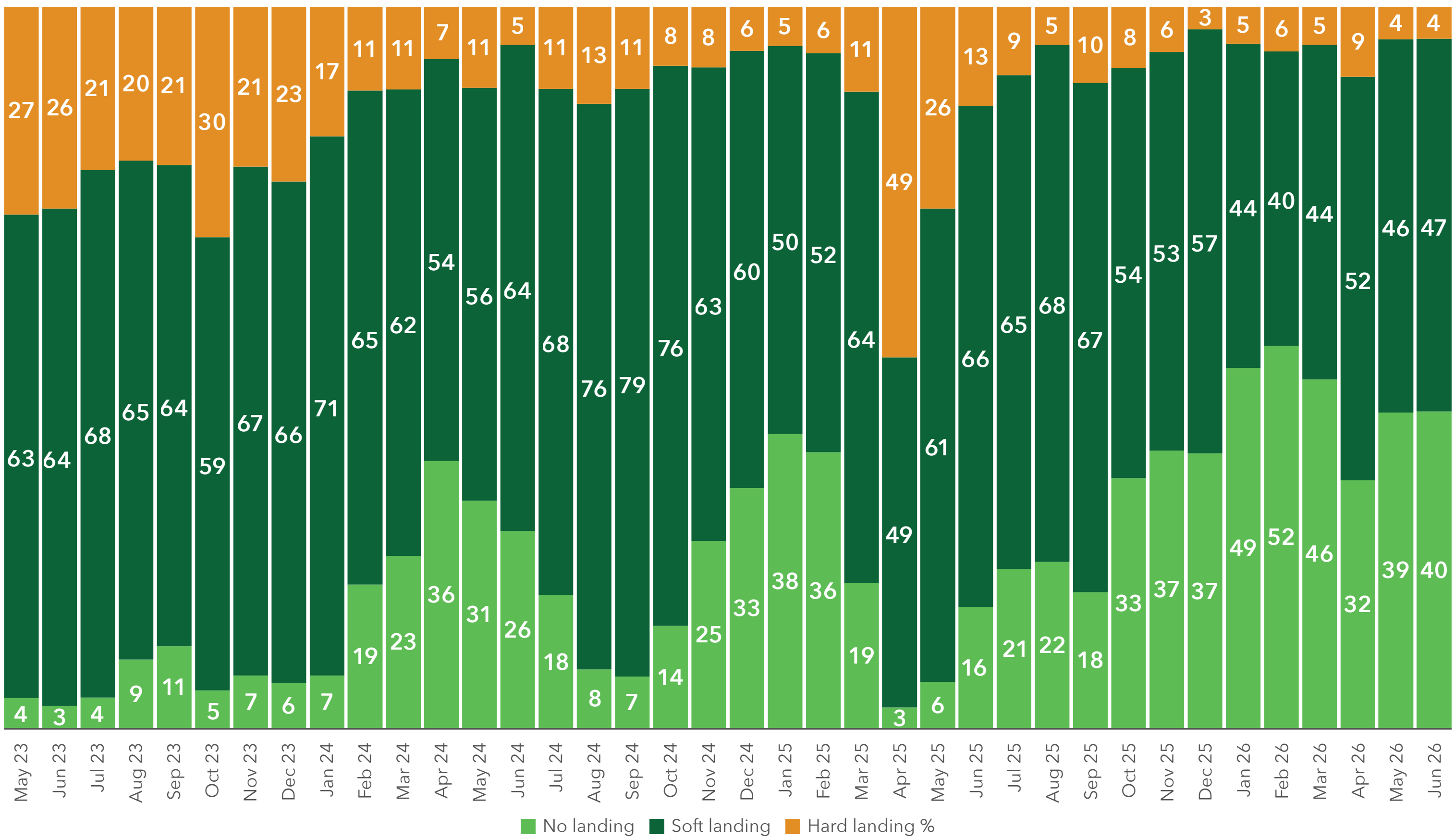
Current market set-up

At the start of 2026, investors were expecting a strong growth environment supported by AI capex, fiscal expansion and a shift away from quantitative tightening towards central bank balance sheet support. What is striking six months into the year – despite the disruption to global oil supply and a tenuous ‘agreement to make an agreement’ – is how little those expectations have changed.

The latest Bank of America Global Fund Manager survey shows that global fund managers are now placing a higher probability on a soft landing (47%) and a lower probability on a hard landing (4%) than they were in January (when it was 44% and 5%, respectively).

Consensus on growth remains bullish

BofA Global Fund Manager Survey
Most likely outcome for global economy (next 12 months)



Percentages may not sum to 100% due to rounding and/or the exclusion of ‘Other’ or ‘No opinion’ responses in the original source data

Source: BofA Global Fund Manager Survey, Bloomberg. Data from May 2023 to June 2026

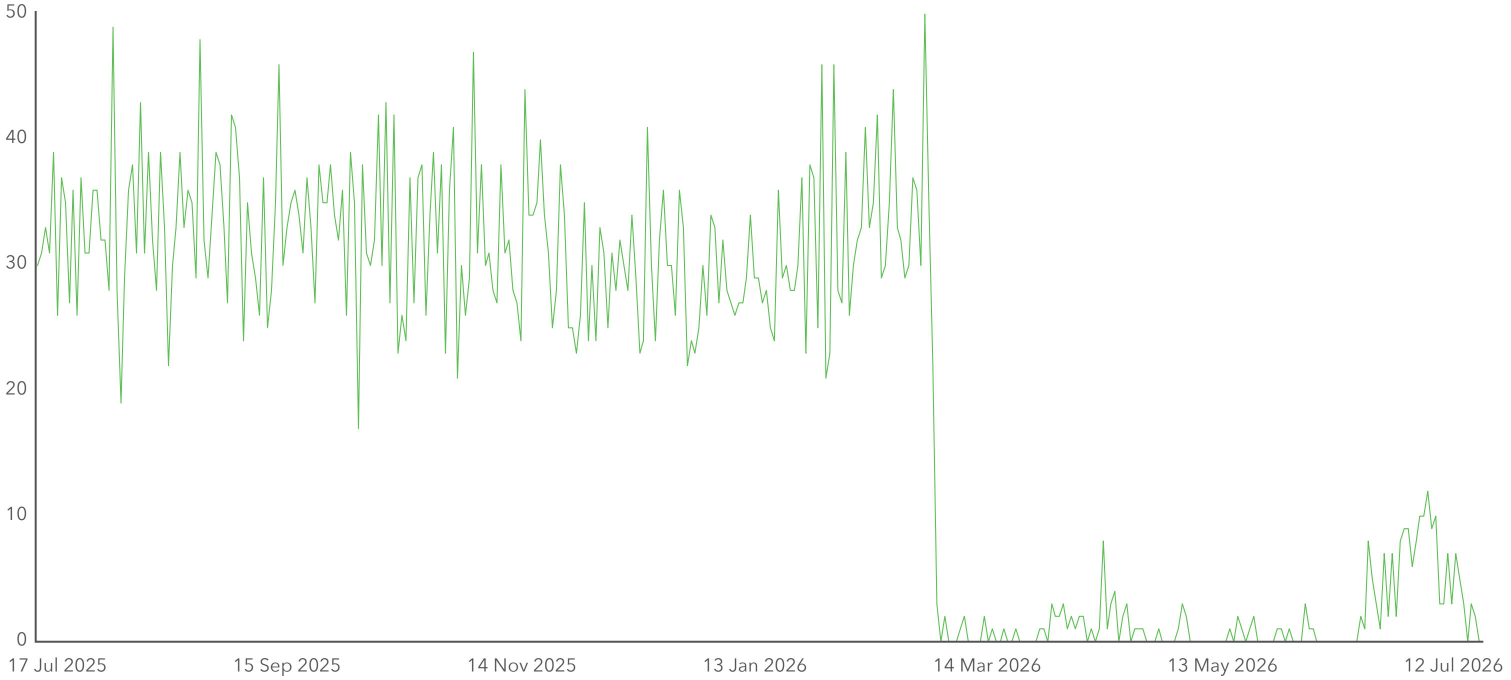
The market system was able to absorb a significant shock, without adjusting expectations. How?

The explanation rests on three pillars.

1 Physical – the oil market entered the conflict with excess supply, including large volumes of sanctioned oil on water; the cushioning effect of a lagged supply chain (the time between leaving the Strait and arriving at port); a rise in US exports; a sharp fall in Chinese import demand; and greater than expected demand flexibility in Asia.
2 Financial – markets largely looked through the shock, supported by an established playbook ('fade the geopolitics'), learned expectations of a Trump pivot (TACO), defensive positioning ahead of the event and demand from both retail investors and systematic strategies on ceasefire news.
3 Fundamental – underlying economic fundamentals remained strong in the first half of 2026, with corporate earnings expectations rising and US macro data consistently surprising to the upside.

The Memorandum of Understanding struck between the US and Iran in June, which included an agreement to reopen the Strait of Hormuz, triggered a sharp fall in the oil price and a corresponding rally in risk assets. However, the situation remains fluid. For markets to stay relaxed, it will be important to see two-way traffic (both in and out of the Strait) normalise. For now, whilst outbound flows have picked up sharply, inbound traffic remains subdued.

Tankers entering Strait of Hormuz, east to west

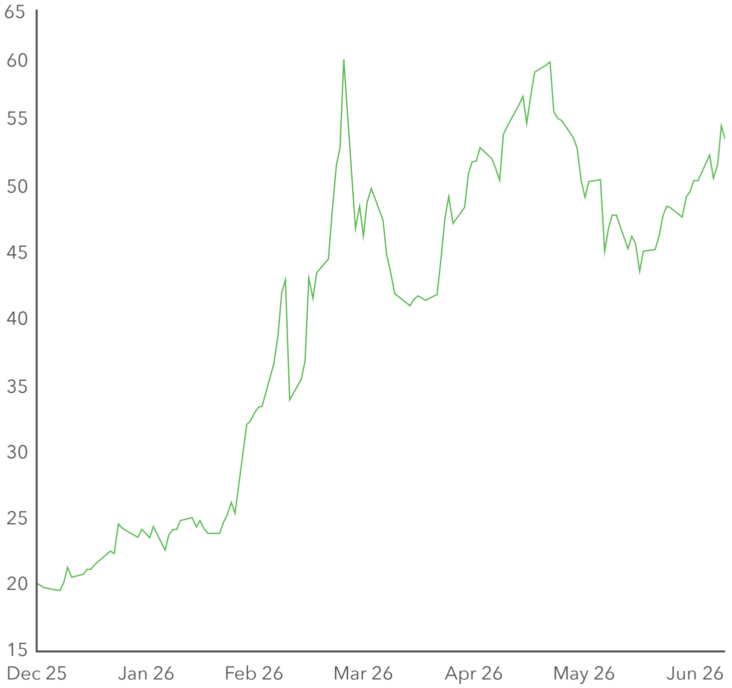


Source: Bloomberg, data 17 July 2025 to 17 July 2026

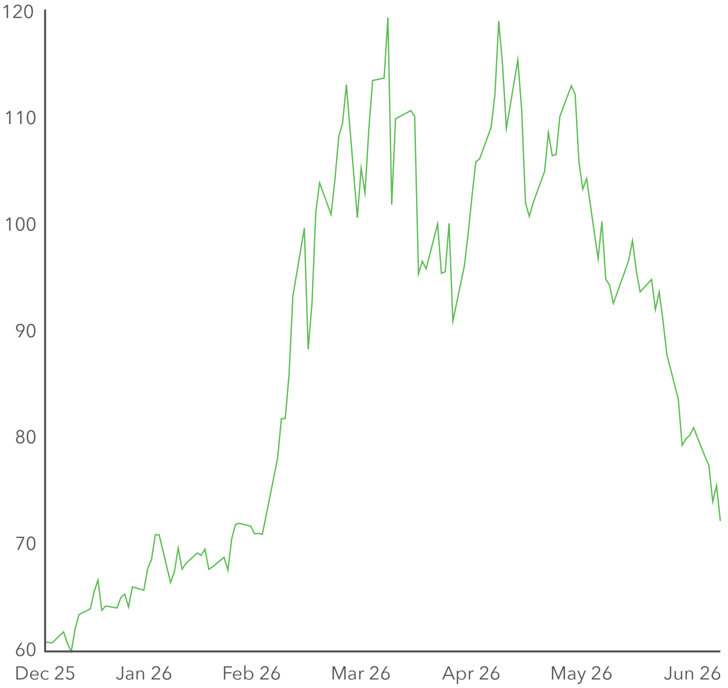
Whilst lower crude prices have eased immediate concerns, near-term inflation risks from energy remain skewed to the upside. Refined product prices have not retraced to the same extent, leaving crack spreads (the differential between crude oil and refined products) elevated. As a result, both the direct and second round effects of higher energy prices have perhaps yet to feed through fully to inflation.

Oil may have fallen but crack spreads haven't

US 3:2:1 crack spread



Brent oil



Source: Bloomberg. Data from December 2025 to June 2026

If sustained, this will erode real incomes and weigh on consumer spending, particularly as the positive impulse from US tax cuts earlier in the year begins to fade. However, assuming supply normalises and we avoid any further disruption to oil markets, these pressures should ease later in the year. Against this backdrop, policy will play an important role in determining how sustainably markets can absorb the recent shock, for example the decision to rebuild strategic petroleum reserves (the timing of which could keep prices elevated).

More broadly, any durable improvement in the geopolitical backdrop could act as a catalyst for broader-based growth and equity market performance. Progress towards a peace deal between Russia and Ukraine, a conflict that has faded from market attention, would provide an additional tailwind. On the other hand, if the new Fed chair retains his hawkish stance (particularly in the face of any further fiscal giveaways as we approach the mid-term elections), monetary tightness could cause equity and credit markets to falter.

Geopolitics is, however, not the market's only preoccupation this year. The other dominant force, which has been driving this US economic strength, is AI capital expenditure.

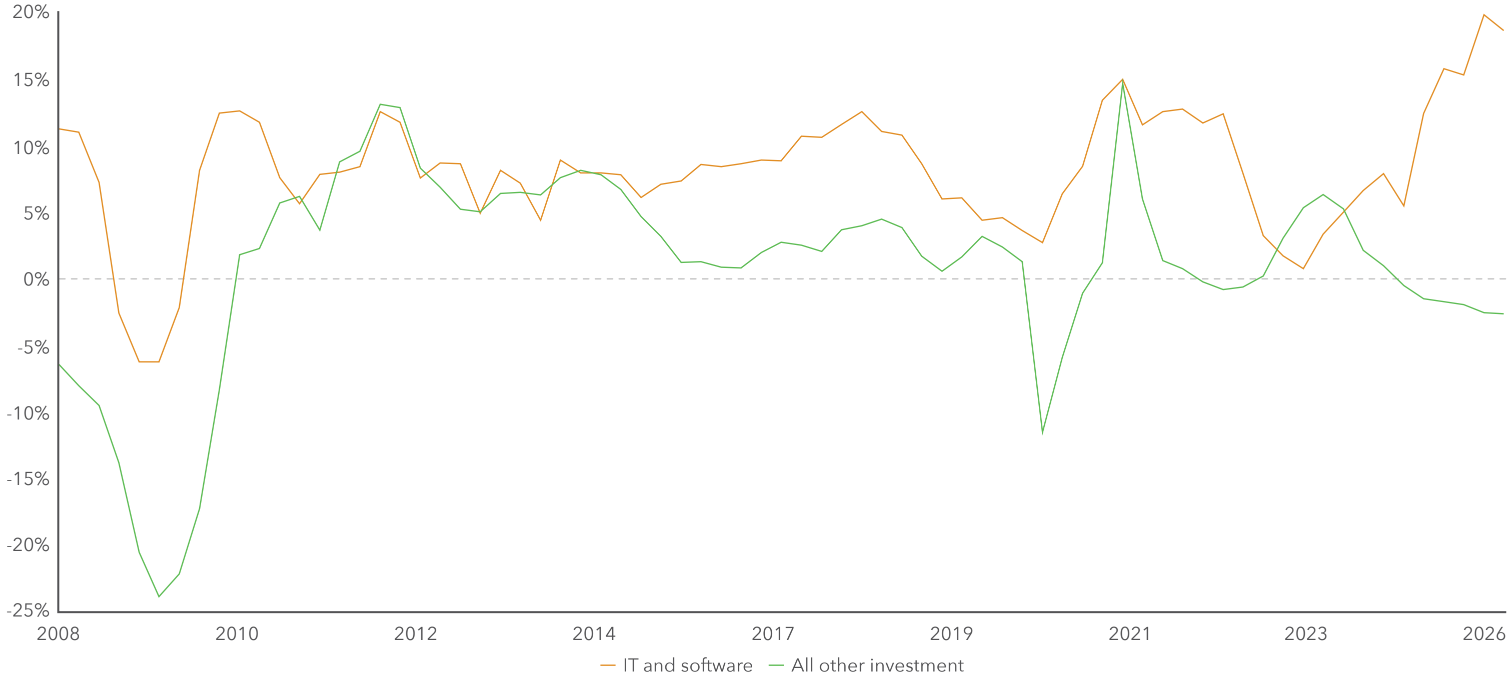
AI capex: real cycle, real risks

After a long period of subdued investment, US capital expenditure has accelerated sharply over the past year. This has been led by the US hyperscalers and concentrated in IT equipment, software and data-centre infrastructure. The scale and concentration of this spending have been sufficient to revive the US exceptionalism narrative, with investors increasingly extrapolating the idea that AI will drive a new US-led productivity boom.

Given the healthy margins, internal financing and explicit intentions of firms to continue investing in AI, it is reasonable to expect that (at least for now) the capex narrative powers on. However, it is not a one-sided story. Key vulnerabilities include competition for capital and associated inflationary pressure, potential deterioration in corporate balance sheets, the increasing concentration of US growth in a narrow set of AI-driven activities, and the timing gap between investment today and returns tomorrow.

AI capex has dominated

US capex percentage change year on year



Source: Datastream. Data quarterly from March 2007 to March 2026

The AI capex cycle is clearly a very powerful driver of the US economy and markets, and the near-term fundamentals remain strong. Profit margins across many AI-linked businesses continue to expand, returns on capital are high, in aggregate the investment is still being funded from cash flows rather than excessive borrowing, and firms are signalling strong spending intentions. Little in the current data suggests an imminent turning point.

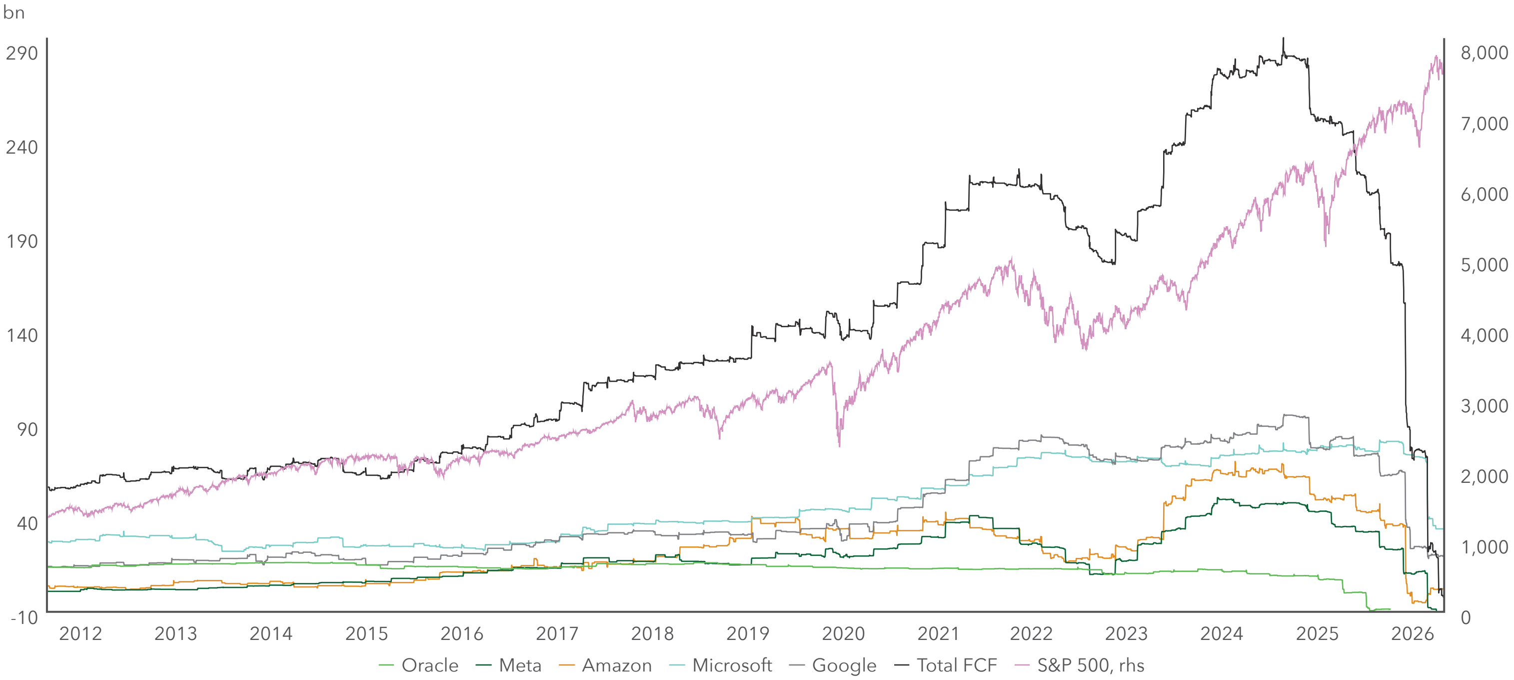
However, the uncomfortable fact is that two things can be true at once: the AI capex boom can be economically significant and durable in the near term, whilst also becoming increasingly extended in market expectation and asset terms and unlikely to persist indefinitely. Strong fundamentals do not necessarily translate into good investment opportunities.

This dynamic has clear historical precedent. Previous capex booms, most notably during the late 1990s, began with strong earnings growth but ultimately gave way to overinvestment, increasing competition and falling returns. Whilst today's starting point is stronger – particularly given current levels of profitability – the underlying dynamic of self-reinforcing investment and the potential for misallocation of capital are unchanged. High levels of spending support near-term earnings, which in turn encourage further investment, creating the conditions for an eventual overshoot.

It is therefore useful to distinguish between the build phase and the return phase of the AI cycle. What we are seeing today is predominantly the former: a period when capital is deployed at scale, driving activity, earnings and sentiment. The critical question for markets over the coming months and years is whether these investments ultimately generate sufficient returns. The risk is that the focus shifts from the benefits of capex to the returns on that capex.

There are already signs of this tension. Whilst spending remains robust, visibility on the ultimate profitability is limited, and the business models required to justify the scale of investment are not yet fully established. The US Census Bureau's Business Trends and Outlook survey, which includes AI adoption data, suggests corporate uptake is gradual rather than explosive, creating a gap between what markets are pricing and what the real economy is delivering. For example, according to the survey, more than two-thirds of US firms said they did not use AI across any business functions, and more than half of firms said they did not plan to use AI over the next six months. The technology may prove transformative, but the timing mismatch is key – markets already discount benefits that may take longer to materialise than investors are willing to wait.

Hyperscaler free cash flow



Source: Bloomberg. Data quarterly from 1 January 2022 to 30 June 2026

This cycle is also more capital-intensive than previous waves of technological innovation, with large-scale infrastructure replacing the asset-light models of the past. This raises the risk of increased competition for capital (both between corporates and across the broader economy) and introduces the risk that balance sheets deteriorate if returns fail to materialise.

This matters for inflation. Whilst much of the AI debate is framed around whether the technology will ultimately be disinflationary, the near-term impact may well be the opposite. A large-scale build-out drives demand for capital, energy, labour, equipment and financing and with it brings the risk that further inflationary pressure could come first, with productivity-driven disinflation arriving later. The effects are already becoming visible. Demand from AI data centres has pushed up memory and storage component costs, leading companies including Apple and Microsoft to increase prices for consumer products.

At a macro level, whilst this wave of investment should support stronger global growth, the effects are likely to be most pronounced in the US and in Asian export economies such as South Korea and Taiwan, with spillovers into Japan and beyond. Stronger activity, higher employment and rising wages are all plausible near-term outcomes.

However, these dynamics also sow the seeds of their own reversal. Stronger labour markets will put upward pressure on wages, whilst competition and supply chain constraints lead to higher input costs, which would compress margins. Over time, rising costs and tightening financial conditions are likely to constrain further investment, leaving the cycle to eventually collapse under its own weight.

Our view is that AI will continue to support earnings and growth in the near term, but that the anticipated productivity boom may not materialise quickly enough to sustain the current cycle. The risk is that a repricing in earnings expectations and asset values occurs before those gains are realised. To that end, evidence of the transition from building infrastructure to generating sustainable returns will be a key focus of markets in the months ahead.

How the AI capex cycle could end

Returns questioned – firms and investors begin to reassess whether incremental investment is generating sufficient returns.

Financing costs – companies increasingly rely on external funding, credit conditions tighten, and the cost of capital rises.

Margin pressure – competing investment drives up the cost of labour, energy and inputs, eroding profitability.

What to watch

Capital and accounting discipline – rising depreciation charges and evidence of aggressive or front-loaded profit recognition.

Global trade data – a turn in Asian export momentum, which provides timely insight into the hardware and infrastructure cycle.

Investor behaviour – signs of increasingly speculative positioning or 'bubble-like' dynamics.

Financing and cash flow discipline – evidence of increasing leverage or circular financing, where capital raised within the ecosystem is recycled to support revenues and investment elsewhere in the value chain. Companies investing more than they generate in cash flow, requiring increased borrowing, typically coincides with tightening credit conditions, narrowing margins and declining returns on capital.

Potential catalysts

Closer scrutiny of the AI business models that comes with the arrival of their planned IPOs.

Competition from cheaper or more efficient Asian alternatives – a DeepSeek style challenger.

Falling return expectations as a result of increased optimisation in AI usage – a shift from 'token-maxxing' to token economics, leading to downward revisions to corporate capex plans.

The challenge

Most indicators are backward-looking, with markets typically moving ahead of the data.

Historically, profitability has appeared to peak around two years before the end of a cycle. However, unrevised data shows there is often little clear warning as the deterioration appears to happen in real time.

This pattern was evident in both the late 1990s technology cycle and 2007, when the inflection points became obvious only in hindsight.

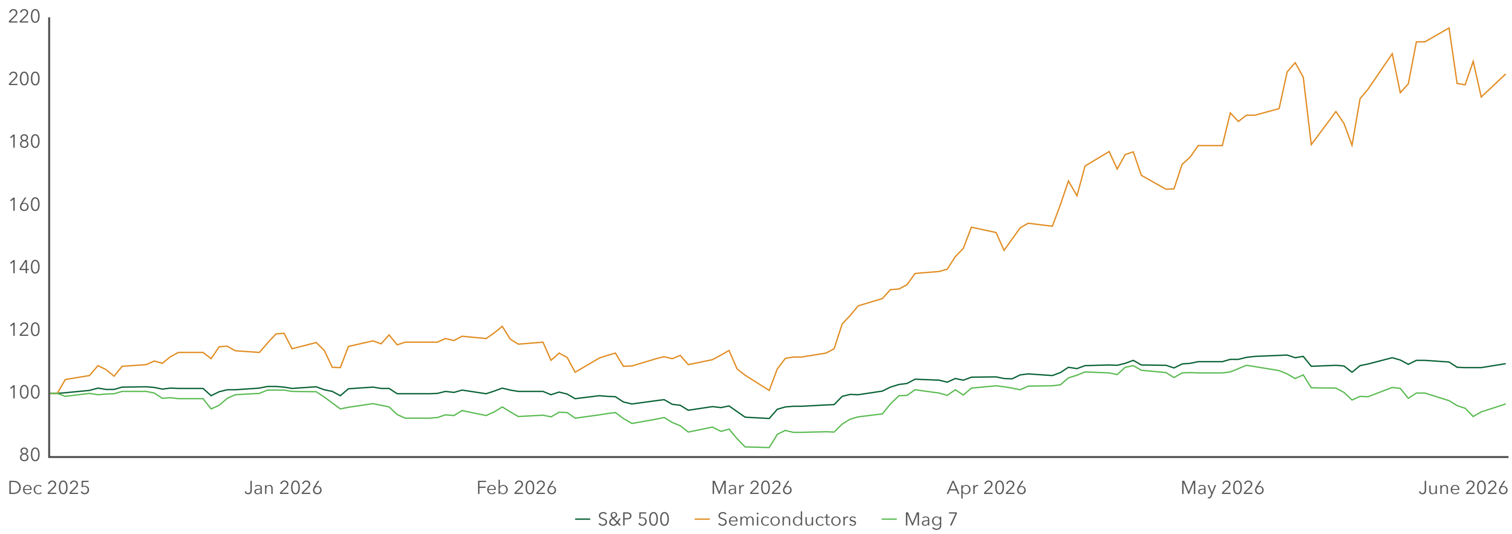
Where this leaves us

Today's challenge for investors is that the most important source of market strength may also be its greatest vulnerability. The AI investment cycle continues to support growth, earnings and asset prices, yet both economic and market performance are becoming increasingly dependent on this single theme continuing to deliver.

The most significant risk facing markets therefore is a reassessment of the returns AI-related investment can generate. This matters because recent equity market performance has been unusually concentrated in a small number of AI-linked companies. The ten largest companies now make up around 40% of the S&P 500 by market capitalisation, more than double their share a decade ago and well above the dot-com peak of c27%. As a result, both market leadership and broader investor confidence have become increasingly dependent on the continuation of the AI investment cycle.

Markets are rewarding a specific part of tech

The MAG 7 has underperformed relative to the S&P 500



Source: Bloomberg data 31 December 2025 to June 2026

Given the importance of this spending to both US growth and market leadership, any meaningful scaling back of capex plans would represent a significant demand shock. In a highly financialised economy, the consequences would be far-reaching, with weaker growth, lower asset prices and a disinflationary impulse as investment slows. We view this as a genuine risk, but one with highly uncertain timing.

However, a reversal is not the only risk. The cycle may instead continue and broaden beyond AI-related capex and today's narrow group of beneficiaries. In the near term, this would support stronger growth, rising employment, and firmer household incomes. Yet the success of this cycle may create its own challenges. Sustained investment in AI infrastructure, energy systems and associated industries would increase demand for labour, capital and raw materials, placing upward pressure on wages, inflation and interest rates.

This would lead to a more conventional end to the cycle. Rather than a collapse in spending, overheating eventually forces a tougher policy response. Higher real rates and tighter financial conditions eventually squeeze margins, slowing investment. Higher borrowing costs would also compound the pressures facing already indebted governments, limiting their ability to cushion any eventual downturn and leaving economies more vulnerable to shocks. In such an environment, the geopolitical risks discussed remain firmly in the wings, with the potential to amplify already fragile conditions.

Whether the cycle ultimately ends through disappointing returns, or overheating and tighter financial conditions, investors will eventually shift their focus from the scale of investment to the returns generated by that investment. The productivity benefits of AI may ultimately prove transformative, but there is a meaningful risk that earnings expectations, asset prices and government finances come under pressure before those benefits are fully realised.

Current portfolio positioning

The environment we have described argues for maintaining meaningful levels of protection whilst remaining selective in how we participate in growth assets.

Risks to growth	Goldilocks	Inflation
A meaningful correction	Markets push higher whilst inflation is contained	Markets fall as the economy overheats and rates rise
Why this might happen	**Why this might happen**	**Why this might happen**
No shortage of risks, including geopolitics, AI, and policy uncertainty	Likely driven by an enduring capex cycle and stable resolution to the conflict in the Middle East	Ongoing capex strength and energy supply shock results in overheating
How we are positioned	**How we are positioned**	**How we are positioned**
Derivative protection Yen Duration Short-dated government bonds	Equities Duration Precious metals exposure	Derivative protection Commodity exposure Precious metals exposure Inflation-linked bonds

Protection

We continue to believe that both conventional and unconventional forms of protection are required. If the AI investment cycle were to disappoint, the resulting growth shock would likely be disinflationary, creating a more favourable backdrop for duration. To this end, we maintain exposure to duration via a mixture of UK and US inflation-linked bonds, as well as the five-year gilts bought in April's dislocation and 30-year Japanese government bonds bought at the start of the year when yields approached 4%. The yen also remains an important holding, offering protection should capital flow out of US risk assets and expectations for US growth weaken.

However, if growth continues to broaden and inflationary pressures build, conventional bonds may struggle to provide effective diversification. In that environment, protection cannot rely solely on duration, and derivative strategies remain an important component of investor toolkits. To that end, this part of the portfolio remains focused on exposure to equity downside and widening credit spreads.

Growth

Importantly, we do not believe investors should feel compelled to own the most expensive and crowded beneficiaries of the AI theme simply because the cycle remains intact. Instead, we seek exposure where the risk-reward is most attractive and avoid positioning the portfolio to be dependent on a narrow group of companies and outcomes.

As a result, we continue to favour highly asymmetric and idiosyncratic opportunities, particularly in areas which are overlooked as capital and investor attention remain concentrated elsewhere, including domestic UK opportunities and catchup trades such as Chinese technology. Other themes include sectors disrupted by the current investment cycle such as software businesses, real asset and commodity-related equities, as well as Japanese companies benefiting from corporate restructuring. We also own selective US businesses generating attractive free cash flow alongside beneficiaries of consumer wealth effects.

In addition, the Company has material exposure to the AI theme, but in areas we think offer a favourable margin of safety versus frothier corners of the market.

Our exposure here is focused on three areas: underappreciated AI resilience, through out-of-favour hyperscalers and select software companies; AI diffusion, through a basket of Chinese technology companies that stand to benefit as cheaper AI models challenge frontier incumbents; and the AI wealth effect, through luxury businesses and financials that should benefit from corporate profits generated by the investment boom.

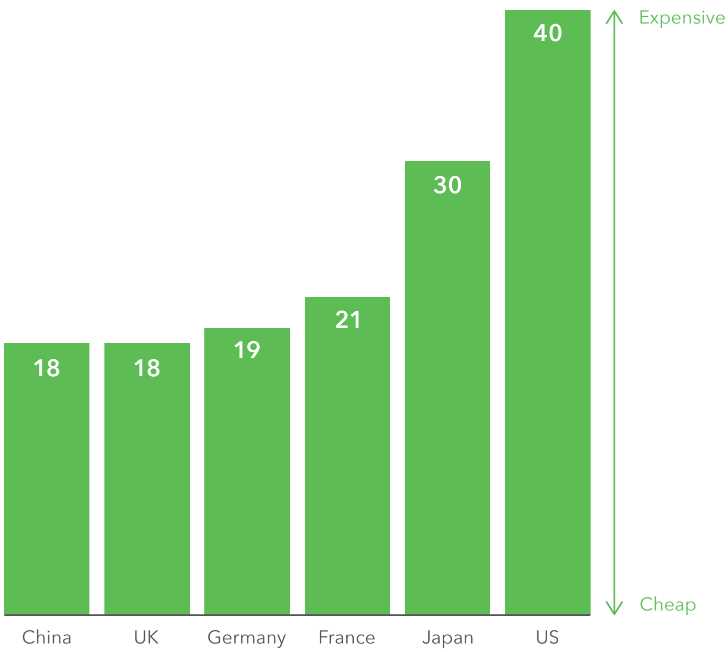
We also retain exposure to the energy requirements underpinning AI infrastructure, via selected energy equities and uranium exposure. This reflects the substantial increase in energy demand required to support the build-out and running of data centres and power-intensive computing capacity.

The common thread across these positions is that they provide exposure to the economic effects of the current cycle without requiring us to pay the valuations associated with its most crowded beneficiaries. More broadly, whilst US exceptionalism has been reinforced by the AI investment boom, this has also left investors paying dramatically different valuations around the world.

As the chart below shows, the US continues to trade at a substantial premium to other major equity markets, with a cyclically adjusted price-to-earnings (CAPE) ratio of around 40x, compared with 18x in both the UK and China.

Multiples point away from the US

Cyclical adjusted PE ratio



Source: Ruffer, GFD CAPE data, adjusted for subsequent daily price changes data 30 June 2026

In our view, this creates an opportunity to look beyond the narrow group of companies and regions currently attracting most investor attention. We continue to find opportunities in markets where valuations remain undemanding, sentiment is subdued, and expectations leave room for positive surprises.

The UK and Chinese technology holdings provide good examples of this approach in practice.

Inflation assets

The possibility of a more persistent inflationary environment remains one of the core themes underpinning the Company's portfolio. Whilst much of the debate today centres on the growth implications of AI investment and geopolitics, we remain mindful that the immediate consequence of both are volatile energy prices as well as increased demand (via both infrastructure build-out and defence spending) for raw materials, labour and capital. In that sense, inflation pressure may arrive before any productivity dividend.

Alongside our derivative protection, the portfolio therefore maintains exposure to a range of assets that should benefit from stronger nominal growth, supply-side shocks or a re-acceleration in inflation.

This exposure is deliberately diversified. We own selected energy and mining equities, which provide participation in both commodity markets and improving capital discipline across the sector. We also own positions in agricultural commodities, which provide additional diversification given weather is a key driver.

We recently added to infrastructure assets, where revenues are typically linked directly or indirectly to inflation, and hold a basket of 'heavy asset' businesses, companies owning scarce real assets whose replacement cost and earnings power tend to rise alongside inflationary environments.

Finally, although exposure was reduced, the portfolio retains an allocation of approximately 4% to gold equities. Given the backdrop of fiscal largesse, persistent geopolitical uncertainty and the potential for renewed inflation volatility, we continue to believe precious metals play an important structural role in the portfolio.

These positions serve a dual purpose. They provide resilience should inflation prove more persistent than currently expected in the near term, whilst offering exposure to parts of the market that stand to benefit directly from the vast physical investment requirements associated with AI infrastructure, energy security and reindustrialisation over the longer term.

Importantly, these assets are not solely dependent on an inflationary outcome. In many cases, they are supported by strong underlying fundamentals, attractive starting valuations and years of underinvestment. In our view, this creates a more favourable risk-reward profile than many of the growth assets that have dominated market performance in recent years.

CASE STUDY

UK equities – attractive assets, low expectations

Thesis: we believe investors remain too pessimistic on the UK, creating opportunities to buy high-quality businesses at attractive valuations.

- UK equities trade on a CAPE ratio of 18x, compared with over 40x in the US
- investor positioning remains low, with global fund managers significantly underweight in both absolute terms as well as relative to history
- the macro backdrop is gradually improving. Underlying inflation pressures appear to be easing and private sector balance sheets remain in good health
- even modest improvements in growth, confidence or political certainty could have an outsized impact, given today's depressed starting point

Our exposure combines top-down and bottom-up opportunities. We own interest-rate-sensitive businesses such as housebuilders, which stand to benefit from lower rates and planning reform, alongside companies such as Howdens, Marks & Spencer and Barclays, where we see scope for earnings and returns to improve. We also retain exposure to UK smaller companies, an area that has underperformed for more than a decade but continues to see recognition of this value reflected in takeover activity at substantial premiums to prevailing market prices.

CASE STUDY

China technology – AI diffusion at undemanding valuations

Thesis: markets remain focused on US AI infrastructure, whilst potentially underestimating the extent to which the benefits of AI may diffuse across the broader technology ecosystem.

- Chinese equities trade on a CAPE ratio of 18x, less than half the valuation of the US market
- our Chinese technology holdings trade on low double-digit multiples, with high single-digit revenue growth, c5% free cash flow yields and average net cash balances of more than a third of market capitalisation
- the businesses are predominantly founder-led and highly cash generative and benefit from strong network effects

We see this as both an AI and a valuation opportunity. The emergence of cheaper, more efficient models challenges the assumption that value creation will remain concentrated amongst a handful of US frontier providers. As AI adoption broadens, we believe Chinese technology companies are well placed to benefit through application, distribution and commercialisation.

CASE STUDY

Gold – waiting for the next phase

We remain structurally constructive on gold. The forces that drove the rally in recent years remain largely intact: ongoing fiscal deficits, geopolitical fragmentation and continued diversification away from the US dollar by central banks.

However, we are tactically cautious for several reasons.

- the Iran conflict exposed the limits of gold as a geopolitical hedge. The Turkish central bank sold part of its gold reserves to defend its currency, reminding investors that central banks can be sellers as well as buyers
- retail demand has also softened, particularly in India, where tariffs on gold imports were more than doubled in response to the energy shock
- most importantly, institutional investors have become sellers. As oil prices rose, markets shifted from pricing rate cuts to pricing rate hikes, pushing real yields higher and triggering outflows from gold-backed investments
- whilst oil prices have since fallen, strong US economic data and a hawkish stance from Fed Chair Warsh have kept real rates elevated. Speculative positioning has unwound, amplifying the correction

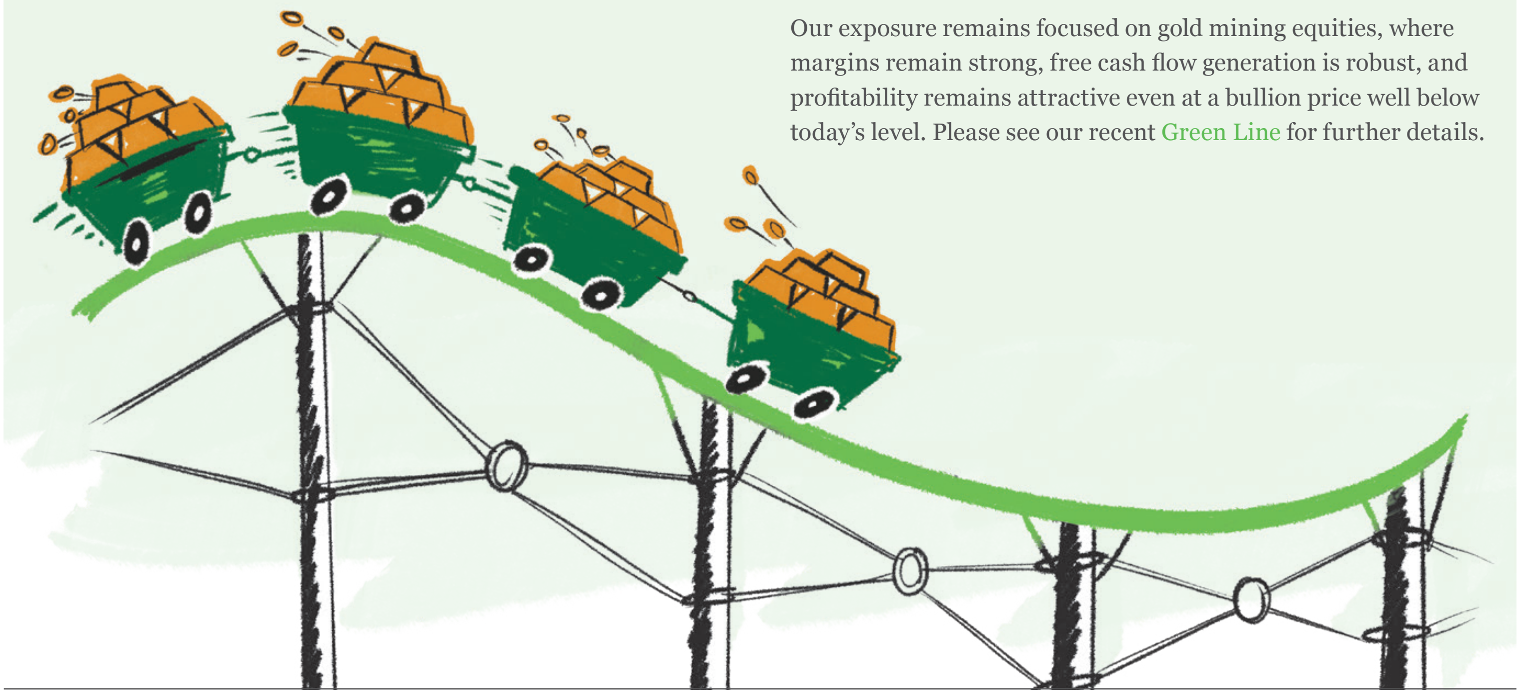
The result is that gold has increasingly reconnected with real yields. Investors who were previously buying gold as a debasement trade (protection against fiscal excess and currency dilution) are now selling it as a rebasement trade, as faith in monetary discipline has temporarily improved.

This matters from a portfolio perspective. Gold's sensitivity to US yields is near its highest level in several years, and gold has recently behaved more like a risk asset than a traditional safe haven, in that it has remained positively correlated to equities and bonds. Rather than diversifying portfolio risk, it has often compounded it.

Positioning has moderated meaningfully from the extremes in 2025, but it has not yet reached the sort of capitulation typically associated with compelling entry points. If history is any guide, the current consolidation may still have further to run.

For that reason, we have consistently reduced gold exposure since the second quarter of 2025. We continue to believe in gold's long-term role as a real asset outside the fiat monetary system, particularly in a world of fiscal deterioration, inflation uncertainty and geopolitical fragmentation. However, it is equally important to judge gold on its current portfolio characteristics. Today, it is not offering the diversification benefits investors typically seek from it, making a lower allocation prudent.

Our exposure remains focused on gold mining equities, where margins remain strong, free cash flow generation is robust, and profitability remains attractive even at a bullion price well below today's level. Please see our recent Green Line for further details.



Summary

The broadening in market leadership beyond a narrow group of AI beneficiaries towards the end of the period was encouraging and consistent with our preference for areas where expectations remain low, valuations are supportive and the asymmetry is attractive.

The key question for investors is whether today's AI-led investment boom ultimately proves to be a catalyst for broader growth, or whether it merely concentrates economic activity and market returns in an increasingly narrow set of assets. We are optimistic about the opportunities created by this cycle but remain mindful that periods of intense investment often create both winners and vulnerabilities.

We continue to find compelling opportunities in areas such as China, the UK and Japan, alongside selective exposure to businesses benefiting from AI resilience, diffusion and wealth effects and the growing demand for energy and power infrastructure.

At the same time, we remain focused on resilience. The first half of 2026 demonstrated how quickly market assumptions can change when confronted by geopolitical shocks, shifts in inflation expectations or changing policy signals. In our view, the range of potential outcomes remains wider than markets currently imply.

Our objective is not to predict precisely how the current cycle evolves, but to build a portfolio capable of benefiting from a broadening of growth whilst remaining protected should market leadership narrow further or expectations begin to unwind.
In a world increasingly shaped by inflation volatility, geopolitical uncertainty and concentrated sources of growth, we believe resilience and valuation discipline remain key drivers of long-term portfolio returns.

Portfolio statement (unaudited)

as at 30 June 2026

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Government bonds 48.11% (30 Jun 2025: 48.57%)				
Long-dated UK inflation-linked bonds				
UK index-linked gilt 0.125% 10/08/2048	GBP	1,796,365	1,673,946	0.19
UK index-linked gilt 0.5% 22/03/2050	GBP	978,092	1,260,443	0.14
UK index-linked gilt 0.125% 22/03/2051	GBP	3,685,684	3,027,725	0.34
UK index-linked gilt 1.25% 22/11/2054	GBP	1,658,772	1,410,634	0.16
UK index-linked gilt 0.375% 22/03/2062	GBP	1,176,037	1,135,205	0.13
UK index-linked gilt 0.125% 22/11/2065	GBP	1,516,475	1,126,136	0.13
UK index-linked gilt 0.125% 22/03/2068	GBP	1,208,203	914,797	0.10
Total long-dated UK inflation-linked bonds			**10,548,886**	**1.19**
Long-dated nominal bonds				
Japan 2.4% 20/03/2055	JPY	3,298,500,000	11,352,173	1.28
Japan 3.4% 20/12/2055	JPY	1,053,550,000	4,461,519	0.50
Japan 3.7% 20/03/2056	JPY	820,650,000	3,680,165	0.41
Total long-dated nominal bonds			**19,493,857**	**2.19**
Long-dated non-UK inflation-linked bonds				
US Treasury inflation indexed bond 1.875% 15/01/2036	USD	111,114,800	83,242,439	9.36
Total long-dated non-UK inflation-linked bonds			**83,242,439**	**9.36**
Medium-dated nominal bonds				
UK gilt 4.75% 07/12/2030	GBP	46,360,000	46,012,300	5.18
UK gilt 4.125% 07/03/2031	GBP	23,110,000	45,349,632	5.10
UK gilt 4.0% 22/10/2031	GBP	21,740,000	22,995,374	2.59
UK gilt 4.125% 07/06/2032	GBP	46,080,000	22,234,368	2.50
Total medium-dated nominal bonds			**136,591,674**	**15.37**
Short-dated nominal bonds				
Japan 0.4% 01/07/2026	JPY	5,305,450,000	24,610,086	2.77
Japan 0.4% 01/08/2026	JPY	6,017,000,000	27,899,827	3.14
Japan 0.4% 01/09/2026	JPY	1,471,000,000	6,817,097	0.77

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Japan 0.4% 01/10/2026	JPY	1,188,000,000	5,502,882	0.62
Japan 0.8% 01/03/2027	JPY	1,921,050,000	8,894,044	1.00
Japan 0.9% 01/04/2027	JPY	3,218,800,000	14,907,122	1.68
Japan 0.7% 01/05/2027	JPY	1,393,100,000	6,439,217	0.72
Japan 0.8% 01/06/2027	JPY	869,200,000	4,019,127	0.45
Japan 0.7% 01/08/2027	JPY	869,200,000	4,013,119	0.45
UK gilt 4.125% 29/01/2027	GBP	35,772,000	35,791,674	4.03
US Treasury floating rate bond 31/10/2027	USD	10,000	7,553	0.00
US Treasury floating rate bond 31/01/2028	USD	10,540,000	7,952,208	0.89
US Treasury floating rate bond 30/04/2028	USD	41,070,000	30,983,354	3.48
Total short-dated nominal bonds			**177,837,310**	**20.00**
Total government bonds			**427,714,166**	**48.11**
Equities 32.53% (30 Jun 2025: 25.69%)				
Europe				
Accenture	USD	1,345	126,163	0.01
AIB	EUR	101,600	898,890	0.10
Airbus	EUR	14,382	2,410,050	0.27
Akzo Nobel	EUR	38,191	1,952,321	0.22
Amadeus IT	EUR	79,879	3,513,630	0.40
ArcelorMittal	EUR	35,280	1,601,702	0.18
Autoliv	USD	7,194	630,167	0.07
Banco Santander	EUR	231,224	2,406,259	0.27
Bayer	EUR	77,009	3,190,354	0.36
CapGemini	EUR	1,722	130,455	0.01
Dassault Aviation	EUR	6,124	1,514,118	0.17
Dassault Systèmes	EUR	9,434	144,785	0.02
DCC	GBP	3,372	210,413	0.02
Enagas	EUR	14,660	214,192	0.02
Euronext	EUR	10,287	1,239,793	0.14

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
IMCD	EUR	27,920	1,899,657	0.21
Investor	SEK	45,423	1,428,430	0.16
LVMH	EUR	10,769	4,490,640	0.51
Magnum Ice Cream	EUR	5,563	73,017	0.01
Magnum Ice Cream	GBP	55,387	726,124	0.08
Nestlé	CHF	62,422	4,837,123	0.55
Novonesis	DKK	5,510	263,046	0.03
Prosus	CHF	175,101	5,729,851	0.64
Redeia	EUR	27,000	347,036	0.04
Roche	CHF	8,166	2,534,355	0.29
Ryanair	EUR	63,111	1,486,980	0.17
SAP	EUR	960	110,655	0.01
Siemens	EUR	103,777	3,029,809	0.34
Terna-Rete Elettrica	EUR	29,490	260,146	0.03
TotalEnergies	EUR	26,800	1,570,413	0.18
TUI	EUR	131,621	819,570	0.09
Total Europe equities			**49,790,144**	**5.60**
United Kingdom				
Aberforth Smaller Companies	GBP	270,000	4,390,200	0.49
Admiral Group	GBP	107,691	3,833,800	0.43
Autotrader	GBP	40,893	204,097	0.02
BAE Systems	GBP	82,170	1,514,393	0.17
Barclays	GBP	433,442	2,195,817	0.25
Barratt Redrow	GBP	972,303	2,733,144	0.31
Bellway	GBP	17,369	336,611	0.04
Berkeley Group	GBP	19,611	685,993	0.08
BP	GBP	2,302,957	10,757,112	1.22
British American Tobacco	GBP	62,053	2,902,219	0.33
Castings	GBP	126,450	409,698	0.05

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Experian	GBP	6,764	172,008	0.02
Forterra	GBP	264,660	357,820	0.04
Howden Joinery	GBP	335,968	2,812,052	0.32
H-Power	GBP	4,750,000	551,000	0.06
Informa	GBP	255,439	2,309,169	0.26
Jet2	GBP	177,492	2,293,197	0.26
London Stock Exchange	GBP	1,284	104,800	0.01
Marks & Spencer	GBP	601,124	2,236,181	0.25
National Grid	GBP	206,586	2,578,193	0.29
Persimmon	GBP	112,206	1,178,163	0.13
Prudential	GBP	388,765	3,899,313	0.44
Reckitt Benckiser	GBP	61,025	2,996,327	0.34
RELX	GBP	4,458	105,476	0.01
RS Group	GBP	548,027	3,186,777	0.36
Ruffer SICAV UK Mid and Smaller Companies Fund[1]	GBP	7,342,509	19,909,948	2.25
Sage Group	GBP	14,299	116,680	0.01
Science Group	GBP	352,759	2,046,002	0.23
Seraphim Space IT	GBP	400,000	748,000	0.08
Seraphim Space IT pref	GBP	1,000,000	780,000	0.09
Severn Trent	GBP	61,349	1,813,476	0.20
Shell	GBP	55,000	1,612,600	0.18
Taylor Wimpey	GBP	1,217,997	982,924	0.11
Trainline	GBP	569,015	1,160,791	0.13
Unilever	GBP	79,470	3,597,607	0.40
United Utilities	GBP	138,456	1,812,389	0.20
Wise	GBP	73,371	663,421	0.07
Zegona Communications	GBP	24,856	395,707	0.04
Total UK equities			**90,383,105**	**10.17**

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
North America				
ADMA Biologics	USD	28,595	180,255	0.02
Airbnb	USD	8,469	913,505	0.10
Amazon	USD	44,710	8,029,730	0.90
Amdocs	USD	3,396	129,418	0.01
ANI Pharmaceutical	USD	4,707	293,770	0.03
Antero Midstream	USD	16,820	288,662	0.03
Aptiv	USD	5,445	252,050	0.03
Artisan Partners Asset Management	USD	8,069	209,969	0.02
Aura Minerals	USD	3,626	171,949	0.02
Avnet	USD	4,382	293,378	0.03
Bank of America	USD	47,163	2,025,285	0.23
BCE	CAD	14,200	230,480	0.03
Berkshire Hathaway	USD	3,443	1,298,563	0.15
Booking Holdings	USD	13,268	1,783,006	0.20
Boralex	CAD	8,990	176,103	0.02
Brown-Forman	USD	106,744	2,143,412	0.24
Canada National Railway	CAD	2,630	236,004	0.03
Canada Natural Resources	CAD	6,850	204,241	0.02
Canadian Pacific Kansas City	USD	21,800	1,423,690	0.16
Century Aluminum	USD	3,283	113,897	0.01
Cognizant Technology Solutions	USD	4,137	120,785	0.01
Coinbase Global	USD	24,950	2,750,106	0.31
Commercial Metals	USD	5,100	241,233	0.03
Constellation	CAD	128	180,871	0.02
Cooper	USD	5,070	274,144	0.03
Copa Holdings	USD	3,534	413,943	0.05
Devon Energy	USD	7,890	245,767	0.03

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Dorman Products	USD	2,638	271,418	0.03
DoubleVerify	USD	23,393	191,032	0.02
DT Midstream	USD	2,200	243,456	0.03
Dynatrace	USD	6,133	203,015	0.02
Eagle Materials	USD	6,185	1,049,006	0.12
Eastman Chemical	USD	4,010	202,556	0.02
Expand Energy	USD	26,000	1,786,789	0.20
Exxon Mobil	USD	21,951	2,258,659	0.25
Federated Hermes	USD	7,778	323,859	0.04
First Solar	USD	1,237	219,903	0.02
Floor & Decor	USD	49,429	2,211,670	0.25
Fluor	USD	21,492	848,855	0.10
Fortinet	USD	1,513	175,212	0.02
Fox	USD	7,529	295,721	0.03
Franklin Resources	USD	8,562	214,792	0.02
Frontline	USD	5,715	150,007	0.02
Gartner	USD	1,357	132,641	0.01
General Digital	USD	16,171	303,252	0.03
General Electric Aerospace	USD	2,809	790,489	0.09
Genpact	USD	7,236	150,045	0.02
GigaCloud Technology	USD	3,244	77,247	0.01
Happen	USD	8,220	128,488	0.01
HF Sinclair	USD	2,849	149,647	0.02
Incyte	USD	3,490	298,342	0.03
Infosys	USD	15,833	125,356	0.01
International Seaways	USD	2,691	155,308	0.02
International Flavors & Fragrances	USD	11,643	695,402	0.08
Intuit	USD	822	161,729	0.02
Invesco	USD	8,082	160,762	0.02
Janus Henderson	USD	6,401	250,885	0.03
Jazz Pharmaceuticals	USD	1,636	297,261	0.03
Lamar Advertising	USD	16,697	1,963,931	0.22
Lear	USD	2,348	237,155	0.03

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
M/I Homes	USD	2,248	272,550	0.03
Matador Resources	USD	4,369	164,027	0.02
Maximus	USD	6,634	268,872	0.03
Microsoft	USD	21,064	5,920,696	0.68
Neurocrine Biosciences	USD	2,333	296,401	0.03
Okeanis Eco Tankers	USD	3,942	148,650	0.02
Ovintiv	USD	4,701	186,629	0.02
Paychex	USD	2,184	161,881	0.02
Paycom Software	USD	1,922	182,142	0.02
Perdoceo Education	USD	8,240	198,824	0.02
Pfizer	USD	60,985	1,106,394	0.12
Philip Morris	USD	4,708	641,945	0.07
Pinnacle West	USD	2,890	233,170	0.03
PNC Financial Services	USD	7,536	1,398,041	0.16
Prairiesky Royal	USD	50,900	854,553	0.10
Red Rock Resorts	USD	5,550	272,269	0.03
S&P Global	USD	5,690	1,744,971	0.20
Salesforce	USD	838	98,990	0.01
Schwab (Charles)	USD	18,683	1,298,878	0.15
Science Applications International	USD	4,329	360,402	0.04
Scorpio Tankers	USD	2,566	134,008	0.02
Signet Jewellers	USD	18,847	1,225,012	0.14
SLB	USD	52,902	1,853,684	0.21
Smurfit WestRock	USD	127,273	4,437,569	0.51
Solventum	USD	33,170	1,929,122	0.22
South Bow	CAD	8,090	214,349	0.02
SS&C Technologies	USD	3,422	160,108	0.02
Strategic Education	USD	4,924	284,331	0.03
Suncor Energy	CAD	67,232	2,720,071	0.31
TC Energy	CAD	4,390	218,777	0.02
T Rowe Price	USD	3,430	293,937	0.03
Travel & Leisure	USD	5,497	316,797	0.04
Union Pacific	USD	6,991	1,432,570	0.16

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Venture Global	USD	77,783	652,200	0.07
Vista Energy SAB	USD	24,486	1,177,773	0.13
Warner Bros Discovery	USD	46,222	927,437	0.10
Walt Disney	USD	11,609	842,270	0.09
Total North America equities			**75,978,406**	**8.55**
Japan				
Adeka	JPY	12,904	250,926	0.03
Aisin	JPY	18,612	188,774	0.02
Alps Alpine	JPY	25,679	242,346	0.03
Anycolor	JPY	26,819	278,421	0.03
Asahi Diamond Industrial	JPY	26,947	151,625	0.02
Asahi Intecc	JPY	13,701	241,447	0.03
Asahi Kasei	JPY	43,026	357,259	0.04
Astellas Pharma	JPY	39,444	397,869	0.04
Banda Namco	JPY	40,770	713,365	0.08
Bridgestone	JPY	23,860	376,534	0.04
Brother Industries	JPY	19,269	327,949	0.04
Capcom	JPY	35,152	491,139	0.06
Citizen Watch	JPY	24,859	278,830	0.03
Dai Nippon Printing	JPY	17,939	246,065	0.03
Daido Steel	JPY	21,943	280,680	0.03
Daiwa House Industry	JPY	17,671	361,902	0.04
Dena	JPY	13,767	155,822	0.02
Denso	JPY	27,130	236,030	0.03
Fuji	JPY	28,278	1,101,469	0.12
GMO Payment Gateway	JPY	15,992	688,044	0.08
Honda Motor	JPY	34,058	233,740	0.03
Hoshizaki	JPY	28,304	694,549	0.08
Hoya	JPY	3,058	367,043	0.04
Inpex	JPY	16,980	256,855	0.03
Japan Exchange	JPY	81,359	771,789	0.09
Japan Petroleum Exploration	JPY	84,218	625,064	0.07
JTEKT	JPY	22,523	207,076	0.02

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Kakaku.com	JPY	51,827	814,996	0.09
Kandenko	JPY	31,891	994,264	0.11
Keyence	JPY	1,772	666,218	0.07
Koei Tecmo	JPY	81,683	573,853	0.06
Koito Manufacturing	JPY	21,796	257,769	0.03
Kubota	JPY	85,549	1,065,513	0.12
Kyocera	JPY	20,091	330,383	0.04
Kyowa Kirin	JPY	35,654	427,863	0.05
Lasertech	JPY	1,202	277,060	0.03
M3	JPY	26,682	224,025	0.03
Makita	JPY	30,435	814,608	0.09
Maruwa	JPY	881	289,258	0.03
MEC	JPY	17,013	853,112	0.10
Namura Shipbuilding	JPY	19,437	319,177	0.04
Nexon	JPY	41,223	409,790	0.05
NGK	JPY	9,086	317,455	0.04
Nippon Express	JPY	16,058	375,647	0.04
Nippon Shinyaku	JPY	8,274	153,562	0.02
Nisshin Seifun	JPY	30,319	279,174	0.03
NSK	JPY	41,180	215,952	0.02
Obic Business Consultants	JPY	12,654	356,770	0.04
Okuma	JPY	8,369	179,550	0.02
Ono Pharmaceutical	JPY	82,722	916,145	0.10
Oracle	JPY	12,184	469,046	0.05
Otsuka	JPY	47,529	611,265	0.07
Rakus	JPY	76,232	332,757	0.04
Recruit Holdings	JPY	19,929	1,047,406	0.12
Ricoh	JPY	39,241	255,750	0.03
Rohm	JPY	8,585	214,410	0.02
Rorze	JPY	15,210	341,487	0.04
Sankyo	JPY	68,407	500,734	0.06
Sansan	JPY	45,533	325,272	0.04
Screen Holdings	JPY	4,767	393,609	0.04

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Seiko Epson	JPY	28,152	351,678	0.04
Shionogi	JPY	40,466	522,775	0.06
Sumitomi Bakelite	JPY	8,199	283,270	0.03
Sumitomi Heavy Industries	JPY	8,458	198,369	0.02
Sumitomi Rubber Industries	JPY	20,906	202,004	0.02
Suzuki Motor	JPY	130,073	1,179,295	0.13
Tokuyama	JPY	12,848	290,841	0.03
Toppan Holdings	JPY	7,637	180,814	0.02
Toray Industries	JPY	51,353	268,466	0.03
Tosoh	JPY	27,763	376,890	0.04
Toyo Tire	JPY	44,315	766,348	0.09
Toyota Boshoku	JPY	21,355	210,602	0.02
Toyota Motor	JPY	13,897	175,634	0.02
Trend Micro	JPY	11,069	305,920	0.03
Yamaha	JPY	41,319	218,310	0.02
Yamaha Motor	JPY	49,869	283,725	0.03
Yokogawa Electric	JPY	16,335	425,242	0.05
Total Japan equities			**32,366,675**	**3.64**
Asia (ex-Japan)				
Alibaba Group	HKD	576,076	5,143,090	0.58
Alibaba Group ADR	USD	67,622	4,894,462	0.55
Aurizon	AUD	109,570	237,276	0.03
CKH	HKD	34,500	219,604	0.02
Full Truck Alliance ADR	USD	294,740	1,802,399	0.20
iShares MSCI China	EUR	1,868,003	9,056,899	1.02
JD.com	HKD	167,850	1,601,822	0.18
JD.com ADR	USD	79,130	1,520,308	0.17
NetEase	HKD	110,500	2,150,479	0.24
NetEase ADR	USD	21,770	2,103,459	0.24
Swire Pacific	HKD	367,500	2,885,201	0.32
Trip.com	HKD	48,700	1,459,113	0.16
Trip.com ADR	USD	47,040	1,412,761	0.16
Total Asia (ex-Japan) equities			**34,486,873**	**3.87**

	Currency	Holding at 30 Jun 2026	Fair value £	% of total net assets
Other equities				
Taylor Maritime Investments	GBP	2,170,954	1,280,863	0.14
Tufton Oceanic Assets	USD	2,383,561	2,282,553	0.26
3i Infrastructure	GBP	700,000	2,646,000	0.30
Total other equities			**6,209,416**	**0.70**
Total equities			**289,214,619**	**32.53**
Commodity exposure 3.14% (30 June 2025: 1.18%)				
ETFS Brent Crude	USD	54,314	2,778,361	0.31
WisdomTree Cocoa	USD	385,283	2,396,035	0.27
WisdomTree Corn	USD	435,870	5,440,980	0.62
WisdomTree Soybeans	USD	98,884	1,999,750	0.22
WisdomTree Sugar	USD	940,590	6,858,321	0.77
WisdomTree Wheat	USD	371,487	5,204,516	0.59
Yellow Cake	GBP	610,564	3,217,672	0.36
Total commodity exposure			**27,895,635**	**3.14**
Gold exposure and gold equities 3.26% (30 June 2025: 7.75%)				
Denarius Metals	CAD	1,809,756	576,907	0.06
Denarius Metals 12% 19/10/2029	CAD	1,872,720	1,124,119	0.13
SSR Mining	USD	6,930	147,776	0.02
WS Ruffer Gold Fund[1]	GBP	3,119,349	27,165,475	3.05
Total gold exposure and gold equities			**29,014,277**	**3.26**
Credit and derivative strategies 10.04% (30 June 2025: 12.39%)				
Ruffer Illiquid Multi Strategies Fund 2015[1]	GBP	7,617,446	23,519,094	2.65
Ruffer Protection Strategies[1]	GBP	154,283,588	65,755,666	7.39
Total credit and derivative strategies			**89,274,760**	**10.04**
Total investments			**863,113,457**	**97.08**
Cash and other net current assets			**25,976,230**	**2.92**
			889,089,687	**100.00**

1 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 and 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 June 2026 %	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[2]	–	–	–	–	–	–	–	–
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

	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	–	14.1[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	9.6	9.3	10.2	11.3	5.6	1.0	1.0

	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

	20	21	22	23	24	25	**26**
Ruffer	12.9	15.2	2.1	-3.8	0.1	5.4	**4.9**
Ruffer Investment Company	10.1	15.3	6.0	-1.7	1.0	5.7	**4.4**
FTSE All-Share	-13.0	21.5	1.6	7.9	13.0	11.2	**21.9**
Twice Bank Rate	1.2	0.2	0.7	6.0	10.7	9.8	**8.0**

Performance data is calculated over 12 months to 30 June each year

1 From July 2004

2 Net asset value total return as reported to the London Stock Exchange

Source: Ruffer, Bloomberg, FTSE International. Ruffer Investment Company performance using the net asset value published on the London Stock Exchange. 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.

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