

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Half-yearly financial report**

**31 December 2016 (Unaudited)**

# **RUFFER INVESTMENT COMPANY LIMITED**

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# RUFFER INVESTMENT COMPANY LIMITED

## Investment Objective and Policy

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate (reduced from 0.5% to 0.25% on 4 August 2016).

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

## Financial Highlights

**31.12.16**

	Offer Price (per share)	Net Asset Value (per share)
	£	£
Redeemable participating preference shares	2.358†	2.268*

## Company Information

Incorporation Date	01.06.04	
Launch Date	05.07.04	
Launch Price	100p per share	
Initial Net Asset Value	98p per share	
Accounting dates	Interim 31 December (Unaudited)	Final 30 June (Audited)

† The price an investor would have paid at the close of trading in the market (London Stock Exchange ("LSE")).

\* This is the Net Asset Value ("NAV") per share using International Financial Reporting Standards ("IFRS") as at 31 December 2016. The Fund is valued weekly and at month end. Refer to Note 8 on page 21 for the NAV reconciliation.

# RUFFER INVESTMENT COMPANY LIMITED

## Company Performance

	Price at 31.12.16		Change in Bid Price	
	Bid Price	Offer Price	From Launch	From 30.06.16
	£	£	%	%
Shares	2.333	2.358	+ 133.30	+ 11.63

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

Accounting Period to:	Net Asset Value £	Net Asset Value per Share £	Number of Shares In Issue
31.12.16	360,140,481	2.268 *	158,813,416
30.06.16	331,484,744	2.127	155,838,416
30.06.15	337,222,401	2.184	154,413,416
30.06.14	318,040,568	2.065	154,013,416
30.06.13	319,114,093	2.139	149,188,416
30.06.12	270,884,661	1.915	141,488,416

\* Net Asset Value per share reported to the LSE was £2.290 using mid market values. Bid prices are presented as fair value in the Financial Statements.

## Share Price Range

Accounting Period to:	Highest Offer Price £	Lowest Bid Price £
31.12.16	2.370	2.110
30.06.16	2.250	1.950
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

## Net Asset Value Range

Accounting Period to:	Highest NAV £	Lowest NAV £
31.12.16	2.290	2.138
30.06.16	2.199	1.962
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

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

# RUFFER INVESTMENT COMPANY LIMITED

## Investment Manager's Report

For the period from 1 July 2016 to 31 December 2016

### *Performance summary*

Net Asset Value performance (total return)	8.3%
Share price performance (total return)	11.9%
Target return (twice Bank of England bank rate*)	0.3%
FTSE All-Share performance (total return)	12.0%
Premium/(discount) at period end	2.4%
Interim dividend	1.7p

Since launch on 5 July 2004, the NAV of the Company has risen by 182.4% including dividends, compared with a rise of 67.5% in the target return and 175.0% in the FTSE All-Share Total Return index.

\*At 1 July 2016 the annual Bank of England base rate was 0.50%. On 5 August 2016 the annual base rate was changed to 0.25%. The Bank of England base rate used is the weighted average interest rate for the sixth months from 1 July 2016 to 31 December 2016.

### *Performance review*

The Company continued to build on the gains made in the first half of the calendar year but maintained a defensive stance with a relatively low weighting to equities (below 40%). There was a notable change in financial markets from October onwards. Prior to this point falling bond yields had been the main driver of returns and the Company benefited through holdings in gold and index-linked bonds. In the autumn, political events caused bond markets to turn and long duration assets started to fall in value. While index-linked bonds and gold gave back some of their gains, the UK linkers were largely insulated by the rise in inflation expectations, following the fall in sterling, and the Company's other assets more than offset these losses. Japanese equities (particularly Japanese financials), interest rate options and cyclical equities all performed strongly. This balancing act is what we want and expect from the Company's portfolio; the wind changes but the direction of travel remains consistent.

A notable absentee from the list of positive contributors is foreign exchange. The Company has been mostly currency hedged on overseas assets meaning that we have missed out on the tailwind of a weak base currency. Taking a view on sterling through the referendum was little more than a punt given that the outcome was unknowable and the reaction of sterling was always going to be binary. For that reason we adopted the lower risk approach of staying close to the Company's base currency. Since then the prophecies of economic doom have failed to come to pass and this has resulted in the Bank of England distancing itself from the 'emergency measures' put in place immediately after the vote. This, combined with upcoming elections in parts of the Eurozone in 2017, means that there is significant risk in holding a large weighting outside our base currency and so exposure to Sterling remains high at 87%.

### *Portfolio changes*

By the end of the financial year the move out of 'expensive defensives' in the equity book was largely complete. A successful investment in Lockheed Martin (+171%) was subsequently exited as it hit our price target. Additions to oil stocks had already begun with holdings in Exxon, Aker and Emerson and there were subsequent additions to Statoil and Imperial Oil – these investments have got off to a good start. The Company's annual report mentioned that we had used the sharp fall in domestic UK companies after the referendum to add to UK equity exposure. In July we also added Barratt Developments (the UK house builder) after the shares had fallen 44% from their pre-referendum level and then later Lloyds, which also has the benefit of being a beneficiary of rising bond yields. In September the duration of the portfolio's US index-linked bonds exposure was shortened as bond yields started to turn. Throughout the period under review we looked to keep a cap on the overall equity weighting which remained below 40%.

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Investment Manager's Report (continued)**

**For the period from 1 July 2016 to 31 December 2016 (continued)**

### ***Investment outlook***

The interim report from December 2015 talked about the potential crossing of the Rubicon should the taboo of fiscal stimulus be overcome and direct government action to promote growth become a mainstream policy tool. It seems safe to say that this has now happened with many of the world's central bankers calling publicly on governments to support monetary stimulus efforts. Both Brexit and Trump's election unquestionably push us further down the path of direct government intervention to stimulate growth and thus closer to the inflationary denouement we fear. However, it also makes the path to that destination all the more treacherous for savers and investors (amongst whom are the Company's shareholders). Should these policies to promote growth prove successful, even if only in the short term, then it is highly likely that bond yields will continue to rise and unless this is accompanied by higher inflation expectations then index-linked bonds will suffer. Thus we are faced with a conundrum; the right place to be invested for the long term could look like the wrong place to be in the short term and the timing of a shift from one paradigm to the next is unknowable. Our answer is not to cut back on the investments that could prove to be the only port in a storm in the future (index-linked bonds) but to find ways to protect them in the short term with offsetting investments (cyclical equities and interest rate options). In that respect the performance of the Company in the last three months, although less impressive than the previous six months, has been encouraging.

Ruffer AIFM Limited  
28 February 2017

# RUFFER INVESTMENT COMPANY LIMITED

## Top Ten Holdings

<b>Investments</b>	<b>Currency</b>	<b>Holding at 31.12.16</b>	<b>Fair Value £</b>	<b>% of Total Net Assets</b>
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	22,506,826	6.25
UK Index-Linked Gilt 0.375% 22/03/2062	GBP	8,000,000	21,199,400	5.90
UK Index-Linked Gilt 0.125% 22/03/2068	GBP	7,203,000	18,975,886	5.27
US Treasury Inflation Indexed Bond 0.625% 15/07/2021	USD	19,350,000	17,329,903	4.81
US Treasury Inflation Indexed Bond 0.125% 15/01/2023	USD	17,500,000	14,721,097	4.09
Ruffer Illiquid Multi Strategies Fund 2015 Ltd*	GBP	16,450,000	14,672,627	4.07
US Treasury Inflation Indexed Bond 0.375% 15/07/2023	USD	17,000,000	14,417,512	4.00
CF Ruffer Gold Fund**	GBP	9,044,304	13,830,549	3.84
US Treasury Inflation Indexed Bond 1.125% 15/01/2021	USD	13,500,000	12,664,363	3.52
T&D Holdings Inc	JPY	900,000	9,635,718	2.68

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

# **RUFFER INVESTMENT COMPANY LIMITED**

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

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

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Financial Report for the year ended 30 June 2016. The principal risks disclosed include investment risk, operational risk, accounting, legal and regulatory risk and financial risks. A detailed explanation of these can be found on pages 8 and 9 in the Annual Financial Report. The Board and Investment Manager do not consider these risks to have materially changed during the six months ended 31 December 2016, and are not expected to change in the remaining six months of the financial year.

### **Going Concern**

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

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



# **RUFFER INVESTMENT COMPANY LIMITED**

## **Responsibility Statement**

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

We confirm that to the best of our knowledge:

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

On behalf of the Board,

**Ashe Windham**  
*Chairman*  
28 February 2017

**John Baldwin**  
*Director*

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Independent Review Report**

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

We have been engaged by the Company to review the condensed set of Financial Statements in the half-yearly financial report for the six months ended 31 December 2016 which comprises the condensed statement of financial position, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and related Notes 1 to 9. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of Financial Statements.

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

#### **Directors’ responsibilities**

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

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

#### **Our responsibility**

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

#### **Scope of review**

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

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of Financial Statements in the half-yearly financial report for the six months ended 31 December 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

#### **Deloitte LLP**

Chartered Accountants and Recognised Auditor  
St Peter Port, Guernsey  
28 February 2017

# RUFFER INVESTMENT COMPANY LIMITED

## Condensed Statement of Financial Position (Unaudited)

		31.12.16 (Unaudited) £	30.06.16 (Audited) £
	<i>Notes</i>		
<b>ASSETS</b>			
Cash and cash equivalents		28,914,303	14,513,399
Derivative financial assets		277,027	4,071,490
Receivables		854,820	537,094
Investments at fair value through profit or loss		337,485,264	325,496,896
<b>Total assets</b>		<b>367,531,414</b>	<b>344,618,879</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's shareholders</b>			
Management share capital	4	2	2
Net assets attributable to holders of redeemable participating preference shares		360,140,481	331,484,744
<b>Total equity</b>		<b>360,140,483</b>	<b>331,484,746</b>
<b>LIABILITIES</b>			
Payables		436,033	400,730
Derivative financial liabilities		6,954,898	12,733,403
<b>Total liabilities</b>		<b>7,390,931</b>	<b>13,134,133</b>
<b>Total equity and liabilities</b>		<b>367,531,414</b>	<b>344,618,879</b>
Net assets attributable to holders of redeemable participating preference shares (per share)	8	2.268	2.127

The Unaudited Condensed Interim Financial Statements on pages 10 to 21 were approved on 28 February 2017 and signed on behalf of the Board of Directors by:

**Ashe Windham**  
Chairman

**John Baldwin**  
Director

The notes on pages 14 to 21 form an integral part of these Unaudited Condensed Interim Financial Statements.

# RUFFER INVESTMENT COMPANY LIMITED

## Condensed Statement of Comprehensive Income (Unaudited)

			01.07.16 to 31.12.16	01.07.15 to 31.12.15
	<i>Notes</i>	<b>Revenue</b> £	<b>Capital</b> £	<b>Total</b> £
Fixed interest income		438,512	-	438,512
Dividend income		1,790,874	-	1,790,874
Net changes in fair value of financial assets at fair value through profit or loss		-	32,600,798	32,600,798
Other losses		-	(7,970,688)	(7,970,688)
<b>Total income/(loss)</b>		<b>2,229,386</b>	<b>24,630,110</b>	<b>26,859,496</b>
Management fees	5	-	(1,640,125)	(1,640,125)
Expenses		(422,075)	(131,131)	(553,206)
<b>Total expenses</b>		<b>(422,075)</b>	<b>(1,771,256)</b>	<b>(2,193,331)</b>
<b>Profit/(loss) for the period before tax</b>		<b>1,807,311</b>	<b>22,858,854</b>	<b>24,666,165</b>
Withholding tax		(201,420)	-	(201,420)
<b>Profit/(loss) for the period after tax</b>		<b>1,605,891</b>	<b>22,858,854</b>	<b>24,464,745</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>1,605,891</b>	<b>22,858,854</b>	<b>24,464,745</b>
Basic and diluted earnings/(loss) per share *		1.03p	14.59p	15.63p

\*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 period was 156,542,241 (31.12.15: 155,140,996).

The notes on pages 14 to 21 form an integral part of these Unaudited Condensed Interim Financial Statements.

# RUFFER INVESTMENT COMPANY LIMITED

## Condensed Statement of Changes in Equity (Unaudited)

					<b>Total</b>
	<i>Notes</i>	<b>Management</b>	<b>Share</b>	<b>Other</b>	<b>01.07.16 to</b>
		<b>share capital</b>	<b>capital</b>	<b>reserves</b>	<b>31.12.16</b>
			<b>£</b>	<b>£</b>	<b>£</b>
Balance at 30 June 2016		2	128,816,232	202,668,512	331,484,746
Total comprehensive profit for the period		-	-	24,464,745	24,464,745
Transactions with Shareholders:					
Share capital issued	4	-	6,909,338	-	6,909,338
Share issue costs	4	-	(69,093)	-	(69,093)
Distribution for the period	3	-	-	(2,649,253)	(2,649,253)
Balance at 31 December 2016		2	135,656,477	224,484,004	360,140,483

Net assets attributable to holders of redeemable participating preference shares  
at the end of the period

360,140,481

					<b>Total</b>
	<i>Notes</i>	<b>Management</b>	<b>Share</b>	<b>Other</b>	<b>01.07.15 to</b>
		<b>share capital</b>	<b>capital</b>	<b>reserves</b>	<b>31.12.15</b>
			<b>£</b>	<b>£</b>	<b>£</b>
Balance at 30 June 2015		2	125,770,151	211,452,250	337,222,403
Total comprehensive loss for the period		-	-	(15,500,391)	(15,500,391)
Transactions with Shareholders:					
Share capital issued	4	-	2,548,850	-	2,548,850
Share issue costs	4	-	(25,489)	-	(25,489)
Distribution for the period	3	-	-	(2,640,753)	(2,640,753)
Balance at 31 December 2015		2	128,293,512	193,311,106	321,604,620

Net assets attributable to holders of redeemable participating preference shares  
at the end of the period

321,604,618

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

The notes on pages 14 to 21 form an integral part of these Unaudited Condensed Interim Financial Statements.

# RUFFER INVESTMENT COMPANY LIMITED

## Condensed Statement of Cash Flows (Unaudited)

	<b>01.07.16 to 31.12.16 £</b>	<b>01.07.15 to 31.12.15 £</b>
<b>Cash flows from operating activities</b>		
Purchase of financial assets at fair value through profit or loss	(80,940,860)	(55,441,966)
Proceeds from sale of financial assets at fair value through profit or loss (including realised gains)	101,243,579	70,563,595
(Increase)/decrease in other receivables	(3,993)	904
Transaction costs paid to brokers	(131,131)	(131,199)
Fixed interest income received	462,628	435,085
Dividends received	1,566,973	1,389,762
Operating expenses paid	(2,032,554)	(2,260,663)
Effect of foreign exchange rate fluctuations	(9,954,730)	3,465,735
<b>Cash generated from operating activities</b>	<b>10,209,912</b>	<b>18,021,253</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,649,253)	(2,640,753)
Proceeds from share capital issued	6,909,338	2,548,850
Share issue costs	(69,093)	(25,489)
<b>Net cash generated from/(used in) financing activities</b>	<b>4,190,992</b>	<b>(117,392)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,400,904</b>	<b>17,903,861</b>
Cash and cash equivalents at beginning of the period	14,513,399	16,441,960
<b>Cash and cash equivalents at end of the period</b>	<b>28,914,303</b>	<b>34,345,821</b>

The notes on pages 14 to 21 form an integral part of these Unaudited Condensed Interim Financial Statements.

# **RUFFER INVESTMENT COMPANY LIMITED**

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

### **1. The Company**

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

### **Going Concern**

The Financial Statements have been prepared on a going concern basis as set out in the Statement of Principal Risks and Uncertainties on page 7.

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

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

### **Basis of preparation**

The Unaudited Condensed Interim Financial Statements for the period ended 31 December 2016 have been prepared using accounting policies consistent with IFRS and in accordance with IAS 34, and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

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

This half-yearly financial report, covering the period from 1 July 2016 to 31 December 2016, is not audited.

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

The same accounting policies and methods of computation have been applied to the Unaudited Condensed Interim Financial Statements as in the Annual Financial Report at 30 June 2016. The presentation of the Unaudited Condensed Interim Financial Statements is consistent with the Annual Financial Report.

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures required in the Annual Financial Report and should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016. The Audit Report on those accounts was not qualified.

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

### **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 were not yet effective:

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

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

IFRS 16 – Leases (effective date – 1 January 2019)

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.

# RUFFER INVESTMENT COMPANY LIMITED

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

### 3. Dividends to shareholders

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

	<b>01.07.16 to 31.12.16</b>	<b>01.07.15 to 31.12.15</b>
	<b>£</b>	<b>£</b>
Interim dividend of 1.7p (2015: 1.7p)	2,649,253	2,640,753
	<u>2,649,253</u>	<u>2,640,753</u>

A second interim dividend of 0.9p per share in respect of the half year ending 31 December 2016 was declared on 28 February 2017. The dividend is payable on 23 March 2017 to shareholders on record at 10 March 2017.

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. This means that the Company might pay dividends in respect of any income that it receives or is deemed to receive for UK tax purposes so that it would qualify as an investment trust if it were UK tax-resident.

### 4. Share capital

	<b>01.07.16 to 31.12.16</b>	<b>01.07.15 to 30.06.16</b>
	<b>£</b>	<b>£</b>
<b>Authorised Share Capital</b>		
100 Management Shares of £1.00 each	100	100
200,000,000 Unclassified Shares of 0.01p each	20,000	20,000
75,000,000 C Shares of 0.10p each	75,000	75,000
	<u>95,100</u>	<u>95,100</u>

	<b>Number of shares</b>		<b>Share Capital</b>	
	<b>01.07.16 to 31.12.16</b>	<b>01.07.15 to 30.06.16</b>	<b>01.07.16 to 31.12.16</b>	<b>01.07.15 to 30.06.16</b>
			<b>£</b>	<b>£</b>
<b>Issued Share Capital</b>				
<b>Management Shares</b>				
Management Shares of £1.00 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Equity Shares</b>				
Redeemable Participating Preference Shares of 0.01p each:				
Balance at start of period/year	155,838,416	154,413,416	128,816,232	125,770,151
Issued during the period/year	2,975,000	1,425,000	6,909,338	3,076,850
Share issue costs	-	-	(69,093)	(30,769)
Balance as at end of period/year	<u>158,813,416</u>	<u>155,838,416</u>	<u>135,656,477</u>	<u>128,816,232</u>



# RUFFER INVESTMENT COMPANY LIMITED

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

### 4. Share capital (continued)

#### *Blocklisting and additional shares issued*

At the start of the period, the Company had the ability to issue 12,256,342 redeemable participating shares under a blocklisting facility. Under the blocklisting facility, 2,975,000 (30.06.16: 1,425,000) new redeemable participating preference shares of 0.01 pence each were allotted and issued during the period for a total consideration of £6,909,338 (30.06.16: £3,076,850). These new redeemable participating preference shares rank *pari passu* with the existing shares in issue.

As at 31 December 2016, the Company had the ability to issue a further 9,281,342 redeemable participating preference shares under the blocklisting facility.

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

As at 31 December 2016 the Company had 158,813,416 redeemable participating preference shares of 0.01 pence each and 2 Management shares of £1.00 each in issue. Therefore, the total voting rights in the Company at 31 December 2016 were 158,813,418.

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

A special resolution was passed on 30 November 2016 which authorised the Company in accordance with The Companies (Guernsey) Law, 2008 to make purchases of its own shares as defined in that Ordinance of its Participating Shares of 0.01 pence each, provided that:

- (i) the maximum number of shares the Company can purchase is no more than 14.99% of the Company's issued share capital;
- (ii) the minimum price (exclusive of expenses) which may be paid for a share is 0.01 pence, being the nominal value per share;
- (iii) the maximum price (exclusive of expenses) which may be paid for the share is an amount equal to the higher of (i) 105% of the average of the middle market quotations for a share taken from the LSE Daily Official List for the 5 business days immediately preceding the day on which the Share is purchased and (ii) the price stipulated in Article 5(i) of the Buy-back and Stabilisation Regulation (No 2237 of 2003);
- (iv) purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the LSE at a discount to the lower of the undiluted or diluted NAV;
- (v) the authority conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2017 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
- (vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of shares pursuant to any such contract.

# RUFFER INVESTMENT COMPANY LIMITED

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

### 5. Related party transactions

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

#### *Investment Management Agreement*

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

The market value of CF Ruffer Japanese Fund and CF Ruffer Gold Fund are deducted from the NAV of the Company before the calculation of management fees on a monthly basis. For additional information refer to the Portfolio Statement on pages 22 to 26.

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

	01.07.16 to 31.12.16 £	01.07.15 to 31.12.15 £
Management fees for the period	1,640,125	1,563,411
Payable at end of the period	278,004	257,963

#### *Shares held in the Company as Managing Member of Ruffer LLP*

As at 31 December 2016, an immediate family member of the Chairman Ashe Windham owned 100 (30.06.16: 100) Shares in the Company, which is the Managing Member of Ruffer LLP. This amounts to less than 5% (30.06.16: less than 5%) of the Company's issued share capital.

#### *Directors*

The Company has five non-executive directors, all of whom are independent from the Investment Manager, except for Wayne Bulpitt during his tenure, and its parent company Ruffer LLP.

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 (30.06.16: £200,000) per annum.

Each Director was paid a fee of £25,000 (30.06.16: £25,000) per annum, except for the Chairman who was paid £35,000 (30.06.16: £35,000) per annum and Christopher Spencer, *Chairman of the Audit Committee* was paid £28,000 (30.06.16: £28,000) per annum.

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

	01.07.16 to 31.12.16 £	01.07.15 to 31.12.15 £
Directors' fees for the period	69,000	78,175
Payable at end of the period	30,305	34,750

# RUFFER INVESTMENT COMPANY LIMITED

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

### 5. Related party transactions (continued)

#### *Shares held by related parties*

As at 31 December 2016, Directors of the Company held the following numbers of shares beneficially:

	31.12.16	30.06.16
<i>Directors</i>	<b>Shares</b>	<b>Shares</b>
Ashe Windham*	90,000	90,000
Christopher Spencer	27,307	14,157
Christopher Russell	50,000	-
Sarah Evans	10,000	-

\* Ashe Windham holds 70,000 shares whilst his wife holds 20,000.

As at 31 December 2016, Hamish Baillie, Investment Director of the Investment Manager owned 174,000 (30.06.16: 174,000) shares in the Company.

As at 31 December 2016, Steve Russell, Investment Director of the Investment Manager owned 6,450 (30.06.16: 6,450) shares in the Company.

As at 31 December 2016, Duncan MacInnes, Investment Manager of the Investment Manager owned 21,800 (30.06.16: 21,800) shares in the Company.

As at 31 December 2016, Ruffer LLP (the parent company of the Company's Investment Manager) and other entities within the Ruffer Group held 8,563,251 (30.06.2016: 9,609,728) shares on behalf of its discretionary clients.

#### *Investments in related funds*

As at 31 December 2016, the Company held investments in six (30.06.16: seven) related investment funds valued at £53,352,876 (30.06.16: £50,338,249). Refer to the Portfolio Statement on pages 22 to 26 for details.

### 6. Operating segment reporting

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

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

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

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

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

# RUFFER INVESTMENT COMPANY LIMITED

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

### 7. Fair Value Measurement

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

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

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

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

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

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

The following table presents the Company’s financial assets and liabilities by level within the valuation hierarchy at 31 December 2016.

				31.12.16
	Level 1	Level 2	Level 3	Total
	£	£	£	£
<b>Financial assets at fair value through profit or loss:</b>				
Government Index-Linked Bonds	151,193,981	-	-	151,193,981
Preference Shares	620,410	-	-	620,410
Options	-	7,193,167	-	7,193,167
Equities	152,573,700	-	893,512	153,467,212
Investment Funds	-	25,010,494	-	25,010,494
Derivative financial assets	-	277,027	-	277,027
Total assets	<u>304,388,091</u>	<u>32,480,688</u>	<u>893,512</u>	<u>337,762,291</u>
<b>Financial liabilities at fair value through profit or loss:</b>				
Derivative financial liabilities	-	6,954,898	-	6,954,898
Total liabilities	<u>-</u>	<u>6,954,898</u>	<u>-</u>	<u>6,954,898</u>

# RUFFER INVESTMENT COMPANY LIMITED

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

### 7. Fair Value Measurement (continued)

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy at 30 June 2016.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>30.06.16</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>Total</i>
				<i>£</i>
<b><i>Financial assets at fair value</i></b>				
<b><i>through profit or loss:</i></b>				
<i>Government Index-Linked Bonds</i>	152,025,136	-	-	152,025,136
<i>Preference Shares</i>	559,769	-	-	559,769
<i>Options</i>	-	1,128,548	-	1,128,548
<i>Equities</i>	142,006,909	-	893,512	142,900,421
<i>Investment Funds</i>	-	26,026,221	2,856,801	28,883,022
<i>Derivative financial assets</i>	-	4,071,490	-	4,071,490
<b><i>Total assets</i></b>	<b><u>294,591,814</u></b>	<b><u>31,226,259</u></b>	<b><u>3,750,313</u></b>	<b><u>329,568,386</u></b>
<b><i>Financial liabilities at fair value</i></b>				
<b><i>through profit or loss:</i></b>				
<i>Derivative financial liabilities</i>	-	12,733,403	-	12,733,403
<b><i>Total liabilities</i></b>	<b><u>-</u></b>	<b><u>12,733,403</u></b>	<b><u>-</u></b>	<b><u>12,733,403</u></b>

The Company recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the transfer has occurred. No transfers were made for the period ended 31 December 2016. In the prior year ended 30 June 2016, the following transfer was made:

- the investment in Ruffer Illiquid Strategies Fund of Funds 2009 Ltd ("RISFoF 2009") was transferred from Level 2 to Level 3 as a result of voluntary liquidation.

#### Movements in Level 3 investments

	<i>31.12.16</i>	<i>30.06.16</i>
	<i>£</i>	<i>£</i>
Opening valuation	3,750,313	1,409,625
Transfer from Level 2	-	2,856,801
Disposals during the period/year	(2,856,801)	(516,113)
Closing valuation	<u>893,512</u>	<u>3,750,313</u>

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

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

Assets classified in Level 3 consist of liquidated or illiquid funds and are reported using the latest available official NAV less dividends declared to date of each fund as reported by each fund's independent administrator at the last reporting date.

# RUFFER INVESTMENT COMPANY LIMITED

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

### 8. NAV reconciliation

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

	31.12.16	30.06.16
	£	£
NAV per share published on the LSE as at the period/year end	2.290	2.130
IAS 39 valuations (Mid to Bid)	(0.021)	(0.008)
Adjustment to valuation	(0.001)	0.005
Net assets attributable to holders of redeemable participating preference shares (per share)	2.268	2.127

### 9. Subsequent events

These Financial Statements were approved for issuance by the Board on 28 February 2017. Subsequent events have been evaluated up until this date.

Subsequent to the period end and up to the date of this report, the Company allotted and issued 550,000 redeemable participating preference shares of a nominal amount of 0.01p under the blocklisting facility for a consideration of £1,299,130.

An interim dividend of 0.9p per share in respect of the half year ending 31 December 2016 was declared on 28 February 2017. The dividend is payable on 23 March 2017 to shareholders on record at 10 March 2017.

As at the date of this report the Company had 158,813,416 redeemable participating preference shares of 0.01p each and 2 Management shares of £1.00 each in issue. Therefore, the total voting rights in the Company at the date of this report were 158,813,418.

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2016 (Unaudited)

	Currency	Holding at 31.12.16	Fair Value £	% of Total Net Assets*
<b>Government Index-Linked Bonds 41.98%</b>				
<i>(30.06.16 - 45.86%)</i>				
<b>Canada</b>				
Canada Real Return Bond 2.00% 01/12/2041	CAD	4,200,000	3,960,660	1.10
			3,960,660	1.10
<b>United Kingdom</b>				
UK Index-Linked Gilt 1.875% 22/11/2022	GBP	13,700,000	22,506,826	6.25
UK Index-Linked Gilt 0.125% 22/03/2024	GBP	6,190,000	7,973,147	2.21
UK Index-Linked Gilt 1.250% 22/11/2055	GBP	500,000	1,746,715	0.48
UK Index-Linked Gilt 0.375% 22/03/2062	GBP	8,000,000	21,199,400	5.90
UK Index-Linked Gilt 0.125% 22/03/2068	GBP	7,203,000	18,975,886	5.27
UK Index-Linked Gilt 0.125% 22/11/2019	GBP	6,135,000	7,113,784	1.97
			79,515,758	22.08
<b>United States</b>				
US Treasury Inflation Indexed Bond 1.125% 15/01/2021	USD	13,500,000	12,664,363	3.52
US Treasury Inflation Indexed Bond 0.625% 15/07/2021	USD	19,350,000	17,329,903	4.81
US Treasury Inflation Indexed Bond 0.125% 15/01/2023	USD	17,500,000	14,721,097	4.09
US Treasury Inflation Indexed Bond 0.375% 15/07/2023	USD	17,000,000	14,417,512	4.00
US Treasury Inflation Indexed Bond 0.625% 15/02/2043	USD	5,000,000	3,894,870	1.08
US Treasury Inflation Indexed Bond 0.750% 15/02/2045	USD	6,000,000	4,689,818	1.30
			67,717,563	18.80
<b>Total Government Index-Linked Bonds</b>			<b>151,193,981</b>	<b>41.98</b>
<b>Preference Shares 0.17%</b>				
<i>(30.06.16 - 0.17%)</i>				
<b>United Kingdom</b>				
Raven Russia Preference Shares	GBP	466,474	620,410	0.17
			620,410	0.17
<b>Total Preference Shares</b>			<b>620,410</b>	<b>0.17</b>
<b>Equities 38.59%</b>				
<i>(30.06.16 - 36.11%)</i>				
<b>Europe</b>				
<b>Germany</b>				
Deutsche Post AG	EUR	90,000	2,393,450	0.65
HeidelbergCement AG	EUR	25,300	1,915,787	0.53
TAG Immobilien AG	EUR	157,657	1,686,909	0.48
			5,996,146	1.66

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2016 (Unaudited) (continued)

	Currency	Holding at 31.12.16	Fair Value £	% of Total Net Assets*
<b>Equities (continued)</b>				
<b>Norway</b>				
Aker	NOK	45,000	1,353,879	0.38
Statoil	NOK	135,530	2,018,404	0.56
			3,372,283	0.94
<b>Switzerland</b>				
Novartis AG	CHF	45,700	2,696,470	0.75
			2,696,470	0.75
<b>United Kingdom</b>				
Barratt Developments Plc	GBP	364,180	1,683,968	0.48
Better Capital Ltd (2009)	GBP	1,727,800	1,762,356	0.49
Better Capital Ltd (2012)	GBP	3,088,700	803,062	0.22
Booker Group Plc	GBP	733,665	1,287,582	0.36
BT Group Plc	GBP	725,000	2,659,300	0.74
Cape Plc	GBP	277,849	405,660	0.11
Conviviality Plc	GBP	308,720	666,063	0.18
Countryside Properties Plc	GBP	216,670	532,358	0.15
Crawshaw Group	GBP	2,000,000	450,000	0.12
Games Workshop Group Plc	GBP	250,000	1,755,000	0.49
Hansteen Holdings Plc	GBP	1,050,000	1,191,750	0.33
IP Group Plc	GBP	574,216	1,022,105	0.28
ITV Plc	GBP	1,460,000	3,001,760	0.83
Lloyds Banking Group Plc	GBP	11,600,000	7,247,680	2.01
Oakley Capital Investments Ltd	GBP	2,825,794	4,577,786	1.27
Ocado Group Plc	GBP	307,000	810,787	0.23
Raven Russia Ltd	GBP	1,638,217	733,103	0.20
Renn Universal Growth Trust Ltd	GBP	937,500	893,512	0.25
Ruffer SICAV UK Mid & Smaller Companies Fund**	GBP	13,235	2,482,754	0.69
Secure Trust Bank Plc	GBP	58,345	1,255,001	0.35
Sophos Group Plc	GBP	510,280	1,329,790	0.37
Vodafone Group Plc	GBP	959,522	1,917,125	0.53
			38,468,502	10.68
<b>Total European Equities</b>			<b>50,533,401</b>	<b>14.03</b>
<b>Canada</b>				
Imperial Oil	CAD	72,000	2,029,126	0.56
<b>Total Canadian Equities</b>			<b>2,029,126</b>	<b>0.56</b>



# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2016 (Unaudited) (continued)

	Currency	Holding at 31.12.16	Fair Value £	% of Total Net Assets*
<b>Equities (continued)</b>				
<b>United States</b>				
Alliance Data System	USD	10,000	1,849,877	0.50
Apple Inc	USD	30,734	2,881,258	0.80
Check Point Software Technologies Ltd	USD	30,000	2,050,581	0.57
Exxon Mobil Corp	USD	42,497	3,104,260	0.86
Leucadia National Corp	USD	120,000	2,256,950	0.63
Microsoft Corp	USD	40,045	2,013,836	0.56
Oracle Corp	USD	60,000	1,867,034	0.52
Qualcomm Inc	USD	20,436	1,078,486	0.30
The Boeing Company	USD	36,200	4,563,195	1.27
Walt Disney	USD	36,700	3,097,217	0.86
<b>Total United States Equities</b>			<b>24,762,694</b>	<b>6.87</b>
<b>Asia</b>				
<b>China</b>				
China Life Insurance Co Ltd	HKD	459,000	967,811	0.27
PICC Property & Casualty Co Ltd	HKD	600,000	755,310	0.21
			1,723,121	0.48
<b>Japan</b>				
CF Ruffer Japanese Fund**	GBP	4,090,101	8,795,762	2.44
East Japan Railway NPV	JPY	25,800	1,807,181	0.51
Fujifilm Holdings Co NPV	JPY	119,200	3,662,347	1.02
Fujitsu NPV	JPY	900,000	4,050,998	1.12
Mitsubishi Electric Corp NPV	JPY	394,000	4,445,211	1.23
Mitsubishi Heavy Industries NPV	JPY	443,000	1,634,968	0.45
Mitsubishi UFJ Financial Group NPV	JPY	1,125,400	5,612,943	1.56
Mitsui Fudosan Co NPV	JPY	104,000	1,949,458	0.54
Mizuho Financial Group NPV	JPY	1,228,500	1,784,956	0.50
NTT Urban Development NPV	JPY	419,000	2,985,796	0.83
Rakuten Inc NPV	JPY	283,100	2,248,181	0.62
Seven & I Holdings NPV	JPY	110,000	3,392,658	0.94
Sony Corp NPV	JPY	105,900	2,402,810	0.67
Sumitomo Mitsui Financial Group NPV	JPY	169,200	5,223,221	1.45
T&D Holdings Inc NPV	JPY	900,000	9,635,718	2.68
			59,632,208	16.56
<b>Total Asian Equities</b>			<b>61,355,329</b>	<b>17.04</b>

# RUFFER INVESTMENT COMPANY LIMITED

## Portfolio Statement as at 31 December 2016 (Unaudited) (continued)

	Currency	Holding at 31.12.16	Fair Value £	% of Total Net Assets*
<b>Equities (continued)</b>				
<b>Brazil</b>				
Ultrapar Participacoes SA	USD	16,865	283,074	0.08
<b>Total Brazilian Equities</b>			<b>283,074</b>	<b>0.08</b>
<b>Total Equities</b>			<b>138,963,624</b>	<b>38.59</b>
<b>Global Investment Funds 6.94%</b>				
<i>(30.06.16 - 8.71%)</i>				
<b>United Kingdom</b>				
Herald Worldwide Fund	GBP	64,341	2,419,850	0.67
Ruffer Illiquid Multi Strategies Fund 2015 Ltd**	GBP	16,450,000	14,672,627	4.07
Ruffer SICAV Global Smaller Companies Fund**	GBP	45,129	6,378,017	1.77
Weiss Korea Opportunity Fund Ltd	GBP	1,100,000	1,540,000	0.43
			25,010,494	6.94
<b>Total Global Investment Funds</b>			<b>25,010,494</b>	<b>6.94</b>
<b>Gold &amp; Gold Mining Equities 4.03%</b>				
<i>(30.06.16 - 7.00%)</i>				
<b>United Kingdom</b>				
CF Ruffer Gold Fund**	GBP	9,044,304	13,830,549	3.84
Gold Bullion Securities Ltd	USD	7,559	673,039	0.19
			14,503,588	4.03
<b>Total Gold &amp; Gold Mining Equities</b>			<b>14,503,588</b>	<b>4.03</b>
<b>Options 2.00%</b>				
<i>(30.06.16 - 0.34%)</i>				
<b>United Kingdom</b>				
Ruffer Protection Strategies International**	GBP	1,579,458	7,193,167	2.00
			<b>7,193,167</b>	<b>2.00</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>337,485,264</b>	<b>93.71</b>
Other net current assets			22,655,219	6.29
Management share capital			(2)	-
<b>Total Value of Company</b> <b>(attributable to redeemable participating preference shares)</b>			<b>360,140,481</b>	<b>100.00</b>

# **RUFFER INVESTMENT COMPANY LIMITED**

## **Portfolio Statement as at 31 December 2016 (Unaudited) (continued)**

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

\*\* Ruffer Protection Strategies International and Ruffer Illiquid Multi Strategies Fund 2015 Ltd are classed as related parties as they share the same Investment Manager (Ruffer AIFM Limited) as the Company. CF Ruffer Gold Fund, CF Ruffer Japanese Fund, Ruffer SICAV Global Smaller Companies Fund 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 (the “Company”) 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 Unaudited Condensed Interim Financial Statements were authorised for issue on 28 February 2017 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”.

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

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

The Company intends to be operated in such a manner that its shares are not categorised as non-mainstream pooled investments. This means that the Company might pay dividends in respect of any income that it receives or is deemed to receive for UK tax purposes so that it would qualify as an investment trust if it were UK tax-resident.

Northern Trust International Fund Administration Services (Guernsey) Limited (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.

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

# RUFFER INVESTMENT COMPANY LIMITED

## Management and Administration

### **Directors**

Ashe Windham  
Christopher Spencer  
John V Baldwin  
Jeannette Etherden  
*(resigned 30 November 2016)*  
Wayne Bulpitt  
*(resigned 20 July 2016)*  
Sarah Evans  
*(appointed 20 July 2016)*  
Christopher Russell  
*(appointed 1 December 2016)*

### **Registered Office**

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

### **Auditor**

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

### **Alternative Investment Fund Manager**

Ruffer AIFM Limited,  
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

### **Depositary**

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