Ruffer Investment Company Limited

Half-yearly financial report
for the period ended
31 December 2022 (unaudited)

Contents

Key performance indicators

	31 Dec 22 %	31 Dec 21 %
Share price total return over six months[1]	4.1	2.6
NAV total return per share over six months[1]	4.8	2.8
Premium of traded share price to NAV	1.0	1.8
Dividends per share over six months[2]	1.25p	1.55p
Annualised dividend yield[3]	0.8	1.1
Annualised NAV total return per share since launch[1]	7.8	7.8
Ongoing charges ratio[4]	1.08	1.08

Financial highlights

	31 Dec 22	30 Jun 22
Share price	311.00p	300.00p
NAV as calculated on an IFRS basis[5]	£1,124,257,558	£952,784,773
NAV as reported to the LSE	£1,124,010,593	£947,554,437
Market capitalisation[6]	£1,135,516,246	£969,008,292
Number of shares in issue	365,117,764	323,002,764
NAV per share as calculated on an IFRS basis[5]	307.92p	294.98p
NAV per share as reported to the LSE	307.85p	293.36p

1 Assumes reinvestment of dividends. See appendix for Alternative Performance Measures (APMs).

2 Dividends declared during the period.

3 Annualised dividend yield is calculated using share price at the period end and dividends declared during the period.

4 See note 7.

5 This is the NAV/NAV per share as per these Financial Statements. Refer to note 12 on page 49 for a reconciliation between this figure and the NAV/NAV per share as reported to the LSE. See appendix for Alternative Performance Measures (APMs).

6 See appendix for Alternative Performance Measures (APMs).

Source: RAIFM Ltd, FTSE International (FTSE). Data to 31 December 2022. All figures include reinvested income. Ruffer performance is shown after deduction of all fees and management charges. Performance data is included in the appendix.

Chairman's statement

'Annus horribilis' perhaps best describes 2022, during which most asset classes and managers struggled to make a positive nominal, let alone real, total return. The Ruffer Investment Company Limited (RICL or 'the Company') achieved a positive net asset value (NAV) and share price total return over the six months to 31 December of 4.8% and 4.1% respectively. The NAV and share price total returns for the twelve months to end December were also positive at 8.1% and 7.1% respectively.

The Company's performance was a remarkable achievement in the light of three consecutive quarters of 2022 over which both stocks and bonds fell. This included Index-Linked stocks which have been a core component of RICL's portfolio. The 2073 Index-Linked stock fell 68% in 2022 yet duration management and portfolio protection enabled a positive return for the RICL NAV and demonstrated the value of the Ruffer Group's (Ruffer's) risk management approach.

The compound annualised NAV total return, from the Company's launch in July 2004 to 31 December 2022, was 7.8%. The chart below shows the annual total return and volatility of the Company's NAV since launch against: (a) the Company's objective; (b) the FTSE All Share Index and (c) five of the most comparable investment companies.

NAV TOTAL RETURN VERSUS VOLATILITY, JULY 2004 – 31 DECEMBER 2022

Source: Ruffer, Morningstar. Constituents (represented in the graph but anonymised): Personal Assets, Capital Gearing, Aberdeen Diversified Income & Growth, BH Macro, RIT Capital Partners. Volatility is not a complete measure of risk but provides a basis for comparison.

Relative to a risk-free investment (the Sharpe ratio), the NAV return has been over twice that of the FTSE All-Share Index since the launch of RICL. In terms of the Sortino Ratio, which only measures the downside element of volatility, the Company has generated over three times more excess return per unit of risk than an investment in the UK stock market.

July 2004 to 31 December 2022	Sharpe ratio	Sortino ratio
Ruffer Investment Company Limited	0.96	2.15
FTSE All-Share Total Return	0.41	0.66

FTSE All-Share index in GBP. Source: Factset. Ruffer Investment Company data is Total Return NAV. All data measured to 31 December 2022.

The Company's investment objective is to deliver twice the Bank of England Bank Rate (the Rate) with a relatively low volatility of returns. Such a portfolio will compound at a higher rate of return, and therefore accumulate more wealth, than one with the same annual average return achieved with more volatility. Protection against downside volatility is a core component of the Company's investment strategy.

In 2022, a number of asset values fell by 50% or more. For an asset that halved in value, it will take ten years of 7.2% per annum compounded returns - which coincidentally is the annual rate of return on the FTSE All Share index since RICL's launch - simply to recover its starting value in 2022. By contrast, an asset which maintained its value in 2022 and then achieved that same 7.2% per annum return over the next ten years will double in value. To quote Albert Einstein: 'Compound interest is the eighth wonder of the world. He who understands it, earns it … he who doesn't … pays it.'

Investment objective

The principal objective of the company since its launch in 2004 has been to achieve a positive total annual return, after all expenses, of at least twice the Rate, which has been set by the Bank of England since 1694 and has become an instrument of monetary policy which guides the general level of interest rates in the economy. As Warren Buffet, a famous US investor, said in 2013: 'interest rates power everything in the economic universe'.

The Rate should therefore be considered more than simply a benchmark for the past return on cash. It should be viewed as a lead indicator of likely future economic conditions and financial returns, hence the markets' mantra: 'don't fight the Fed'. A policy move to higher Rates implies tighter monetary policy, a reduction in economic activity and a fall in the present value of assets. The reverse is equally true. Such a move can change the correlation between asset classes and counteract the effectiveness of diversification strategies which simply rely on past returns. The investment objective therefore reflects RICL's aim to preserve and grow capital in all market environments.

For most of RICL's 18 year life, from December 2008 to September 2022, the Rate was below 2%. From the launch of the Company until October 2008, however, it varied between 4.5% and 5.75%. Twice the average Rate over that period was close to the 10.2% annualised return from UK equities over the whole of the previous century. Those equity returns were accompanied by a high level of volatility, driven largely by movements in short term changes in interest rates influenced by underlying economic activity, inflation and Central Bank policy.

Twice 2% per annum, and even more so twice the 0.5% at the beginning of 2022, may not have seemed at the time a challenging target to achieve but we warned this time last year that, although Central Banks were slow to act, 'the future ain't what it used to be': we suggested that the decade-long repression in rates, which had buoyed long duration asset values during that period, was now over. The rise in the Rate from 0.5% in February 2022 to 3.0% by the end of the year led to a negative total return on most asset classes over the calendar year. This was more than offset, in the Company's case, by its protection strategies.

Managing risk

There can be a misunderstood difference between managing portfolio risk through the use of derivatives in order to protect the portfolio against extreme scenarios and trying to market-time in order to maximise return. Paying an annual insurance premium against the loss of your house is managing 'tail' risk – that risk which is unlikely to occur but devastating when it does. Deciding to insure one year when premiums are cheap but not insure when they are expensive, in order to enhance return by reducing cost, is taking a view or 'market timing'.

RICL does not use derivatives for their own sake but to manage asset and currency exposures and protect the portfolio. The Protection Team is part of the overall portfolio construction process rather than being a dedicated derivatives desk. The Team uses both direct derivatives and single-owner funds where the objectives and mandate are owned and directed by Ruffer but implemented by third party managers. These managers have some marginal discretion to add alpha around the Ruffer-mandated strategies, strategies which are informed by stress-tested future scenarios.

Earnings and dividends

Earnings per share for the half year were 1.70 pence on the revenue account and 12.59 pence on the capital account. The Company has always invested for total return, which gives flexibility to the Investment Manager to pursue the optimal investment strategy for the long-term generation of return and the preservation of capital.

In order for the Company to remain able to be marketed to a UK retail client base, RICL may retain no more than 15% of revenue earned in any given year. The capital and income reserves at the end of December 2022 were £284.3 million and £9.7 million respectively (before the dividend of 1.35 pence declared in respect of the period). The remaining balance of revenue earned has been retained to add to the revenue reserve which may be used to help protect dividends against future fluctuations in revenue.

Responsible investing

The Company continues to incorporate Environmental Social Governance (ESG) considerations into its investment approach, analysing both risks and opportunities. The Company is committed to being a good steward of our investors' assets and believes that active stewardship can lead to lasting and meaningful change. Ruffer engages with companies on a range of ESG topics and votes on the total shareholding of the companies held across Ruffer's core expressions. Over the past six months, the Responsible Investment team has focused its resources on select engagements across a wide range of sectors and countries, including with ArcelorMittal, BP and Equinor.

The implementation of Ruffer's decision to join the Net Zero Asset Managers initiative (NZAM) in March 2022 will be a key focus in the coming months. As a part of the commitment to NZAM, Ruffer is in the process of setting targets to align RICL's portfolio with Net Zero greenhouse gas emissions by 2050 or sooner. These targets will be published by March 2023. In addition, Ruffer is developing an alignment framework and an NZAM overlay to our engagement process. Alongside the fundamental characteristics of a potential investment, Ruffer continues to assess a company's alignment to the Paris agreement (limiting warming to 1.5 C) and emissions intensity. Ruffer's preference is to work with high emitters to bring their emissions down rather than to exclude them from the portfolio.

Share issuance

Between June 2022 and December 2022, RICL issued a total of 42,115,000 shares through its broker, Investec. This was to meet market demand through a process known as 'tapping', which involves selling newly created shares, at a premium to NAV, into the market. Over the calendar year 2022, the total number of new shares issued was 118,742,127.

The principal reason for the issuance continues to be to manage the premium through satisfying demand and creating liquidity for the purchase or sale of larger shareholdings. This issuance at a small premium to NAV, plus costs, has added net asset value per share of 0.3 pence to existing investors in the period. The issuance has also allowed new or existing investors to participate in the underlying assets of RICL at close to net asset value without impacting the underlying management of those assets.

People matters

During the half year we welcomed Jasmine Yeo as co-manager of RICL with Duncan MacInnes. Jasmine joined Ruffer in 2017 and has been managing client portfolios since 2020.

At the Annual General Meeting (AGM) in December, Jill May and David Staples retired from the Board with our thanks for the significant contribution they have made to RICL over the years. Nick Pink succeeded Jill as Senior Independent Director and Shelagh Mason took on Jill's role as Chair of the Management Engagement Committee.

Susie Farnon joined the Board on 1 September 2022. After a short period of parallel running with David Staples, Susie succeeded David in the role of Audit and Risk Committee Chair. She had retired in July from chairing the Audit and Risk Committee of a FTSE 250 company, HICL Infrastructure Ltd.

Solomon Soquar joined the Board on 2 December 2022. Solomon brings key skills and experience in risk management, most recently as CEO of Barclays Investment Solutions Ltd. These skills are complementary to those of others on the Board and particularly valuable given that protection strategies are a defining part of RICL's portfolio management process.

RICL is fortunate that it has been able to attract the desired skills, experience, personality and diversity of thought-process so fundamental to challenging debate and overall board judgement. The Board also satisfies the required majority of Guernsey resident directors and the FCA guidance on gender and ethnic diversity for a FTSE 250 company.

Outlook

In Alice Through the Looking Glass, the White Queen said that she sometimes believed as many as six impossible things before breakfast. The financial markets today seem to be believing at least half as many unlikely outcomes in 2023: inflation still transitory and a return to a sustainable rate of just over 2%; no disruption, geo-political or other, to the glide-path of disinflation and falling interest rates - Federal funds futures imply a 50 basis points cut in July; any recession will be short and mild allowing steady economic and company earnings growth. This would be the environment we have come from which a former Governor of the Bank of England once described as NICE – Non-Inflationary Continuous Expansion.

The chart in the Investment Manager's report on page 19 entitled 'Inflationary Journey will not be a straight line' is, however, the picture which paints a thousand, rather different, words. It visualises both a rising trend rate of inflation and a degree of uncertainty and volatility which are remarkably similar to the inflation picture of the 1960s and 1970s. At that time the phrase 'unanticipated inflation' was first coined and the trend led to levels of inflation not seen in the lifetimes of investors in that era. The chart on page 20 in the Investment Manager's report reminds us also that, as in the 1960s and 1970s, reducing inflation took longer and was more difficult to achieve when the inflation genie was out of the bottle.

The Company's investment message for 2023 is an uncomfortable degree of financial market volatility demanding protection and patience. If the underlying trend rate of inflation persists, then interest rates will have to remain higher for longer than currently anticipated by the markets and the Company's investment objective may prove as testing in 2023 as it was in 2022. Protection will be needed against downside volatility in order to preserve capital which remains a key objective of the Company's investment strategy. However, for the first time in 14 years, patience is at least partly rewarded by a positive single digit return on cash which is being used as a tactical home for capitalising on those opportunities which market turmoil is expected to create.

Christopher Russell

21 February 2023

Investment Manager's report

Performance review

The NAV total return for the six months to 31 December 2022 was 4.8% and the share price total return was 4.1%.

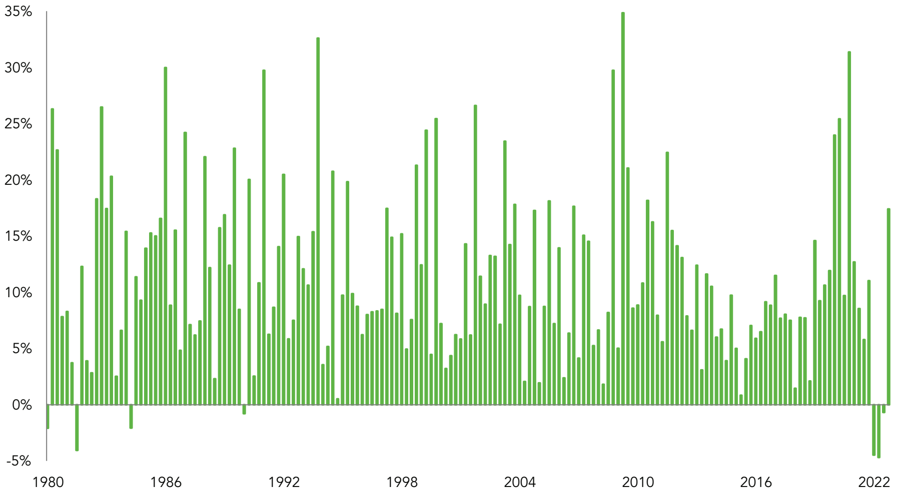
The calendar 2022 NAV total return was 8.1% and the share price total return was 7.1%.

The annualised NAV total return since inception of the Company in 2004 is 7.8%, which is ahead of UK equities, but with a much lower level of volatility and drawdowns.

The writer Charles Bukowski said 'what matters most is how well you walk through the fire' – this feels particularly apt to describe 2022, where investors in most asset classes got burnt.

Even an investor who had perfect foresight might still have struggled. Imagine you had predicted interest rates in the US would rise by 400 basis points, not the 80 basis points forecast in January. Or predicted that realised inflation would explode to 40 year highs. A traditional inflation hedge portfolio of gold, oil, inflation-linked bonds and property would have lost money.

BEST QUARTERLY TOTAL RETURN ACROSS ASSET CLASSES



Q4 2022 total return	%
MSCI EAFE $	17.4
30y Treasury	15.0
10y Treasury	9.9
MSCI EM $	9.8
MSCI World $	7.6
SP500 Composite	7.6
Bloomberg EM Bond $	6.6
Russell 2000	6.2
Bloomberg Global Aggregate	4.5
ICE BofA US High Yield	4.0
Bloomberg US Aggregate	1.9

Source: FactSet, Data to January 2023

Outside of the US dollar, there was nowhere to hide. The year saw a failure of diversification and included a remarkable three consecutive quarters of stocks and bonds falling at the same time.

It was the year when the bull market in belief (finally) died.

Just like Jeff Bezos in 1999, Elon Musk was struck by the Time Magazine Man of the Year curse: Tesla stock fell 65% in 2022.

It was a terrible twelve months for acronyms: FTX, SBF, LDI, ESG, NFTs, UK PMs, ARKK and HODL all having notably bad years.

Another shorthand, the 60/40, had its worst year in almost a century, falling 17%. RIP.

Performance contributions for 12 months

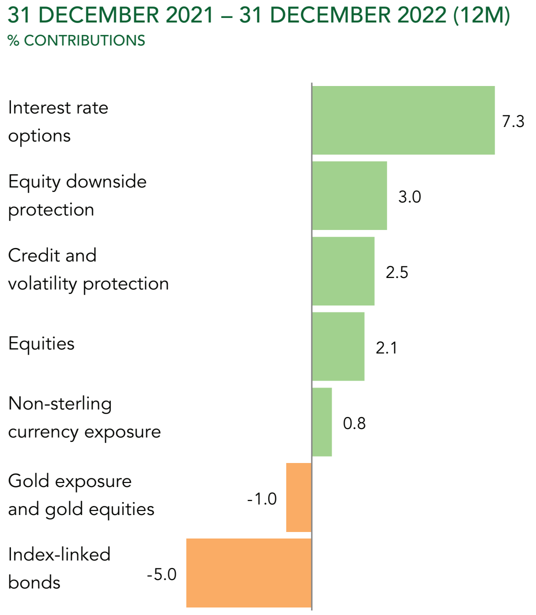
In the context of conventional assets struggling, it is perhaps not surprising that the driver of performance was our unconventional protective toolkit.

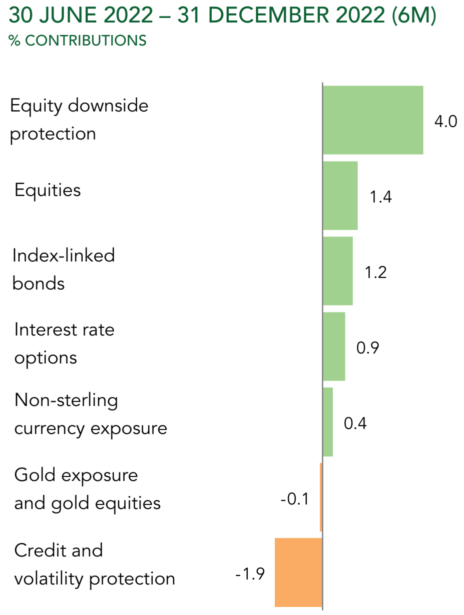
The biggest contributor was the interest rate hedges via payer swaptions, adding 7.3% to the portfolio return.

Equity downside protection added 3.0% to the portfolio return across a mix of strategies: puts on crowded and profitless tech stocks in Q1, European banks in February and puts on Tesla and the S&P 500 in the latter half of the year.

As investor sentiment soured and financial conditions began to tighten, risk spreads widened, and credit protections added 2.5%.

The biggest detractor from performance was index-linked gilts. The 2073 bond (a 2.5% position at period end) was down 68% in 2022 – more than bitcoin! The asset class knocked 5.0% off portfolio performance. Thankfully, most of this damage was offset by the interest rate hedges mentioned above. We have long called these bonds the ‘crown jewels’ in our portfolio due to our conviction that they should provide the best protection in a world of financial repression. We are still of this view. That a key asset can be so painful to hold yet the overall portfolio out-turn be positive does reflect the importance of position sizing and portfolio construction.



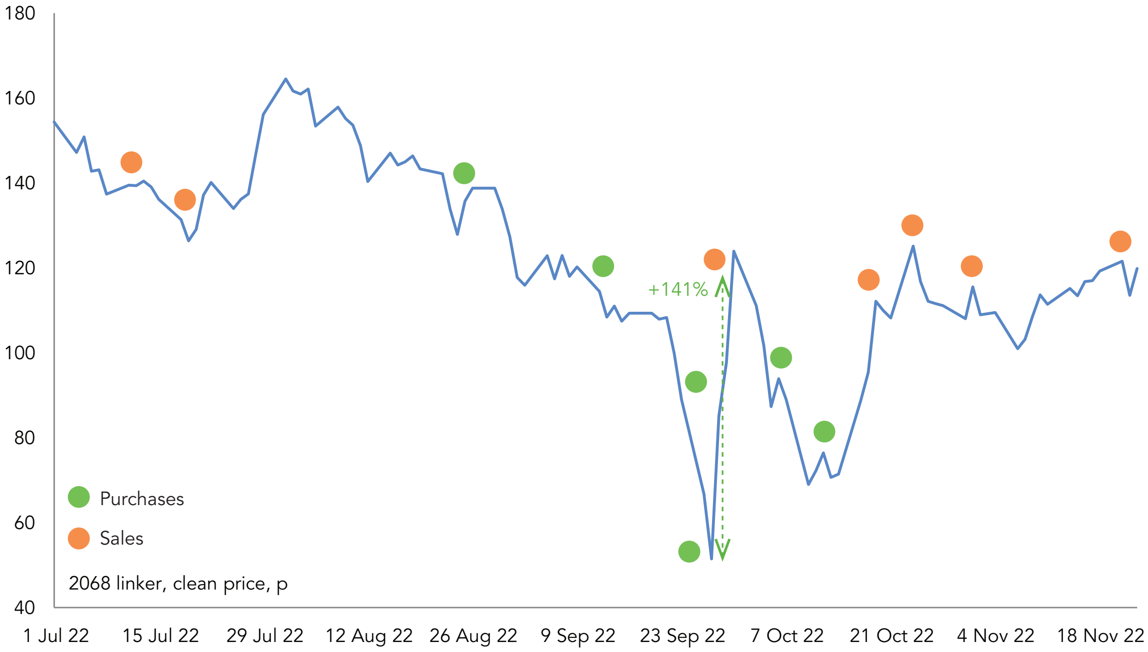


Performance contributions for six months

Equity downside protection contributed 4.0% to portfolio performance via Ruffer Protection Strategies fund. With persistent inflation, a looming recession and hawkish central bank policy, shares slumped across equity markets. The fund was well placed to benefit from this via single stock puts, focussing on the main beneficiaries of the old economic regime.

One of the most notable moves in the second half of the year was the active trading of long-dated index-linked gilts in the midst of forced selling by pension funds around the Kwarteng/Truss budget (see chart below) adding around 2.8% to the portfolio return. Over the six months, the bonds themselves fell by 25-40% across the long duration issue held in the portfolio.

DYNAMIC POSITION SIZING – PURCHASES AND SALES OF LONG DATED INFLATION LINKED GILTS



Source: Ruffer, Bloomberg. Price of the 2068 UK govt index-linked gilt as representative of the long end linker market. Trading is based on Ruffer's representative portfolio which is an unconstrained segregated portfolio following Ruffer's investment approach. Data to November 2022.

Energy stocks added 0.6% to the portfolio return as they looked through oil price weakness caused by temporary, but strong, headwinds for oil prices including Chinese lockdowns and US Strategic Petroleum Reserve releases.

Another positive contributor was yen swaptions (+0.3%), a hedge against the risk the Bank of Japan would end its yield curve control policy and Japanese bond yields would be allowed to rise, as happened in late December.

Gold exposure and gold equities continued to underwhelm over the period, recording a loss of 0.1% within the portfolio. While the asset itself struggled under the pressure of a strengthening dollar, gold miners were hampered by rising input costs and falling prices.

The biggest cost to the portfolio (-1.9%) was credit protections via Ruffer's illiquid strategies as credit spreads tightened in the second half as inflation peaked and the market priced in a soft landing.

Portfolio changes

There is a significant degree of what appears to be cognitive dissonance in our current portfolio construction. This is because the portfolio we believe you want for the coming 6-9 months is almost entirely different from the strategic portfolio you might want to navigate the coming decade.

The risk is that we are trying to be too clever, the danger is, by not trying to navigate the vicissitudes of choppy markets, investors get badly hurt. This was the experience of 2022.

1 Equities remain at the lowest level in our history – 13.5% gross and close to zero net of option protection

2 In late Q3 we pivoted from bond bears to bulls. Adding 16.5% to long US duration via 10 year and 30 year US Treasury Inflation Protected securities and US Treasuries. By period end, these positions had been reduced to around 3.5% as rates compressed on recession fears

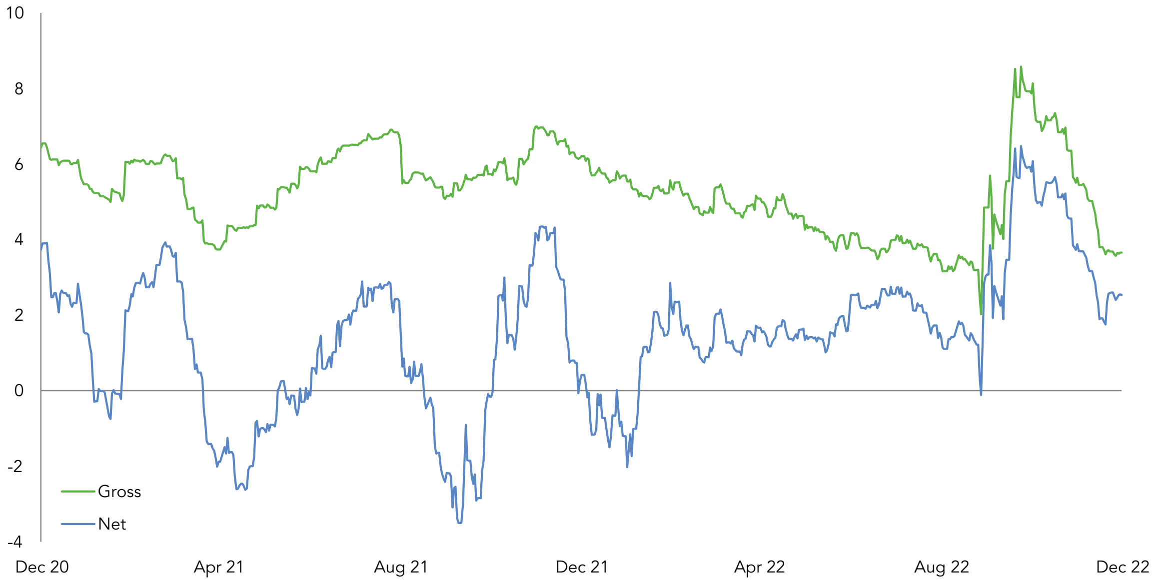
3 In December we added a 3% position to oil futures via an ETC

4 In Q4 we started to rebuild gold exposure towards 5%

In the near term, we are positioned for a disinflationary lurch, bond yields coming down and a bumpy recessionary landing for the economy. We are waiting for the opportune moment to pivot towards a portfolio positioned for higher nominal growth alongside inflation and financial repression.

One example of this fleetness of foot is the evolution of our net duration over the year as can be seen in the chart below.

DYNAMICALLY MANAGING DURATION USING OPTION OFFSETS



Source: Ruffer representative portfolio, Bloomberg. Ruffer's representative portfolio shows the performance of an unconstrained, segregated portfolio of £1 million set up in 1995, and follows Ruffer's investment approach.

It is worth emphasising that when yields rose dramatically in Q3 we were active in taking a large duration position. There are many different flavours of risk beyond equity risk and it was our assessment, at the time, that the best risk-adjusted returns were available in the bond market.

In the middle of 2022, we talked about putting the portfolio into 'crouch mode' – this is still the case. With quantitative tightening continuing to drain liquidity from financial markets, risk assets look vulnerable to a liquidation. To protect against this, we continue to use credit protections. The protection armoury is further bolstered by single name and equity index put options.

Investment outlook – The Big Picture

Globalisation is dead

> *"Globalisation is almost dead and free trade is almost dead. A lot of people wish they would come back, but I don't think they will be back."*

Morris Chang, founder, Taiwan Semiconductor Manufacturing Company (TSMC)

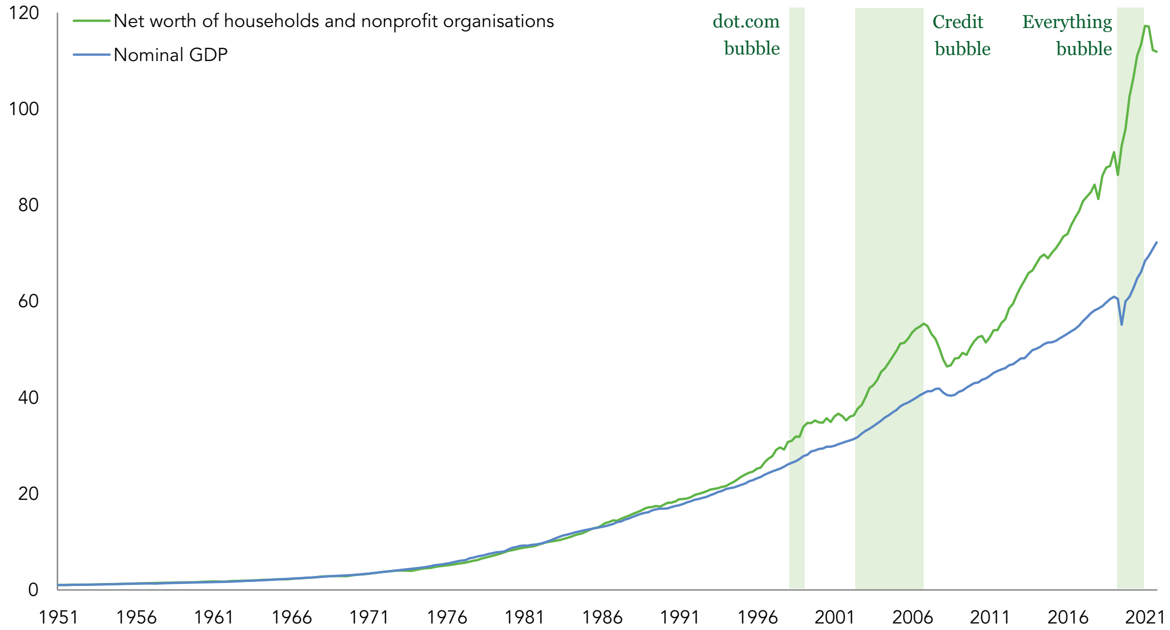
This quote from Morris Chang captures the tectonic changes in geopolitical and macroeconomic environments.

The world enjoyed 40 years of an economic order where globalisation brought us cheap goods, cheap energy, cheap labour and cheap capital.

Cheap goods from China's mercantilist policies. Cheap energy from OPEC and Russia. Cheap labour as globalisation brought two billion people into the global workforce and held down developed world wages.

Combined, these three forces kept inflation low and geopolitics stable, meaning interest rates and risk premiums could also be low, resulting in, lastly, cheap capital. To say this was a tailwind for multi-national corporations and for asset prices is an understatement.

US HOUSEHOLD NET WORTH VERSUS US GDP

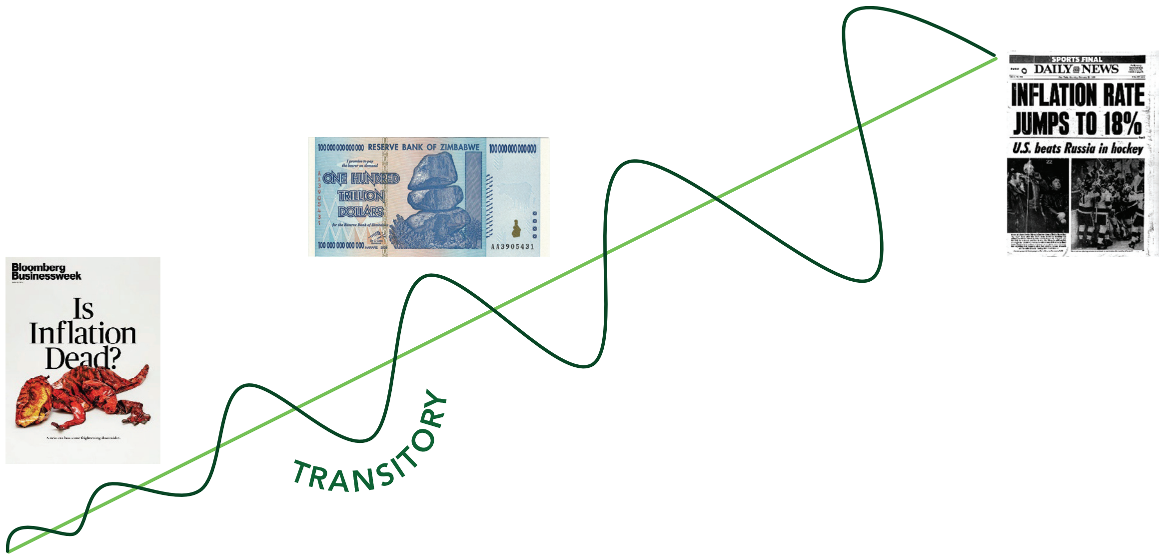


Source: US Bureau of Economic Analysis, Federal Reserve, FRED database, nominal USD. October 1951 rebased at 1, data to July 2022.

That global order appears to have ended. The new global order is defined by great powers in geostrategic competition and the primacy of stakeholders over shareholders. The US is engaged in three wars simultaneously, a cold war against China, a hot war against Russia and an energy war against OPEC.

This splintering backdrop is the one which we think gives birth to the age of inflation volatility. We have discussed previously our expectation of higher economic growth volatility, inflation volatility and therefore market volatility. But we should not miss the bigger picture. The crude diagram below shows the journey we are on – we will try to navigate the oscillations of the inflationary and disinflationary impulses, but the inflationary destination remains crystal clear.

INFLATIONARY JOURNEY WILL NOT BE A STRAIGHT LINE

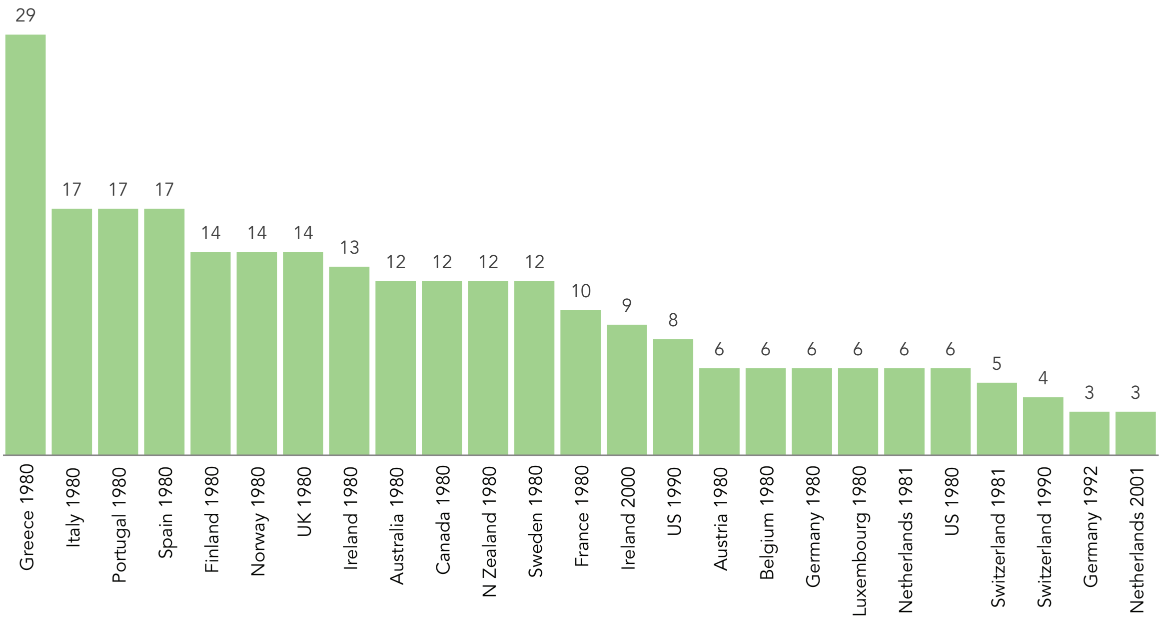


This model is important because we believe we are entering one of the disinflationary lurches in 2023. Those who are wedded to the old regime, or Team Transitory, will be keen to declare victory on inflation, pulling out their 2010's investing playbook once more. We believe that will ultimately be a mistake.

If the previous decade had 2% inflation on average with very little volatility around that, we expect the coming decade to have 3% or 4% average inflation but with much greater volatility. We won't just have an inflation problem; we will have an inflation uncertainty problem.

History is on our side; see the chart below from the International Monetary Fund (IMF). It shows that once inflation is above 5%, a level reached in every developed nation excluding Japan in 2022, it takes on average a decade to drop back to 2%. The market and central banks are planning for this to happen far sooner, in just 18-24 months.

CASES OF INFLATION ABOVE 5% IN ADVANCED ECONOMIES 1980-2020, YEARS TO DECLINE TO 2%



Source: IMF and Bank of America Global Research

What causes the inflation volatility and the inflationary endgame?

Structural trends underpin higher average inflation. As a result of Cold War II, covid disruption and now the Ukraine war, trends like supply chain shortening, friend-shoring and re-shoring are becoming entrenched. These are secular trends not short-term decisions. No CEO wants to run out of inventory or be at the mercy of geopolitics. No politician wants to be seen going cap in hand to leaders like Putin, MBS or Xi. As Margaret Heffernan put it, “just in case over just in time”.

But if Fortune 500 companies are going to move production back to the US – safer, popular with voters and politicians – it poses several questions. Where will the necessary workers come from and at what hourly wage? The labour market is already extraordinarily tight before we start to bring jobs back home in the pursuit of national autonomy and resilience.

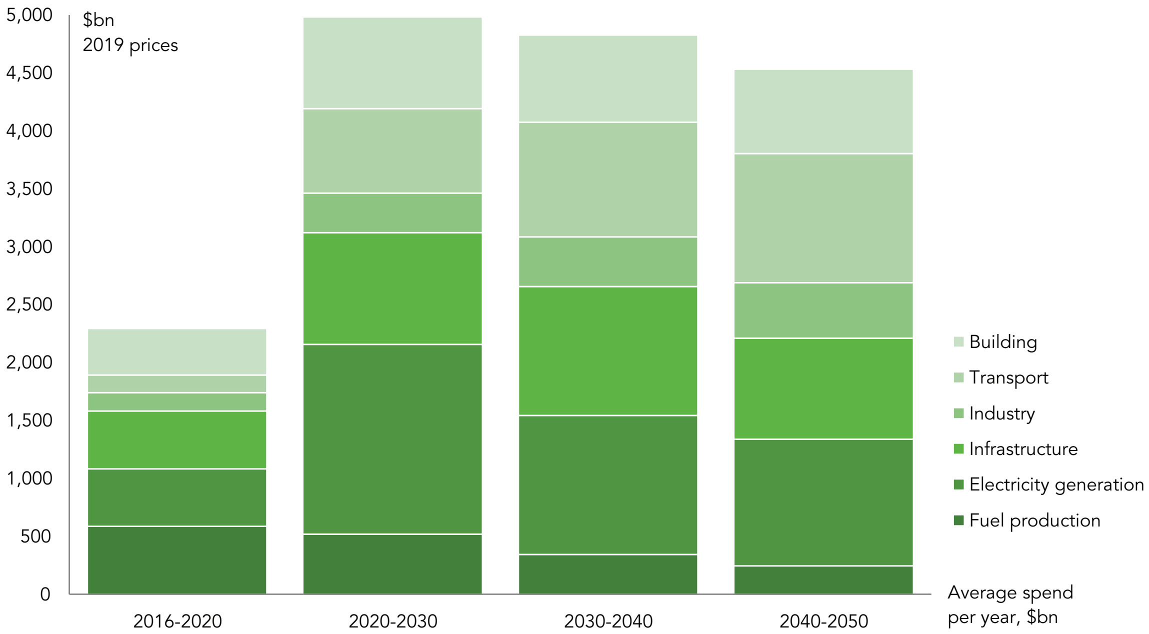
The policy response creates the inflation volatility. A feature of the post-covid landscape is a sense that we lurch from one emergency or crisis to another. With each crisis comes a popular clamour for the authorities to ‘do something’, resulting in a whack-a-mole solution of targeted monetary or fiscal policy. Governments around the world have developed a taste for interventionism. Two recent examples could be the almost universal approach of developed world governments to support consumers through the winter energy crisis, a demand-side fiscal policy to solve a supply-side problem. The second would be the Bank of England's emergency interventions in the gilt market in the autumn, a monetary policy solution to a market problem. There will always be popular support for targeted government stimulus to tackle the big societal issues of the day; inequality, climate change and now the containment of the geopolitical aspirations of China and Russia. The problem is that, long term, most of these policies stoke the fires of inflation.

Big Society = Big Cheques

Government programs such as Levelling Up, Build Back Better, Green New Deal, or the ironically named Inflation Reduction Act, all require huge capital investment up front.

For example, the International Energy Agency (IEA) estimates that achieving net zero by 2050 will require investment of around $4-5 trillion per annum globally (around 5-6% of global GDP).

INVESTMENT TO ACHIEVE NET ZERO EMISSIONS BY 2050



Source: IEA, Minack Partners

This would put climate change investment ahead of education and defence and behind only social security and healthcare on most developed world spending budgets. The scale and urgency of this spending puts any notion of fiscal prudence to bed for the next few decades.

It points to a long-term trend of higher government deficits, higher taxes, and higher inflation. We don't think investors or governments are prepared for this.

The looming tension between governments and central banks

Gazing into our murky crystal ball for the 2020s we see an emerging dynamic where policymakers are constantly choosing the 'least worst' option between inflation pain and economic pain.

2022 was a year where inflation pain became so acute that they had to do something about it, raising rates aggressively.

2023 looks like a year where economic pain will reassert itself, perhaps pushing authorities to a point where they might have do something to fix it, even if that results in more inflationary policies.

There is a growing disconnect between the hawkish rhetoric of central banks and the actions of governments. Monetary policy is hitting the brakes, whilst fiscal policy pushes the accelerator as it tries to mitigate the grim consequences of rising prices through handouts. As economic growth deteriorates and the recession and cost of living crisis bites hard, we expect this tension to get worse. They are on a collision course.

In extremis, the tension reveals that central bank independence is a mirage. We liken their independence to the independence you might grant a teenage child. It is contingent on performance. Yes, of course, you can go out with your friends, here is some pocket money, but please be home by 10pm. If they don't come home by 10pm, independence is over.

When governments realise that central banks are aiming at one thing (a 2% inflation target) whilst they are aiming at another (getting re-elected), and those two are not compatible, the blurring of monetary and fiscal policy lines will accelerate. Current monetary policy, engineered by central bankers in pursuit of their mandate, is a policy that will be entirely politically unacceptable.

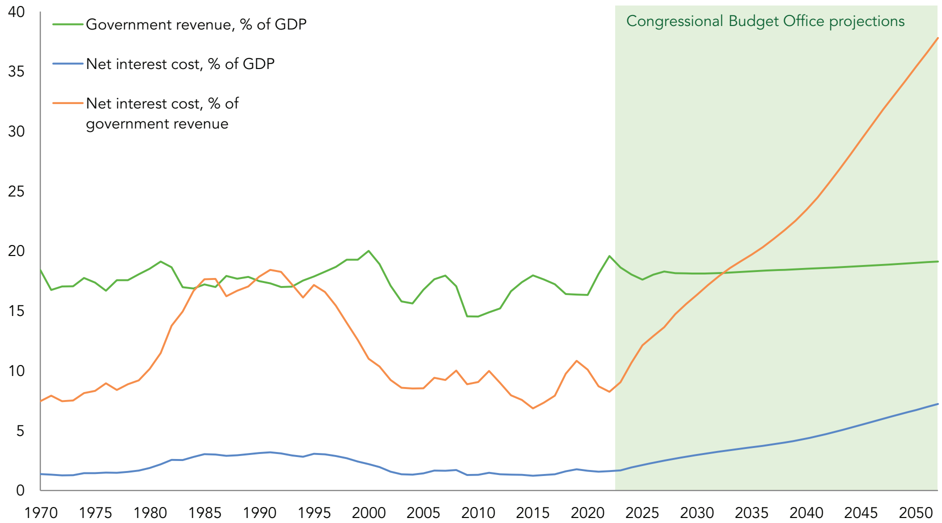
The politicisation of interest rates

How might this tension find resolution? We have said recently that central bankers are willing to sacrifice investor portfolios to achieve their policy goals. However, governments are not going to allow central banks to sacrifice the economy on the altar of a 2% inflation target that was arrived at almost arbitrarily by a guy from the Central Bank of New Zealand in a press conference, in the 1990s.

The longer we stay at rates of 4-5%, the more of the government's debt outstanding rolls over from low rates onto these newer higher rates. Even before the covid crisis, many countries were near record high debt service ratios at a time when interest rates were at thousand-year lows. Expect this to become a hot topic in the coming year.

For example, does Elizabeth Warren know that this year the US will spend $1 trillion on just the interest on the government debt? Or that on current Congressional Budget Office forecasts over one third of all tax receipts would be going to service bond holders – that is, banks, "the 1%", and foreign institutions? It is not hard to imagine the calls for something to be done, perhaps starting with not paying interest on, or cancelling, the debt held by the Federal Reserve?

BY 2050, OVER ONE THIRD OF TAX DOLLARS WILL BE USED TO SERVICE THE DEBT PILE



Source: Congressional Budget Office Projections. Data to October 2022

> "Significant changes to tax and spending policy... required to put debt on a sustainable path"
>
> Congressional Budget Office

As we move towards the 2024 US presidential election campaign the political sinews will be straining to reframe the narrative.

Revoking central bank independence seems unlikely but a growing drumbeat of academic literature explaining that the 2% inflation target should perhaps be moved to 3% or explaining the benefits of a higher target would seem a natural progression. The move to average inflation targeting is a step in this direction. After all, policymakers spent a decade trying to create inflation and now it's here it is having some positive effects – nominal GDP growth, bringing down house prices, stimulating wage growth, helping minority unemployment etc.

Whilst the headline inflation rate will surely be lower in six months' time, we do not believe that central banks will be able to pull off an 'immaculate disinflation' or the 'soft landing'. In other words, they will not be able to bring inflation down to target without inducing a significant recession. Do they have the strength of will, or the political mandate, to do that?

A year ago, in this report we said the key question was ‘are central banks willing and/or able to tame inflation?’. That still stands, but the test of willingness gets harder as the economy deteriorates.

Zooming in – the picture for 2023

The push of high nominal GDP growth and accumulated lockdown savings are meeting the pull of higher interest rates, tighter financial conditions and a cost of living squeeze on global consumers. The probability of a global recession is rising. The US yield curve, normally upward sloping, is now the most inverted it has been in over 40 years.

The path we take from here depends on two key variables

1. The policy context
2. The resilience of earnings

Policy context

> *‘Anybody who thinks that this is a pivot for the ECB is wrong’*
>
> Christine Lagarde, President of the European Central Bank

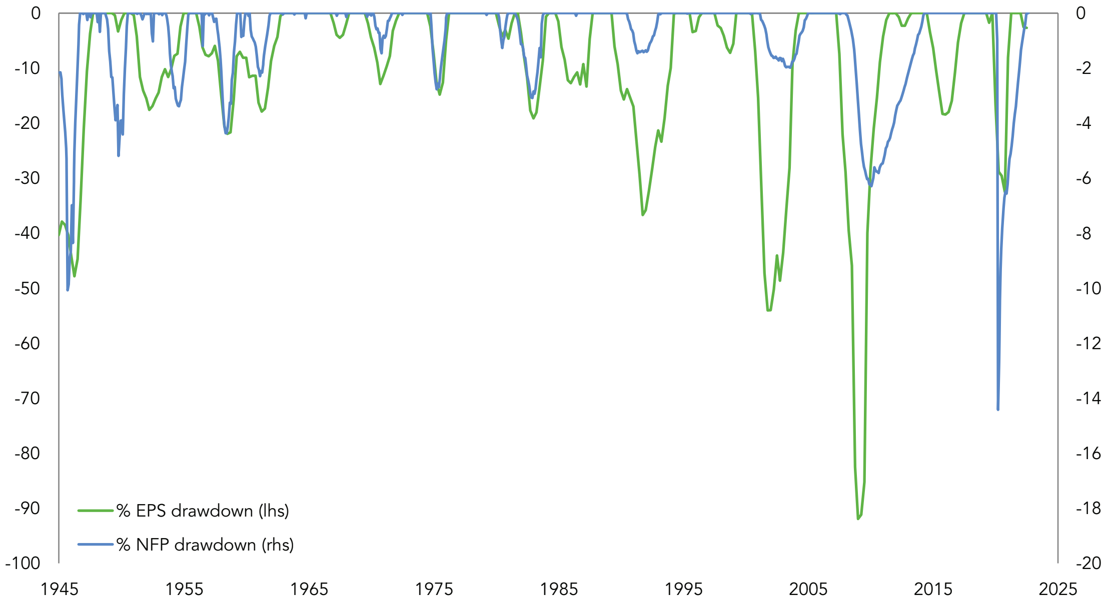
The lady is not for turning, yet the market cynically waits for a pause or pivot. We believe the chances of a pause (stopping) are high, the pivot (reversing course) does not happen unless markets or the economy deteriorate significantly.

The real pivot that needs to happen is in investor portfolios. Most are still over-indexed to equities and illiquid risks based on an asset allocation for a world that no longer exists. Too much risk, too US-centric and too focused on the winners of old regime. Every investment committee in the world should be debating their asset allocation in the context of a rebased risk-free rate at 4%. Why take risk when you don’t have to? Our concern is a global, synchronised de-risking of investor portfolios.

The path for markets is dependent on policy choices, the difference to previous tightening cycles is that central bankers are now in re-active rather than pro-active mode. They are attempting to suppress a serious inflation outbreak rather than head off an incipient one. The setup compels aggressive action and our base case that they will be slower to revert to easing than the market assumes.

Fed policy will be guided by labour market data as much, if not more than, inflation data. The Fed cannot credibly declare victory over inflation with wage growth where it is. This is important because a decline in headline or core inflation driven by, say, falling energy or car prices may not be sufficient to change the outlook for Fed. The Fed is explicitly focused on cooling the labour market and is willing to tolerate higher unemployment to achieve their goals. This alone is anomalous; they are so far off target on their inflation goal that they are now forced to try to force job losses by tightening financial conditions. The problem is that, as the chart (below) shows, when payrolls fall (which is unemployment going up) corporate earnings always get smacked. There are no exceptions.

NON-FARM PAYROLLS AND S&P EPS DRAWDOWNS FROM PEAK



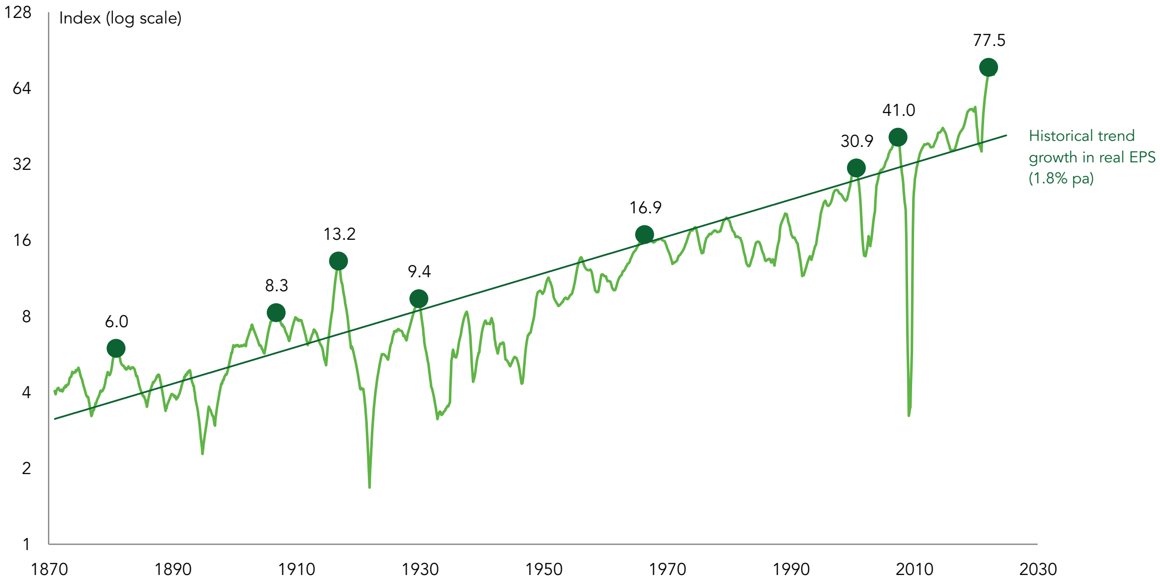
Source: S&P, BLS, NBER, Minack Advisors

The resilience of earnings

Earnings estimates are coming down for 2023, but still appear optimistic pricing in +4% for the S&P 500. There are two schools of thought on the shape of the earnings recession ahead.

First is that we have experienced an earnings bubble with real earnings and margins well above long-term trends due to pandemic and zero interest rate distortions (see chart below).

REAL S&P EPS



Source: S&P, Shiller, NBER, Minack Advisors. Numbers are the percentage gap between actual and trend EPS

An earnings bear market, just returning to trend, would be brutal. Furthermore, these problems could be exacerbated by macro factors such as higher energy costs, supply chain re-shoring, wages, labour hoarding, energy transition etc. Perhaps earnings may be more vulnerable than many think?

The second school of thought is that nominal growth will remain high even if we have a real recession – eg the economy grows by 4% but inflation is 5% and so it has shrunk in after-inflation terms. Therefore, revenue will remain more robust than in previous recessions. Earnings will fall less in this recession than in the deflationary recessions we have become accustomed to in recent decades. Furthermore, bank loan losses are underwritten by government guarantees, which also explicitly or implicitly limit financial sector losses.

Summary

A benign outcome in 2023 depends on an almost impossible trinity – a short and shallow recession, a rapid decline in inflation and an aggressive Fed pivot. Not impossible but it is hard to see how all three can come to pass. And all three are needed if a favourable market environment is to return quickly.

Why would inflationary pressures, so broad-based as we enter 2023, suddenly dissipate? And even if they do, won't that be because a recession has driven unemployment up meaningfully? How quickly can a Fed, so concerned about not being the Fed that let the inflation genie out of the bottle, realistically reverse course? If the real economy is deteriorating fast enough to leave the Fed confident that inflation will drop like a stone, then why wouldn't investors also price in significant downside to corporate earnings, themselves artificially inflated by the peculiar post-pandemic rebound?

We don't have reasonable answers to these questions.

We go into the year set up for an uncomfortable ride. The first half of the year may be about an unusually durable US recovery, sticky inflation, and an even higher peak in the Fed Funds Rate. Alternatively, the market may be saved from further Fed hawkishness but only because the descent into recession happens earlier, and at greater speed, than seems probable at the end of 2022. Neither has a happy ending for investors.

The setup points to significant volatility as market participants grapple with narrative swings and shifting financial conditions. We recognise we will need to trade actively to preserve capital in these choppy waters. We stand ready to change our views as circumstances change. Rather than try to predict, it may be necessary to see events play out and respond to them. We maintain a highly liquid portfolio, ready to capitalise on opportunities the turmoil may create.

Our job at Ruffer is to assess the economic and market landscape, and then decide how much risk to take. We have a preoccupation with identifying the major downside threats and avoiding them. These periods are processes, not events. Asset markets are down, investors are impatient to buy the dip and return to money-making. These things take time, there was six months between Northern Rock and Bear Stearns and then a further six months before Lehman Brothers.

Today, our assessment is that this is a poor time to take risk. Patience and preparation are our watchwords and, in the meantime, for the first time in 14 years, you are paid a decent return to wait.

Ruffer AIFM Limited

21 February 2023

Top ten holdings

Investments	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Ruffer Protection Strategies International†	GBP	12,080,157	132,915,435	11.83
UK index-linked gilt 0.125% 22/03/2024	GBP	70,000,000	104,190,138	9.27
US Treasury floating rate bond 31/01/2024	USD	94,391,600	78,086,531	6.95
Ruffer Illiquid Multi Strategies Fund 2015†	GBP	74,190,664	75,791,402	6.74
US Treasury floating rate bond 31/10/2023	USD	84,262,000	69,769,466	6.21
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	64,880,000	63,730,559	5.67
US Treasury floating rate bond 31/10/2024	USD	59,051,000	48,805,165	4.34
Wisdomtree Brent Crude Oil	USD	915,000	35,167,260	3.13
UK index-linked gilt 0.125% 22/03/2073	GBP	25,423,000	28,455,978	2.53
Japan 0.005% 01/05/24	JPY	4,396,400,000	27,737,942	2.47

† Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 are classed as related parties as they share the same Investment Manager as the Company.

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, through its Audit and Risk Committee, has carried out a robust assessment of the principal risks and uncertainties facing the Company by using a comprehensive 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.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2022. The principal risks disclosed include investment risk, operational risk, accounting, legal and regulatory risk, financial risks and emerging risks. A detailed explanation of these can be found on pages 16 to 17 of 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 2022.

Going concern

The Directors have considered the Company's investment objective (see the Strategic Report on page 12 of the Annual Financial Report), financial risk management and associated risks (see note 19 to the Financial Statements on pages 106 to 119 of the Annual Financial Report). In view of the liquidity of the Company's investments (assuming, as the Board does, that market liquidity continues), the income deriving from those investments and its holdings in cash and cash equivalents, the Directors believe that the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least 12 months from the date of approval of these Interim Financial Statements. The Directors also note that overall, due to the nature of the Company's portfolio, which comprises both equities and other more defensive assets, it has not been materially adversely affected in terms of value or cashflows by the impacts of the covid-19 pandemic, the Russian invasion of Ukraine, or the cost of living crisis and rising interest rates arising from the current high-inflation economic environment.

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 half-yearly financial report and Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and
- the half-yearly financial report and Unaudited Condensed Interim Financial Statements (including the Chairman's Statement and the Investment Manager's Report) meet the requirements of an interim management report and include 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 Financial Report that could do so.

On behalf of the Board

Susie Farnon, Director

21 February 2023

Independent review report to the shareholders of Ruffer Investment Company Limited

Conclusion

We have been engaged by Ruffer Investment Company Limited ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2022 which comprises the condensed statement of comprehensive income, condensed statement of financial position, the condensed statement of changes in equity and the condensed statement cash flows and related notes 1 to 13. 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.

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 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

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 Financial Reporting Council 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 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.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards 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.

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with ISRE (UK) 2410. 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.

Deloitte LLP
St. Peter Port
Guernsey

21 February 2023

Condensed statement of financial position (unaudited)

As at 31 December 2022

	Notes	31 Dec 22 £ (unaudited)	30 Jun 22 £ (audited)
Assets			
Non-current assets			
Investments at fair value through profit or loss	10,11	1,082,506,743	852,380,832
Current assets			
Cash and cash equivalents		46,246,300	91,882,581
Trade and other receivables		2,183,738	29,702,666
Derivative financial assets	11	–	989,682
Total current assets		48,430,038	122,574,929
Total assets		1,130,936,781	974,955,761
Liabilities			
Current liabilities			
Trade and other payables		1,314,531	21,667,315
Derivative financial liabilities	11	5,364,692	503,673
Total liabilities		6,679,223	22,170,988
Net assets		1,124,257,558	952,784,773
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	4	735,241,871	608,654,303
Capital reserve		284,262,100	240,914,299
Retained revenue reserve		9,704,028	8,166,612
Other reserves		95,049,559	95,049,559
Total equity		1,124,257,558	952,784,773
Net assets attributable to holders of redeemable participating preference shares (per share)	12	3.0792	2.9498

The Unaudited Condensed Interim Financial Statements on pages 33 to 50 were approved on 21 February 2023 and signed on behalf of the Board of Directors by

Susie Farnon, Director

The notes on pages 37 to 50 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of comprehensive income (unaudited)

For the period ended 31 December 2022

	Notes	Revenue £	Capital £	1 Jul 22 to 31 Dec 22 Total £	1 Jul 21 to 31 Dec 21 Total £
Fixed interest income		3,661,974	–	3,661,974	591,234
Dividend income		2,930,649	–	2,930,649	4,429,078
Net changes in fair value of financial assets at fair value through profit or loss	5,10	–	47,661,758	47,661,758	16,264,121
Other gains/(losses)	6	–	769,651	769,651	(2,194,442)
Total income		6,592,623	48,431,409	55,024,032	19,089,991
Management fees	8	–	(5,069,466)	(5,069,466)	(3,072,252)
Expenses	7	(510,515)	(14,142)	(524,657)	(372,921)
Total expenses		(510,515)	(5,083,608)	(5,594,123)	(3,445,173)
Profit for the period before tax		6,082,108	43,347,801	49,429,909	15,644,818
Withholding tax		(233,220)	–	(233,220)	(288,997)
Profit for the period after tax		5,848,888	43,347,801	49,196,689	15,355,821
Total comprehensive income for the period		5,848,888	43,347,801	49,196,689	15,355,821
Basic and diluted earnings per share*		1.70p	12.59p	14.29p	6.96p

* Basic and diluted earnings per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares in issue during the period. The weighted average number of shares for the period was 344,365,889 (31 Dec 21: 220,701,680). As there are no items which would cause a dilution to occur, the basic and diluted earnings per share are the same.

The 'Total' columns of this statement represent the Company's condensed statement of comprehensive income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The revenue and capital return columns are prepared under guidance published by the Association of Investment Companies. All revenue and capital items in the above statement derive from continuing operations.

The notes on pages 37 to 50 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of changes in equity (unaudited)

For the period ended 31 December 2022

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 22 to 31 Dec 22 £
Balance at 30 June 2022		608,654,303	240,914,299	8,166,612	95,049,559	952,784,773
Total comprehensive income for the period		–	43,347,801	5,848,888	–	49,196,689
Transactions with Shareholders						
Share capital issued	4	127,490,125	–	–	–	127,490,125
Share issue costs	4	(902,557)	–	–	–	(902,557)
Distribution in the period	3	–	–	(4,311,472)	–	(4,311,472)
Balance at 31 December 2022		735,241,871	284,262,100	9,704,028	95,049,559	1,124,257,558

	Notes	Share capital £	Capital reserve £	*Retained revenue reserve £	*Other reserves £	Total 1 Jul 21 to 31 Dec 21 £
Balance at 30 June 2021		253,904,821	220,493,564	6,403,389	95,049,559	575,851,333
Total comprehensive income for the period		–	10,997,427	4,358,394	–	15,355,821
Transactions with Shareholders						
Share capital issued	4	121,873,636	–	–	–	121,873,636
Share issue costs	4	(1,140,000)	–	–	–	(1,140,000)
Distribution in the period	3	–	–	(3,424,158)	–	(3,424,158)
Balance at 31 December 2021		374,638,457	231,490,991	7,337,625	95,049,559	708,516,632

*Under the Companies (Guernsey) Law, 2008, the Company can distribute dividends from share capital and reserves, subject to satisfying a solvency test. However, the Company's dividend policy is that dividends will only be paid from accumulated revenue reserve. In order to provide clearer information relating to this reserve, the Company has separately identified it in these financial statements as a 'Retained revenue reserve' in the Statement of Financial Position and the Statement of Changes in Equity. 'Other reserves' represents amounts converted from share premium in 2004 and 2008.

The notes on pages 37 to 50 form an integral part of these Unaudited Condensed Interim Financial Statements.

Condensed statement of cash flows (unaudited)

For the period ended 31 December 2022

	Notes	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Cash flows from operating activities			
Profit for the period after tax		49,196,689	15,355,821
Adjustments for			
Net realised gains on investments	5,10	(6,113,848)	(18,445,591)
Movement in unrealised (gains)/losses on investments	5,10	(41,547,910)	2,181,470
Realised (gains)/losses on forward foreign exchange contracts	6	(4,481,566)	7,247,402
Movement in unrealised losses/(gains) on forward foreign exchange contracts	6	5,850,701	(5,130,764)
Foreign exchange (gains)/losses on cash and cash equivalents	6	(2,138,786)	77,804
(Increase)/decrease in trade and other receivables		(856,663)	227,349
Increase in trade and other payables		201,792	74,332
		110,409	1,587,823
Net cash received/(paid) on closure of forward foreign exchange contracts		4,481,566	(7,247,402)
Purchases of investments		(931,538,254)	(272,950,042)
Sales of investments		756,836,203	170,877,426
Net cash used in operating activities		(170,110,076)	(107,732,195)
Cash flows from financing activities			
Share capital issued		127,490,125	121,422,241
Share issue costs		(843,644)	(811,004)
Dividend paid	3	(4,311,472)	(3,424,158)
Net cash generated from financing activities		122,335,009	117,187,079
Net increase/(decrease) in cash and cash equivalents		(47,775,067)	9,454,884
Cash and cash equivalents at beginning of the period		91,882,581	55,833,380
Exchange (losses)/gains on cash and cash equivalents	6	2,138,786	(77,804)
Cash and cash equivalents at end of the period		46,246,300	65,210,460

The notes on pages 37 to 50 form an integral part of these Unaudited Condensed Interim Financial Statements.

Notes to the unaudited condensed interim financial statements

For the period ended 31 December 2022

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 London Stock Exchange (LSE) and was admitted to the premium segment of the Official List of the UK Listing Authority on 20 December 2005.

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 2022 have been prepared using accounting policies consistent with IFRSs as adopted by the European Union and in accordance with IAS 34 as adopted by the European Union, 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.

This half-yearly financial report, covering the period from 1 July 2022 to 31 December 2022, is not audited.

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 2022, which was prepared in accordance with IFRSs as adopted by the European Union. The Audit Report on those accounts was not qualified.

Significant judgements and estimates

In the financial period under review, there were no changes to the significant accounting judgements, estimates and assumptions from those applied in the Annual Financial Report for the year ended 30 June 2022.

Standards, amendments and interpretations effective during the period

The accounting policies adopted are consistent with those used in the Annual Financial Report for the year ended 30 June 2022. There were no new standards, interpretations or amendments to standards issued and effective for the period that materially impacted the Company.

3 Dividends to shareholders

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

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Interim dividend of 1.25p per share (2021: 1.55p)	4,311,472	3,424,158

A second interim dividend of 1.35p per share in respect of the half year ended 31 December 2022 was declared on 22 February 2023. The dividend is payable on 17 March 2023 to shareholders on record at 3 March 2023.

4 Share capital

Authorised share capital	31 Dec 22 £	30 Jun 22 £
Unclassified shares of 0.01p each	Unlimited	Unlimited
75,000,000 C shares of 0.10p each	75,000	75,000
	75,000	75,000

	Number of shares		Share capital	
Issued share capital	1 Jul 22 to 31 Dec 22	1 Jul 21 to 30 Jun 22	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 30 Jun 22 £
Redeemable Participating Preference Shares of 0.01p each				
Balance at start of period/year	323,002,764	204,718,416	608,654,303	253,904,821
Issued during the period/year	42,115,000	118,284,348	127,490,125	357,810,233
Share issue costs	–	–	(902,557)	(3,060,751)
Balance as at end of period/year	365,117,764	323,002,764	735,241,871	608,654,303

Unclassified shares

Unclassified shares can be issued as nominal shares or redeemable participating preference shares. Nominal shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for nominal shares for cash at par when redeemable participating preference shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on redeemable participating preference shares. The holder or holders of nominal shares shall have the right to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat. Nominal shares shall carry no right to dividends. In a winding-up, holders of nominal shares shall be entitled to be repaid an amount equal to their nominal value out of the assets of the Company.

The holders of fully paid redeemable participating preference shares are entitled to one vote at all meetings of the relevant class of shareholders.

C shares

There were no C shares in issue at period end (30 June 2022: Nil).

Block listing and additional shares issued

At the start of the period, the Company had the ability to issue 35,750,000 redeemable participating shares under a block listing facility. On 29 November 2022, the Company announced that an application had been made for the block listing of an additional 9,106,551 redeemable participating preference shares, with an admission date of 30 November 2022. On 15 December 2022, following the publication of its new Prospectus, the Company announced that an application had been made for the block listing of a further 25,000,000 redeemable participating preference shares, with an admission date of 20 December 2022. During the period, 42,115,000 new redeemable participating preference shares were allotted and issued under the block listing facility at an average issue price of £3.0272 (30 June 2022: 118,284,348 new shares issued during the year at an average issue price of £3.0250).

New redeemable participating preference shares rank pari passu with the existing shares in issue.

As at 31 December 2022, the Company had the ability to issue a further 27,741,551 (30 June 2022: 35,750,000) redeemable participating preference shares under the block listing facility.

Subsequent to the period end, the Company has issued a further 9,450,000 redeemable preference shares under the block listing facility at a weighted average issue price of £3.1266.

Redeemable participating preference shares in issue

As at 31 December 2022, the Company had 365,117,764 (30 June 2022: 323,002,764) redeemable participating preference shares of 0.01 pence each in issue. Therefore, the total voting rights in the Company at 31 December 2022 were 365,117,764 (30 June 2022: 323,002,764).

Purchase of own shares by the Company

A special resolution was passed on 2 December 2022 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
- 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 NAV
- v the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 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 Net changes in financial assets at fair value through profit or loss

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Net changes in financial assets at fair value through profit or loss during the period comprise		
Gains realised on investments sold during the period	49,625,785	20,503,313
Losses realised on investments sold during the period	(43,511,937)	(2,057,722)
Net realised gains on investments sold during the period	6,113,848	18,445,591
Movement in unrealised gains/(losses) arising from changes in fair value	41,547,910	(2,181,470)
Net changes in fair value on financial assets at fair value through profit or loss	47,661,758	16,264,121

6 Other gains/(losses)

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Movement in unrealised (losses)/gains on forward foreign currency contracts	(5,850,701)	5,130,764
Realised gains/(losses) on forward foreign currency contracts	4,481,566	(7,247,402)
Foreign exchange gains/(losses) on cash and cash equivalents	2,138,786	(77,804)
	769,651	(2,194,442)

7 Expenses

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Administration fee*	125,668	96,165
Directors' fees (note 8)	123,274	88,725
Custodian and Depositary fees*	83,131	48,202
Audit fee	42,132	14,439
Auditor's remuneration for interim review	21,000	8,750
Broker's fees	17,644	17,500
Investment transaction costs	14,142	–
Other expenses	97,666	99,140
	524,657	372,921

* The basis for calculating the Administration fee as well as the Custodian and Depositary fees are set out in the General Information on pages 56 and 57.

Ongoing charges ratio

The ongoing charges ratio (OCR) of an investment company is the annual percentage reduction in shareholder returns as a result of recurring operational expenditure. Ongoing charges are classified as those expenses which are likely to recur in the foreseeable future, and which relate to the operation of the company, excluding investment transaction costs, financing charges, gains or losses on investments and any other expenses of a non-recurring nature. The OCR is calculated as the total ongoing charges for a period divided by the average net asset value over that period.

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Management fee (see note 8)	5,069,466	3,072,252
Other expenses (see above)	524,657	372,921
	5,594,123	3,445,173
Excluded expenses*	–	(17,800)
Total ongoing expenses	5,594,123	3,427,373
Average NAV**	1,027,637,342	626,942,683
Annualised ongoing charges ratio (using AIC methodology)	1.08%	1.08%

* Excluded expenses in the prior period included consultancy costs relating to Board evaluation and historical statutory reporting.

** Average NAV is calculated as the average of all the NAVs published on the LSE during the period.

8 Related party transactions and material contracts

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company’s activities, and are therefore regarded as related parties.

Investment Management Agreement

The Company is managed by Ruffer AIFM Ltd, 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 Incorporation.

The market value of holdings in the LF Ruffer Funds where an investment management fee is already charged from within that fund 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 51 to 55.

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.

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Management fees for the period	5,069,466	3,072,252

	31 Dec 2022 £	30 June 2022 £
Payable at end of the period	921,447	574,127

Directors

As at 31 December 2022, the Company had five non-executive Directors, all of whom were independent from the Investment Manager and its parent entity, Ruffer LLP.

Susie Farnon was appointed as a Director of the Company with effect from 1 September 2022. Solomon Soquar was appointed as a Director of the Company with effect from 2 December 2022. With effect from 2 December 2022, David Staples and Jill May retired as Directors of the Company.

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 £300,000 (30 June 2022: £200,000) per annum.

During the period, each Director was paid a fee of £39,000 (30 June 2022: £34,500) per annum, except for the Chairman, who was paid £58,000 (30 June 2022: £48,800) per annum, the Chair of the Audit Committee, who was paid £48,000 (30 June 2022: £39,700) per annum, the Senior Independent Director, who was paid £41,500 (30 June 2022: £36,850) per annum, and the Chair of the Management Engagement Committee, who was paid £41,500 (30 June 2022: £36,850) per annum.

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 31 Dec 21 £
Directors' fees for the period	123,274	88,725

	31 Dec 2022 £	30 June 2022 £
Payable at end of the period	–	–

Shares held by related parties

As at 31 December 2022, Directors of the Company held the following numbers of shares beneficially.

Directors	31 Dec 22 shares	30 Jun 22 shares
Christopher Russell	125,000	125,000
Nicholas Pink	45,027	45,027
Shelagh Mason	14,698	14,698
Susie Farnon	16,200	N/A
Solomon Soquar	–	N/A
David Staples*	N/A	500,000
Jill May	N/A	13,750
	200,925	698,475

* includes 250,000 shares owned by a party related to David Staples

As at 31 December 2022, Duncan MacInnes, Investment Director of the Investment Manager owned 43,100 (30 June 2022: 43,100) shares in the Company.

As at 31 December 2022, Jonathan Ruffer, chairman of Ruffer LLP, owned 499,335 (30 June 2022: 499,335) shares in the Company.

As at 31 December 2022, Ruffer LLP (the parent entity of the Company's Investment Manager) and other entities within the Ruffer Group held 2,753,702 (30 June 2022: 3,066,348) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 31 December 2022, the Company held investments in four (30 June 2022: four) related investment funds valued at £253,783,423 (30 June 2022: £217,280,776). Refer to the Portfolio Statement on pages 51 to 55 for details.

9 Operating segment reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business in a single geographical area, Guernsey, being investment in a portfolio of equity, equity-related and debt assets, in order to provide a return for shareholders. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Segment information is measured on the same basis as that used in the preparation of the Company's Financial Statements.

The Company receives no revenues from external customers. The Company holds no non-current assets in any geographical area other than Guernsey.

10 Investments at fair value through profit or loss

	1 Jul 22 to 31 Dec 22 £	1 Jul 21 to 30 Jun 22 £
Cost of investments at the start of the period/year	787,014,198	453,896,021
Acquisitions at cost during the period/year	910,924,765	831,430,861
Disposals during the period/year	(728,460,612)	(538,720,758)
Gains on disposals during the period/year	6,113,848	40,408,074
Cost of investments held at the end of the period/year	975,592,199	787,014,198
Fair value above cost	106,914,544	65,366,634
Fair value of investments held at the end of the period/year	1,082,506,743	852,380,832

11 Fair value measurement

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value, and requires the Company to classify its financial instruments into the level of the fair value hierarchy that best reflects the significance of the inputs used in making fair value measurements. 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 are as follows –

Level 1: Quoted prices, based on bid 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 judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires judgment 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.

The following table presents the Company's financial assets and liabilities by level within the fair value hierarchy at 31 December 2022.

	Level 1 £	Level 2 £	Level 3 £	31 Dec 22 total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	102,806,948	–	–	102,806,948
Long-dated index-linked gilts	64,752,707	–	–	64,752,707
Short-dated index-linked gilts	104,190,138	–	–	104,190,138
Short-dated bonds	363,725,533	1,681,956	–	365,407,489
Illiquid strategies and options	–	208,706,837	–	208,706,837
Gold exposure and gold equities	24,113,043	25,921,428	–	50,034,471
Oil exposure	35,167,260	–	–	35,167,260
Equities	132,285,735	19,155,158	–	151,440,893
Total financial assets at fair value through profit or loss	827,041,364	255,465,379	–	1,082,506,743
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	5,364,692	–	5,364,692
Total financial liabilities at fair value through profit or loss	–	5,364,692	–	5,364,692

The following table presents the Company's financial assets and liabilities by level within the fair value hierarchy at 30 June 2022.

	Level 1 £	Level 2 £	Level 3 £	30 Jun 22 total £
Financial assets at fair value through profit or loss				
Non-UK index-linked bonds	58,562,473	–	–	58,562,473
Long-dated index-linked gilts	83,617,453	–	–	83,617,453
Short-dated index-linked gilts	84,948,751	–	–	84,948,751
Short-dated bonds	121,957,964	–	–	121,957,964
Illiquid strategies and options	–	171,398,642	–	171,398,642
Gold exposure and gold equities	53,835,441	23,966,709	–	77,802,150
Equities	232,177,974	21,915,425	–	254,093,399
Derivative financial assets	–	989,682	–	989,682
Total financial assets at fair value through profit or loss	635,100,056	218,270,458	–	853,370,514
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	503,673	–	503,673
Total financial liabilities at fair value through profit or loss	–	503,673	–	503,673

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. During the period ended 31 December 2022, one investment was reclassified from Level 1 to Level 2 to reflect a lack of sufficient activity in the market for the investment. In the prior year ended 30 June 2022, no transfers were made.

Assets classified in Level 1 consist of listed or quoted equities or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Assets classified in Level 2 are investments in funds fair-valued using the official NAV of each fund as reported by each fund's independent administrator at the reporting date. Where these funds are invested in equity type products, they are classified as equity in the table above. Options and foreign exchange forwards are fair valued using publicly available data. The foreign exchange forwards are shown as derivative financial assets and liabilities in the fair value hierarchy table.

Assets classified in Level 3 consist of investments for which no market exists for trading, for example investments in liquidating or illiquid funds, and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date. Where a market exists for trading in illiquid funds, these are classified in Level 2.

12 NAV reconciliation

The Company announces its NAV, based on bid value, to the LSE after each weekly and month end valuation point. At the time of releasing the closing NAV for the financial period to the LSE, not all the latest prices for the investments are available. Once these prices became available, adjustments are made to the NAV in the Financial Statements where the price differences are material. Adjustments may also be made to expense accruals where the last working day of the financial period (and therefore the date of the NAV) is not the financial period end date. 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.

	31 Dec 22		30 June 22	
	NAV £	NAV per share £	NAV £	NAV per share £
NAV per share published on the LSE as at the period/year end	1,124,010,593	3.0785	947,554,437	2.9336
Adjustments to expense accruals	(273,434)	(0.0008)	–	–
Adjustments to valuations	520,399	0.0015	5,230,336	0.0162
Net assets attributable to holders of redeemable participating preference shares	1,124,257,558	3.0792	952,784,773	2.9498

13 Subsequent events

These Financial Statements were approved for issuance by the Board on 21 February 2023. Subsequent events have been evaluated up until this date.

Subsequent to the year end, the Company has announced tap issues totalling 9,450,000 redeemable participating preference shares at a weighted average issue price of £3.1266 per share.

A second interim dividend of 1.35p per share in respect of the half year ended 31 December 2022 was declared on 22 February 2023. The dividend is payable on 17 March 2023 to shareholders on record at 3 March 2023.

Portfolio statement (unaudited)

As at 31 December 2022

	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Government bonds 56.53%				
(30 Jun 22: 36.42%)				
Non-UK index-linked bonds				
US Treasury inflation indexed bond 0.625% 15/04/2023	USD	64,880,000	63,730,559	5.67
US Treasury inflation indexed bond 0.125% 15/02/2051	USD	26,467,000	16,140,295	1.44
US Treasury inflation indexed bond 0.125% 15/04/2052	USD	40,156,000	22,936,094	2.04
Total non-UK index-linked bonds			102,806,948	9.15
Long-dated index-linked gilts				
UK index-linked gilt 0.125% 22/11/2065	GBP	9,000,000	11,297,539	1.00
UK index-linked gilt 0.125% 22/03/2068	GBP	19,020,000	24,999,190	2.22
UK index-linked gilt 0.125% 22/03/2073	GBP	25,423,000	28,455,978	2.53
Total long-dated index-linked gilts			64,752,707	5.75
Short-dated index-linked gilts				
UK index-linked gilt 0.125% 22/03/2024	GBP	70,000,000	104,190,138	9.27
Total short-dated index-linked gilts			104,190,138	9.27
Short-dated bonds				
Australia 5.5% 21/04/2023	AUD	41,765,000	23,700,507	2.11
Australia 2.75% 21/04/2024	AUD	42,000,000	23,499,966	2.09
Australia 0.25% 21/11/2024	AUD	36,200,000	19,242,986	1.71
Japan 0.005% 01/04/24	JPY	4,021,100,000	25,372,114	2.26
Japan 0.005% 01/05/24	JPY	4,396,400,000	27,737,942	2.47
Japan 0.005% 01/06/24	JPY	4,021,650,000	25,372,539	2.26
Japan 0.005% 01/07/24	JPY	3,509,750,000	22,138,317	1.96
US Treasury floating rate bond 31/10/2023	USD	84,262,000	69,769,466	6.21
US Treasury floating rate bond 31/01/2024	USD	94,391,600	78,086,531	6.95
US Treasury floating rate bond 31/10/2024	USD	59,051,000	48,805,165	4.34
Total short-dated bonds			363,725,533	32.36
Total government bonds			635,475,326	56.53

	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Corporate bonds 0.15%				
(30 Jun 22: 0.22%)				
PFCLN 9.75% 15/11/2026	USD	3,600,000	1,681,956	0.15
Total corporate bonds			1,681,956	0.15
Equities 13.46%				
(30 Jun 22: 26.66%)				
Europe				
Banco Santander	EUR	520,000	1,290,217	0.11
Bank of Ireland	EUR	310,128	2,436,543	0.22
Bayer	EUR	20,000	859,318	0.08
Dassault Aviation	EUR	10,007	1,401,600	0.12
Groupe Bruxelles Lambert	EUR	17,900	1,181,923	0.11
Groupe Danone	EUR	23,600	1,028,622	0.09
Koninkliijke Vopak	EUR	160,056	3,932,319	0.34
Novartis	CHF	12,850	967,673	0.09
Prosegur Cash	EUR	720,973	381,072	0.03
UPM-Kymmene	SEK	100,000	3,094,289	0.28
Vallourec	EUR	202,112	2,195,586	0.20
Vivendi	EUR	168,000	1,325,854	0.12
Total Europe equities			20,095,016	1.79
United Kingdom				
Admiral	GBP	65,042	1,389,297	0.12
Ashmore	GBP	496,682	1,189,057	0.11
BAE Systems	GBP	118,610	1,015,302	0.09
Balfour Beatty	GBP	381,800	1,288,957	0.11
BP	GBP	3,700,000	17,571,300	1.56
Conduit	GBP	312,450	1,327,913	0.12
Grit Real Estate	GBP	3,743,544	1,123,063	0.10
Haleon	GBP	1,170,000	3,829,410	0.34
Hipgnosis Songs Fund	GBP	3,800,000	3,279,400	0.29
Jet2	GBP	200,800	1,924,467	0.17

	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Marks & Spencer	GBP	1,323,530	1,631,912	0.15
PRS REIT	GBP	2,500,000	2,212,500	0.20
Rolls-Royce Holdings	GBP	1,482,755	1,380,297	0.12
Ruffer SICAV UK Mid & Smaller Companies Fund*	GBP	8,000,985	19,155,158	1.69
Science Group	GBP	231,248	878,742	0.08
Shell	GBP	170,000	3,954,200	0.35
Trident Royalties	GBP	7,557,947	3,778,974	0.34
Unilever	GBP	50,000	2,091,000	0.19
Total UK equities			69,020,949	6.13
North America				
Amazon.com	USD	25,259	1,755,566	0.16
American Express	USD	18,050	2,206,543	0.20
Berkshire Hathaway	USD	12,000	3,068,476	0.27
Booking Holdings	USD	610	1,017,397	0.09
Chesapeake Energy	USD	16,900	1,319,075	0.12
Cigna	USD	9,753	2,674,710	0.24
Coherent	USD	27,152	788,516	0.07
Coty A	USD	308,792	2,185,030	0.19
Exxon Mobil	USD	19,600	1,789,354	0.16
General Electric	USD	8,500	589,436	0.05
General Motors	USD	43,400	1,207,930	0.11
Godaddy A	USD	20,663	1,279,317	0.11
Jackson Financial	USD	71,088	2,046,803	0.18
M & T Bank	USD	12,600	1,512,355	0.13
Meta Platforms	USD	37,466	3,731,406	0.33
Noble	USD	18,800	586,732	0.05
Pfizer	USD	27,500	1,166,411	0.10
Ryanair ADR	USD	46,097	2,030,073	0.18
Synchrony	USD	78,699	2,140,238	0.19
Total North America equities			33,095,368	2.93

	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Japan				
Fujitsu	JPY	35,000	3,887,269	0.35
Mitsubishi Electric	JPY	360,000	2,983,984	0.27
Mitsubishi UFJ Financial	JPY	1,000,000	5,606,882	0.49
Sony	JPY	70,000	4,430,604	0.39
Total Japan equities			16,908,739	1.50
Asia (ex-Japan)				
Weiss Korea Opportunity Fund	GBP	800,000	1,416,000	0.13
Total Asia (ex-Japan) equities			1,416,000	0.13
Other equities				
AMBEV ADR	USD	1,051,944	2,368,027	0.21
Renn Universal Growth Trust	GBP	937,500	0	0.00
Taylor Maritime Investments	GBP	3,471,046	3,123,941	0.28
Tufton Oceanic Assets	USD	2,562,500	2,417,653	0.22
Yellow Cake	GBP	800,000	2,995,200	0.27
Total other equities			10,904,821	0.98
Total equities			151,440,893	13.46
Oil exposure 3.13%				
(30 Jun 22: 0.00%)				
Wisdomtree Brent Crude Oil	USD	915,000	35,167,260	3.13
Total oil exposure			35,167,260	3.13
Gold and gold equities 4.45%				
(30 Jun 22: 8.17%)				
Ishares Physical Gold	USD	822,000	24,113,043	2.14
LF Ruffer Gold Fund*	GBP	10,425,322	25,921,428	2.31
Total gold and gold equities			50,034,471	4.45

	Currency	Holding at 31 Dec 22	Fair value £	% of total net assets
Credit protection and options 18.57% (30 Jun 22: 17.99%)				
Ruffer Illiquid Multi Strategies Fund 2015*	GBP	74,190,664	75,791,402	6.74
Ruffer Protection Strategies International*	GBP	12,080,157	132,915,435	11.83
Total credit protection and options			208,706,837	18.57
Total investments			1,082,506,743	96.29
Cash and other net current assets			41,750,815	3.71
			1,124,257,558	100.00

* 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. LF Ruffer Gold Fund and Ruffer SICAV Global Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

General information

Ruffer Investment Company Limited was incorporated in Guernsey as a company limited by shares and as an authorised closed-ended investment company on 1 June 2004. The Company launched on the London Stock Exchange on 8 July 2004, with a launch price of 100p per share and an initial net asset value of 98p per share. 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 invests predominantly 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 London Stock Exchange.

The Company reports its audited annual results each year for the year ended 30 June, and its unaudited interim results for the six months ended 31 December. These Unaudited Condensed Interim Financial Statements were authorised for issue on 21 February 2023 by the Directors.

The Investment Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope Alternative Investment Fund Manager (AIFM). The Investment Manager is entitled to an investment management fee payable to the AIFM monthly in arrears at a rate of 1% of the Net Asset Value per annum.

The Investment Manager and the Board intend to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom for United Kingdom tax purposes. 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 Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. Among other things, this required the Company to pay dividends such that it retains no more than 15% of the income that it receives or is deemed to receive for UK tax purposes on an annual basis.

Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services Limited until 6 December 2021) (the 'Administrator') is entitled to receive an annual fee equal to 0.08%. per annum on the first £100 million; 0.04%. per annum between £100 million and £200 million; 0.02%. per annum between £200 million and £300 million; and 0.015%. per annum thereafter; based on the NAV of the Company on a mid-market basis, subject to a minimum fee of £100,000 per annum.

Northern Trust (Guernsey) Limited (the 'Custodian') 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.

Northern Trust (Guernsey) Limited (the 'Depositary') is entitled to an annual Depositary fee payable monthly in arrears at a rate of 0.01% of the Net Asset Value of the Company up to £100 million, 0.008% on the next £100 million and 0.006% thereafter as at the last business day of the month subject to a minimum fee of £20,000 per annum.

Management and administration

Directors
Christopher Russell
Shelagh Mason
Nicholas Pink
Susie Farnon (appointed 1 September 2022)
Solomon Soquar (appointed 2 December 2022)
Jill May (retired 2 December 2022)
David Staples (retired 2 December 2022)

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Auditor
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Appendix (unaudited)

Regulatory performance data

To 31 Dec %	†2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
RIC NAV TR	8.9	14.0	0.1	6.0	23.8	15.1	16.5	0.7	3.4	9.5
FTSE All-Share TR	12.3	22.0	16.8	5.3	-29.9	30.1	14.5	-3.5	12.3	20.8
Twice UK Bank Rate	9.9	9.4	11.0	11.2	3.4	1.0	1.0	1.0	1.0	1.0

To 31 Dec %	2014	2015	2016	2017	2018	2019	2020	2021	2022	Annualised
RIC NAV TR	1.8	-1.0	12.4	1.6	-6.0	8.4	13.5	11.4	8.0	7.8
FTSE All-Share TR	1.2	1.0	16.8	13.1	-9.5	19.2	-9.8	18.3	0.3	7.2
Twice UK Bank Rate	1.0	1.0	1.0	0.5	1.0	1.5	0.5	0.2	3.0	3.2

† From July 2004

Source: Ruffer, Bloomberg, FTSE International. Please note that past performance is not a reliable indicator of future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange. Calendar quarter data has been used up to the latest quarter end.

The portfolio data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in this product. Any decision to invest must be based solely on the information contained in the Prospectus and the latest report and accounts. The Key Information Document is provided in English and available on request or from ruffer.co.uk.

Alternative performance measures used in the Interim Report

Total NAV/share price return

Total NAV return and total share price return are calculations showing how the NAV/share price per share has performed over a period of time, taking into account dividends paid to shareholders. It is calculated on the assumption that dividends are reinvested at the prevailing NAV/share price on the last day of the month that the shares first trade ex-dividend. This provides a useful measure to allow shareholders to compare performances between investment funds where the dividend paid may differ.

		Period ended 31 Dec 22		Period ended 31 Dec 21	
		Total NAV return	Total share price return	Total NAV return	Total share price return
Opening IFRS NAV/share price per share		294.98p	300.00p	281.32p	287.00p
Closing IFRS NAV/share price per share	(a)	307.92p	311.00p	287.74p	293.00p
Dividends paid	(b)	1.25p	1.25p	1.55p	1.55p
Weighted average IFRS NAV/share price per share on ex-dividend date	(c)	300.28p	308.25p	286.55p	302.45p
Dividend adjustment factor (d = b/c +1)	(d)	1.0042	1.0041	1.0054	1.0051
Adjusted closing NAV per share (e = a x d)	(e)	309.20	312.26	289.30p	294.50p
Total NAV/share price return		4.8%	4.1%	2.8%	2.6%

Share premium/(discount) to NAV

Share premium or (discount) to NAV is the amount by which the share price is higher/lower than the NAV per share, expressed as a percentage of the NAV per share, and provides a measure of the Company's share price relative to the NAV.

NAV per share

NAV per share is a calculation of the Company's NAV divided by the number of shares in issue and provides a measure of the value of each share in issue.

Market capitalisation

Market capitalisation is the value of a company that is traded on the stock market, calculated by multiplying the total number of shares by the present share price.