Ruffer Investment Company Limited

An alternative to alternative asset management

During April, the Company's net asset value appreciated by 0.9% and the share price rose by 0.5%. This compared with a rise of 4.3% in the FTSE All-Share total return index.

After one of the worst quarters for US bonds this century, and the steepest fall in the Barclays Long Treasury Index in 40 years, it was inevitable there would be some form of pause. Having peaked on 31 March at 1.74%, the US 10 year bond yield finished the month at 1.63%. This move lower boosted the performance of the Company's positions in gold and inflation-linked bonds. Earlier this year, gold had been doubly punished by the combination of rising yields and a rallying US dollar, but two recent tactical changes in the portfolio's asset allocation have helped performance. First, we added to bullion and selected gold mining equities during March and April, having reduced gold exposure last summer in anticipation of a reflationary shift in markets ahead of the vaccine announcements in November. Gold-related investments contributed 50bps to performance during the month. Secondly, we took profits in some of the interest rate options that protected the portfolio so effectively as bond yields rose during the first quarter of 2021, thereby allowing us to capture some of the rebound in inflation-linked bonds. This combination of index-linked bonds, gold and interest rate protections, having been essentially neutral during the first quarter, contributed positively as US bond yields receded.

So, where next? Was April a pause for breath before a further move higher in yields and consequent move lower in bond prices? We think so but there will be an important shift in emphasis — we have probably seen the end of US reflation in isolation. The next leg down for conventional bonds will probably be driven by positive growth surprises from Europe, as the continent sees a sustained pickup in vaccination rates and starts to exit from lockdown. At the same time there appears to be growing political support for meaningful fiscal policy deployment in the coming months. This is a playbook we have already seen, except the baton is being passed from the US to continental Europe. It was instructive that the German 10 year bund yield rose 9bps over the month, in stark contrast to the moves seen in the US.

The Company's index-linked bonds, which we reduced slightly through sales of US TIPS during April, are shielded by interest rate options so they retain their inflation protection, but are buttressed against the powerful economic rebound we expect to see through 2021. Our equities remain concentrated in economically sensitive and cyclical companies. This equity bias, combined with protection against rising nominal bond yields, means the Company is positioned for reflation, but still protected from inflation. In a world where fiscal policy dominates, inflation is the risk all investors should be guarding against. But conventional portfolios, hamstrung by the fallacy of benchmarks, are pointing in the wrong direction. They back-test well in the disinflationary world of the last 40 years, but are institutionally wired to the assets that performed well in the last market regime rather than to those opportunities which exist in the new one.

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

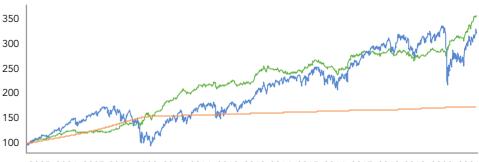


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Investment objective

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England Bank Rate by investing predominantly in internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supranationals or government organisations.

Performance since launch on 8 July 2004



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

— RIC NAV total return — FTSE All-Share Total Return — Twice Bank Rate

Performance %	Net Asset Value	Share price
April 2021	0.9	0.5
Year to date	8.3	8.6
1 year	17.0	19.1
3 years	26.9	27.5
5 years	41.5	45.8
10 years	62.9	57.2

Performance calculated on a total return basis (including reinvestment of income)

As at 30 April 2021	р	
Share price	285.00 281.17	
Net Asset Value (NAV) per share		
	%	
Premium/discount to NAV	1.4	
NAV total return since inception ²	258.83	
Standard deviation ³	1.89	
Maximum drawdown ³	-8.62	

²Including 40.9p of dividends ³Monthly data (total return NAV)

12 month performance to March %	2017	2018	2019	2020	2021
RIC NAV total return	12.8	-1.4	-0.6	4.3	22.7
FTSE All-Share Total Return	22.0	1.2	6.4	-18.5	26.7
Twice Bank Rate	0.7	0.7	1.3	1.3	0.2

Source: Ruffer LLP, FTSE International (FTSE) †

Ruffer Investment Company Limited as at 30 Apr 2021

Asset allocation Currency allocation

Asset allocation	%
Illiquid strategies and options	11.6
• Cash	11.2
Short-dated bonds	9.9
 Long-dated index-linked gilts 	8.2
 Gold and gold equities 	7.9
 Index-linked gilts 	5.8
 Non-UK index-linked 	3.9
UK equities	19.6
Japan equities	7.8
North America equities	7.7
Europe equities	5.0
 Asia ex-Japan equities 	1.3
Currency allocation	%
Sterling	81.9
• Gold	8.3
US dollar	5.2
• Euro	1.9
• Yen	0.4
• Other	2.3

10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.6
iShares Physical Gold	1.8
BP	1.7
Royal Dutch Shell	1.7
NatWest Group	1.5
Cigna	1.2
GlaxoSmithKline	1.2
Bristol-Myers Squibb	1.2
Centene	1.1
Tesco	1.1

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	5.8
UK Treasury 3.75% 2021	4.7
UK Treasury index-linked 0.125% 2068	3.9
UK Treasury index-linked 0.375% 2062	3.3
UK Treasury 0.125% 2023	2.7

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. 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 www.ruffer.co.uk.

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NAV £554.7m Market capitalisation £562.2m Shares in issue 197,268,416

Company information

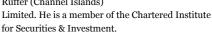
Annual management c	harge (no performance fee) 1.0%
Ongoing Charges Figu	re* 1.09%
Ex dividend dates	March, September
NAV valuation point	Weekly, every Tuesday and the last business day of the month
Stock ticker	RICA LN
ISIN GB00B018CS46	SEDOL B018CS4
Administrator	Praxis Fund Services Limited
Broker	Investec
Custodian	Northern Trust (Guernsey) Limited
Company structure	Guernsey domiciled limited company
Share class	£ sterling denominated preference shares
Listing	London Stock Exchange
NMPI status	Excluded security
Wrap	ISA/SIPP qualifying
Discount management	Share buyback Discretionary redemption facility

^{*} As at 31 December 2020

Fund Managers

Hamish Baillie

A graduate of Trinity College Dublin, he joined the Ruffer Group in 2002. Founded and manages the Edinburgh office of Ruffer LLP and is a director of Ruffer (Channel Islands)



Duncan MacInnes

Joined Ruffer in 2012. He graduated from Glasgow University School of Law in 2007 and spent four years working at Barclays Wealth and Barclays Capital in Glasgow,

London and Singapore. Duncan is a CFA charterholder.

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Ruffer LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2021, assets managed by the group exceeded £22.2bn.

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