

RUFFER INVESTMENT COMPANY LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

RUFFER INVESTMENT COMPANY LIMITED

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RUFFER INVESTMENT COMPANY LIMITED

Financial Highlights

30.06.15

	Offer Price (per share) £	Net Asset Value (per share) £
Redeemable participating preference shares	2.250†	2.184*

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

* This is the Net Asset Value ("NAV") per share as at 30 June 2015. The Fund is valued weekly and at month end.

Key Performance Indicators

	30.06.15	30.06.14
NAV return versus twice Bank of England Bank Rate	0.00%	0.00%
Total return NAV versus twice Bank of England Bank Rate*	163.10%	144.10%
Premium/discount of share price to NAV	1.92%	-1.84%
Dividends per share	1.5p	1.5p
Dividend yield	0.00%	0.00%

Company Information

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

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

RUFFER INVESTMENT COMPANY LIMITED

Company Performance

	Price at 30.06.15		Change in Bid Price	
	Bid Price	Offer Price	From Launch	From 30.06.15
	£	£	%	%
Shares	2.230	2.250	+ 123.00	+ 10.23

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

Fund Size

	Net Asset Value £	Net Asset Value per Share £	Number of Shares In Issue
30.06.15	337,222,401	2.184 *	154,413,416
30.06.14	318,040,568	2.065	154,013,416
30.06.13	319,114,093	2.139	149,188,416
30.06.12	270,884,661	1.915	141,488,416
30.06.11	248,248,134	1.953	127,138,416
30.06.10	178,695,014	1.823	98,042,672

* Net Asset Value per share reported to the London Stock Exchange was £2.188 using mid market values. Bid prices are presented as fair value in the financial statements.

Share Price Range

Accounting Period to:	Highest Offer Price £	Lowest Bid Price £
30.06.15	2.260	1.943
30.06.14	2.290	2.005
30.06.13	2.310	1.915
30.06.12	2.070	1.900
30.06.11	2.110	1.850
30.06.10	2.005	1.555

Net Asset Value Range

Accounting Period to:	Highest NAV £	Lowest NAV £
30.06.15	2.243	2.041
30.06.14	2.206	2.034
30.06.13	2.208	1.903
30.06.12	1.991	1.871
30.06.11	1.960	1.810
30.06.10	1.897	1.518

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

RUFFER INVESTMENT COMPANY LIMITED

Chairman's Review

Performance*

Earnings and Dividends

Share Issuance

Annual General Meeting

RUFFER INVESTMENT COMPANY LIMITED

Chairman's Review (continued)

Board Governance

Share Buyback Authority

Share Redemption Facility

Strategy

Chairman
_____ 2015

* The calculation of the Company's Total Return includes an amount of ____ pence per share which represents the notional amount by which dividends paid to date would have grown if they had not been paid out as dividends but reinvested within the company.

RUFFER INVESTMENT COMPANY LIMITED

Business Model and Strategy

Ruffer Investment Company Limited (the “Company”) carries on business as a closed-ended investment company. Its shares are traded on the Main Market of the London Stock Exchange (the “LSE”).

Board

The Board of Directors are responsible for the overall stewardship of the Company, including general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. Biographical details of the Directors, all of whom are non-executive, are listed on page 11. The Company has no executive directors or employees.

The Board has contractually delegated to external parties various functions as disclosed in the Report of the Directors on page 12.

Investment Strategy

The Company’s investment strategy is set out in its objective and investment policy below.

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) and/or bonds which are issued by corporate issuers, supra-nationals or government organisations.

Investment Policies

In selecting investments the Company adopts a stock picking approach and does not adopt any investment weightings by reference to any benchmark. Both the Board and the Manager believe that the adoption of any index related investment style would inhibit the ability of the Company to deliver its objectives.

The Company invests across a broad range of assets, geographies and sectors in order to achieve its objective. This allocation will change over time to reflect the risks and opportunities identified by the Manager across global financial markets, with an underlying focus on capital preservation. The allocation of the portfolio between equities and bonds will vary from time to time so as to enable the Company to achieve its objective. There are no restrictions on the geographical or sectoral exposure of the portfolio (except those restrictions noted below).

The universe of equity, equity related securities or bonds in which the Company may invest is wide and may include companies domiciled in, and bonds issued by entities based in, non-European countries, including countries that are classed as emerging or developing. This may result in a significant exposure to currencies other than sterling.

The Company may use derivatives, including (but not limited to) futures, options, swap agreements, structured products, warrants and forward currency contracts, for efficient portfolio management purposes only.

Investment Restrictions and Guidelines

It is not intended for the Company to have any structural gearing. The Company has the ability to borrow up to 30 per cent. of the NAV at any time for short term or temporary purposes, as may be necessary for settlement of transactions, to facilitate share redemption or to meet ongoing expenses.

The proportion of the portfolio invested into companies based in emerging or developing countries will be limited, at the time of any investment, to below 15 per cent. of the Company’s gross assets.

The Directors have determined that the Company will not engage in currency hedging except where the Manager considers such hedging to be in the interests of efficient portfolio management.

The Directors have determined that not more than 10 per cent., in aggregate, of the value of the gross assets of the Company at the time of the acquisition may be invested in other UK listed investment companies (including UK listed investment trusts) except that this restriction does not apply to investments in such entities which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other UK listed investment companies (including listed investment trusts). Regardless of the above restriction, the Directors have further determined that no more than 15 per cent. in aggregate of the Company’s gross assets will be invested in listed investment companies (including listed investment trusts).

RUFFER INVESTMENT COMPANY LIMITED

Business Model and Strategy (continued)

General

In accordance with the requirements of the United Kingdom Financial Conduct Authority (the “FCA”), any material changes in the Investment Policy of the Company may only be made with the approval of shareholders.

Investment of Assets

At each quarterly Board meeting, the Board receives a detailed presentation from Ruffer AIFM Limited (the Company’s Alternative Investment Fund Manager and Investment Manager) (the “Investment Manager”) which includes a review of investment performance, recent portfolio activity and a market outlook. It also considers compliance with the investment policy and other investment restrictions during the reporting period. The Company’s Top Ten holdings and Portfolio Statement are on page 10 and pages 55 to 58 respectively.

Environmental Policy

Due to the Company’s listing on the LSE, the Company is required to disclose its Environmental Policy but this is not applicable due to the nature of its operations. Ruffer AIFM Limited’s Environmental, Social and Governance Policy is available upon request from the Investment Manager.

Shareholder Value

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company’s investment objective of realising a positive total annual portfolio return, after all expenses, of at least twice the return of the Bank of England base rate. Having considered the portfolio performance and investment strategy, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

Principal Risks and Uncertainties and their Management

As stated within the Report of the Audit Committee on page 22, The Board with the assistance of the Administrator and the Investment Manager has drawn up a risk assessment matrix, which identifies the key risks to the Company. The principal risks and uncertainties faced by the Company are described below. Note 19 of the Financial Statements on pages 45 to 52 provides detailed explanations of the risks associated with the Company’s financial instruments:

- **Investment Risks:** The Company is exposed to the risk that its portfolio fails to perform in line with the Company’s objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Investment Manager at each quarterly Board meeting, paying particular attention to the diversification of the portfolio and to the performance and volatility of underlying investments;
- **Operational Risks:** The Company is exposed to the risks arising from any failure of systems and controls in the operations of the Manager or the Administrator. The Board receives reports annually from the Manager and Administrator on their internal controls and reviews pricing reports covering the valuations of underlying investments at each quarterly Board meeting;
- **Accounting, Legal and Regulatory Risks:** The Company is exposed to risk if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission or if it fails to maintain accurate accounting records. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements; and
- **Financial Risks:** The financial risks faced by the Company include market, credit and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting. Further details on financial risks are discussed in note 19 of the Financial Statements on pages 45 to 52.

The Board seeks to mitigate and manage these risks through continual review, policy-setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company’s portfolio.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company’s success in meeting its objectives. The key performance indicators are disclosed in detail in page 2.

RUFFER INVESTMENT COMPANY LIMITED

Investment Manager's Report

For the year ended 30 June 2015

In the twelve months from 1 July 2014 to 30 June 2015, the net asset value (NAV) per share of the Company rose from 206.05p to 218.76p. After allowing for the dividends of 3.4p paid during the period this equates to a total return of 7.9%. The Company's share price appreciated by 11.9% on a total return basis as the shares moved from a discount to end the period on a premium of 1.9%. The target return of twice the Bank of England base rate rose 0.5% over the period and by way of context the FTSE Allshare total return index rose by 2.6%.

Since launch on 8 July 2004, the NAV of the company has risen by 163.4%* including dividends, compared with a rise of 65.4% in the target return and 140.3% in the FTSE All-Share Total Return index. We take more pride in the fact that the NAV has not fallen in any calendar year since inception.

In the last 12 months our exposure to Japanese equities once again proved profitable contributing 4.9% to the overall return. After the blip of October's *vol-shock*, which knocked equity markets across the world, it was pretty much one way traffic in Japan and the news flow has been positive. The effects of the Bank of Japan's Quantitative Easing (QE) program (expanded on 31 October) persisted and Abe won a resounding election victory in December almost unopposed. His economic reform program continues to make progress as companies are forced to focus on better corporate governance and they have returned record amounts to shareholders through dividends and share buybacks. Remarkably, companies are now being made to justify themselves to a new government department should they fail to attain centrally mandated return-on-equity targets. It is indeed rare for a government in Japan, or anywhere else for that matter, to be so supportive of shareholders, but Abe realises that this is key to Japan escaping deflation. Balance sheets are too cautiously positioned and cash needs to be put to work elsewhere in the economy. As well as the flow back to shareholders we also saw an improvement for employees with another year of positive wage growth in Japan and signs of tightness in the labour market. Foreign investor interest is growing (but from a very low level).

Western equities continued to make progress over the period and this contributed positively to the portfolio, adding 1.5% to NAV. (The US equity bull market has now lasted 89 months – the third longest such streak on record. It is worth noting in passing that the other two episodes did not end well.) Another helpful development was the continued strength of the US dollar through the second half of 2014. This position was reduced in the first quarter of 2015 and at 30 June our USD exposure stood at 8%.

In some ways our views have changed little in the seven years since the global financial crisis; not through dogmatism but because many of the fundamental causes of the financial crisis continue to threaten the world today. There was, and remains, too much debt in the world (or looked at another way, not enough collateral) and the authorities have thus far failed to massage real interest rates low enough to provide any meaningful relief from this burden. The experimentation with ZIRP (zero interest rate policy) and now NIRP (negative interest rate policy) was an obvious and necessary condition for survival in a debt laden world. However, the persistent lack of inflation, has robbed the authorities of the ability to use negative real interest rates to erode the millstone of liabilities. A recent BIS/McKinsey report shows that developed world debts have barely shifted from pre-crisis levels. Marry this to the capital market deepening in emerging economies and total global debt is now some \$200tn, up from \$142tn in 2007, and equates to 286% of global GDP compared to 269% in 2007. We live in a world where the authorities are settling for refinancing the debt burden at ever lower rates, thereby extending the current low growth environment, and simultaneously providing encouragement for the previously un-indebted (US corporates/China) to increase their own debts to fund share buybacks so that earnings per share can grow even if capex and real profits are not increasing.

We continue to believe that these obligations are unpayable, and therefore will be defaulted on – in our view via the pernicious but politically more palatable option of inflation and negative real interest rates. This is a benign outcome for the over-indebted, but a game-changer for savers amongst whom we would count the Company's shareholders. While this may be taking some time to play out, the direction of travel has not changed and this remains the single biggest threat to the spending power of our investors' savings.

RUFFER INVESTMENT COMPANY LIMITED

Investment Manager's Report (continued)

For the year ended 30 June 2015 (continued)

But even here there is a problem. It seems that 'some inflation' is surprisingly difficult to create when there is none (just ask the Japanese, or even the Germans, forced into QE by the inconvenience of the oil price halving just as Eurozone inflation fell to zero). Naturally, in response to ECB QE, equities shot higher celebrating easing monetary conditions and German bond yields were driven to negative yields. In the closing days of April the quiescence in Eurozone bond markets was violently disrupted as German ten year yields shot higher by 1,000% (to a still meagre 1%) which attests only to the absurd levels to which they were driven.

The life-support policy of easy money has created inflation but only in financial assets and not in the real economy. It has created 'voucher money' which can only be spent within the financial system. The next step to stimulate the real economy may involve the crossing of another Rubicon in using fiscal stimulus. Think Franklin D Roosevelt's "New Deal", infrastructure projects, even Help to Buy II. We believe this can and will be done if required; it seems eminently appealing when politicians know voters prefer the carrot to the stick. An interesting thought experiment asks - what if there is a shock to markets before rates have been dragged off the floor? What is left in the toolkit to provoke the same shock and awe as the lowest interest rates in 300 years and \$5tn of global quantitative easing? Like Pavlov's Dogs, investors have been well trained to respond to the signals of central bankers, but the law of diminishing returns requires bolder and more wanton action at each crisis.

Lastly, as absolute return investors we worry about broad-based correlations across asset classes. If the rising tide can float all boats, which is broadly what has happened since the financial crisis, then there must be a good chance that asset prices fall in tandem when that same tide goes out. The only way to avoid that is to replace monetary stimulus with robust economic growth and that remains elusive except on a beggar-my-neighbour basis. In high yield debt and other contexts, the Fed has recently been voicing concerns over the risk of a dislocation arising from a lack of liquidity in certain areas of the financial system. When combined with an equity bull market getting long in the tooth, these factors emphasise the need to keep our primary aim of capital preservation firmly in view. The majority of the transactions during the first half of 2015 were aimed at moving the portfolio onto a more defensive footing; profit-taking in a number of our equity positions, buying protection against rising bond yields and the possibility of a correlated sell-off in equity and fixed income markets.

To end on a brighter note, the Company has produced a healthy positive return over the financial year with less than half the assets held in equities. We have also avoided three periods of significant market volatility. That is the role we would like the Company to play for our investors and we shall endeavour to do more of the same in the year ahead.

Ruffer AIFM Ltd
23 July 2015

* The calculation of the Total Return includes an amount of 39.34 pence per share, which represents the notional amount by which dividends paid to date (27.60p) would have grown if they had not been paid out as dividends but reinvested within the Company.

RUFFER INVESTMENT COMPANY LIMITED

Top Ten Holdings

Investments	Currency	Holding at 30.06.15	Fair Value £	% of Total Net Assets
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	20,914,596	6.21
UK Index-Linked Gilt 1.25% 22/11/2055	GBP	7,200,000	18,923,911	5.61
Ruffer Illiquid Multi Strategies Fund 2015 Ltd*	GBP	16,450,000	16,383,542	4.86
US Treasury Inflation Indexed 1.125% Bond 15/01/2021	USD	22,000,000	16,002,352	4.75
UK Inflation Indexed Gilt 0.375% 22/03/2062	GBP	8,000,000	14,629,104	4.34
US Treasury Inflation Indexed 0.625% Bond 15/07/2021	USD	19,350,000	13,330,762	3.95
US Treasury Inflation Indexed 0.125% Bond 15/01/2023	USD	19,000,000	12,164,051	3.61
US Treasury Inflation Indexed 0.375% Bond 15/07/2023	USD	17,000,000	11,028,476	3.27
CF Ruffer Japanese Fund**	GBP	4,500,000	8,819,550	2.62
T&D Holdings Inc	JPY	900,000	8,532,637	2.53

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

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

RUFFER INVESTMENT COMPANY LIMITED

Directors

The Company has six non-executive Directors, all of whom are independent except for Wayne Bulpitt and Peter Luthy, details of whom are set out below.

Ashe Windham, CVO, aged 58 and a resident of the United Kingdom. He joined Barclays de Zoete Wedd (“BZW”) in 1987 as an institutional equities salesman and was appointed a Director of BZW’s Equities Division in 1991. He joined Credit Suisse First Boston in 1997 when they acquired BZW’s equities business. In 2004 he joined Man Investments as Head of Internal Communications and in 2007 became Man Group’s Global Head of Internal Communications. In June 2009 he resigned from Man Group plc to set up a private family office. He is a non-executive Director of EFG Asset Management (UK) Ltd and a non-executive Director of Miton UK MicroCap Trust Plc. Mr Windham was appointed to the Board on 24 February 2009.

Wayne Bulpitt, aged 53 and a resident of Guernsey. He is Managing Director and Principal of Active Group Limited and Chairman of BlueCrest BlueTrend Limited. He was formerly Head of Offshore Investment Services for Canadian Imperial Bank of Commerce, Global Private Banking & Trust division (1998-2001) and Managing Director of CIBC Fund Managers (Guernsey) Limited (1992-1998). He is also a Director of Ruffer Illiquid Strategies Fund of Funds 2009 Limited, Ruffer Illiquid Strategies Fund of Funds 2011 Limited, Ruffer Illiquid Multi Strategies Fund 2015 Limited and Ruffer Multi Strategies Fund Limited which are all Guernsey registered investment companies managed by the Company’s Investment Manager. Mr Bulpitt was appointed to the Board on 1 June 2004.

Jeannette Etherden, aged 55 and a resident of the United Kingdom. She started in 1983 as a research analyst at Confederation Life (acquired by Sun Life of Canada in 1994) and was Head of UK Equities from 1991. In 1996 she moved to Newton Investment Management as a multi-asset fund manager. She was appointed a Director for Newton in 1997 and additionally was Chief Operating Officer, Investments from 1999 until her resignation in 2001. From January 2004 to January 2006 she was Business Development Manager for the Candela Fund at Olympus Capital Management. Ms Etherden is also a non-executive Director of Miton UK MicroCap Trust Plc and TwentyFour Income Fund Limited. Ms Etherden was appointed to the Board on 1 June 2004.

Peter Luthy, aged 64 and a resident of the United Kingdom. He has worked in the fixed income market for 25 years. In 1990, he co-founded a credit focussed bond broker, Luthy Baillie Dowsett Pethick and Co. Limited (“LBDP”). Dresdner Kleinwort Benson acquired LBDP in 1996 where he was global head of credit products. In 1998 he became global head of investment banking at Barclays Capital and, after 2001, acted as a consultant on bank credit portfolios. He was a Managing Partner of Banquo Credit Management LLP until June 2014. He is also a Director of Ruffer Illiquid Strategies Fund of Funds 2009 Limited, Ruffer Illiquid Strategies Fund of Funds 2011 Limited, Ruffer Illiquid Multi Strategies 2015 Fund Limited and Ruffer Multi Strategies Fund Limited which are all Guernsey registered investment companies managed by the Company’s Investment Manager. Mr Luthy was appointed to the Board on 1 June 2004.

Christopher Spencer, aged 65 and a resident of Guernsey. He qualified as a chartered accountant in London in 1975. Following two years in Bermuda he moved to Guernsey. Mr Spencer, who specialized in audit and fiduciary work, was Managing Partner/Director of Pannell Kerr Forster (Guernsey) Limited from 1990 until his retirement in May 2000. Mr Spencer is a member of the AIC Offshore Committee, a past President of the Guernsey Society of Chartered and Certified Accountants, and a past Chairman of the Guernsey Branch of the Institute of Directors. He is a non-executive Director of a number of listed fund companies and other finance related companies. Mr Spencer was appointed to the Board on 1 June 2004.

John V Baldwin, aged 65 and a resident of Italy. After taking a Master's Degree in Asian Studies at Yale University, he joined Robert Fleming & Co. in 1983 as an investment analyst trainee. In 1984 he was seconded to the Tokyo Branch of Jardine Fleming as an investment analyst, where he continued in various roles for 16 years, the final five as a Director of Jardine Fleming Securities (Asia) and Tokyo Branch Manager. The first foreigner appointed Member Governor of the Tokyo Stock Exchange, he also served on various committees of the Japan Securities Dealers Association. In 2001 he retired from successor firm JPMorgan Chase after serving as Head of Japanese Cash Equities. Mr Baldwin was appointed to the Board on 24 February 2011.

RUFFER INVESTMENT COMPANY LIMITED

Report of the Directors

The Directors of the Company present their Annual Financial Report (the “Financial Statements”) for the year ended 30 June 2015 which have been properly prepared in accordance with the Companies (Guernsey) Law, 2008 (the “Company Law”).

Registration

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.

Principal Activity and Investment Objective

The Company is a Guernsey authorised closed-ended investment company with a premium listing on the LSE. The principal objective of the Company is detailed on page 6 of the Financial Statements.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements since the assets of the Company consist mainly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

The Board also has the discretion to operate the Redemption Facility, offering shareholders the possibility of redeeming all or part of their shareholding for cash at the NAV, if it appears appropriate to do so.

Blocklisting Facility

The blocklisting facility is set out in the note 13 on page 41.

Purchase of Own Shares by the Company

The Company operates a Share Buyback Facility whereby it may purchase, subject to various terms as set out in its Articles and in accordance with the Companies (Guernsey) Law, 2008, up to 14.99 per cent. of the Company's shares in issue following the admission of shares trading on the LSE's market for listed securities. For additional information refer to note 20 on page 53.

The Company did not buyback any shares during the year (30.06.14: Nil).

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income on page 31. Details of dividends paid and proposed are set out in note 5 on page 37.

Subsequent Events

Events occurring after the balance sheet date are disclosed in note 21 on page 54 in the Notes to the Financial Statements.

Shareholder Information

The Company announces its unaudited NAV on a weekly basis and at the month end. A monthly report on investment performance is published by the Company's Investment Manager, on the Investment Manager's website, www.ruffer.co.uk.

Investment Management

The key terms of the Investment Management Agreement and specifically the fee charged by the Investment Manager are set out in notes 8 and 16 of the Financial Statements. The Board believes that the investment management fee is competitive with other investment companies with similar investment mandates.

The Board reviews on an ongoing basis the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective of realising a positive total annual portfolio return, after all expenses, of at least twice the return of the Bank of England base rate.

RUFFER INVESTMENT COMPANY LIMITED

Report of the Directors (continued)

Investment Management (continued)

In accordance with Listing Rule 15.6.2 (2) R and having formally appraised the performance, investment strategy and resources of the Investment Manager, the Board has unanimously agreed that the interests of the shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

The Investment Management Agreement will continue in force until terminated by the Investment Manager or the Company giving to the other party thereto not less than 12 months' notice in writing.

Directors

The details of the Directors of the Company during the year and at the date of this Report are set out on page 11 and on the Management and Administration summary on page 60.

Directors' Interests

The details of the number of redeemable participating preference shares held beneficially by the Directors who held office at 30 June 2015 and up to the date of this Report are set out on in note 16 on page 43.

Substantial Share Interests

As at 30 June 2015, the Company has received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 R of the following interests in 3% or more of the voting rights attaching to the Company's issued shares.

Investor	Shares held	% of issued share capital
Brewin Nominees Limited	13,741,663	8.90
HSBC Global Custody Nominee (UK) Limited	12,825,166	8.31
State Street Nominees Limited	11,857,823	7.68
Roy Nominees Limited	10,013,175	6.48
Alliance Trust Savings Nominees Limited	8,516,631	5.52
Rathbone Nominees Limited	5,541,495	3.59
Rock Nominees Limited	5,256,300	3.40
Luna Nominees Limited	5,186,038	3.36
Platform Securities Nominees Limited	5,159,776	3.34

Foreign Account Tax Compliance Act

For purposes of the US Foreign Accounts Tax Compliance Act, the company registered with the US Internal Revenue Service ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI") in June 2014, received a Global Intermediary Identification Number, and can be found on the IRS FFI list under the link <http://apps.irs.gov/app/fatcaFfiList/flu.jsf>.

The Company is subject to Guernsey regulations and guidance based on reciprocal information sharing inter-governmental agreements which Guernsey has entered into with the United Kingdom and the United States of America. The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Alternative Investment Fund Managers ("AIFM") Directive

Due to the recent changes introduced by virtue of the Alternative Investment Fund Managers Directive ("AIFMD"), the Company terminated the Investment Management Agreement with Ruffer LLP and appointed Ruffer AIFM Limited as the new Investment Manager with effect from 22 July 2014

The Board resolved to amend and restate the Company's Administration agreement with Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") to the extent necessary to ensure that the relationship between the Company, the Investment Manager and the Administrator is compliant with the requirements of AIFMD.

RUFFER INVESTMENT COMPANY LIMITED

Report of the Directors (continued)

Alternative Investment Fund Managers ("AIFM") Directive (continued)

The Board appointed of Northern Trust (Guernsey) Limited (the "Depositary") to act as the Company's Depositary on the terms and subject to the conditions of a Depositary Agreement between the Company, the Investment Manager and the Depositary with effect from 22 July 2014.

For additional information on the above changes refer to the General Information on page 59.

Certain regular and periodic disclosures required by AIFMD may be found either in this Annual Financial Report or on the Investment Manager's website at www.

Independent Auditor

During the year the Board entered into a competitive audit tender process and on the 9 March 2015, Deloitte LLP was appointed as the Company's new auditor, replacing Moore Stephens, who had been the independent external auditor from the date of the initial listing on the LSE.

Disclosure of Information to the Independent Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the next Annual General Meeting (the "AGM"). Each of the persons who is a Director at the date of approval of the financial statements confirms that:

- (1) so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) each Director has taken all steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Company Law.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. The Directors believe that the financial statements and all reports therein reflect a fair, balanced and understandable statement of the Company's affairs.

The Company Law requires the Directors to prepare financial statements for each financial year. Under the Company Law the Directors have elected to prepare the Company's Financial Statements in accordance with International Financial Reporting Standards (IFRSs). Under Company Law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Company Law.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RUFFER INVESTMENT COMPANY LIMITED

Report of the Directors (continued)

Statement of Directors' Responsibilities (continued)

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are set out on page 60 of this Annual Financial Report, confirms that to the best of their knowledge that:

- these Financial Statements have been prepared in conformity with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.1.12;
- the Annual Financial Report, taken as a whole, is fair, balanced and understandable and provide the information necessary for the shareholders to assess the Company's performance, business model and strategy; and
- the Annual Financial Report includes information detailed in the Chairman's Review, the Report of the Directors, the Investment Manager's Review, the Depositary Statement and the notes to the accounts, which includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces, as required by:
 - (a) DTR 4.1.8 of the Disclosure and Transparency Rules, being a fair review of the Company business and a description of the principal risks and uncertainties facing the Company; and
 - (b) DTR 4.1.11 of the Disclosure and Transparency Rules, being an indication of important events that have occurred since the end of the financial year and the likely future development of the Company.

On behalf of the Board

Chairman
_____ 2015

Director

RUFFER INVESTMENT COMPANY LIMITED

Corporate Governance Statement

Corporate Governance

The Board is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for an investment company in order to comply with the principles of the UK Corporate Governance Code (the “UK Code”). The Company is also required to comply with the Code of Corporate Governance issued by the Guernsey Financial Services Commission (the “GFSC Code”).

The Financial Reporting Council (the “FRC”) issued a revised Code in September 2014, for reporting periods beginning on or after 1 October 2014. The Board have not early adopted the revised code.

Compliance Statement

The UK Listing Authority requires all UK listed premium companies to disclose how they have complied with the provisions of the UK Code. This Corporate Governance Statement, together with the Going Concern statement and the Statement of Directors’ Responsibilities set out on pages 14 and 15, indicates how the Company has complied with the principles of good governance of the UK Code and its requirements on Internal Control.

The Board has considered the principles and recommendations of the UK Code, and considers that reporting against the UK Code will provide better information to shareholders. To ensure ongoing compliance with these principles the Board receives a report from the Company Secretary, at each quarterly meeting, identifying how the Company is in compliance and identifying any changes that might be necessary.

The UK Code is available in the FRC’s website, www.frc.org.uk.

The Board, having reviewed the UK Code, considers that it has maintained procedures during the year ended 30 June 2015 and up to the date of this report to ensure that it complies with the UK Code except as explained elsewhere in the Corporate Governance Statement.

Guernsey Regulatory Environment

The Guernsey Financial Services Commission’s (the “Commission”) Finance Sector GFSC Code comprises Principles and Guidance, and provides a formal expression of good corporate practice against which Shareholders, boards and the Commission can better assess the governance exercised over companies in Guernsey’s finance sector. The Commission recognises that the different nature, scale and complexity of business will lead to differing approaches to meeting the GFSC Code. Companies reporting against the UK Code are deemed to comply with the GFSC Code.

Role of the Board

The Board is the Company’s governing body and has overall responsibility for maximising the Company’s success by directing and supervising the affairs of the business and meeting the appropriate interests of Shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board’s responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- risk assessment and management including reporting compliance, governance, monitoring and control; and
- other matters having a material effect on the Company.

The Board’s responsibilities for the Annual Report are set out in the Statement of Directors’ Responsibilities on pages 14 and 15.

The Board has contractually delegated responsibility for the management of its investment portfolio, the arrangement of custodial and depositary services and the provision of accounting and company secretarial services.

The Board needs to ensure that the Financial Statements, taken as a whole, is fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company’s performance, business model and strategy.

RUFFER INVESTMENT COMPANY LIMITED

Corporate Governance statement (continued)

Role of the Board (continued)

In seeking to achieve this, the Directors have set out the Company's investment objective and policy and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Financial Statements the Board has sought to provide further information to enable Shareholders to have a fair, balanced and understandable view.

Composition and Independence of the Board

The Board currently comprises six non-executive Directors, all of whom are independent with the exception of Wayne Bulpitt and Peter Luthy. The Directors of the Company are listed on pages 11 and 60.

Under the UK Code Wayne Bulpitt and Peter Luthy are considered not to be independent by reason of being Directors of other funds managed by the Company's Investment Manager. None of the Directors has a contract of service with the Company.

The Chairman is Ashe Windham. The Chairman of the Board must be independent for the purposes of Chapter 15 of the Listing Rules. Ashe Windham is considered independent because he:

- has no current or historical employment with the Investment Manager; and
- has no current directorships in any other investment funds managed by the Investment Manager.

The Board does not consider it appropriate to appoint a Senior Independent Director because the Board are all deemed to be independent of the Company except for Wayne Bulpitt and Peter Luthy. The Company has no employees and therefore there is no requirement for a chief executive. The Board believes it has a good balance of skills and experience to ensure it operates effectively. The Chairman, Ashe Windham, is responsible for leadership of the Board and ensuring its effectiveness.

The Board has engaged external companies to undertake the investment management, administrative and custodial activities of the Company. Documented contractual arrangements are in place with these companies which define the areas where the Board has delegated responsibility to them. For additional information refer to page 20.

The Company holds a minimum of four Board meetings per year to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. The quarterly Board meetings are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls but these meetings are supplemented by communication and discussions throughout the year.

A representative of the Investment Manager, Administrator and Company Secretary attends each Board meeting either in person or by telephone thus enabling the Board to fully discuss and review the Company's operations and performance. In addition, representatives from the Company's Broker attend at least two Board meetings a year. Each Director has direct access to the Investment Manager and Company Secretary and may at the expense of the Company seek independent professional advice on any matter.

Attendance at the Board and other Committee meetings during the year was as follows:

	Number of Meetings held	Wayne Bulpitt	Jeannette Etherden	Peter Luthy	Christopher Spencer	Ashe Windham	John V Baldwin
Board Meetings	5*	5	5	5	5	5	5
Audit Committee Meetings	3*	3	3	3	3	3	3
Management Engagement Committee Meetings	2*	N/A	2	N/A	1	2	2
Ad-hoc Board Meetings	1	1	1	1	1	1	1

* The final scheduled meetings for the year ended 30 June 2014 were delayed until 10 July 2014.

RUFFER INVESTMENT COMPANY LIMITED

Corporate Governance statement (continued)

Directors' Indemnity

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Re-election

At each AGM all of the Directors shall retire from office and may offer themselves for re-election. For additional information refer to the Chairman's Review on pages __.

On 19 November 2014 at the 10th AGM of the Company, Ashe Windham, John Baldwin, Jeannette Etherden, Wayne Bulpitt, Peter Luthy and Christopher Spencer retired as Directors of the Company and being eligible had offered themselves for re-election and were re-elected as Directors of the Company by the Shareholders. As Peter Luthy and Wayne Bulpitt are Directors of other companies managed by the Company's Investment Manager they are deemed to be non-independent Directors and therefore stand for re-election at each AGM.

The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following their appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an AGM.

Board Evaluation and Succession Planning

The Directors consider how the Board functions as a whole taking balance of skills, experience and length of service into consideration and also reviews the individual performance of its members on an annual basis.

To enable this evaluation to take place, the Company Secretary will circulate a detailed questionnaire plus a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. The performance of the Chairman is evaluated by the other Directors. On occasions, the Board may seek to employ an independent third party to conduct a review of the Board.

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme has been prepared for any future Director appointments.

The Board has also given careful consideration to the recommendations of the Davies Report on women on boards and as recommended in that report has reviewed its composition and believes that it has available an appropriate range of skills and experience. In order to extend its diversity, the Board is committed to implementing the recommendations of the Davies Report, if possible within the timescales proposed in the Davies Report, and to that end will ensure that women candidates are considered when appointments to the Board are under consideration – as indeed has always been its practice.

Committees of the Board

The Board has established Audit and Management Engagement Committees and approved their terms of reference, copies of which can be obtained from the Company Secretary upon request.

Audit Committee

The Company has established an Audit Committee, with formally delegated duties and responsibilities within written terms of reference. The Company's Audit Committee is comprised of the entire Board. The Audit Committee is chaired by Christopher Spencer. The Audit Committee meets formally at least twice a year and each meeting is attended by the independent external auditor and Administrator.

The table on page 17 sets out the number of Audit Committee Meetings held during the year ended 30 June 2015 and the number of such meetings attended by each Audit Committee member.

A report of the Audit Committee detailing responsibilities and activities is presented on pages 22 to 25.

RUFFER INVESTMENT COMPANY LIMITED

Corporate Governance statement (continued)

Management Engagement Committee

The Company has established a Management Engagement Committee, with formally delegated duties and responsibilities within written terms of reference. The Management Engagement Committee is comprised of the independent non-executive Directors of the Company, with John V Baldwin appointed as Chairman. The Management Engagement Committee meets formally once a year.

The principal duties of the Management Engagement Committee are to review the performance of and contractual arrangements with the Investment Manager and all other service providers to the Company (other than the external auditors).

During the year the Management Engagement Committee has reviewed the services provided by the Investment Manager as well as the other service providers and have recommended to the Board that their continuing appointments is in the best interests of the Shareholders. The last meeting was held on 5 June 2015.

The table on page 17 sets out the number of Management Engagement Committee Meetings held during the year and the number of such meetings attended by each Management Engagement Committee member.

Nomination Committee

The Board does not have a separate Nomination Committee. The Board as a whole fulfils the function of a Nomination Committee. Any proposal for a new Director will be discussed and approved by the Board. The Board will determine whether in future an external search consultancy or open advertising is used in the appointments of non-executive Directors.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate for there to be a Remuneration Committee as anticipated by the UK Code because this function is carried out as part of the regular Board business. A Remuneration Report prepared by the Board is on page 21.

Internal Control

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee at its meetings and annually by the Board.

The Board is responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing its effectiveness. The system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and as such can only provide reasonable, but not absolute assurance against material misstatement or loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Board uses a formal risk assessment matrix to identify and monitor business risks.

The Board considers on an ongoing basis the process for identifying, evaluating and managing any significant risks faced by the Company. The process includes reviewing reports from the Company Secretary on risk control and compliance, in conjunction with the Investment Manager's regular reports which cover investment performance.

The Board has contractually delegated to external parties various functions as listed below. The duties of investment management, administration and custody are segregated. Each of the contracts entered into with the parties was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the control systems in operation as far as they relate to the affairs of the Company.

RUFFER INVESTMENT COMPANY LIMITED

Corporate Governance statement (continued)

Internal Control (continue)

- Investment Management is provided by Ruffer AIFM Limited, a company authorised by the FCA.
- Administration, Accounting, Registrar, and Company Secretarial duties are performed by Northern Trust International Fund Administration Services (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.
- CREST agency functions are performed by Computershare Investor Services (Jersey) Limited, a company licensed and regulated by the Jersey Financial Services Commission.
- Depositary services performed by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.
- Custody of assets is undertaken by Northern Trust (Guernsey) Limited, a company licensed and regulated by the Guernsey Financial Services Commission.

The Board reviews regularly the performance of the services provided by these companies. The board reviews the performance of the Investment Manager annually by assessing the performance of the investments, and the Investment Manager's position against its peers.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Investment Manager and Administrator which has their own internal audit and risk assessment functions. As such, an internal audit function specific to the Company is therefore considered unnecessary, as explained on page 25.

Principal Risks and Uncertainties

Principal risks and uncertainties are disclosed on page 7.

Relations with Shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of its shareholders from the Company's Corporate Broker and Investment Manager.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company.

In addition, the Investment Manager maintains a website which contains comprehensive information, including financial reports, prospectus and monthly reports on investment performance which contains share price information, investment objectives, investment reports and investor contracts.

Subsequent Events

The subsequent events since the year end that the Directors consider require adjustment to or disclosure in this report or the financial statements are disclosed in note 21 on page 54.

On behalf of the Board

Chairman
_____ 2015

Director

RUFFER INVESTMENT COMPANY LIMITED

Directors' Remuneration Report

Introduction

An ordinary resolution for the approval of the annual remuneration report was put to the shareholders at the AGM held on 19 November 2014.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire by rotation or cease to be a director in accordance with the Articles of Incorporation, by operation of law or until they resign.

Remuneration

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £200,000 (30 June 2014: £200,000) per annum.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No Directors have been paid additional remuneration outside their normal Directors' fees and expenses. Directors fees have not increased during the year (2014: no increase during the year).

	30.06.15	30.06.14
	£	£
Ashe Windham	35,000	35,000
Christopher Spencer	25,000	25,000
Jeannette Etherden	25,000	25,000
Peter Luthy	25,000	25,000
Wayne Bulpit	25,000	25,000
John V Baldwin	25,000	25,000
	<hr/>	<hr/>
	160,000	160,000
	<hr/>	<hr/>

During the year ended 30 June 2015 Director fees of £160,000 (30 June 2014: £160,000) were charged to the Company of which £40,000 (30 June 2014: £40,000) remained payable at the year end.

Signed on behalf of the Board by:

Director
_____ 2015

RUFFER INVESTMENT COMPANY LIMITED

Audit Committee Report

On the following pages, we present the Audit Committee's Report for the year ended 30 June 2015, setting out the responsibilities of the Audit Committee and its key activities for the year from 1 July 2014 to 30 June 2015. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the independent external auditor and the internal control and risk management systems of service providers. In order to assist the Audit Committee in discharging these responsibilities, regular reports are received from the Investment Manager, Administrator and independent external auditor.

A member of the Audit Committee will continue to be available at each AGM to respond to any shareholder questions on the activities of the Audit Committee.

Responsibilities

The Audit Committee reviews and recommends to the Board, the Financial Statements of the Company and is the forum through which the independent external auditor reports to the Board of Directors.

The role of the Audit Committee includes:

- Monitoring and reporting to the board on such matters as the integrity of the Financial Statements of the Company and any formal announcements relating to the Company's financial performance, and any significant financial reporting judgements;
- considering the appropriateness of accounting policies and practices including critical judgement areas;
- reviewing and considering the UK Code and FRC Guidance on Audit Committees;
- monitoring and reviewing the quality, effectiveness and independence of the independent external auditors and the effectiveness of the audit process. considering and making recommendations to the Board on the appointment, reappointment, replacement and remuneration to the Company's external auditor;
- reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption; and
- monitoring and reviewing the internal control and risk management systems of the service providers together with the need for an Internal Audit function.

The Audit Committee's full terms of reference can be obtained by contacting the Company's Secretary.

Key Activities of the Audit Committee

The following sections discuss the assessments made by the Audit Committee during the year:

Financial Reporting:

The Audit Committee's review of the Half Yearly Financial Report and Audited Annual Financial Report focused on the following significant risks; valuation and ownership of investments. The investments comprise the majority of NAV value and hence form part of the Key Performance Indicator ("KPI") NAV per share. Hence any significant error in valuation or overstatement of holdings could significantly impact the NAV and hence the reported NAV per share of the Company.

Valuation of Investments

The Company's investments had a fair value of £314,296,168 as at 30 June 2015 and represented the majority of the net assets of the Company. The investments are predominantly all listed except for investments in investment funds and the valuation of the investments is in accordance with the requirements of IFRS. The Audit Committee considered the fair value of the investments held by the Company as at 30 June 2015 to be reasonable based on information provided by the Investment Manager and Administrator. All prices are confirmed to independent pricing sources as at 30 June 2015 by the Administrator and are subject to review process at the Administrator and oversight at the Investment Manager.

RUFFER INVESTMENT COMPANY LIMITED

Audit Committee Report (continued)

Key Activities of the Audit Committee (continued)

Ownership of Investments

The Company's investment holdings are reconciled to independent reports from the Custodian by the Administrator with any discrepancies being fully investigated and reconciled by the Administrator. The Audit Committee therefore consider the ownership of the investments held by the Company as at 30 June 2015 to be reasonable based on a review of information provided by the Investment Manager, Custodian, Depositary and Administrator.

The independent external auditor reported to the Audit Committee any misstatements found in the course of its work, however no material misstatements were found.

Risk Management

The Audit Committee considered the process for managing the risk of the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Audit Committee. Regular reports are received from the Investment Manager and Administrator on the Company's risk evaluation process and reviews. Refer the Business Model and Strategy on page 7 for details on principal risks and uncertainties and their management. Financial risks faced by the Company are discussed in note 19 of the Financial Statements on pages 45 to 52.

With the introduction of AIFMD the Company's AIFM, Ruffer AIFM Limited, undertakes certain responsibilities in terms of the risk management of the Company. This discussed in more detail in the AIFM's report on page 26.

Fraud, Bribery and Corruption

The Audit Committee continues to monitor the fraud, bribery and corruption policies of the Company. The Board receives a confirmation from all service providers that there have been no instances of fraud, bribery or corruption.

The Independent External Auditor

During the year the Board entered into a competitive audit tender process and on the 9 March 2015, Deloitte LLP was appointed as the Company's new auditor, replacing Moore Stephens, who had been the independent external auditor from the date of the initial listing on the LSE.

Independence, Objectivity and Fees

The independence and objectivity of the independent external auditor is reviewed by the Audit Committee which also reviews the terms under which the independent external auditor is appointed to perform non-audit services. The Audit Committee has established pre-approval policies and procedures for the engagement of Deloitte LLP to provide audit, assurance and tax services. No tax services were provided during the year. These are that the external auditors may not provide a service which:

- places them in a position to audit their own work;
- creates a mutuality of interest;
- results in the external auditor developing close relationships with service providers of the Company;
- results in the external auditor functioning as a manager or employee of the Company; or
- puts the external auditor in the role of advocate of the Company.

As a general rule, the Company does not utilise external auditors for internal audit purposes, secondments or valuation advice. Services which are in the nature of audit, such as tax compliance, tax structuring, private letter rulings, accounting advice, quarterly reviews and disclosure advice are normally permitted but must be pre-approved where individual fees are likely to be above £25,000.

RUFFER INVESTMENT COMPANY LIMITED

Audit Committee Report (continued)

Key Activities of the Audit Committee (continued)

Independence, Objectivity and Fees (continued)

The following table summarises the remuneration paid to the auditors for audit and non-audit services during the years ended 30 June 2015 and 2014:

	30.06.15	30.06.14
	£	£
Statutory Audit	21,922	21,850
Total Audit fees	<u>21,922</u>	<u>21,850</u>
Interim Review	7,790	7,513
Total non-audit related fees	<u>7,790</u>	<u>7,513</u>

In line with the policies and procedures above, the Audit Committee does not consider that the provision of these non-audit services, which comprised of independent review of the Half Yearly Financial Report, to be a threat to the objectivity and independence of the independent auditor.

Deloitte LLP also has safeguards in place to ensure objectivity and independence. This includes:

- Review and challenge of key decisions by the Engagement Quality Review Partner and engagement quality control review by a member of the Independent Professional Standards Review Team.

When considering the effectiveness and independence of the independent external auditors, and the effectiveness of the audit process, the Audit Committee meets regularly with the external auditors to discuss the audit plan and the scope of the audit. The Audit Committee also takes account of factors such as:

- The audit plan presented to them before each audit;
- The post audit report including variations from the original plan;
- Changes in audit personnel;
- The independent external auditors own internal procedures to identify threats to independence; and
- Feedback from both the Investment Manager and Administrator evaluating the performance of the team.

The Audit Committee has examined the scope and results of the audit, its cost effectiveness and the independence and objectivity of the independent external auditor, with particular regard to non-audit fees, and is satisfied that an effective audit has been completed with diligence and professional scepticism, that the scope of the audit was appropriate and significant judgements have been challenged robustly. It also considers Deloitte LLP, as independent external auditor, to be independent of the Company.

Reappointment of external auditors

Consequent to this review process, the Audit Committee has recommended to the Board that a resolution be put to the 2015 AGM for the reappointment of Deloitte LLP as independent external auditor. The Board has accepted this recommendation.

Internal control and risk management systems

The Audit Committee, after consultation with the Investment Manager and independent external auditor, considers the key risk of misstatement in its Financial Statements to be the override of controls by its service providers, the Investment Manager and Administrator.

The Audit Committee reviews and examines externally prepared assessments of the control environment in place at the Investment Manager and the Administrator. No significant failings or weaknesses were identified in these reports.

RUFFER INVESTMENT COMPANY LIMITED

Audit Committee Report (continued)

The Audit Committee has also reviewed the need for an internal audit function. The Audit Committee has decided that the systems and procedures employed by the Investment Manager and the Administrator, including their internal audit functions, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

For any questions on the activities of the Audit Committee not addressed in the foregoing, a member of the Audit Committee remains available to attend each AGM to respond to such questions.

In finalising the Financial Statements for recommendation to the Board for approval, the Audit Committee has satisfied itself that the Financial Statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Chairman, Audit Committee
_____2015

RUFFER INVESTMENT COMPANY LIMITED

Alternative Investment Fund Managers (“AIFM”) Directive

RUFFER INVESTMENT COMPANY LIMITED

Report of the Depositary to the Shareholders of Ruffer Investment Company Limited

Northern Trust (Guernsey) Limited has been appointed as Depositary to Ruffer Investment Company Limited (the 'Company') in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 the ('AIFM Directive').

We have enquired into the conduct of Ruffer AIFM Limited (the 'AIFM') and the Company for the year ended 30 June 2015, in our capacity as Depositary to the Company.

This report including the review provided below has been prepared for and solely for the Shareholders in the Company. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depositary are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 (collectively the 'AIFMD legislation') and The Authorised Closed Ended Investment Scheme Rules 2008.

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Company and their delegates in each annual accounting period.

Our report shall state whether, in our view, the Company has been managed in that period in accordance with the AIFMD legislation. It is the overall responsibility of the AIFM and the Company to comply with these provisions. If the AIFM, the Company or their delegates have not so complied, we as the Depositary will state why this is the case and outline the steps which we have taken to rectify the situation.

The Depositary and its affiliates is or may be involved in other financial and professional activities which may on occasion cause a conflict of interest with its roles with respect to the Company. The Depositary will take reasonable care to ensure that the performance of its duties will not be impaired by any such involvement and that any conflicts which may arise will be resolved fairly and any transactions between the Depositary and its affiliates and the Company shall be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Basis of Depositary Review

The Depositary conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation and the appropriate regulations. Such reviews vary based on the type of Fund, the assets in which a Fund invests and the processes used, or experts required, in order to value such assets.

Review

In our view, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document; and by the AIFMD legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document; and the AIFMD legislation.

For and on behalf of
Northern Trust (Guernsey) Limited
9 September 2015

RUFFER INVESTMENT COMPANY LIMITED

Independent Auditor's Report To the Shareholders of Ruffer Investment Company Limited

RUFFER INVESTMENT COMPANY LIMITED

Independent Auditor's Report To the Shareholders of Ruffer Investment Company Limited (continued)

For an on behalf of Deloitte LLP
Chartered Accountants and Recognised Auditors
Guernsey, Channel Islands
_____ 2015

RUFFER INVESTMENT COMPANY LIMITED

Statement of Financial Position

		30.06.15	30.06.14
	Notes	£	£
ASSETS			
Cash and cash equivalents		15,777,422	15,193,265
Derivative financial assets	18,19	6,770,940	850,868
Receivables	11	1,137,295	3,547,454
Investment assets at fair value through profit or loss	10	314,296,168	300,291,140
Total assets		337,981,825	319,882,727
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Management share capital	13	2	2
Net assets attributable to holders of redeemable participating preference shares		337,222,401	318,040,568
Total equity		337,222,403	318,040,570
LIABILITIES			
Payables	12	714,545	1,842,157
Derivative financial liability	18,19	44,877	-
Total liabilities		759,422	1,842,157
Total equity and liabilities		337,981,825	319,882,727
Net assets attributable to holders of redeemable participating preference shares (per share)	14	2.184	2.065

The financial statements on pages 30 to 54 were approved on 9 September 2015 and signed on behalf of the Board of Directors by:

Chairman

Director

The notes on pages 34 to 54 form an integral part of these accounts.

RUFFER INVESTMENT COMPANY LIMITED

Statement of Comprehensive Income

				01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	Notes	Revenue £	Capital £	Total £	Total £
Fixed interest income		953,913	-	953,913	938,916
Dividend income		3,668,247	-	3,668,247	5,585,969
Net changes in fair value on financial assets at fair value through profit or loss	6	-	20,030,558	20,030,558	(13,973,194)
Other gains	7	-	3,406,833	3,406,833	5,692,211
Total income		4,622,160	23,437,391	28,059,551	(1,756,098)
Management fees		-	(3,109,109)	(3,109,109)	(3,069,320)
Expenses		(799,433)	(212,245)	(1,011,678)	(959,078)
Total expenses		(799,433)	(3,321,354)	(4,120,787)	(4,028,398)
Profit/(loss) for the year before tax		3,822,727	20,116,037	23,938,764	(5,784,496)
Withholding tax		(401,806)	-	(401,806)	(669,054)
Profit/(loss) for the year after tax		3,420,921	20,116,037	23,536,958	(6,453,550)
Total comprehensive income/(expense) for the year		3,420,921	20,116,037	23,536,958	(6,453,550)
Basic and diluted earnings/(loss) per share *		2.22p	13.06p	15.28p	(4.23p)

*Basic and diluted earnings/(loss) per share are calculated by dividing the profit after taxation by the weighted average number of redeemable participating preference shares. The weighted average number of shares for the year was 154,065,196 (30.06.2014: 152,720,745).

The notes on pages 34 to 54 form an integral part of these accounts.

RUFFER INVESTMENT COMPANY LIMITED

Statement of Changes in Equity

	Share capital	Distributable reserves	Total 01.07.2014 to 30.06.2015
	£	£	£
Balance at 30 June 2014	124,887,120	193,153,448	318,040,568
Total comprehensive income for the year	-	23,536,958	23,536,958
Transactions with Shareholders:			
Share capital issued	891,950	-	891,950
Share issue costs	(8,919)	-	(8,919)
Distribution for the year	-	(5,238,156)	(5,238,156)
Balance at 30 June 2015	125,770,151	211,452,250	337,222,401
Net Assets attributable to holders of redeemable participating preference shares at the end of the year			<u>337,222,401</u>

	Share capital	Distributable reserves	Total 01.07.2013 to 30.06.2014
	£	£	£
Balance at 30 June 2013	114,304,639	204,809,454	319,114,093
Total comprehensive expense for the year	-	(6,453,550)	(6,453,550)
Transactions with Shareholders:			
Share capital issued	10,689,375	-	10,689,375
Share issue costs	(106,894)	-	(106,894)
Distribution for the year	-	(5,202,456)	(5,202,456)
Balance at 30 June 2014	124,887,120	193,153,448	318,040,568

Net Assets attributable to holders of redeemable participating preference shares at the end of the year	<u>318,040,568</u>
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Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to a net asset and solvency test.

The notes on pages 34 to 54 form an integral part of these accounts.

RUFFER INVESTMENT COMPANY LIMITED

Statement of Cash Flows

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
Cash flows from operating activities		
Purchase of financial assets at fair value through profit or loss	(176,257,940)	(113,427,911)
Proceeds from sale of financial assets at fair value through profit or loss (including realised gains)	184,125,578	94,899,199
Other receivables	(5,179)	(1,794)
Transaction costs paid to brokers	(212,245)	(220,639)
Fixed interest income received	1,011,568	879,208
Dividends received	3,269,448	5,395,419
Operating expenses paid	(3,859,047)	(3,511,886)
Foreign exchange (gains)/losses	(2,468,362)	4,384,532
Cash generated/(used in) from operating activities	5,603,821	(11,603,872)
Cash flows from financing activities		
Dividends paid	(5,238,156)	(5,202,456)
Proceeds from issue of redeemable participating preference shares	227,412	11,014,725
Share issue costs	(8,920)	(110,147)
Net cash (used in)/generated from financing activities	(5,019,664)	5,702,122
Net increase/(decrease) in cash and cash equivalents	584,157	(5,901,750)
Cash and cash equivalents at beginning of the year	15,193,265	21,095,015
Cash and cash equivalents at end of the year	15,777,422	15,193,265

The notes on pages 34 to 54 form an integral part of these accounts.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements

1. The Company

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

2. Significant accounting policies

a) Statement of Compliance

The Financial Statements of the Company for the year from 1 July 2014 to 30 June 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the European Union and the Listing Rules of the London Stock Exchange. They give a true and fair view and are in compliance with the Companies (Guernsey) Law, 2008.

b) Basis of preparation

The Financial Statements are prepared in pounds sterling (£), which is the Company's functional and presentation currency. The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

This annual report and financial statements, covering the year from 1 July 2014 to 30 June 2015, has been audited.

c) Standards, amendments and interpretations that are not yet effective

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

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

IFRS 15 – Revenue from Contracts with Customers (effective date – 1 January 2017)

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2018. This standard has not yet been adopted by the European Union.

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

d) Financial instruments

i) Classification

Financial assets are classified into the following categories: financial assets at fair value through profit or loss and loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

2. Significant accounting policies (continued)

d) Financial instruments (continued)

ii) Recognition

Investment assets at fair value through profit or loss ("investments")

Financial assets and derivatives are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company commits to purchase or sell the investment). Investments purchased are initially recorded at fair value, being the consideration given and excluding transaction or other dealing costs associated with the investment.

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Statement of Comprehensive Income within net changes in fair value of financial assets at fair value through profit or loss.

Derivatives

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently re-measured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on re-measurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other gains in the period in which they arise.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise assets and settle the liabilities simultaneously.

iii) Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate on fair value. Gains and losses arising from changes in the fair value of financial assets/(liabilities) are shown as net gains or losses on financial assets through profit or loss in note 10 and recognised in the Statement of Comprehensive Income in the period in which they arise.

Derecognition of financial instruments

A financial asset is derecognised when: (a) the rights to receive cash flows from the asset have expired, (b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through arrangement"; or (c) the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Realised and unrealised gains and losses

Realised gains and losses arising on disposal of investments are calculated by reference to the proceeds received on disposal and the average cost attributable to those investments, and are recognised in the Statement of Comprehensive Income. Unrealised gains and losses on investments are recognised in the Statement of Comprehensive Income.

Fair value

Investments consist of listed or quoted equities or equity related securities, options and bonds which are issued by corporate issuers, supra-nationals or government organisations and investment in funds.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

2. Significant accounting policies (continued)

d) Financial instruments (continued)

iii) Measurement (continued)

Fair value (continued)

Investments traded in active markets are valued at the latest available bid prices ruling at midnight on the reporting date.

Shares in investment funds are not listed on an actively traded exchange and these are valued at the latest estimate of NAV from the administrator of the respective investment funds as the most recent price is the best estimate of the amount for which holdings could have been disposed of at the reporting date.

e) Income

Dividend income from equity investments is recognised through profit or loss in the Statement of Comprehensive Income when the relevant investment is quoted ex-dividend. Investment income is included gross of withholding tax. Interest income is recognised through profit or loss in the Statement of Comprehensive Income for all debt instruments using the effective interest rate method.

f) Expenses

Expenses are accounted for on an accruals basis. Expenses incurred on the acquisition of financial assets at fair value through profit or loss and management fees are charged to the Statement of Comprehensive Income in capital. All other expenses are recognised through profit or loss in the Statement of Comprehensive Income in revenue.

g) Cash and cash equivalents

Cash comprises cash in hand and deemed deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and bank overdrafts.

h) Translation of foreign currency

Functional and presentation currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its 'functional currency'). The Directors have considered the currency in which the original capital was raised, distributions will be made and ultimately the currency in which capital would be returned in a liquidation. On balance, the Directors believe that pounds sterling best represents the functional currency of the Company. For the purpose of the financial statements, the results and financial position of the Company are expressed in pounds sterling, which is the presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items such as financial assets held at fair value through profit or loss are reported as part of net changes in fair value on financial assets through profit or loss in the Statement of Comprehensive Income.

i) Share issue costs

Share issue costs are fully written off against the share capital account in the period of the share issue.

j) Redeemable participating preference shares

As the Company's redeemable participating preference shares are redeemable at the sole option of the Directors they are required to be classified as equity instruments.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

2. Significant accounting policies (continued)

k) Receivables

Receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l) Payables

Payables are obligations to pay for services that have been acquired in the ordinary course of business. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the Financial Statements:

Functional currency

As disclosed in note 2(h), the Company's functional currency is Sterling. Sterling is the currency in which the original capital was raised, distributions are made and ultimately the currency in which capital would be returned in a liquidation.

4. Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £600 (which has increased to £1,200 with effect from 1 January 2015).

The amounts disclosed as taxation in the Statement of Comprehensive Income relates solely to withholding tax suffered at source on income. Foreign capital gains tax charges are deducted from realised investment gains.

5. Dividends to shareholders

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

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
2014 Second interim dividend of 1.7p (2014: 1.7p)	2,618,228	2,584,228
2015 First interim dividend of 1.7p (2014: 1.7p)	2,619,928	2,618,228
	<u>5,238,156</u>	<u>5,202,456</u>

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

6. Net changes on financial assets at fair value through profit or loss

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
Net changes on financial assets at fair value through profit or loss during the year comprise:		
Gains realised on investments sold during the year	25,992,478	14,411,342
Losses realised on investments sold during the year	(11,885,266)	(10,660,518)
Movement in unrealised gains arising from changes in fair value	13,234,311	4,507,503
Movement in unrealised losses arising from changes in fair value	(7,310,965)	(22,231,521)
Net changes in fair value on financial assets at fair value through profit or loss	<u>20,030,558</u>	<u>(13,973,194)</u>

7. Other gains

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
Unrealised gains on forward foreign currency contracts	5,875,195	1,307,679
Realised gains on forward foreign currency contracts	(836,339)	5,310,222
Other realised and unrealised foreign exchange losses	(1,632,023)	(925,690)
	<u>3,406,833</u>	<u>5,692,211</u>

8. Management fees

Due to the recent changes introduced by virtue of the Alternative Investment Fund Managers Directive ("AIFMD"), the Company terminated the Investment Management Agreement with Ruffer LLP and appointed Ruffer AIFM Limited as the new Investment Manager with effect from 22 July 2014. For further details refer to the General Information on page 59.

The management fees were charged to the capital reserves of the Company.

The management fees for the year, including outstanding balances at end of the year, are detailed below.

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
Management fees for the year	<u>3,109,109</u>	<u>3,069,320</u>
Payable at end of the year	<u>541,101</u>	<u>504,487</u>

The basis for calculating the management fees is set out in the General Information on page 59.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

9. Expenses

	01.07.2014 to 30.06.2015	01.07.2013 to 30.06.2014
	£	£
Administration fee*	376,447	374,088
Transaction costs	212,245	220,639
Directors' fees	160,000	160,000
General expenses	172,570	138,700
Custodian and Depositary fees*	60,704	36,254
Audit fee	21,922	21,884
Auditors' remuneration for non-audit services**	7,790	7,513
	1,011,678	959,078

* The basis for calculating the Administration fees as well as the Custodian and Depositary fees are set out in the General Information on page 59.

** Fees of £7,790 (30.06.2014: £7,513) were paid to the Moore Stephens, in respect of non-audit services in relation to the interim review.

All expenses were charged to revenue apart from transaction costs of £212,245 (30.06.14: £220,639) which were charged to the capital reserves of the Company.

10. Investment assets at fair value through profit or loss

	30.06.2015	30.06.2014
	£	£
Cost of investments held at end of the year	288,437,122	280,355,440
Fair value movement	25,859,046	19,935,700
Investments designated at fair value through profit or loss	314,296,168	300,291,140

11. Receivables

	30.06.2015	30.06.2014
	£	£
Amounts falling due within one year:		
Sales of investments awaiting settlement	-	3,002,386
Investment income receivable	250,943	270,778
Fixed interest income receivable	212,138	269,793
Due on issue of redeemable participating preference shares	664,538	-
Other receivables	9,676	4,497
	1,137,295	3,547,454

The directors consider that the carrying amount of receivables approximate to their fair value.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

12. Payables

	30.06.2015	30.06.2014
	£	£
Amounts falling due within one year:		
Purchases of investments awaiting settlement	-	1,160,280
Management fees payable	541,101	504,487
Withholding taxes payable	32,831	49,659
Directors' fees payable	40,000	40,000
Other payables	100,613	87,731
	<u>714,545</u>	<u>1,842,157</u>

The directors consider that the carrying amount of payables approximate to their fair value.

13. Share capital account

	30.06.2015	30.06.2014
	£	£
Authorised Share Capital		
100 Management Shares of £1.00 each	100	100
200,000,000 Unclassified Shares of 0.01p each	20,000	20,000
75,000,000 C Shares of 0.1p each	75,000	75,000
	<u>95,100</u>	<u>95,100</u>

	Number of shares		Share Capital	
	30.06.2015	30.06.14	30.06.2015	30.06.14
			£	£
Issued Share Capital				
Management Shares				
Management Shares of £1.00 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Equity Shares				
Redeemable Participating Preference				
Shares of 0.01p each:				
Balance at start of year	154,013,416	149,188,416	124,887,120	114,304,639
Issued during the year	400,000	4,825,000	891,950	10,689,375
Share issue costs	-	-	(8,919)	(106,894)
Balance as at end of year	<u>154,413,416</u>	<u>154,013,416</u>	<u>125,770,151</u>	<u>124,887,120</u>

Management shares

The Management shares, of which there are 2 in issue, were created to comply with the Company Memorandum and Amended and Restated Articles of Association. The management shares carry one vote each on a poll, do not carry any right to dividends and, in a winding-up, rank only for a return of the amount of the paid-up capital on such shares after return of capital on all other shares in the Company. The management shares are not redeemable.

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.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

13. Share capital account (continued)

Unclassified shares (continued)

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 carry a preferential right to a return of capital in priority to the management shares but have no pre-emptive right and are entitled to one vote at all meetings of the relevant class of shareholders.

C Shares

There were no C Shares in issue at year end (30.06.14: Nil).

Blocklisting and additional shares issued

At the start of the year, the Company had the ability to issue 14,081,342 redeemable participating shares under a blocklisting facility. During the year the Company made no (30.06.14: 3,464,820) further application to the Financial Conduct Authority and to the London Stock Exchange for redeemable participating preference shares of 0.01 pence each to be admitted to the Official List under a general corporate purposes blocklisting facility. Under the blocklisting facility, 14,081,342 new redeemable participating preference shares of 0.01 pence each were allotted and issued during the year. These new redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 30 June 2015, the Company had the ability to issue a further 13,681,342 redeemable participating preference shares under the blocklisting facility.

Redeemable participating preference shares in issue

As at 30 June 2015 the Company had 154,413,416 redeemable participating preference shares of 0.01 pence each and 2 Management shares of £1.00 each in issue. Therefore, the total voting rights in the Company at 30 June 2015 were 154,413,418.

Purchase of Own Shares by the Company

The Company operates a Share Buyback Facility whereby it may purchase, subject to various terms as set out in its Articles and in accordance with the Companies (Guernsey) Law, 2008, up to 14.99 per cent. of the Company's shares in issue following the admission of shares trading on the LSE's market for listed securities.

During the year the Company did not purchase any of its own shares (2014: Nil). For additional information refer to note 20 on page 53.

14. NAV reconciliation

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

	30.06.2015	30.06.14
	£	£
NAV per share for valuation purposes	2.188	2.061
IAS 39 valuations (MID to BID)	(0.004)	(0.002)
Adjustment to valuation*	-	0.006
Net assets attributable to holders of redeemable participating preference shares (per share)	2.184	2.065

*This was an adjustment to the valuation which had been undervalued in the NAV at 30 June 2014.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

15. Contingent liabilities

There were no contingent liabilities as at 30 June 2015 and 2014.

16. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

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

Investment Management Agreement

Due to the recent changes introduced by virtue of the Alternative Investment Fund Managers Directive ("AIFMD"), the Company terminated the Investment Management Agreement with Ruffer LLP and appointed Ruffer AIFM Limited as the new Investment Manager with effect from 22 July 2014. For further details refer to the General Information on page 59.

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 Association.

The market value of CF Ruffer Japanese Fund, CF Ruffer Baker Steel Gold Fund and Ruffer Illiquid Strategies Fund of Funds 2009 Limited are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information refer to the Portfolio Statement on pages 55 to 58.

Shares held in the managing member of Ruffer LLP

As at 30 June 2015, an immediate family member of the Chairman Ashe Windham owned 100 (30.06.14: 100) shares in the Managing Member of the Ruffer LLP. This amounts to less than 5% (30.06.14: less than 5%) of the company's issued share capital.

Directors

The Company has six non-executive directors, all of whom except Wayne Bulpitt and Peter Luthy are independent of the Investment Manager.

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

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £200,000 (30.06.14: £200,000) per annum.

Each Director was paid a fee of £25,000 (30.06.14: £25,000) per annum, except for the Chairman who was paid £35,000 (30.06.14: £35,000) per annum.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

16. Related party transactions (continued)

Directors (continued)

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

	30.06.2015	30.06.14
	£	£
Directors' fees for the year	160,000	160,000
Accrued at end of the year	40,000	40,000

Shares held by related parties

As at 30 June 2015, Directors of the Company held the following numbers of shares beneficially:

	30.06.2015	30.06.14
<i>Directors</i>	<i>Shares</i>	<i>Shares</i>
Ashe Windham*	85,000	80,000
Christopher Spencer	14,157	14,157
Jeannette Etherden	36,627	36,627
Peter Luthy**	120,000	120,000
Wayne Bulpitt	20,000	20,000

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

** Peter Luthy holds these shares jointly with his wife.

As at 30 June 2015, Hamish Baillie, Investment Director of the Investment Manager owned 143,000 (30.06.14: 100,000) shares in the Company. Hamish Baillie acquired a further 43,000 shares on 18 August 2014.

As at 30 June 2015, Steve Russell, Investment Director of the Investment Manager owned 6,450 (30.06.14: 6,450) shares in the Company.

As at 30 June 2015, the Ruffer LLP (the parent company of the Company's Investment Manager) and other entities within the Ruffer Group held 10,198,775 (30.06.2014: 9,651,004) shares in the Company on behalf of its discretionary clients.

Investments in related funds

As at 30 June 2015, the Company held investments in seven (30.06.14: six) related investment funds valued at £49,095,612 (30.06.13: £26,042,209). Refer to the Portfolio Statement on pages 55 to 58 for details.

17. Operating segment reporting

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

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

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

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

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

17. Operating segment reporting (continued)

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

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

18. Financial instruments

In accordance with its investment objectives and policies, the Company holds financial instruments which at any one time may comprise the following:

- securities held in accordance with the investment objectives and policies;
- cash and short-term receivables and payables arising directly from operations;
- derivative transactions including investment in forward foreign currency contracts; and
- borrowing used to finance investment activity up to a maximum of 30% of the NAV of the Company.

Terms, conditions and accounting policies

The financial instruments held by the Company comprise principally of internationally listed or quoted equities or equity related securities (including convertibles), and/or bonds which are issued by corporate issuers, supranationals or government organisations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and liabilities are disclosed in note 2. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IAS 39.

The following are the categories of financial instruments held by the Company at the reporting date:

	30.06.2015	30.06.14
	Fair Value	Fair Value
	£	£
Financial assets		
Listed securities	291,449,609	280,066,780
UCITS funds	22,846,559	20,224,360
Derivative financial asset	6,770,940	850,868
Total financial assets at fair value through profit and loss	<u>321,067,108</u>	<u>301,142,008</u>
Other financial assets*	<u>16,914,717</u>	<u>18,740,719</u>

*Other financial assets include cash and cash equivalents and receivables.

	30.06.2015	30.06.14
	Fair Value	Fair Value
	£	£
Financial liabilities		
Payables	714,545	1,842,157
Derivative financial liability	44,877	-
	<u>759,422</u>	<u>1,842,157</u>

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks, which have applied throughout the year and the Investment Manager's policies for managing them are summarised as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the market risks of changes in market prices, interest rates and foreign currency exchange rates.

Market price risk

Market price risk arises mainly from the uncertainty about future prices of the financial instruments held by the Company. It represents the potential loss the Company may suffer through holding market positions in the face of price movements.

The Company's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Placing and Offer for Subscription document mitigates the risk of excessive exposure to any particular type of security or issuer.

Market price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity, investment funds and bond price risks at the reporting date. The 10% reasonably possible price movement for equity related securities and investment funds and a 100 basis point increase or a 25 basis point reduction for the interest rate used by the Company is based on the Investment Manager's best estimates.

A 10% (30.06.14: 10%) increase in the market prices of equity related investments as at 30 June 2015 would have increased the net assets attributable to holders of redeemable participating preference shares by £19,646,011 (30.06.14: £19,269,921) and an equal change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating preference shares by an equal opposite amount.

A sensitivity analysis based on the interest rates of bond related investments as at 30 June 2015 has been considered under Interest rate risk on page 49.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Foreign currency risk

Foreign currency risk arises from fluctuations in the value of a foreign currency. It represents the potential loss the Company may suffer through holding foreign currency assets in the face of foreign exchange movements.

As a portion of the Company's investment portfolio is invested in securities denominated in currencies other than Sterling (the functional and presentation currency of the Company) the Statement of Financial Position may be significantly affected by movements in the exchange rates of such currencies against Sterling. The Investment Manager has the power to manage exposure to currency movements by using options, warrants and/or forward foreign currency contracts and details of the holdings of such instruments at the date of these financial statements is set out below and on the following page.

As at 30 June 2015, the Company had seven (30.06.14: four) open forward foreign currency contracts.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Foreign currency risk (continued)

Forward contracts

Expiration	Underlying	Notional amount of contracts outstanding	30.06.2015 Fair value assets/ (liabilities) £
17 July 2015	Foreign currency (Purchase of USD)	US\$106,091,000	4,616,671
17 July 2015	Foreign currency (Purchase of USD)	US\$14,033,000	121,227
17 July 2015	Foreign currency (Purchase of JPY)	¥2,810,016,000	1,360,983
17 July 2015	Foreign currency (Purchase of JPY)	¥3,725,600,000	438,199
14 August 2015	Foreign currency (Purchase of EUR)	€ 19,842,000	233,860
14 August 2015	Foreign currency (Sale of EUR)	€ 942,000	(18,951)
12 September 2014	Foreign currency (Sale of EUR)	€ 2,814,000	(25,926)
			<hr/> 6,726,063 <hr/>

Expiration	Underlying	Notional amount of contracts outstanding	30.06.14 Fair value assets/ (liabilities) £
02 July 2014	Foreign currency (Purchase of USD)	US\$2,538,376	7,239
14 July 2014	Foreign currency (Purchase of USD)	US\$25,096,800	412,383
15 August 2014	Foreign currency (Purchase of EUR)	€10,042,000	180,260
12 September 2014	Foreign currency (Purchase of JPY)	¥4,379,336,200	247,178
			<hr/> 847,060 <hr/>

Spot Contracts

As at 30 June 2015, the Company had no (30.06.14: one) open spot foreign currency contracts.

Expiration	Underlying	Notional amount of contracts outstanding	30.06.14 Fair value assets £
2 July 2014	Foreign currency (Sale of USD)	US\$2,595,254	3,808
			<hr/> 3,808 <hr/>

The Investment Manager's treatment of currency transactions other than in Sterling is set out in note 2 to the financial statements under "Translation of foreign currency" and "Forward foreign currency contracts".

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Foreign currency risk (continued)

As at 30 June 2015 and 2014, the Company held the following assets and liabilities in currencies other than the functional currency:

	30.06.2015	30.06.2015	30.06.14	30.06.14
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Japanese Yen	46,429,347	3,677	43,376,209	-
United States Dollar	97,571,619	-	64,038,696	33,872
Swiss Franc	1,494,382	-	-	-
Euro	12,006,750	54,568	9,875,352	-
Canadian Dollar	1,899,663	-	6,396,711	-
Australian Dollar	-	-	1,242,410	-
Hong Kong Dollar	4,101,180	10,068	6,169,541	-
Chinese Yuan	2,473,141	-	-	-
Singapore Dollar	-	-	4,610,654	-

Foreign currency sensitivity

As at 30 June 2015, if the foreign exchange rates had weakened 10% (30.06.14: 10%) against Sterling with all other variables held constant, net assets attributable to holders of redeemable participating preference shares would be £40,549,845 (30.06.14: £19,674,339) lower net of open forward foreign currency contracts and due mainly as a result of foreign currency losses on translation of these financial assets and liabilities to Sterling. As at 30 June 2015, a 10% (30.06.14: 10%) strengthening of the foreign exchange rates against Sterling would have resulted in an equal but opposite effect on the net assets attributable to holders of redeemable participating preference shares. Any changes in the foreign exchange rate will directly affect the profit and loss, allocated to the capital column of the Statement of Comprehensive Income.

Actual trading results may differ from the above sensitivity analysis and these differences could be material.

Interest rate risk

Interest rate risk represents the uncertainty of investment return due to changes in the market rates of interest.

The Company invests in fixed and floating rate securities. The income of the Company may be affected by changes to interest rates relevant to particular securities or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities. Interest receivable on bank deposits or payable on the bank overdraft positions will be affected by fluctuations in interest rates.

The Investment Manager actively manages the Company's exposure to interest rate risk, paying heed to prevailing interest rates and economic conditions, market expectations and their own opinions of likely movements in interest rates. Currently the entire exposure of the Company to fixed interest securities is in the form of index-linked bonds. The value of these investments is determined by current and expected inflation and interest rates.

The value of fixed interest securities will be affected by general changes in interest rates that will in turn result in increases or decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise, and when interest rates rise, the value of those investments may decline.

The investment portfolio details the security type, issuer, interest rate, and maturity date of all of the Company's fixed and floating rate securities as at 30 June 2015 and 2014.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Interest rate risk (continued)

The tables below summarises the Company's exposure to interest rate risks. It includes the Company's financial assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 30 June 2015

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total 30.06.2015 £
Financial Assets				
Cash and cash equivalents	15,777,422	-	-	15,777,422
Investments designated at fair value through profit or loss	-	117,836,056	196,460,112	314,296,168
Unrealised gain on open forward foreign currency contracts	-	-	6,770,940	6,770,940
Receivables	-	-	1,137,295	1,137,295
	<u>15,777,422</u>	<u>117,836,056</u>	<u>204,368,347</u>	<u>337,981,825</u>
Financial Liabilities				
Payables	-	-	714,545	714,545
Unrealised loss on open forward foreign currency contracts	-	-	44,877	44,877
	<u>-</u>	<u>-</u>	<u>759,422</u>	<u>759,422</u>

As at 30 June 2014

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total 30.06.2014 £
Financial Assets				
Cash and cash equivalents	15,193,265	-	-	15,193,265
Investments designated at fair value through profit or loss	-	107,591,933	192,699,207	300,291,140
Unrealised gain on open forward foreign currency contracts	-	-	850,868	850,868
Receivables	-	-	3,547,454	3,547,454
	<u>15,193,265</u>	<u>107,591,933</u>	<u>197,097,529</u>	<u>319,882,727</u>
Financial Liabilities				
Payables	-	-	1,842,157	1,842,157
	<u>-</u>	<u>-</u>	<u>1,842,157</u>	<u>1,842,157</u>

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Interest rate risk (continued)

The table below summarises weighted average effective interest rates for financial instruments.

	30.06.2015	Weighted average period for which rate/ yield is fixed	30.06.2014	Weighted average period for which rate/ yield is fixed
	% p.a.		% p.a.	
United Kingdom government bonds	-0.8478%	27.05 years	-0.5971%	24.79 years
United States government bonds	0.2619%	8.02 years	-0.0523%	11.45 years

Interest rate sensitivity analysis

An increase of 100 basis points (30.06.14: 100 basis points) in interest rates as at the reporting date would have decreased the net assets attributable to holders of redeemable participating preference shares by £_____ (30.06.14: £17,474,743) and a decrease of 25 basis points (30.06.14: 25 basis points) in interest rates would have increased the net assets attributable to holders of redeemable participating preference shares by £_____ (30.06.14: £4,368,686).

Key determinants include economic growth prospects, inflation, governments' fiscal positions and rates on nominal bonds of similar maturities. This sensitivity analysis assumes only a 100 basis point increase and a 25 basis point decrease in interest rates, with all other variables unchanged. This would be the equivalent of a 100 basis point increase and 25 basis point decreases in 'real' interest rates and as such is likely to overstate the actual impact of such a move in nominal rates.

As all the Company's fixed rate securities are index-linked bonds, their yields, and as a consequence their prices, are determined by market perception as to the appropriate level of yields given the economic background.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Failure of any relevant counterparty to perform its obligations in respect of these items may lead to a financial loss.

The Company is exposed to credit risk in respect of cash and cash equivalents and receivables. The credit risk associated with debtors is limited to the unrealised gains on open derivative contracts such as forward foreign currency contracts, as detailed above and receivables. It is the opinion of the Board of Directors that the carrying amounts of these financial assets represent the maximum credit risk exposure as at the reporting date.

The Company will not invest in the securities of any company that is not quoted or does not have a listing on a market specified in the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 except for investments in investment funds and such other financial markets as may be specifically agreed from time to time between the Board and the Investment Manager.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

The Placing and Offer for Subscription document allows investment in a wide universe of equity related securities and bonds, including countries that may be classed as emerging or developing. In adhering to investment restrictions set out within the document, the Company mitigates the risk of any significant concentration of credit risk.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Credit risk (continued)

Credit risk analysis

The Company's maximum credit exposure is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	30.06.2015	30.06.14
	£	£
Cash and cash equivalents	15,777,422	15,193,265
Unrealised gain in open forward foreign currency contracts	6,770,940	850,868
Receivables	1,137,295	3,547,454
Financial assets at fair value through profit or loss	314,296,168	300,291,140
	<u>337,981,825</u>	<u>319,882,727</u>

The Company is exposed to material credit risk in respect of cash and cash equivalents. All cash is placed with Northern Trust (Guernsey) Limited ("NTGL").

NTGL is a wholly owned subsidiary of The Northern Trust Corporation ("TNTC"). TNTC is publicly traded and a constituent of the S&P 500. TNTC has a credit rating of A+ (30.06.14: A+) from Standard & Poor's and A1 (30.06.14: A1) from Moody's.

The Moody's and/or Standard and Poor (S&P) credit ratings of the issuers of Bonds held by the Company as at 30 June 2015 were as follows:

	S&P	30.06.2015 Moody's
UK Index-Linked Gilt 1.875% 22/11/2022	NR	Aa1
UK Inflation Indexed Gilt 0.125% 22/03/2024	NR	Aa1
UK Index-Linked Gilt 1.25% 22/11/2055	NR	Aa1
UK Inflation Indexed Gilt 0.375% 22/03/2062	NR	Aa1
US Treasury Inflation Indexed 1.125% Bond 15/01/2021	AA+	Aaa
US Treasury Inflation Indexed 0.625% Bond 15/07/2021	AA+	Aaa
US Treasury Inflation Indexed 0.125% Bond 15/01/2023	AA+	Aaa
US Treasury Inflation Indexed 0.375% Bond 15/07/2023	AA+	Aaa
US Treasury Inflation Indexed 2.125% Bond 15/02/2041	AA+	Aaa
US Treasury Inflation Indexed 0.625% Bond 15/02/2043	AA+	Aaa
	AA+	Aaa

NR: indicates that these securities are not rated by S&P.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Derivatives

The Company has gained exposure to derivative contracts (predominantly options) as a risk management tool. The intention of using such derivative contracts has been primarily to minimise the exposure of the Company to negative consequences arising from changes to foreign exchange rates, interest rates, market volatility and to protect the portfolio from a correlated fall in bonds and equities. At the Statement of Financial Position date all such instruments (except forward foreign exchange contracts) were held within the Ruffer Protection Strategies vehicle as detailed in the Portfolio Statement.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Fair value

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

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

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

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

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

The determination of what constitutes 'observable' requires significant 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 valuation hierarchy as of 30 June 2015.

	30.06.2015			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at fair value through profit or loss:				
Government Indexed-Linked Bonds	117,836,056	-	-	117,836,056
Preference Shares	4,495,206	-	-	4,495,206
Options	6,635,373	-	-	6,635,373
Equities	152,355,546	-	-	152,355,546
Investment Funds	-	32,973,987	-	32,973,987
Derivative financial asset	-	6,770,940	-	6,770,940
Total assets	281,322,181	39,744,927	-	321,067,108
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open forward				
Derivative financial liability	-	44,877	-	44,877
Total liabilities	-	44,877	-	44,877

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

19. Financial risk management and associated risks (continued)

Fair value (continued)

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2014.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>30.06.14</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>Total</i>
				<i>£</i>
<i>Financial assets at fair value through profit or loss:</i>				
<i>Government Indexed-Linked Bonds</i>	107,591,933	-	-	107,591,933
<i>Preference Shares</i>	716,038			716,038
<i>Options</i>	2,616,339	-	-	2,616,339
<i>Equities</i>	173,010,033	-	-	173,010,033
<i>Investment Funds</i>	-	16,356,797	-	16,356,797
<i>Derivative financial asset</i>	-	850,868	-	850,868
<i>Total assets</i>	<u>283,934,343</u>	<u>17,207,665</u>	<u>-</u>	<u>301,142,008</u>
<i>Financial liabilities at fair value through profit or loss:</i>				
<i>Unrealised loss on open forward</i>	-	-	-	-
<i>Derivative financial liability</i>	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the year.

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

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

The Company held no Level 3 investments as at 30 June 2015 and 2014.

Liquidity risk

Liquidity risk is the risk that the Company will find it difficult or impossible to realise assets or otherwise raising funds to meet financial commitments.

The Company's liquidity risk is managed by the Investment Manager who monitors the cash positions on a regular basis. The Company's overall liquidity risks are monitored on a regular basis by the Board of Directors and a formal report is made by the Investment Manager to the Directors at each Board Meeting.

As at 30 June 2015 and 2014, the Company had no significant financial liabilities other than short-term payables arising directly from investing activity.

20. Capital risk management

The fair value of the Company's financial assets and liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, redeemable participating preference shares are considered to be capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There are no externally-imposed capital requirements on the Company.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

20. Capital risk management (continued)

The Company has the ability to borrow up to 30% of its NAV at any time for short-term or temporary purposes as is necessary for the settlement of transactions, to facilitate redemption (where applicable) or to meet ongoing expenses. The Company does not have, nor does it intend to adopt, any structural gearing. The gearing ratio below is calculated as total liabilities divided by total equity.

	30.06.2015	30.06.14
	£	£
Total assets	337,981,825	319,882,727
Less: total liabilities	(759,422)	(1,842,157)
Total equity	<u>337,222,403</u>	<u>318,040,570</u>
Gearing ratio	<u>0.23%</u>	<u>0.58%</u>

The Board considers this gearing ratio to be adequate since total liabilities above refer only to other payables and unrealised losses on open forward foreign currency contracts.

Redemption Facility

The Company has a Redemption Facility (which takes the form of a tender offer to all holders of redeemable participating preference shares) which was made available after 8 July 2007. This facility may operate annually, in November each year, at the discretion of the Directors. Redemptions on any Redemption Date may be restricted to a maximum of 25% in aggregate of the Shares then in issue, with any tender requests from shareholders in excess of this being scaled back pro rata.

The facility is intended to address any imbalance in the supply and demand for the shares and to assist in maintaining a narrow discount to the NAV per Share at which the shares may be trading. The Company, will at the sole discretion of the Directors:

- (i) purchase shares when deemed appropriate; and
- (ii) allow an annual redemption of up to 25% of the issued shares at the prevailing NAV per Share and may operate annually in November of each year.

Purchase of Own Shares by the Company

An ordinary resolution was granted on 19 November 2014 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 redeemable participating preference shares of 0.01p 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 London Stock Exchange 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 Buyback 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 London Stock Exchange at a discount to the lower of the undiluted or diluted NAV;
- (v) the authority conferred shall expire at the conclusion of the AGM of the Company in 2014 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 a purchase of Shares pursuant to any such contract.

RUFFER INVESTMENT COMPANY LIMITED

Notes to the Financial Statements (continued)

21. Subsequent events

These financial statements were approved for issuance by the Board on 9 September 2015 2015. Subsequent events have been evaluated until this date.

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

RUFFER INVESTMENT COMPANY LIMITED

Portfolio Statement as at 30 June 2015

	Currency	Holding at 30.06.15	Fair Value £	% of Total Net Assets*
Government Index-Linked Bonds 34.95 %				
<i>(30.06.14 - 33.83%)</i>				
United Kingdom				
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	20,914,596	6.21
UK Inflation Indexed Gilt 0.125% 22/03/2024	GBP	6,190,000	7,128,695	2.11
UK Index-Linked Gilt 1.25% 22/11/2055	GBP	7,200,000	18,923,911	5.61
UK Inflation Indexed Gilt 0.375% 22/03/2062	GBP	8,000,000	14,629,104	4.34
			61,596,306	18.27
United States				
US Treasury Inflation Indexed 1.125% Bond 15/01/2021	USD	22,000,000	16,002,352	4.75
US Treasury Inflation Indexed 0.625% Bond 15/07/2021	USD	19,350,000	13,330,762	3.95
US Treasury Inflation Indexed 0.125% Bond 15/01/2023	USD	19,000,000	12,164,051	3.61
US Treasury Inflation Indexed 0.375% Bond 15/07/2023	USD	17,000,000	11,028,476	3.27
US Treasury Inflation Indexed 2.125% Bond 15/02/2041	USD	955,000	813,715	0.24
US Treasury Inflation Indexed 0.625% Bond 15/02/2043	USD	5,000,000	2,900,394	0.86
			56,239,750	16.68
Total Government Indexed-Linked Bonds			117,836,056	34.95
Preference Shares 1.33 %				
<i>(30.06.14 - 0.23%)</i>				
Germany				
Volkswagen	EUR	26,080	3,851,472	1.14
			3,851,472	1.14
United Kingdom				
Raven Russia Preference Shares	GBP	466,474	643,734	0.19
			643,734	0.19
Total Preference Shares			4,495,206	1.33
Equities 41.05 %				
<i>(30.06.14 - 49.55%)</i>				
Europe				
France				
Rubis	EUR	23,830	1,037,609	0.31
			1,037,609	0.31
Germany				
Deutsche Wohnen	EUR	126,217	1,846,078	0.55
Heliocentris Energy Solutions AG	EUR	422,856	1,608,732	0.48
TAG Immobilien AG	EUR	283,782	2,102,974	0.62
			5,557,784	1.65

RUFFER INVESTMENT COMPANY LIMITED

Portfolio Statement as at 30 June 2015 (continued)

	Currency	Holding at 30.06.15	Fair Value £	% of Total Net Assets*
Norway				
Aker	EUR	95,000	1,293,722	0.38
			1,293,722	0.38
Switzerland				
UBS AG	CHF	110,817	1,494,382	0.44
			1,494,382	0.44
United Kingdom				
Better Capital Limited	GBP	1,727,800	1,719,161	0.51
Better Capital PCC Ltd	GBP	3,088,700	2,162,090	0.64
Cape Plc	GBP	850,000	2,146,250	0.64
Colt Group	GBP	645,225	1,212,378	0.36
Games Workshop Group Plc	GBP	250,000	1,265,000	0.38
Glencore Plc	GBP	675,000	1,723,275	0.51
IP Group Plc	GBP	574,216	1,185,756	0.35
Hellermann Tyton Group Plc	GBP	525,600	1,802,282	0.53
Lloyds Banking Group Plc	GBP	3,956,300	3,371,955	1.00
Oakley Capital Investments Ltd	GBP	2,825,794	4,493,013	1.33
P2P Global Investments Plc	GBP	217,740	2,314,576	0.69
Raven Russia Ltd	GBP	1,738,494	925,748	0.27
Renn Universal Growth Trust Ltd	GBP	937,500	1,409,625	0.42
Seaenergy Plc	GBP	300,000	33,000	0.01
Secure Trust Bank Plc	GBP	48,345	1,358,495	0.40
The Royal Bank of Scotland Group Plc	GBP	688,400	2,419,038	0.72
Vodafone Group Plc	GBP	1,109,727	2,550,708	0.76
			32,092,350	9.52
Total European Equities			41,475,847	12.30
United States				
Checkpoint Software Technologies Ltd	USD	41,500	2,098,617	0.62
Ebay Inc	USD	90,600	3,469,726	1.03
International Paper Co	USD	75,000	2,269,505	0.67
Leucadia National Corp	USD	237,580	3,666,349	1.09
Lockheed Martin Corp	USD	40,000	4,726,903	1.40
Microsoft Corp	USD	115,000	3,228,365	0.96
News Corp	USD	165,412	1,534,534	0.46
Oracle Corp	USD	80,000	2,049,978	0.61
The Boeing Company	USD	59,017	5,204,094	1.54
Total United States Equities			28,248,071	8.38

RUFFER INVESTMENT COMPANY LIMITED

Portfolio Statement as at 30 June 2015 (continued)

	Currency	Holding at 30.06.15	Fair Value £	% of Total Net Assets*
Asia				
China				
Bank of China Ltd	HKD	3,398,000	1,399,061	0.41
China Life Insurance Co Ltd	CNY	459,000	1,264,916	0.38
Citic Securities Co Ltd	CNY	528,000	1,208,225	0.36
Picc Property & Casualty Co Ltd	HKD	1,794,000	2,601,443	0.77
			6,473,645	1.92
Japan				
Bridgestone Corp	GBP	77,000	1,811,132	0.54
CF Ruffer Japanese Fund**	GBP	4,500,000	8,819,550	2.62
Fujitsu Ltd	GBP	675,000	2,395,639	0.71
Japan Residential Investment Co Ltd	GBP	8,330,000	4,602,325	1.36
Mitsubishi UFJ Financial Group Inc	JPY	1,664,000	7,607,364	2.26
Mizuho Financial Group Inc	JPY	5,987,000	8,228,712	2.44
NTT Data Corp	JPY	150,000	4,154,468	1.23
NTT Urban Development Corp	JPY	419,000	2,645,375	0.78
Rakuten Inc	JPY	283,100	2,895,824	0.86
Resona Holdings Inc	JPY	1,080,000	3,749,964	1.11
Sumitomo Mitsui Financial Group Inc	JPY	240,000	6,791,814	2.01
T&D Holdings Inc	JPY	900,000	8,532,637	2.53
			62,234,804	18.45
Total Asian Equities			68,708,449	20.37
Total Equities			138,432,367	41.05
Investment Funds 9.77%				
<i>(30.06.14 - 5.14%)</i>				
United Kingdom				
Herald Worldwide Fund	GBP	64,341	1,832,420	0.54
Ruffer Illiquid Strategies Fund of Funds 2009 Ltd**	GBP	2,535,409	5,062,558	1.50
Ruffer Illiquid Multi-Strategies Fund 2015 Ltd**	GBP	16,450,000	16,383,542	4.86
Ruffer SICAV Global Smaller Companies Fund**	GBP	45,129	5,947,491	1.76
Ruffer SICAV UK Mid & Smaller Companies Fund**	GBP	13,235	2,416,976	0.72
Weiss Korea Opportunity Fund Ltd	GBP	1,100,000	1,331,000	0.39
			32,973,987	9.77
Total Investment Funds			32,973,987	9.77

RUFFER INVESTMENT COMPANY LIMITED

Portfolio Statement as at 30 June 2015 (continued)

	Currency	Holding at 30.06.15	Fair Value £	% of Total Net Assets*
Gold & Gold Mining Equities 4.13% (30.06.14 - 4.85%)				
United Kingdom				
CF Ruffer Baker Steel Gold Fund**	GBP	4,566,192	3,830,122	1.14
Gold Bullion Securities Ltd	USD	115,000	8,193,394	2.43
			12,023,516	3.57
Canada				
Barrick Gold Corp	CAD	280,000	1,899,663	0.57
			1,899,663	0.57
Total Gold & Gold Mining Equities			13,923,179	4.13
Options 1.97% (30.06.14 - 0.82%)				
United Kingdom				
Ruffer Protection Strategies International	GBP	4,292,462	6,635,373	1.97
			6,635,373	1.97
Total financial assets at fair value through profit or loss			314,296,168	93.20
Other net current assets			22,926,235	6.80
Management share capital			(2)	-
Total Value of Company (attributable to redeemable participating preference shares)			337,222,401	100.00

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

**Ruffer Illiquid Strategies Fund of Funds 2009, Ruffer Protection Strategies International and Ruffer Illiquid Strategies Fund 2015 are classed as related parties as they share the same Investment Manager (Ruffer AIFM Ltd) as the Company. CF Ruffer Baker Steel Gold Fund, CF Ruffer Japanese Fund, Ruffer SICAV Global Smaller Companies Fund and Ruffer SICAV UK Mid & Smaller Companies Fund are also classed as related parties as their investment manager (Ruffer LLP) is the parent of the Company's Investment Manager.

RUFFER INVESTMENT COMPANY LIMITED

General Information

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

The Company's redeemable participating preference shares are listed on the London Stock Exchange.

The accounting date of the Company is 30 June in each year. These annual financial statements were authorised for issue on 9 September 2015 by the Directors.

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

Due to the recent changes introduced by virtue of the Alternative Investment Fund Managers Directive ("AIFMD"), the Company terminated the Investment Management Agreement with Ruffer LLP and appointed Ruffer AIFM Limited as the new Investment Manager with effect from 21 July 2014. The new 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 is authorised and regulated by the United Kingdom Financial Conduct Authority as a full-scope alternative investment fund manager. Pursuant to the AIFMD and its implementing legislation, the Investment Manager is subject to a new supervisory regime, and new rules governing its portfolio and risk management activities.

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

Due to the recent changes introduced by virtue of the Alternative Investment Fund Management Directive, the Company and the Administrator have amended and restated the existing Administration Agreement to include Ruffer AIFM Limited as a party in accordance with the terms of the Administration Agreement with effect from the 21 July 2014. The Administrator is entitled to receive an annual fee equal to 0.15 per cent. per annum on the first £100 million and 0.10 per cent. per annum thereafter on the NAV of the Company on a mid market basis, subject to a minimum fee of £60,000 per annum.

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

Due to the recent changes introduced by virtue of the Alternative Investment Fund Management Directive, the Company entered into an agreement with Northern Trust (Guernsey) Limited for the provision of depository services with effect from 21 July 2014. The Depositary is entitled to an annual Depositary fee payable to Northern Trust (Guernsey) Limited monthly in arrears at a rate of 0.01% of the Net Asset Value of the Company below £100 million, 0.008% on Net Assets between £100 million and £200 million and 0.006% in excess of £200 million as at the last business day of the month subject to a minimum fee of £20,000 per annum.

RUFFER INVESTMENT COMPANY LIMITED

Management and Administration

Directors

Ashe Windham
Wayne Bulpitt
Jeannette Etherden
Peter Luthy
Christopher Spencer
John V Baldwin

Registered Office

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

Auditor

John Clacy
Deloitte LLP
(appointed 9 March 2015)
Regency Court,
Glategny Esplanade,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3HW

Investment Manager

Ruffer LLP (Investment
Management Agreement terminated
22 July 2014),
80 Victoria Street,
London, SW1E 5JL

Sponsor and Broker

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

Solicitors to the Company as to UK law

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

Company Secretary, Administrator and Registrar

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

CREST Agent

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

Advocates to the Company as to Guernsey law

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

Custodian

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

Depository

Northern Trust (Guernsey)
Limited (appointed 22 July
2014),
Trafalgar Court,
Les Banques,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3QL

Investment Manager and Alternative Investment Fund Manager

Ruffer AIFM Limited,
(appointed 22 July 2014),
80 Victoria Street,
London, SW1E 5JL

Auditor

David Green
Moore Stephens,
(resigned _____)
Town Mills South,
La Rue du Pre,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3HZ