



**RUFFER  
INVESTMENT  
COMPANY LIMITED**

**Half-yearly financial report**

**31 December 2015**



# **RUFFER INVESTMENT COMPANY LIMITED**

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# RUFFER INVESTMENT COMPANY LIMITED

## Investment Objective and Policy

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate (0.5% for the period ended 31 December 2015).

The Company predominantly invests in internationally listed or quoted securities or equity-related securities (including convertibles) and bonds which are issued by corporate issuers, supra-nationals or government organisations.

## Financial Highlights

	31.12.15	
	Offer Price (per share)	Net Asset Value (per share)
	£	£
Redeemable participating preference shares	2.130†	2.067*

† The price an investor would be expected to pay at the close of trading in the market (London Stock Exchange (“LSE”)).

\* This is the Net Asset Value (“NAV”) per share using International Financial Reporting Standards (“IFRS”) as at 31 December 2015. The Fund is valued weekly and at month end. Refer to Note 8 on page 23 for the NAV reconciliation.

## Company Information

Incorporation Date	01.06.04	
Launch Date	08.07.04 (C shares: 29.09.05)	
Initial Net Asset Value	98p per share (98p per ‘C’ share)**	
Launch Price	100p per share (100p per ‘C’ share)	
Accounting dates	Interim	Final
	31 December (Unaudited)	30 June (Audited)

\*\* On 12 December 2005, the ‘C’ shares were converted into redeemable participating preference shares in the Company at a ratio of 0.8314 redeemable participating preference shares for each ‘C’ share, in accordance with the conversion method in the Placing and Offer for Subscription Document.

# RUFFER INVESTMENT COMPANY LIMITED

## Company Performance

	Price at 31.12.15		Change in Bid Price	
	Bid Price	Offer Price	From Launch	From 30.06.15
	£	£	%	%
Shares	2.110	2.130	+111.00	(5.38)

Prices are published in the Financial Times in the "Investment Companies" section, and in the Daily Telegraph's "Share Prices & Market Capitalisations" section under "Investment Trusts".

### Fund Size

	Net Asset Value £	Net Asset Value per Share £	Number of Shares In Issue
31.12.15	321,604,618	2.067*	155,588,416
30.06.15	337,222,401	2.184	154,413,416
30.06.14	318,040,568	2.065	154,013,416
30.06.13	319,114,093	2.139	149,188,416
30.06.12	270,884,661	1.915	141,488,416
30.06.11	248,248,134	1.953	127,138,416

\* Net Asset Value per share reported to the LSE was £2.070 using mid market values. Bid prices are presented as fair value in the financial statements.

### Share Price Range

Accounting Period to:	Highest Offer Price £	Lowest Bid Price £
31.12.15	2.250	2.070
30.06.15	2.260	1.943
30.06.14	2.290	2.005
30.06.13	2.310	1.915
30.06.12	2.070	1.900
30.06.11	2.110	1.850

### Net Asset Value Range

Accounting Period to:	Highest NAV £	Lowest NAV £
31.12.15	2.199	2.070
30.06.15	2.243	2.041
30.06.14	2.206	2.034
30.06.13	2.208	1.903
30.06.12	1.991	1.871
30.06.11	1.960	1.810

*Past performance is not a guide to the future. The value of the shares and the income from them can go down as well as go up and you may not get back the amount originally invested.*

# RUFFER INVESTMENT COMPANY LIMITED

## Investment Manager's Report

### For the period from 1 July 2015 to 31 December 2015

In the six months from 1 July 2015 to 31 December 2015, the NAV per share of the Company fell from 218.76p\* to 206.98p\*. After allowing for the dividends of 1.7p paid during the period this equates to a total return of -4.6%. The Company's share price also fell by 4.6% on a total return basis as the shares ended the period on a premium of 1.9%. The target return of twice the Bank of England base rate rose 0.5% over the period and by way of context the FTSE All-Share total return index fell by 2.0%.

Since launch on 8 July 2004, the NAV of the company has risen by 151.2%\*\* including dividends, compared with a rise of 66.2% in the target return and 135.5% in the FTSE All-Share Total Return index.

After a strong first half to 2015, the second half of the year proved to be a difficult environment in which to meet our capital preservation objective let alone make a positive return. Detractors from performance included our Japanese equity exposure (-0.5%) and options (-1.8%). We were able to crystallise some profits in the option book through the volatility of the equity market selloff in August and September, but with the benefit of hindsight we could have done more. In the event of a more extreme market event we would expect this part of the portfolio to make a significant positive contribution. Although the loss in Japanese equities was relatively small, this masks a sharp decline in August and September when Japan was a victim of the suspension of a large part of the Chinese equity market. Unable to trade in Shanghai, investors used Japan as a proxy in order to reduce risk exposure. The subsequent sharp rally in Japanese equities in October and November suggests that such selling pressure was not based on fundamentals. In contrast to this technical story, we believe news flow has been consistently positive on Japan. The longer term prize of a return to self-sustaining growth and inflation will have a significant impact on the Japanese market, which is increasingly adopting western approaches to corporate governance and shareholder returns. For the year, Japan once again confounded the sceptics, being the strongest performing major market (+18% in Sterling terms). Other positive events in the equity book were the takeovers of Hellaermannytton and Japan Residential Investment Company at respective premiums of 40% and 31%.

In terms of portfolio changes over the period, the focus was on risk reduction. Equities were further reduced from 41% to 37% when adjusted for looking through the Ruffer funds, which resulted in an increase in cash from single digits to 11%. We also increased the Company's Japanese yen weighting to 8%; the currency offers more attractive protective characteristics than the dollar and is a better fit for the shape of our equity book with its focus on Japan.

When assessing the headline figures from the major global asset markets (FTSE UK Conventional Gilts Index +0.6%, S&P 500 Total Return +1.4%) it is easy to assume that 2015 was a year of little long term significance – markets moved violently sideways, full of sound and fury but signifying nothing. We think it was a year where the probability of the endgame being an inflationary one increased considerably. Investors are always quick to adapt to previously unacceptable taboos. When the Troubled Assets Relief Program ('TARP') was being launched to save the financial system in 2008, Quantitative Easing ('QE') was considered a no-go area and it is now accepted as the norm. When interest rates fell to zero it was considered impossible for them to be cut lower into negative territory and this has now happened across Europe. The likelihood of Germany agreeing to QE in Europe previously seemed impossible but came to pass in 2015. Most relevant to the current juncture is that the previous taboo of fiscal stimulus (dubbed QE without the banks – ie an injection of liquidity directly into the real economy) is rapidly gaining support and entering the mainstream. On their own, each of these mini

# RUFFER INVESTMENT COMPANY LIMITED

## Investment Manager's Report (continued)

crossings of the Rubicon seem innocuous, but will we look back in years to come and judge that when viewed together they clearly represent a consistent direction of travel towards an inevitable outcome? The parallels with the build-up of debt in the Western world prior to the financial crisis are uncanny – no one knew whether the straw that would break the camel's back would be overly loose monetary policy, lax regulation of the financial sector, falling lending standards or the plethora of exotic instruments designed to spread the risk of default. With the benefit of hindsight it did not matter; the combination of all these things pointed to an inevitable endgame – it was only the timing that was difficult to call.

China's devaluation, which exports deflation to the rest of the world, could be perceived, depending on how you look at it, as the opening up of their capital markets or the world's second biggest economy wading into the ongoing global currency war. Equally, the first Fed rate hike since 2006 could be seen as a sign of confidence in the economy and a return to normality or, alternatively, a desperate central bank needing to build up firepower in order to fight the next crisis. These events are not isolated, they are all symptoms of a sick but heavily medicated global economy. We know that policymakers will react with more medicine because they think that they can prod and cajole the global economy back to good health. Any negative externalities can be dismissed as temporary or treated with further radical cures. There is no modesty or fallibility here; diagnoses and prescriptions are seen in black and white. It is this confidence in a policy response that persuades us that the icy chill of these many disinflationary forces will continue to be met with a fiery resistance.

This brings us to another point of contentious incongruity – from where we are today, it is far from clear to us that a positive outcome for the US economy would be a positive outcome for asset markets. If the US economy remains on-track, the Fed have intimated that they will raise interest rates four times in 2016. This should, in theory, drive the dollar higher and suck liquidity from asset markets priced on their cash yield – a double blow for the overseas earnings of bond-proxy equities beloved by so many investors. With little left to do on the financial engineering side (borrow cheaply and retire equity to grow earnings per share) it is left to top line growth to do the work – margins are already high and many costs have been cut to maintain them.

The outlook for the year ahead is as challenging as we can remember. Unlike many market participants we agree with Voltaire who said that uncertainty is an uncomfortable position but certainty is an absurd one. Although the Company is positioned defensively that is not the same thing as saying that it is immune to a market setback. We are hopeful that the positioning of the asset allocation is appropriate to achieve our capital preservation objective and, at the risk of getting ahead of ourselves, if we can preserve capital through the next crisis then there will be some mouth-watering opportunities on the other side.

\* Figures use NAV per share at mid-market prices as reported to the LSE. For further explanation of the reconciliation of IFRS NAV and LSE NAV please see note 8 on page 23.

\*\* The calculation of the Total Return includes an amount of 39.21 pence per share which represents the notional amount by which dividends paid to date (29.3p) would have grown if they had not been paid out as dividends but reinvested within the Company.

Ruffer AIFM Ltd  
14 January 2016

## RUFFER INVESTMENT COMPANY LIMITED

### Top Ten Holdings

Investments	Currency	Holding at 31.12.15	Fair Value £	% of Total Net Assets
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	20,502,530	6.37
UK Index-Linked Gilt 1.25% 22/11/2055	GBP	7,200,000	18,715,298	5.82
Ruffer Illiquid Multi Strategies Fund 2015 Ltd*	GBP	16,450,000	16,939,832	5.27
UK Inflation Indexed Gilt 0.375% 22/03/2062	GBP	8,000,000	14,497,544	4.51
US Treasury Inflation Indexed 0.625% Bond 15/07/2021	USD	19,350,000	13,944,954	4.33
US Treasury Inflation Indexed 0.125% Bond 15/01/2023	USD	17,500,000	11,730,139	3.65
US Treasury Inflation Indexed 0.375% Bond 15/07/2023	USD	17,000,000	11,515,714	3.58
US Treasury Inflation Indexed 1.125% Bond 15/01/2021	USD	13,500,000	10,266,849	3.19
T&D Holdings Inc	JPY	900,000	8,164,846	2.54
CF Ruffer Japanese Fund**	GBP	4,090,101	7,816,183	2.43

\* Ruffer Illiquid Multi Strategies Fund 2015 Ltd is classed as a related party as it shares the same Investment Manager as the Company.

\*\* CF Ruffer Japanese Fund is classed as a related party because its investment manager, Ruffer LLP, is the parent company of the Company's Investment Manager.



# **RUFFER INVESTMENT COMPANY LIMITED**

## **Statement of Principal Risks and Uncertainties**

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board is satisfied that by using the Company's risk matrix as the basis for analysing the Company's system of internal controls while monitoring the investment limits and restrictions set out in the Company's investment objective and policy, that the Board has carried out a robust assessment of the principal risks and uncertainties facing the Company.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2015. The principal risks disclosed include investment risk, operational risk, accounting, legal and regulatory risk and financial risks. A detailed explanation of these can be found on pages 6 and 7 in the Annual Financial Report. The Board and Investment Manager do not consider these risks to have materially changed during the six months ended 31 December 2015, and are not expected to change in the remaining six months of the financial year.

### **Going Concern**

In accordance with the 2014 UK Corporate Governance Code (effective for periods beginning on or after 1 October 2014) and applicable regulations, the Directors are required to satisfy themselves that it is reasonable to assume that the Company is a going concern, and to identify any material uncertainties to the Company's ability to continue as a going concern for at least twelve months from the date of approving the half-yearly financial report and Unaudited Condensed Interim Financial Statements.

The Directors believe, having considered the Company's investment objective and strategy, principal risk and uncertainties, capital management policies and procedures and the fact that the majority of the Company's assets comprise of readily realisable securities which can be sold to meet funding requirements if necessary, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, the Board consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the half-yearly financial report and Unaudited Condensed Interim Financial Statements.

# RUFFER INVESTMENT COMPANY LIMITED

## Responsibility Statement

### Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of half-yearly financial reports has been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting; and
- the condensed set of half-yearly financial reports (including the Investment Manager’s Report) meets the requirements of an interim management report and includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board,

*Ashe Windham*  
Chairman

*Christopher Spencer*  
Director

24 February 2016

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Independent Review Report**

### **To the Members of Ruffer Investment Company Limited**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2015 which comprises the condensed statement of financial position, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and related notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

### **Directors’ responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 2, the Annual Financial Report of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Independent Review Report (continued)**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### **Deloitte LLP**

Chartered Accountants and Recognised Auditor

St Peter Port

Guernsey

24 February 2016

**RUFFER INVESTMENT COMPANY LIMITED**  
**Condensed Statement of Financial Position (Unaudited)**

	(Unaudited) 31.12.15	(Audited) 30.06.15
Notes	£	£
<b>ASSETS</b>		
Cash and cash equivalents	34,345,821	16,441,960
Derivative financial assets	200,649	6,770,940
Receivables	6,301,584	472,757
Investment assets at fair value through profit or loss	<u>285,895,597</u>	<u>314,296,168</u>
<b>Total assets</b>	<u>326,743,651</u>	<u>337,981,825</u>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's shareholders</b>		
Management share capital	4	2
Net assets attributable to holders of redeemable participating preference shares	<u>321,604,618</u>	<u>337,222,401</u>
<b>Total equity</b>	<u>321,604,620</u>	<u>337,222,403</u>
<b>LIABILITIES</b>		
Payables	393,223	714,545
Derivative financial liability	<u>4,745,808</u>	<u>44,877</u>
<b>Total liabilities</b>	<u>5,139,031</u>	<u>759,422</u>
<b>Total equity and liabilities</b>	<u>326,743,651</u>	<u>337,981,825</u>
Net assets attributable to holders of redeemable participating preference shares (per share)	8	2.067

The Unaudited Condensed Interim Financial Statements on pages 10 to 23 were approved on 24 February 2016 and signed on behalf of the Board of Directors by:

*Ashe Windham*  
Chairman

*Christopher Spencer*  
Director

The notes on pages 14 to 23 form an integral part of the interim condensed financial statements.

**RUFFER INVESTMENT COMPANY LIMITED**  
**Condensed Statement of Comprehensive Income (Unaudited)**

	<b>Revenue</b>	<b>Capital</b>	<b>01.07.15 to 31.12.15 Total</b>	<b>01.07.14 to 31.12.14 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed interest income	464,800	–	464,800	496,778
Dividend income	1,421,589	–	1,421,589	1,485,428
Net changes in fair value on financial assets at fair value through profit or loss	–	(7,281,343)	(7,281,343)	8,190,975
Other (losses)/gains	–	(7,805,487)	(7,805,487)	1,358,665
<b>Total (loss)/income</b>	<u>1,886,389</u>	<u>(15,086,830)</u>	<u>(13,200,441)</u>	<u>11,531,846</u>
Management fees	–	(1,563,411)	(1,563,411)	(1,546,008)
Expenses	(403,000)	(131,199)	(534,199)	(521,566)
<b>Total expenses</b>	<u>(403,000)</u>	<u>(1,694,610)</u>	<u>(2,097,610)</u>	<u>(2,067,574)</u>
<b>(Loss)/profit for the period before tax</b>	1,483,389	(16,781,440)	(15,298,051)	9,464,272
Withholding tax	(202,340)	–	(202,340)	(179,495)
<b>(Loss)/profit for the period after tax</b>	<u>1,281,049</u>	<u>(16,781,440)</u>	<u>(15,500,391)</u>	<u>9,284,777</u>
<b>Total comprehensive (loss)/income for the period</b>	<u>1,281,049</u>	<u>(16,781,440)</u>	<u>(15,500,391)</u>	<u>9,284,777</u>
Basic and diluted (loss)/earnings per share*	0.83p	(10.82p)	(9.99p)	6.03p

\* Basic and diluted (loss)/earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares. The weighted average number of shares for the period was 155,140,996 (31.12.14: 154,013,416).

The notes on pages 14 to 23 form an integral part of the interim condensed financial statements.

**RUFFER INVESTMENT COMPANY LIMITED**  
**Condensed Statement of Changes in Equity (Unaudited)**

	<b>Share capital</b>	<b>Other reserves</b>	<b>Total 01.07.15 to 31.12.15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 30 June 2015	125,770,151	211,452,250	337,222,401
Total comprehensive loss for the period	–	(15,500,391)	(15,500,391)
Transactions with Shareholders:			
Share capital issued	2,548,850	–	2,548,850
Share issue costs	(25,489)	–	(25,489)
Distribution for the period	–	(2,640,753)	(2,640,753)
Balance at 31 December 2015	<u>128,293,512</u>	<u>193,311,106</u>	<u>321,604,618</u>

Net Assets attributable to holders of redeemable participating preference shares  
at the end of the period 321,604,618

	<b>Share capital</b>	<b>Other reserves</b>	<b>Total 01.07.14 to 31.12.14</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>Balance at 30 June 2014</i>	<i>124,887,120</i>	<i>193,153,448</i>	<i>318,040,568</i>
<i>Total comprehensive income for the period</i>	<i>–</i>	<i>9,284,777</i>	<i>9,284,777</i>
<i>Transactions with Shareholders:</i>			
<i>Distribution for the period</i>	<i>–</i>	<i>(2,618,228)</i>	<i>(2,618,228)</i>
<i>Balance at 31 December 2014</i>	<u><i>124,887,120</i></u>	<u><i>199,819,997</i></u>	<u><i>324,707,117</i></u>

Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to a net asset and solvency test.

The notes on pages 14 to 23 form an integral part of the interim condensed financial statements.

# RUFFER INVESTMENT COMPANY LIMITED

## Condensed Statement of Cash Flows (Unaudited)

	<b>01.07.15 to 31.12.15</b>	<b>01.07.14 to 31.12.14</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Purchase of financial assets at fair value through profit or loss	(55,441,966)	<i>(104,105,046)</i>
Proceeds from sale of financial assets at fair value through profit or loss (including realised gains)	70,563,595	<i>108,621,661</i>
Decrease/(increase) in other receivables	904	<i>(9,645)</i>
Transaction costs paid to brokers	(131,199)	<i>(105,623)</i>
Fixed interest income received	435,085	<i>521,481</i>
Dividends received	1,389,762	<i>1,441,919</i>
Operating expenses paid	(2,260,663)	<i>(1,651,869)</i>
Foreign exchange gain	3,465,735	<i>2,335,726</i>
<b>Cash generated from operating activities</b>	<u>18,021,253</u>	<u><i>7,048,604</i></u>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,640,753)	<i>(2,618,228)</i>
Proceeds from issue of redeemable participating preference shares	2,548,850	–
Share issue costs	(25,489)	–
<b>Net cash used in financing activities</b>	<u>(117,392)</u>	<u><i>(2,618,228)</i></u>
<b>Net increase in cash and cash equivalents</b>	17,903,861	<i>4,430,376</i>
Cash and cash equivalents at beginning of the period	<u>16,441,960</u>	<u><i>15,193,265</i></u>
<b>Cash and cash equivalents at end of the period</b>	<u>34,345,821</u>	<u><i>19,623,641</i></u>

The notes on pages 14 to 23 form an integral part of the interim condensed financial statements.



# **RUFFER INVESTMENT COMPANY LIMITED**

## **Notes to the Unaudited Condensed Interim Financial Statements**

### **1. The Company**

The Company was incorporated with limited liability in Guernsey on 1 June 2004 as a company limited by shares and as an authorised closed-ended investment company. As an existing closed-ended fund the Company is deemed to be granted an authorised declaration in accordance with section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and rule 6.02 of the Authorised Closed-ended Investment Schemes Rules 2008. The Company is listed on the Main Market of the LSE.

### **Going Concern**

The Financial Statements have been prepared on a going concern basis as set out in the Statement of Principal Risks and Uncertainties on page 6.

### **2. Significant accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's Unaudited Condensed Interim Financial Statements.

### **Basis of preparation**

The Unaudited Condensed Interim Financial Statements for the period ended 31 December 2015 have been prepared using accounting policies consistent with IFRS and in accordance with IAS 34, and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

They have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss, and in accordance with the Principal Documents and applicable Guernsey Law.

This half-yearly financial report, covering the period from 1 July 2015 to 31 December 2015, is not audited.

In order to better reflect the activities of an investment company supplementary information which analyses the income statement between items of revenue and capital nature has been presented within the Condensed Statement of Comprehensive Income.

The same accounting policies and methods of computation have been applied to the Unaudited Condensed Interim Financial Statements as in the Annual Financial Report at 30 June 2015. The presentation of the Unaudited Condensed Interim Financial Statements is consistent with the Annual Financial Report.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Report and should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015. The Audit Report on those accounts was not qualified.

The preparation of the Unaudited Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### Standards, amendments and interpretations that are not yet effective

The following standards and interpretations, which have not been applied in these financial statements, were in issue at the reporting date but not yet effective:

IFRS 9 – Financial instruments: Classification and measurement (effective date – 1 January 2018)

IFRS 15 – Revenue from Contracts with Customers (effective date – 1 January 2018)

The Board anticipate that the adoption of these standards and interpretations in a future period will not have a material impact on the financial statements of the Company, other than IFRS 9. The Company is currently evaluating the potential effect of this standard.

### 3. Dividends to shareholders

Dividends, if any, are declared semi-annually, usually in September and March each year. The Company paid and declared the following dividends during the period:

	<b>01.07.15 to 31.12.15</b>	<b>01.07.14 to 31.12.14</b>
	<b>£</b>	<b>£</b>
Interim dividend of £1.7p (2014: £1.7p)	2,640,753	2,618,228
	<u>2,640,753</u>	<u>2,618,228</u>

An interim dividend of 1.7p per share in respect of the half year ending 31 December 2015 was declared on 24 February 2016. The dividend is payable on 24 March 2016 to shareholders on record at 4 March 2016.

### 4. Share capital account

	<b>31.12.14</b>	<b>30.06.14</b>
	<b>£</b>	<b>£</b>
<b>Authorised share capital</b>		
100 Management Shares of £1.00 each	100	100
200,000,000 Unclassified Shares of 0.01p each	20,000	20,000
75,000,000 C Shares of 0.1p each	75,000	75,000
	<u>95,100</u>	<u>95,100</u>

# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 4. Share capital account (continued)

	Number of shares		Share capital	
	31.12.15	30.06.15	31.12.15 £	30.06.15 £
<b>Issued share capital</b>				
<b>Management shares</b>				
Management Shares of £1.00 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Equity shares</b>				
Redeemable Participating Preference Shares of 0.01p each:				
Balance at start of period/year	154,413,416	154,013,416	125,770,151	124,887,120
Issued during the period/year	1,175,000	400,000	2,548,850	891,950
Share issue costs	–	–	(25,489)	(8,919)
Balance as at end of period/year	<u>155,588,416</u>	<u>154,413,416</u>	<u>128,293,512</u>	<u>125,770,151</u>

#### *Blocklisting and additional shares issued*

At the start of the period, the Company had the ability to issue 13,681,342 redeemable participating shares under a blocklisting facility. During the period the Company made no (30.06.15: nil) further application to the Financial Conduct Authority and to the LSE for redeemable participating preference shares of 0.01pence each to be admitted to the Official List under a general corporate purposes blocklisting facility. Under the blocklisting facility, 1,175,000 (30.06.15: 400,000) new redeemable participating preference shares of 0.01 pence each were allotted and issued during the period for a total consideration of £2,548,850 (30.06.15: £891,950). These new redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 31 December 2015, the Company had the ability to issue a further 12,506,342 redeemable participating preference shares under the blocklisting facility.

#### *Redeemable participating preference shares in issue*

As at 31 December 2015 the Company had 155,588,416 redeemable participating preference shares of 0.01 pence each and 2 Management shares of £1.00 each in issue. Therefore, the total voting rights in the Company at 31 December 2015 were 155,588,418.

#### *Purchase of Own Shares by the Company*

An ordinary resolution was granted on 19 November 2015 which authorised the Company in accordance with The Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01 pence each, provided that:

- (i) the maximum number of Shares the Company can purchase is no more than 14.99% of the Company's issued share capital;
- (ii) the minimum price (exclusive of expenses) which may be paid for a Share is 0.01 pence, being the nominal value per share;

## RUFFER INVESTMENT COMPANY LIMITED

### Notes to the Unaudited Condensed Interim Financial Statements (continued)

#### 4. Share capital account (continued)

##### *Purchase of Own Shares by the Company (continued)*

- (iii) the maximum price (exclusive of expenses) which may be paid for the Share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a Share taken from the LSE Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy-back and Stabilisation Regulation (No 2237 of 2003);
- (iv) purchases may only be made pursuant to this authority if the Shares are (at the date of the proposed purchase) trading on the LSE at a discount to the lower of the undiluted or diluted Net Asset Value;
- (v) the authority conferred shall expire at the conclusion of the Annual General Meeting (“AGM”) of the Company in 2016 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
- (vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of Shares pursuant to any such contract.

#### 5. Related party transactions

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company’s activities.

##### *Investment Management Agreement*

The Company is managed by Ruffer AIFM Limited (the “Investment Manager”), a subsidiary of Ruffer LLP, a privately owned business registered in England and Wales as a limited liability partnership. The Company and the Investment Manager have entered into an Investment Management Agreement under which the Investment Manager has been given responsibility for the day-to-day discretionary management of the Company’s assets (including uninvested cash) in accordance with the Company’s investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Investment Management Agreement and the Company’s Articles of Association.

The market value of CF Ruffer Japanese Fund, CF Ruffer Gold Fund and Ruffer Illiquid Strategies Fund of Funds 2009 Limited are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information refer to the Portfolio Statement on pages 24 to 27.

## RUFFER INVESTMENT COMPANY LIMITED

### Notes to the Unaudited Condensed Interim Financial Statements (continued)

#### 5. Related party transactions (continued)

##### *Investment Management Agreement (continued)*

Total management fees charged to the capital reserves of the Company, including the outstanding management fees at the end of the period, are detailed below:

	<b>01.07.15 to</b>	<b>01.07.14 to</b>
	<b>31.12.15</b>	<b>31.12.14</b>
	<b>£</b>	<b>£</b>
Management fees for the period	1,563,411	1,546,008
Payable at end of the period	257,963	777,548

##### *Shares held in the managing member of Ruffer LLP*

As at 31 December 2015, an immediate family member of the Chairman Ashe Windham owned 100 (30.06.15: 100) shares in the Managing Member of the Ruffer LLP. This amounts to less than 5% (30.06.15: less than 5%) of the Company's issued share capital.

##### *Directors*

The Company has five non-executive directors, all of whom except Wayne Bulpitt are considered to be independent of the Investment Manager.

Under the Corporate Governance Code Wayne Bulpitt is not considered to be independent by reason of being a director of Ruffer Illiquid Strategies Fund of Funds 2009 Limited, Ruffer Illiquid Strategies Fund of Funds 2011 Limited, Ruffer Illiquid Multi Strategies 2015 Fund Limited and Ruffer Illiquid Multi Strategies Fund Limited, all of which are Guernsey registered investment companies managed by the Company's Investment Manager.

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £200,000 (30.06.15: £200,000) per annum.

Each Director was paid a fee of £25,000 (30.06.15: £25,000) per annum, except for the Chairman who was paid £35,000 (30.06.15: £35,000) per annum and Christopher Spencer, **Chairman of the Audit Committee** whose fee increased from £25,000 to £28,000 per annum effective 1 September 2015.

Total Directors' fees for the period, including the outstanding Directors' fees at the end of the period, are detailed below.

	<b>01.07.15 to</b>	<b>01.07.14 to</b>
	<b>31.12.15</b>	<b>31.12.14</b>
	<b>£</b>	<b>£</b>
Directors' fees for the period	78,175	80,000
Payable at end of the period	34,750	40,000

# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 5. Related party transactions (continued)

#### *Shares held by related parties*

As at 31 December 2015, Directors of the Company held the following numbers of shares beneficially:

	<b>31.12.15</b>	<b>30.06.15</b>
<i>Directors</i>	<b>Shares</b>	<b>Shares</b>
Ashe Windham*	85,000	85,000
Christopher Spencer	14,157	14,157
Jeannette Etherden	36,627	36,627
Wayne Bulpitt	20,000	20,000

\* Ashe Windham holds 67,000 shares whilst his wife holds 18,000.

As at 31 December 2015, Hamish Baillie, Investment Director of the Investment Manager owned 143,000 (30.06.15: 143,000) shares in the Company.

As at 31 December 2015, Steve Russell, Investment Director of the Investment Manager owned 6,450 (30.06.15: 6,450) shares in the Company.

As at 31 December 2015, Ruffer LLP (the parent company of the Company's Investment Manager) and other entities within the Ruffer Group held 9,697,563 (30.06.2015: 10,198,775) shares on behalf of its discretionary clients.

#### *Investments in related funds*

As at 31 December 2015, the Company held investments in seven (30.06.15: seven) related investment funds valued at £48,621,013 (30.06.15: 49,095,612). Refer to the Portfolio Statement on pages 24 to 27 for details.

### 6. Operating segment reporting

The Board of Directors makes the strategic resource allocations on behalf of the Company. The Company has determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

There were no changes in the reportable segments during the period.

As required by IFRS 8, the total fair value of the financial instruments held by the Company by each major geographical segment, and the equivalent percentages of the total value of the Company, are reported in the Portfolio Statement.

Revenue earned is reported separately on the face of the Condensed Statement of Comprehensive Income as dividend income received from equities, and interest income received from fixed interest securities and bank deposits.

The Condensed Statement of Cash Flows separately reports cash flows from operating, investing and financing activities.

## **RUFFER INVESTMENT COMPANY LIMITED**

### **Notes to the Unaudited Condensed Interim Financial Statements (continued)**

#### **7. Fair Value Measurement**

IFRS 7 requires the Company to classify fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 7 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 7 are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 7. Fair Value Measurement (continued)

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 31 December 2015.

	Level 1	Level 2	Level 3	31.12.15 Total
	£	£	£	£
Financial assets at fair value through profit or loss:				
Government Indexed-Linked				
Bonds	121,994,236	–	–	121,994,236
Preference Shares	592,422	–	–	592,422
Options	–	3,668,939	–	3,668,939
Equities	125,527,050	–	1,409,625	126,936,675
Investment Funds	–	32,703,325	–	32,703,325
Derivative financial asset	–	200,649	–	200,649
Total assets	<u>248,113,708</u>	<u>36,572,913</u>	<u>1,409,625</u>	<u>286,096,246</u>
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open forward				
Derivative financial liability	–	4,745,808	–	4,745,808
Total liabilities	<u>–</u>	<u>4,745,808</u>	<u>–</u>	<u>4,745,808</u>



# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 7. Fair Value Measurement (continued)

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2015.

	Level 1	Level 2	Level 3	30.06.15 Total
	£	£	£	£
<i>Financial assets at fair value through profit or loss:</i>				
<i>Government Indexed-Linked Bonds</i>	117,836,056	–	–	117,836,056
<i>Preference Shares</i>	4,495,206	–	–	4,495,206
<i>Options</i>	–	6,635,373	–	6,635,373
<i>Equities</i>	150,945,921	–	1,409,625	152,355,546
<i>Investment Funds</i>	–	32,973,987	–	32,973,987
<i>Derivative financial asset</i>	–	6,770,940	–	6,770,940
<b><i>Total assets</i></b>	<b>273,277,183</b>	<b>46,380,300</b>	<b>1,409,625</b>	<b>321,067,108</b>
 <i>Financial liabilities at fair value through profit or loss:</i>				
<i>Unrealised loss on open forward Derivative financial liability</i>	–	44,877	–	44,877
<b><i>Total liabilities</i></b>	<b>–</b>	<b>44,877</b>	<b>–</b>	<b>44,877</b>

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. No transfers were made for the period ended 31 December 2015. The following transfers were made for the year ended 30 June 2015:

- the investment in Renn Universal Growth Trust Ltd (“Renn”) was transferred from Level 1 to Level 3 as a result of delisting Renn’s shares from the stock exchange in early 2015; and
- the investment in Ruffer Protection Strategies International (“RPSI”) was transferred from Level 1 to Level 2 as RPSI’s investments are mostly in over-the-counter options.

#### Movements in Level 3 investments

	31.12.15	30.06.15
	£	£
Opening valuation	1,409,625	–
Transfer from Level 1	–	1,409,625
Closing valuation	<b>1,409,625</b>	<b>1,409,625</b>

Assets classified in Level 1 consists of listed or quoted equities or equity related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investment in funds fair-valued using the official NAV of each fund as reported by each fund’s independent administrator at the reporting date.

# RUFFER INVESTMENT COMPANY LIMITED

## Notes to the Unaudited Condensed Interim Financial Statements (continued)

### 8. NAV reconciliation

The Company announces its NAV, based on mid-market value, to the LSE after each weekly and month end valuation point. The following is a reconciliation of the NAV per share attributable to redeemable participating preference shareholders as presented in these financial statements, using IFRS to the NAV per share reported to the LSE:

	<b>31.12.15</b>	<b>30.06.15</b>
	<b>£</b>	<b>£</b>
NAV per share for valuation purposes	2.070	2.188
IAS 39 valuations (MID to BID)	<u>(0.003)</u>	<u>(0.004)</u>
Net assets attributable to holders of redeemable participating preference shares (per share)	<u>2.067</u>	<u>2.184</u>

### 9. Subsequent events

These financial statements were approved for issuance by the Board on 24 February 2016. Subsequent events have been evaluated until this date.

Subsequent to the period end and up to the date of this report, the Company allotted and issued 250,000 redeemable participating preference shares of 0.01 pence under the blocklisting facility for a consideration of £528,000.

As at the date of this report the Company had 155,838,416 redeemable participating preference shares of 0.01p each and 2 Management shares of £1.00 each in issue. Therefore, the total voting rights in the Company at the date of this report were 155,838,418.

**RUFFER INVESTMENT COMPANY LIMITED**  
**Portfolio Statement as at 31 December 2015 (Unaudited)**

	Currency	Holding at 31.12.15	Fair Value £	% of Total Net Assets*
<b>Government Index-Linked Bonds 37.93%</b>				
<i>(30.06.15 – 34.95%)</i>				
<b>United Kingdom</b>				
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	20,502,530	6.37
UK Inflation Indexed Gilt 0.125% 22/03/2024	GBP	6,190,000	7,031,128	2.19
UK Index-Linked Gilt 1.25% 22/11/2055	GBP	7,200,000	18,715,298	5.82
UK Inflation Indexed Gilt 0.375% 22/03/2062	GBP	8,000,000	14,497,544	4.51
			60,746,500	18.89
<b>United States</b>				
US Treasury Inflation Indexed 1.125% Bond 15/01/2021	USD	13,500,000	10,266,849	3.19
US Treasury Inflation Indexed 0.625% Bond 15/07/2021	USD	19,350,000	13,944,954	4.33
US Treasury Inflation Indexed 0.125% Bond 15/01/2023	USD	17,500,000	11,730,139	3.65
US Treasury Inflation Indexed 0.375% Bond 15/07/2023	USD	17,000,000	11,515,714	3.58
US Treasury Inflation Indexed 2.125% Bond 15/02/2041	USD	6,955,000	6,068,010	1.89
US Treasury Inflation Indexed 0.625% Bond 15/02/2043	USD	13,001,000	7,722,070	2.40
			61,247,736	19.04
<b>Total Government Indexed-Linked Bonds</b>			<b>121,994,236</b>	<b>37.93</b>
<b>Preference Shares 0.18%</b>				
<i>(30.06.15 – 1.33%)</i>				
<b>United Kingdom</b>				
Raven Russia Preference Shares	GBP	466,474	592,422	0.18
			592,422	0.18
<b>Total Preference Shares</b>			<b>592,422</b>	<b>0.18</b>
<b>Equities 35.37%</b>				
<i>(30.06.15 – 41.05%)</i>				
<b>Europe</b>				
<b>Germany</b>				
Heliocentris Energy Solutions AG	EUR	419,838	845,365	0.26
TAG Immobilien AG	EUR	283,782	2,405,273	0.75
			3,250,638	1.01

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2015 (Unaudited) (continued)

	Currency	Holding at 31.12.15	Fair Value £	% of Total Net Assets*
<b>Europe (continued)</b>				
<b>Norway</b>				
Aker	NOK	125,000	1,566,572	0.49
			1,566,572	0.49
<b>United Kingdom</b>				
Better Capital Ltd (2009)	GBP	1,727,800	1,593,895	0.50
Better Capital Ltd (2012)	GBP	3,088,700	1,235,480	0.38
Cape Plc	GBP	850,000	1,997,500	0.62
Conviviality Plc	GBP	192,960	427,406	0.13
Games Workshop Group Plc	GBP	250,000	1,462,500	0.46
IP Group Plc	GBP	574,216	1,176,569	0.37
Lloyds Banking Group Plc	GBP	6,734,000	4,920,534	1.53
Oakley Capital Investments Ltd	GBP	2,825,794	4,040,885	1.26
Raven Russia Ltd	GBP	1,701,490	684,850	0.21
Renn Universal Growth Trust Ltd	GBP	937,500	1,409,625	0.44
Seaenergy Plc	GBP	300,000	12,000	–
Secure Trust Bank Plc	GBP	48,345	1,589,584	0.50
Sophos Group Plc	USD	510,280	1,330,300	0.41
Standard Chartered Plc	GBP	189,000	1,065,393	0.33
Vodafone Group Plc	GBP	1,109,727	2,452,497	0.76
			25,399,018	7.90
<b>Total European Equities</b>			<b>30,216,228</b>	<b>9.40</b>
<b>United States</b>				
Apple Inc	USD	42,000	2,998,331	0.93
Checkpoint Software Technologies Ltd	USD	30,100	1,661,739	0.52
Emerson Electric Co	USD	54,000	1,752,005	0.54
Exxon Mobil Corp	USD	62,000	3,277,726	1.02
Leucadia National Corp	USD	120,000	1,414,207	0.44
Lockheed Martin Corp	USD	26,300	3,874,071	1.20
Microsoft Corp	USD	66,309	2,494,629	0.78
Oracle Corp	USD	150,000	3,716,670	1.16
The Boeing Company	USD	59,017	5,787,582	1.80
<b>Total United States Equities</b>			<b>26,976,960</b>	<b>8.39</b>
<b>Asia</b>				
<b>China</b>				
Bank of China Ltd	HKD	3,398,000	1,029,251	0.32
China Life Insurance Co Ltd	HKD	459,000	1,002,548	0.31
PICC Property & Casualty Co Ltd	HKD	1,120,000	1,507,982	0.47
			3,539,781	1.10

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2015 (Unaudited) (continued)

	Currency	Holding at 31.12.15	Fair Value £	% of Total Net Assets*
<b>Asia (continued)</b>				
<b>Japan</b>				
CF Ruffer Japanese Fund**	GBP	4,090,101	7,816,183	2.43
Fujifilm Holdings Corp	JPY	101,200	2,898,966	0.90
Fujitsu Ltd	JPY	900,000	3,080,662	0.96
Hitachi Ltd	JPY	735,000	2,866,165	0.89
Mitsubishi UFJ Financial Group Inc	JPY	1,664,000	7,105,440	2.21
Mizuho Financial Group Inc	JPY	1,228,500	1,687,169	0.52
NTT Data Corp	JPY	72,600	2,399,488	0.74
NTT Urban Development Corp	JPY	419,000	2,762,568	0.86
Rakuten Inc	JPY	283,100	2,240,175	0.70
Resona Holdings Inc	JPY	1,600,000	5,334,152	1.66
Sumitomo Mitsui Financial Group Inc	JPY	255,900	6,647,810	2.07
T&D Holdings Inc	JPY	900,000	8,164,846	2.54
			53,003,624	16.48
<b>Total Asian Equities</b>			<b>56,543,405</b>	<b>17.58</b>
<b>Total Equities</b>			<b>113,736,593</b>	<b>35.37</b>
<b>Investment Funds 10.18%</b>				
<i>(30.06.15 – 9.77%)</i>				
<b>United Kingdom</b>				
Herald Worldwide Fund	GBP	64,341	1,830,490	0.57
Ruffer Illiquid Strategies Fund of Funds 2009 Ltd**	GBP	1,463,054	4,201,819	1.31
Ruffer Illiquid Multi Strategies Fund 2015 Ltd**	GBP	16,450,000	16,939,832	5.27
Ruffer SICAV Global Smaller Companies Fund**	GBP	45,129	5,928,988	1.84
Ruffer SICAV UK Mid & Smaller Companies Fund**	GBP	13,235	2,405,196	0.75
Weiss Korea Opportunity Fund Ltd	GBP	1,100,000	1,397,000	0.44
			32,703,325	10.18
<b>Total Investment Funds</b>			<b>32,703,325</b>	<b>10.18</b>

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2015 (Unaudited) (continued)

	Currency	Holding at 31.12.15	Fair Value £	% of Total Net Assets*
<b>Gold &amp; Gold Mining Equities 4.10%</b>				
<i>(30.06.15 – 4.13%)</i>				
<b>United Kingdom</b>				
CF Ruffer Gold Fund**	GBP	9,312,006	7,660,056	2.38
Gold Bullion Securities Ltd	USD	80,774	5,540,026	1.72
			13,200,082	4.10
<b>Total Gold &amp; Gold Mining Equities</b>			<b>13,200,082</b>	<b>4.10</b>
<b>Options 1.14%</b>				
<i>(30.06.15 – 1.97%)</i>				
<b>United Kingdom</b>				
Ruffer Protection Strategies International**	GBP	17,785,343	3,668,939	1.14
			<b>3,668,939</b>	<b>1.14</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>285,895,597</b>	<b>88.90</b>
Other net current assets			35,709,023	11.10
Management share capital			(2)	–
<b>Total Value of Company</b> <b>(attributable to redeemable participating preference shares)</b>			<b>321,604,618</b>	<b>100.00</b>

\* All percentages relate to net assets attributable to holders of redeemable participating preference shares

\*\* 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. CF Ruffer Gold Fund, CF Ruffer Japanese Fund, Ruffer SICAV Global Smaller Companies Fund, Ruffer SICAV UK Mid & Smaller Companies Fund and Ruffer Illiquid Strategies Fund of Funds 2009 are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

# RUFFER INVESTMENT COMPANY LIMITED

## General Information

Ruffer Investment Company Limited was incorporated with limited liability in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company predominantly invests in internationally listed or quoted equities or equity related securities (including convertibles) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's redeemable participating preference shares are listed on the LSE.

The accounting date of the Company is 30 June in each year. These Unaudited Condensed Interim Financial Statements were authorised for issue on 24 February 2016 by the Directors.

The prices of the shares in the Company are published in The Financial Times in the "Investment Companies" section, and in the Daily Telegraph's "Share Prices & Market Capitalisations" section under "Investment Trusts".

Assuming a continued Guernsey domicile of the Company, the Investment Manager intends to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Company will not be subject to United Kingdom Corporation Tax or Income Tax.

The Investment Manager receives an annual fee, payable monthly in arrears, at the rate of 1% of the Company's NAV per annum on a mid market basis. The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope alternative investment fund manager. Pursuant to the Alternative Investment Fund Managers Directive and its implementing legislation, the Investment Manager is subject to a new supervisory regime, and new rules governing its portfolio and risk management activities.

The Administrator is entitled to receive an annual fee equal to 0.15% per annum on the first £100 million and 0.10% per annum thereafter on the NAV of the Company on a mid market basis, subject to a minimum fee of £60,000 per annum.

Northern Trust (Guernsey) Limited (the "Custodian and Depositary") is entitled to receive from the Company a fee of £2,000 per annum. The Custodian is also entitled to charge for certain expenses incurred by it in connection with its duties. The Depositary is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the NAV of the Company below £100 million, 0.008% on Net Assets between £100 million and £200 million and 0.006% in excess of £200 million as at the last business day of the month subject to a minimum fee of £20,000 per annum.

# RUFFER INVESTMENT COMPANY LIMITED

## Management and Administration

### **Directors**

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Ashe Windham  
Wayne Bulpitt  
Jeannette Etherden  
Christopher Spencer  
John V Baldwin  
Peter Luthy (*resigned*  
*19 November 2015*)

### **Registered Office**

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PO Box 255,  
Trafalgar Court,  
Les Banques,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 3QL

### **Auditor**

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John Clacy  
Deloitte LLP  
Regency Court  
Glatigny Esplanade,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 3HW

### **Investment Manager and Alternative Investment Fund Manager**

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Ruffer AIFM Limited,  
80 Victoria Street,  
London, SW1E 5JL

### **Sponsor and Broker**

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Centos Securities Plc,  
6.7.8 Tokenhouse Yard,  
London, EC2R 7AS

### **Solicitors to the Company as to UK law**

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Lawrence Graham LLP,  
4 More London Riverside,  
London, SE1 2AU

### **Company Secretary, Administrator and Registrar**

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Northern Trust International  
Fund Administration Services  
(Guernsey) Limited,  
Trafalgar Court,  
Les Banques,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 3QL

### **CREST Agent**

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Computershare Investor  
Services (Jersey) Limited,  
Queensway House,  
Hilgrove Street,  
St. Helier,  
Jersey, JE1 1ES

### **Advocates to the Company as to Guernsey law**

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Mourant Ozannes,  
1 Le Marchant Street,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 4HP

### **Custodian**

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Northern Trust (Guernsey)  
Limited,  
Trafalgar Court,  
Les Banques,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 3QL

### **Depositary**

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Northern Trust (Guernsey)  
Limited,  
Trafalgar Court,  
Les Banques,  
St. Peter Port,  
Guernsey,  
Channel Islands, GY1 3QL









