

# Ruffer Investment Company Limited

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 7 JULY 2004



The fund fell back marginally over the month as equity markets continued to move higher, albeit in increasingly narrow fashion. Over the month, the board have also continued their buybacks, in the six months to 30 June 2024 the board have purchased 25.4 million shares for a total of around £68.2m which equates to 6.6% of the shares outstanding. These purchases have added 0.4% to the company NAV.

The S&P 500 was up 4% over the last month, whilst the same index equal-weighted was down by 1%, this is illustrative of a world of fewer winners and more losers. There is an adage that when markets are broad, they are strong, but when they are narrow, they are weak.

Over the past nine months we have managed to maintain a level of protection in portfolios we believe will be essential when market conditions deteriorate. But in contrast to the second quarter of last year, the growth assets have contributed to ensure that the fund isn't retreating in the intervening period. This has been driven by proactive portfolio adjustments. Adding duration in the fourth quarter gave us a positive year end; an increased equity weighting and dynamic management of the portfolio's commodity exposure have supported returns this year.

There is something of a dichotomy at play in markets; many investors express concerns but these are not yet reflected in their positioning. In a recent Bank of America Fund Manager survey 69% of respondents consider the 'Magnificent 7' to be the most crowded trade in markets, meanwhile about half of those respondents expect large-cap US growth stocks (dominated by the same seven names) to lead the market higher. There is no telling how much crossover there was from individual respondents, but it indicates a market displaying both uncertainty and great confidence in a benign outcome, given the level of valuations. This is a potentially dangerous combination, particularly when positioning is increasingly extreme in nature (and when leverage is involved).

Our predominant contention in the short term is that investor positioning is yet to adjust to reflect higher risk-free rates. Investors are currently paid more than 5% to not take risk. Meanwhile, risk premiums (the additional return an investor should receive for coming out of cash) are low, particularly in the US. It might be the case that conditions remain benign, but the potential upside of that outcome is limited. This informs our continued focus on ensuring that the portfolio is well positioned to make money should the certainties break and take advantage of the opportunities any sell-off presents.

The yen remains a key protection; we see many reasons for the yen to strengthen, but key to its role in the portfolio is that if the yen is strengthening it is likely to be against a backdrop of financial stress. Credit spreads give us exposure should the current compressed nature of risk premiums reverse. If liquidity is less readily available, a significant re-pricing of corporate debt is likely. We must also remain conscious of the need to participate should the current benign environment persist; the combination of a 25% allocation to equities, a recently increased position in oil plus exposure to gold mining equities, should allow us to participate, but without compromising our capital preservation mandate.

## JUNE 2024

Performance %	Net Asset Value	Share price
June	-0.7	-1.5
Year to date	0.4	-0.9
1 year	1.0	-0.6
3 years pa	1.7	-0.7
5 years pa	6.0	5.7
10 years pa	4.5	4.1
Since inception pa	6.9	6.4

### Share price

RIC	270.50
Net Asset Value (NAV) per share	284.81

	Net	Gross
Duration (years)	2.9	3.0
Equity exposure %	22.4	24.3

RIC GBP	Volatility %	Sharpe	Sortino
3 years	5.0	-0.2	-0.3
5 years	6.5	0.6	1.1
10 years	5.9	0.6	1.0
Since inception	6.4	0.8	1.5

	%
Premium/discount to NAV	-5.0
NAV total return since inception <sup>1</sup>	278.1
Standard deviation <sup>2</sup>	1.84
Maximum drawdown <sup>2</sup>	-9.59

### 12 month performance to 30 June 2024

%	2020	2021	2022	2023	2024
RIC NAV total return	10.1	15.3	6.0	-1.7	1.0
FTSE All-Share TR £	-13.0	21.5	1.6	7.9	13.0
Twice Bank Rate	1.1	0.2	0.8	6.4	10.7

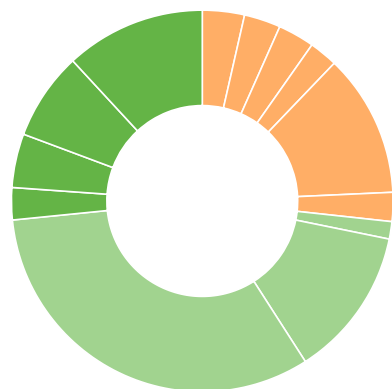
<sup>1</sup> Including 50.0p of dividends <sup>2</sup> Monthly data (total return NAV). All figures in the performance table are calculated on a total return basis (including reinvestment of income). If monthly performance is quoted in the commentary, it may be calculated on a price return basis and differ from the information in this table. One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. 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.

## 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 base rate. The Company predominantly invests in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

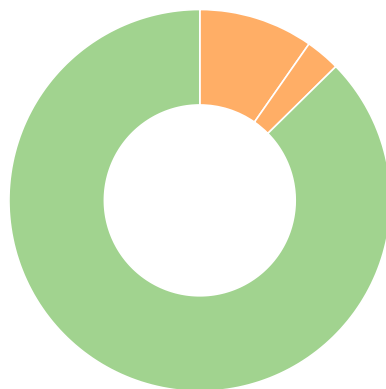
# Ruffer Investment Company Limited 30 Jun 24

## ASSET ALLOCATION



	%
<b>Inflation protection</b>	
Non-UK inflation-linked bonds long-dated	11.9
Gold and precious metals exposure	7.4
UK inflation-linked bonds long-dated	4.6
UK inflation-linked bonds short-dated	2.7
<b>Sell-off protection</b>	
Short-dated nominal bonds	32.5
Credit and derivative strategies	12.7
Cash	1.5
<b>Economic growth</b>	
Financials equities	3.6
Consumer staples equities	3.1
Energy equities	3.1
Consumer discretionary equities	2.4
Other equities	12.1
Commodity exposure	2.5

## CURRENCY ALLOCATION



	%
<b>Currency allocation</b>	
Sterling	87.4
Yen	9.7
Other	2.9
<b>Geographical equity allocation</b>	
UK equities	11.2
Asia ex-Japan equities	4.6
Europe equities	3.7
North America equities	3.7
Other equities	1.0

## 5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	3.0
BP	2.2
Alibaba Group ADR	1.2
British American Tobacco	0.8
Reckitt Benckiser	0.6

The credit and derivatives strategies allocation is calculated using market value. In some cases, this allocation might be negative due to the nature of how the instruments, in particular credit default swaps, are priced. Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

## RUFFER LLP

The Ruffer Group manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2024, assets managed by the Ruffer Group exceeded £21.8bn.

NAV **£1,019.4M**

SHARES **357,937,764**

MARKET CAPITALISATION **£968.2M**

## FUND INFORMATION

Annual management charge %	(no performance fee) 1.00	
Ongoing Charges Ratio %	(audited at 30 Jun 23) 1.08	
Valuation point	Weekly, every Tuesday and the last business day of the month	
Ex dividend dates	March, October	
Administrator	Apex Fund and Corporate Services (Guernsey) Limited	
Custodian	Northern Trust (Guernsey) Limited	
Broker	Investec	
Structure	Guernsey domiciled limited company	
Discount management	Share buyback Discretionary redemption facility	
Listing	London Stock Exchange	
NMPI status	Excluded security	
Stock ticker	RICA LN	
Wrap	ISA/SIPP qualifying	
Share class	ISIN	SEDOL
RIC	GB00B018CS46	B018CS4

## ENQUIRIES

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## FUND TEAM



### Duncan MacInnes

#### FUND MANAGER

Joined Ruffer in 2012. He graduated from the University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and co-manager of two of Ruffer's flagship funds.



### Jasmine Yeo

#### FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.

## GLOSSARY

**Volatility** measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

**Duration** measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

**UK Bank Rate** the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

**Sharpe ratio** measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

**Sortino ratio** measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

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