

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document, which comprises a prospectus relating to Ruffer Investment Company Limited (the "**Company**") has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the Prospectus Regulation and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. This document has been made available to the public as required by the Prospectus Regulation Rules.

This document has been approved by the FCA of 12 Endeavour Square, London E20 1JN, as competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <http://www.fca.org.uk/contact>.

The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities.

The Shares, as at the date of this document, are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.

The Company and each of the Directors, whose names appear on page 25 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The Investment Manager accepts responsibility for the information and opinions related to or attributed to the Investment Manager or any Affiliate of the Investment Manager contained in Part 2 (*Risk Factors*), paragraphs 1 and 8 of Part 5 (*The Company*), paragraph 1.4 of Part 6 (*The Portfolio and Investment Outlook*) and paragraphs 2 and 5 of Part 7 (*Directors, Investment Manager and Administration*) of this document (the "**Investment Manager Sections**"). To the best of the Investment Manager's knowledge, the Investment Manager Sections are in accordance with the facts and make no omission likely to affect their import.

The Company is not offering any new shares nor any other securities in connection with this document. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction. The Shares will not be generally made available or marketed to the public in the UK or in any other jurisdiction in connection with the publication of this document.

**Investors should read the entire document and, in particular, Part 2 (*Risk Factors*) when considering an investment in the Company.**

---

# RUFFER INVESTMENT COMPANY LIMITED

*(an authorised closed-ended collective investment company incorporated under The Companies (Guernsey) Law 1994-1996, The Companies (Guernsey) Law, 2008, as amended, with registered number 41996)*

## Information relating to the prior issue of 57,955,127 Tap Shares

Sponsor

**INVESTEC BANK PLC**

Investment Manager

**RUFFER AIFM LIMITED**

---

Investec Bank plc ("**Investec**") is authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Investec is acting exclusively for the Company and for no one else in relation to the arrangements referred to in this document. Investec will not regard any other person (whether or not a recipient of this document) as their client in relation to the arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the contents of this document or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec makes no representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares or the Tap Issue. Investec (and its Affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this document or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares or the Tap Issue.

No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the Investment Manager and/or Investec. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR, the delivery of this document, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Investec and its Affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and/or the Investment Manager for which they would have received customary fees. Investec and its Affiliates may provide such services to the Company and/or the Investment Manager and any of their respective Affiliates in the future.

None of Investec or its Affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, Investec and its Affiliates may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which Investec and its Affiliates may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this document is not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of for Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the Investment Manager, Investec nor any of their respective representatives is making any representation to any person regarding the legality of an investment in the Shares by such person under the laws applicable to such person.

#### **Notice to US and other overseas persons**

This document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company and/or Investec or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa, Japan or any member state of the EEA. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa, Japan or any member state of the EEA or to any national, resident or citizen of Canada, Australia, the Republic of South Africa, Japan or any member state of the EEA.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares may only be offered or sold outside the United States to non-US Persons in offshore transactions in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”) and investors will not be entitled to the benefits of the US Investment Company Act.

**The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law or regulation.**

The Company is an authorised closed-ended investment scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the “**POI Law**”) and the Authorised Closed Ended Investment Schemes Rules and Guidance, 2021 (the “**Rules**”) issued by the Guernsey Financial Services Commission (the “**GFSC**”).

The distribution of this document may be restricted by law in certain jurisdictions. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this document (or any other offering or publicity material relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this document nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. None of the Company, Investec or the Investment Manager or any of their respective Affiliates or advisers accepts any legal responsibility to any person, whether or not such person is a potential investor, in respect of any such restrictions.

Copies of this document will be available on the Company's website ([ruffer.co.uk/ric](http://ruffer.co.uk/ric)) and the National Storage Mechanism of the FCA at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

**Without limitation, neither the contents of the Company's or the Investment Manager's or Investec's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this document.**

Dated: 16 May 2022

## CONTENTS

	<i>Page</i>
Part 1 Summary	4
Part 2 Risk Factors	11
Part 3 Important Information	20
Part 4 Directors, Secretary and Advisers	25
Part 5 The Company	27
Part 6 The Portfolio and Investment Outlook	37
Part 7 Directors, Investment Manager and Administration	40
Part 8 Taxation	46
Part 9 General Information	53
Part 10 Fund 3.2 Disclosures	83
Part 11 Definitions	93
Part 12 Documents incorporated by reference	99

## Part 1

### Summary

#### **1 INTRODUCTION AND WARNINGS**

##### **1.1 Name and international securities identifier number (ISIN) of the securities**

The securities which the Company intends to issue are Shares with ISIN GB00B018CS46.

##### **1.2 Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)**

The issuer's name is Ruffer Investment Company Limited (the "**Company**"). The Company's registered office is at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR and its telephone number is +44 (0)1481 737600. The Company's Legal Entity Identifier is 21380068AHZKY7MKNO47.

##### **1.3 Identity and contact details of the competent authorities approving the document**

This document has been approved by the FCA with its head office at 12 Endeavour Square, London E20 1JN and telephone number +44 (0) 20 7066 1000, as competent authority under Regulation (EU) 2017/1129, as amended as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**").

##### **1.4 Date of approval of this document**

This document was approved by the FCA on 16 May 2022.

##### **1.5 Warning**

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to this document and any decision to invest in Shares should be based on consideration of this document as a whole by the investor. The investor could lose all or part of its invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Shares.

#### **2 KEY INFORMATION ON THE ISSUER**

##### **2.1 Who is the issuer of the securities?**

###### **(a) Domicile, legal form, LEI, jurisdiction of incorporation and country of operation**

The Company was incorporated in Guernsey on 1 June 2004 as a non-cellular company limited by shares under The Companies (Guernsey) Law 1994-1996, as amended with registered number 41996. The Company is domiciled in Guernsey. The Company has an indefinite life. The principal legislation under which the Company operates is the Companies Law and ordinances and regulations made thereunder. The Company is not regulated as a collective investment scheme by the FCA but is an AIF under the AIFM Regime and the EU AIFM Directive. The Company's Legal Entity Identifier is 21380068AHZKY7MKNO47.

###### **(b) Principal activities**

The Company's principal activity is to seek to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate through predominantly investing in internationally listed or quoted equities or equity-related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations.

The Company's investment objective and investment policy are set out 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) or bonds which are issued by corporate issuers, supra-nationals or government organisations. Where appropriate, collective investment schemes will also be used to gain exposure to these assets.

***Investment policy***

The Company invests across a broad range of assets, geographies and sectors to achieve its objective. This allocation will change over time to reflect the risks and opportunities identified by the Investment Manager across global financial markets, with an underlying focus on capital preservation. The allocation of the portfolio between different asset classes 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).

In selecting investments, the Company does not adopt any investment weightings by reference to any benchmark. Both the Board and the Investment Manager believe that the adoption of any index related investment style would inhibit the ability of the Company to deliver its objective.

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 pound sterling. Where appropriate, the Investment Manager will also use in-house funds to gain exposure to certain asset classes.

***Borrowing and gearing policy***

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.

***Use of derivatives***

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

***Investment restrictions***

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 engage in currency hedging where the Investment Manager considers such hedging to be in the interests of efficient portfolio management.

Total exposure to any single counterparty in the management of cash and the use of derivatives, should not exceed 15 per cent. of the Company's gross assets.

The Directors have determined that no more than 15 per cent. in aggregate of the Company's gross assets at the time of acquisition will be invested in listed investment companies (including investment trusts), with a maximum of 10 per cent. of gross assets invested in investment companies not having stated investment policies allowing them to invest no more than 15 per cent. of their own gross assets in other UK listed investment companies (including investment trusts).

***Breach of investment policy***

In the event of a breach of the investment objective and/or investment policy set out above, a notification will be made to a Regulatory Information Service if the Directors consider the breach to be material.

***Material change to investment objective and/or investment policy***

In accordance with the requirements of the FCA, any material changes in the Company's investment objective and/or investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

(c) **Major shareholders**

So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at 13 May 2022 (being the latest practicable date prior to the publication of this document), the following persons held, directly or indirectly, 3 per cent. or more of the issued Shares or the Company's voting rights:

Name	No. of Shares	Percentage of voting rights
Rathbones	30,394,720	10.25%
Brewin Dolphin, stockbrokers	30,368,606	10.24%
Hargreaves Lansdown, stockbrokers (EO)	27,591,715	9.31%
Interactive Investor (EO)	23,547,182	7.94%
Charles Stanley	17,724,900	5.98%
AJ Bell, stockbrokers (EO)	13,194,953	4.45%

(Source: Latest available share register analysis produced by Richard Davies Investor Relations Limited)

(d) **Key managing directors**

The Board is comprised of Christopher Russell (*Independent Non-Executive Chair*), Shelagh Mason (*Independent Non-Executive Director*), Jill May (*Independent Non-Executive Director and Senior Independent Director*), Nicholas Pink (*Independent Non-Executive Director*) and David Staples (*Independent Non-Executive Director*).

(e) **Identity of statutory auditors**

The auditors of the Company are Deloitte LLP of Regency Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3HW.

**2.2 What is the key financial information regarding the issuer?**

(a) **Table 1: Additional information relevant to closed end funds**

Share class	Total NAV <sup>(1)</sup>	No. of shares <sup>(2)</sup>	NAV per share <sup>(1)</sup>	Historical performance of the Company
Shares	£708,516,632	296,505,764	£2.8758	Since its initial public offering, the Company has paid or declared cumulative dividends amounting to 44.0 pence per Share.

<sup>(1)</sup> Unaudited NAV calculated as at 31 December 2021.

<sup>(2)</sup> As at 13 May 2022, being the latest practicable date prior to the publication of this document.

(b) **Table 2: Income statement for closed end funds**

	Year ended 30 June 2021 £'000 (audited)	Year ended 30 June 2020 £'000 (audited)	Year ended 30 June 2019 £'000 (audited)	1 July 2021 to 31 December 2021 £'000 (unaudited)	1 July 2020 to 31 December 2020 £'000 (unaudited)
Fixed interest income	1,234,890	1,159,039	919,769	591,234	548,004
Dividend income	5,971,289	3,649,428	4,307,711	4,429,078	1,592,879
Net changes in fair value of financial assets at fair value through profit or loss	50,578,046	49,202,890	942,607	16,264,121	18,983,644
Other gains/(losses)	15,755,244	(7,835,401)	(6,059,154)	(2,194,442)	11,543,891
<b>Total income</b>	<b>73,539,469</b>	<b>46,175,956</b>	<b>110,933</b>	<b>19,089,991</b>	<b>32,668,418</b>
Management fees	(4,693,521)	(3,921,402)	(3,729,400)	(3,072,252)	(2,162,104)
Expenses	(632,121)	(633,225)	(818,427)	(372,921)	(310,557)
<b>Total expenses</b>	<b>(5,325,642)</b>	<b>(4,554,627)</b>	<b>(4,547,827)</b>	<b>(3,445,173)</b>	<b>(2,472,661)</b>

	Year ended 30 June 2021 £'000 (audited)	Year ended 30 June 2020 £'000 (audited)	Year ended 30 June 2019 £'000 (audited)	1 July 2021 to 31 December 2021 £'000 (unaudited)	1 July 2020 to 31 December 2020 £'000 (unaudited)
<b>Profit/(loss) for the year before tax</b>	<b>68,213,827</b>	<b>41,621,329</b>	<b>(4,436,894)</b>	<b>15,644,818</b>	<b>30,195,757</b>
Withholding tax	(424,880)	(439,359)	(521,391)	(288,997)	(144,304)
<b>Profit/(loss) for the year after tax</b>	<b>67,788,947</b>	<b>41,181,970</b>	<b>(4,958,285)</b>	<b>15,355,821</b>	<b>30,051,453</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>67,788,947</b>	<b>41,181,970</b>	<b>(4,958,285)</b>	<b>15,355,821</b>	<b>30,051,453</b>
<b>Basic and diluted earnings per share</b>	36.43p	22.78p	(2.76p)	6.96p	16.62p

(c) **Table 3: Balance sheet for closed end funds**

	Year ended 30 June 2021 £'000 (audited)	Year ended 30 June 2020 £'000 (audited)	Year ended 30 June 2019 £'000 (audited)	31 December 2021 £'000 (unaudited)	31 December 2020 £'000 (unaudited)
<b>Assets</b>					
<b>Non-current assets</b>					
Investments at fair value through profit or loss	516,760,500	400,997,042	390,217,885	642,623,790	432,272,347
<b>Current assets</b>					
Cash and cash equivalents	55,833,380	42,667,336	19,375,840	65,210,460	36,981,180
Trade and other receivables	6,011,217	8,877,207	556,885	2,208,710	471,968
Derivative financial assets	270,023	–	–	2,972,622	4,036,172
<b>Total current assets</b>	<b>62,114,620</b>	<b>51,544,543</b>	<b>19,932,725</b>	<b>70,391,792</b>	<b>41,489,320</b>
<b>Total assets</b>	<b>578,875,120</b>	<b>452,541,585</b>	<b>410,150,610</b>	<b>713,015,582</b>	<b>473,761,667</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	(595,622)	(4,887,485)	(3,543,576)	(4,498,950)	(493,710)
Derivative financial liabilities	(2,428,165)	(3,541,719)	(332,037)	–	(821,613)
<b>Total liabilities</b>	<b>(3,023,787)</b>	<b>(8,429,204)</b>	<b>(3,875,613)</b>	<b>(4,498,950)</b>	<b>(1,315,323)</b>
<b>Net assets</b>	<b>575,851,333</b>	<b>444,112,381</b>	<b>406,274,997</b>	<b>708,516,632</b>	<b>472,446,344</b>
<b>Equity</b>					
<b>Capital and reserves attributable to the Company's shareholders</b>					
Share capital	253,904,821	186,459,986	186,459,986	374,638,457	186,459,986
Capital reserve	220,493,564	158,853,795	121,407,708	231,490,991	187,219,226
Retained revenue reserve	6,403,389	3,749,041	3,357,744	7,337,625	3,717,573
Other reserves	95,049,559	95,049,559	95,049,559	95,049,559	95,049,559
<b>Total equity</b>	<b>575,851,333</b>	<b>444,112,381</b>	<b>406,274,997</b>	<b>708,516,632</b>	<b>472,446,344</b>
Net assets attributable to holders of redeemable participating preference shares (per share)	2.8129	2.4565	2.2472	2.8758	2.6133



The auditors' reports on the Company's financial statements for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 were unqualified.

## **2.3 What are the key risks that are specific to the issuer?**

The attention of investors is drawn to the key risks associated with an investment in the Company which, in particular, include the following:

### ***Key risks relating to the Company***

- The past performance of the Company and/or its investments is no indication of future results.
- The Company has no employees and is reliant on the performance of third party service providers for its executive function. In particular, the Investment Manager, Administrator, Registrar, Custodian and Depositary will be performing services which are integral to the operation of the Company.
- The performance of the Company will depend, to a large extent, upon the performance of the underlying portfolio which itself could be subject to disruption to the liquidity of its investments.
- The level of dividends and other distributions to be paid by the Company may fluctuate and there is no guarantee that any such distributions will be paid.
- The effects of both normal market fluctuations and potential economic crises may impact the Company's business, operating results or financial condition.
- The Company's financial performance and prospects may be adversely affected by Covid-19, the long-term impact of which is currently unknown, or another pandemic or epidemic.
- The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents.
- The risks posed by climate change and other ESG factors have led to increasing governmental regulation and taxation, changes in consumer preferences and stakeholder pressure to reduce carbon and broader environmental footprints, which could lead to additional costs for the Company and the companies into which it has invested or negatively impact their performance.

### ***Key risk relating to the Investment Manager***

- The Company depends on the diligence, skill and judgement of the Investment Manager's investment professionals.

### ***Key risks relating to the Company's investment objective, investment policy and investment strategy***

- The Company may not meet its investment objective.
- The value of the Company's assets may be affected by uncertainties such as political, regulatory, settlement and sub-custodial risk in the countries in which it makes investments.
- The Company may be forced to dispose of investments when it will not be able to obtain best value for its investments.

### ***Key risk relating to regulation and taxation***

- Changes in law or regulations governing the Company's operations may adversely affect the Company's business.

## **3 KEY INFORMATION ON THE SECURITIES**

### **3.1 What are the main features of the securities?**

#### **(a) Type, class and ISIN**

The securities which the Company issued under the Tap Issue are Shares with ISIN GB00B018CS46.

#### **(b) Currency, denomination, par value, number of securities issued and duration**

The currency of the Shares is Sterling. The issued share capital of the Company as at 13 May 2022 (being the latest practicable date prior to publication of this document), is 296,505,764 Shares of 0.01p each, all of which are fully paid or credited as fully paid.



(c) ***Rights attached to the Shares***

The Shares have the following rights:

*Shares*

**Dividends**

The Shares carry the right to receive the profits of the Company available for distribution at such times as the Directors may determine in accordance with the Articles.

**Rights in respect to capital**

Subject to the rights of any C Shares in issue, on a winding-up, the surplus capital and assets of the Company shall be divided amongst the holders of Shares *pro rata* according to the nominal capital paid up on their holdings of Shares.

**Voting**

Holders of Shares have the right to receive notice of, and to attend and vote at, general meetings and class meetings of the Company. Each holder of Shares on a poll has one vote in respect of each Share held.

(d) ***Rank of securities in the issuer's capital structure in the event of insolvency***

On a winding-up, provided the Company has satisfied all its liabilities and subject to the rights conferred on any other class of shares in issue at that time to participate in the winding-up, the holders of Shares shall be entitled to all of the Company's remaining net assets after taking into account any net assets attributable to any C Shares (if any) in issue.

(e) ***Restrictions on the free transferability of Shares***

There are no restrictions on the free transferability of the Shares, subject to compliance with applicable securities laws and the restrictions on transfer contained in the Articles.

(f) ***Dividend policy***

The Board's policy is to pay dividends semi-annually, which are typically declared in September and March, with an objective of distributing a minimum of 85 per cent. of the Company's revenue each year.

Dividends will only be paid from the Company's revenue account and not from capital. Dividend payments by the Company will depend on the income stream generated by the underlying investments in the Company's investment portfolio and therefore no assurance can be given that dividends will continue to be paid.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies Law, whereby the Board must be satisfied on reasonable grounds that the Company will, immediately after payment of any dividend, be able to pay its debts as they become due and that the value of the Company's assets would be greater than the value of its liabilities.

The Board has the discretion to increase or reduce the dividend, or not to declare a dividend, as appropriate in consideration of the financial position of the Company.

**Investors should note that the declaration and payment frequency of dividends are not profit forecasts. There may be a number of factors that adversely affect the Company's ability to declare and pay a dividend and there can be no assurance that any dividend will be paid. This should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not assume that the Company will make any distributions at all in deciding whether to invest in the Shares.**

### 3.2 **Where will the securities be traded?**

The Shares, as at the date of this document, are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.

### **3.3 What are the key risks specific to the securities?**

The attention of investors is drawn to the risks associated with an investment in the Shares which, in particular, include the following:

- The value and/or market price of the Shares may go down as well as up and may not trade in line with Net Asset Value.
- It may be difficult for Shareholders to realise their investment at NAV and there may not be a liquid market in the Shares.

## **4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND ADMISSION TO TRADING ON A REGULATED MARKET**

### **4.1 Under which conditions and timetable can I invest in this security?**

The Company is not offering any new shares nor any other securities in connection with the publication of this document. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, any shares nor any other securities of the Company in any jurisdiction.

### **4.2 Why is this prospectus being produced?**

Since February 2021, the Shares have continued to trade at a premium to the Net Asset Value per Share indicating strong ongoing demand for the Shares in the market. As part of the Board's efforts to satisfy this demand and instil a degree of premium control, the Company has issued 57,955,127 Shares in the period from 18 November 2021 to 13 May 2022 (being the latest practicable date prior to the publication of this document) by way of regular issue of Shares. These issues of shares are commonly known as tap issues.

The Board remains cognisant of the need to comply with the requisite provisions of the Prospectus Regulation when issuing new Shares and, more particularly, the rolling requirement that the Company should not issue more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus. Accordingly, this document is being published in order to 'reset' the Company's 20 per cent. capacity to issue further Shares by way of tap issue afforded under the Prospectus Regulation.

## Part 2

### Risk Factors

**Any investment in Shares is subject to a number of risks. Accordingly, prior to making any investment decision, investors should carefully consider all the information contained in this document and, in particular, the risk factors described in this Part 2 (*Risk Factors*). This summary of risk factors is not intended to be exhaustive nor is it an explanation of all of the risk factors involved in investing in the Company. It should be noted that the risks described below are not the only risks faced by the Company and there may be additional risks that the Directors currently consider not to be material or of which they are not currently aware.**

**An investment in the Shares should not be regarded as short-term in nature and involves a high degree of risk, including but not limited to the risks referred to below in relation to the Company and the Shares. If any of the risks referred to in this document were to occur this could materially and adversely affect the Company's business, financial condition and results. If that were to occur, the trading price of the Shares and/or the Net Asset Value and/or the level of dividends or distributions received from the Shares could decline significantly and investors could lose all or part of their investment.**

**As required by the UK Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors should, therefore, review and consider each risk.**

#### **RISKS RELATING TO THE COMPANY**

##### **Past performance is no indication of future results**

The past performance of the Company or other investments managed or advised by the Investment Manager or any of its investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

The success of the Company will depend, amongst other things, on the ability of the Investment Manager to identify, acquire and realise investments in accordance with the Company's investment objective and investment policy. This, in turn, will depend on the ability of the Investment Manager to apply the Company's investment policy and the Investment Manager's processes in a way which is capable of identifying suitable investments for the Company to invest in, to monitor and exit such investments effectively.

##### **The Company has no employees and is reliant on the performance of third party service providers**

The Company has no employees and the Directors have all been appointed on a non-executive basis. Therefore, the Company is reliant upon the performance of third party service providers for its executive function. In particular, the Investment Manager, the Administrator, the Registrar, the Custodian, the Auditor and the Depositary will be performing services which are integral to the operation of the Company. Failure by any of these or any other service provider to carry out its obligations to the Company in accordance with the terms of its appointment, together with a failure by the Company to enforce such terms, could have a materially detrimental impact on the operation of the Company.

##### **The performance of the Company will depend, to a large extent, upon the performance of the underlying portfolio which itself could be subject to disruption to the liquidity of its investments**

The Company can offer no assurances that the investments made by the Company in accordance with its investment policy will generate gains or income or that any gains or income that may be generated on particular investments will be sufficient to offset any losses that may be sustained in other investments, which itself could be subject to disruption to the liquidity of its investments.

**The level of dividends and other distributions to be paid by the Company may fluctuate and there is no guarantee that any such distributions will be paid**

Whilst the Board's policy is to pay dividends semi-annually, with an objective of distributing a minimum of 85 per cent. of the Company's revenue each year, there is no guarantee that actual (or any) dividends will be at or near this level. The declaration, payment and amount of any future dividends or distributions by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the running costs of the Company, the Company's financial position and cash requirements and the ability of the Company to comply with the applicable legal requirements for paying dividends under the Companies Law. Accordingly, the actual rate of return achieved or dividends or other distributions made may be materially lower than the targeted minimum of the Company, or may result in a partial or total loss, which could have a material adverse effect on the Company's performance, financial condition and business prospects.

**The effects of both normal market fluctuations and potential economic crises may impact the Company's business, operating results or financial condition**

The Company may experience fluctuations in its operating results due to fluctuations in markets generally, which may be considered normal or may be the result of a financial or economic crisis or other macroeconomic shock. The Company's results may be affected in these circumstances by, for example, changes in the values of investments made by the Company, changes in operating expenses, and general economic and market conditions (including changes to interest rates, credit spreads, equity risk premium, inflation and bond ratings, changes in laws or regulations, national and international political circumstances as well as the general market pricing of similar investments).

Such variability may lead to volatility in the trading price of the Shares and cause the Company's results for a particular period not to be indicative of its performance in a future period and this may materially adversely affect the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.

**The Company may be subject to certain epidemic-related risks, such as the coronavirus (COVID-19)**

The performance of the assets in which the Company has invested, or may invest in the future, may be affected by the impact on the global economy and businesses that COVID-19 (or another pandemic or epidemic) is currently having or may have in the future. Global capital markets have seen significant downturns and extreme volatility as a result of the COVID-19 pandemic. Such similar volatility and downturn could have an impact on the liquidity of the Shares. Investors should be aware that if any of the global impacts of COVID-19 continue for a sustained period of time, and should any of the risks identified above materialise, it could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

**Cyber security risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors, the Company, the Investment Manager, the Administrator, the Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including: by interference with the Company's ability to calculate its Net Asset Value; impediments to trading for the Company's portfolio; the inability of Shareholders to sell their Shares; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Company invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information

security management systems and business continuity plans have been developed which are designed to mitigate the risks associated with cyber security, there are inherent limitations in any cyber security risk management system or business continuity plan, including the possibility that certain risks have not been identified.

### **Climate change and other ESG factors**

The risks posed by climate change and other ESG factors have led to increasing governmental regulation and taxation, changes in consumer preferences and stakeholder pressure to reduce carbon and broader environmental footprints, which could lead to additional costs for the Company and the companies into which it has invested or negatively impact their performance. Whilst the Company's portfolio is generally not immediately vulnerable to the risks posed by climate change, companies into which the Company has invested are subject not only to changes in the ESG landscape of the jurisdiction in which they are incorporated, but are also susceptible to changes in the ESG landscape in the various jurisdictions in which they operate, which could negatively affect the value of their shares and their wider performance.

While the ESG approach taken by the Company and the Investment Manager aims to mitigate against the negative impact of climate change and other ESG factors there is no guarantee that the performance of the Company and/or its investments will not be affected by climate change and other ESG risks.

### **The UK's exit from the European Union could have a material impact on the Company's activities**

The process of the United Kingdom leaving the European Union was completed on 31 December 2020 ("**Brexit**"). Brexit has set in train a sustained period of uncertainty both in the United Kingdom and the European Union. As a result, investors face a degree of ongoing uncertainty and potential risk regarding, *inter alia*, the United Kingdom and European economies, currency movements, volatility in the UK and global markets, and the financial services regulatory regime to which the Company is currently subject. While the full impact of Brexit continues to evolve, this prolonged uncertainty regarding aspects of the United Kingdom and European economy could result in an adverse effect on the financial condition, results of operations and prospects of the Company and its investments.

Future financial services regulation between the UK and the EU is uncertain, and Brexit may have a significant adverse effect on the ability of the Company to raise capital from EU investors and for the Company to acquire assets or pursue investment opportunities in the EU in future. The Investment Manager is now classified as a third-country AIFM pursuant to the EU AIFM Directive and no longer has access to the marketing and management passport regime under such directive. In order to access investors in EEA countries, the Investment Manager will need to market the Shares via the National Private Placement Regime ("**NPPR**") under Article 42 of the EU AIFM Directive. The implementation of the NPPR varies across the member states, and as such, can be a lengthy process and lead to additional costs associated with registration and maintaining ongoing compliance within the individual regulatory regimes. This may therefore restrict the Company's ability to reach investors in certain EEA countries.

There can be no assurance that the foregoing developments will not have a negative effect on the Company's operations and investment objectives or on its investments in the United Kingdom and Europe. A potential downgrading of the United Kingdom's sovereign credit rating (as at the latest practicable date, Moody's: Aa3, S&P: AA) as a result of Brexit may also have an impact on the performance of the Company and its investments.

## **RISKS RELATING TO THE INVESTMENT MANAGER**

### **The Company depends on the diligence, skill and judgement of the Investment Manager's investment professionals**

The Company depends on the diligence, skill and judgement of the Investment Manager's investment professionals and the information they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with the Investment Manager, and the Investment Manager's ability to recruit, retain and motivate new talented personnel. However, the Investment Manager may not be successful in its efforts to recruit, retain and motivate the required personnel as the market for qualified investment professionals is competitive. The Investment

Manager's inability to recruit, retain and motivate the required personnel may have a material adverse effect on the Company's profitability, NAV and the price of the Shares.

**There can be no assurance that the Company will be able to find a replacement Investment Manager if the Investment Manager resigns**

Under the Investment Management Agreement, the Investment Manager may resign on 12 months' notice. The Investment Manager shall, from the date any such resignation takes effect, cease to provide AIFM services and portfolio management services in respect of the Company. In those circumstances a replacement investment manager would have to be identified and appointed and there can be no assurance that such a replacement with the necessary skills and experience could be appointed on terms acceptable to the Company. If a replacement investment manager cannot be found, this would have a material adverse effect on the Company's profitability, NAV and the price of the Shares. In that event, the Directors might have to formulate and put forward to Shareholders proposals for the future of the Company, which may include a reconstruction or winding up.

**The Investment Manager and its affiliates provides services to other clients**

The Investment Manager and its officers, employees and affiliates are involved in other financial, investment or professional activities that may give rise to conflicts of interest with the Company. In particular, the Investment Manager provides investment management and other services in relation to other companies, funds and accounts that may have similar investment objectives and/or policies to that of the Company. This may on occasion give rise to conflicts of interest which the Investment Manager will manage in accordance with its policies and procedures relating to conflicts of interest. If such conflicts of interest are managed to the detriment of the Company by the Investment Manager, they could have a material adverse effect on the Company's profitability, NAV and the price of the Shares.

**The Investment Manager may allocate some of its resources to activities in which the Company is not engaged**

The Investment Manager is not required to commit all of its resources to the Company's affairs. Insofar as the Investment Manager devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, NAV and the price of the Shares.

**Due diligence risk**

The due diligence process that the Investment Manager will undertake in connection with the Company's investments may not reveal all facts and circumstances that may be relevant in connection with an investment.

When conducting due diligence, the Investment Manager will typically evaluate a number of issues in determining whether or not to proceed with an investment, including whether or not a potential investment is consistent with the Company's investment strategy. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company will be required to rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective, especially with respect to elements of the Company's investment strategy for which only limited information is available particularly for smaller companies or those based overseas. Accordingly, there can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity.

Any failure by the Investment Manager to identify relevant facts and circumstances through the due diligence process may lead to unsuccessful investment decisions, which could have a material adverse effect on the Company's profitability, NAV and the price of the Shares.



## **Cash management**

There is no restriction on the amount of cash or cash equivalent investments that the Company may hold and there may be times when it is appropriate for the Company to have a significant cash or cash equivalent position instead of being fully or near fully invested, to manage the working capital requirements of the Company. This may affect opportunities to increase the NAV. The Company's returns are reliant on the amount of capital invested in, and the performance of, the Company's portfolio of investments in accordance with its investment policy. There can be no guarantee that the Company will deploy its capital in the manner anticipated. Any delays in the speed of capital deployment and any material cash or cash equivalent holdings may have a material adverse effect on the Company's profitability, NAV and the price of the Shares.

## **RISKS RELATING TO THE COMPANY'S INVESTMENT OBJECTIVE, INVESTMENT POLICY AND INVESTMENT STRATEGY**

### **The Company may not meet its investment objective**

The Company may not achieve its investment objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met. The Company's ability to meet its investment objective will largely depend on the Investment Manager's ability to identify suitable investments that are in accordance with the Company's investment policy. There can be no assurance that the Company will be successful in implementing the investment strategy of the Company as it cannot be guaranteed that the Investment Manager will be able to identify suitable investments in accordance with the Company's investment policy.

### **Political, regulatory, settlement and sub-custodial risk**

The value the Company's assets may be affected by uncertainties such as international political developments (e.g. the current conflict in Ukraine), changes in government policies, sanctions, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As the Company may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to higher risk.

### **The Company may be forced to dispose of investments when it will not be able to obtain best value for its investments**

Whilst the Company does not have a limited life and there is no obligation to sell investments within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of investments (for example if an investment is no longer consistent with the Company's investment strategy), conditions in the relevant market will be favourable or that the Company will be able to maximise the return on such disposed investments. To the extent that market conditions are not favourable, the Company may not be able to dispose of investments at a gain. If the Company were required to dispose of an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded.

### **The Company will be exposed to currency and foreign exchange risks**

The Company will have investments denominated in currencies other than Sterling, particularly US Dollars and the Euro. The Company is, therefore, exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and another currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. In order to mitigate such exposure to any fluctuations in foreign exchange rates, the Company may, but is not obliged to, enter into hedging arrangements. If the Company were to enter into hedging arrangements, there is no assurance that the Company will be able to settle any such hedging arrangements (either on favourable terms, in a timely manner or at all) or that any such arrangements would provide sufficient protection to the Company against any adverse currency movements. Adverse currency movements could have an adverse effect on the returns realised by the Company from the portfolio, with a consequential adverse effect on the performance of the Company, the NAV, the Company's earnings and returns to Shareholders.



### **The Company may use derivative instruments**

The Company may utilise derivative instruments (including contracts for differences “**CFDs**”) for investment and efficient portfolio management purposes. Such derivative instruments inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any derivatives instruments employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. Many such derivative instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

Where the Company utilises CFDs or over the counter (OTC) derivatives, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Accordingly, the use of CFDs and OTC derivatives by the Company may expose the Company to greater risk and have a materially adverse effect on the Company’s performance.

### **Leverage risk**

Although the Company has no structural gearing and is not geared as at the date of this document, it has the ability to borrow up to 30 per cent. of its Net Asset Value for working capital purposes. The use of derivatives or borrowing to increase the exposure of the Company to the market or to leverage the Company will make the value of the Company’s investments change more quickly in response to increases or decreases in general market prices than would be the case with an unleveraged portfolio. If the Investment Manager correctly anticipates the direction in which the market or the specific security price will move, the result of using leverage will be improved Company performance by a greater extent than would be possible with an unleveraged portfolio. Conversely, if the Investment Manager’s assessment of market direction proves to be incorrect, the Company may be adversely affected to a much greater extent than the actual change in security prices might suggest due to the multiplier effect of using leverage.

### **Exchange controls**

The Company may purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company’s investments, the effect will generally reduce the income received by the Company on its investments.

## **RISKS RELATING TO THE SHARES**

### **The Shares may not trade in line with Net Asset Value per Share**

The value of an investment in the Company, and the returns derived from it, may go down as well as up and an investor may not get back the amount invested. The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying NAV and may trade at a discount or premium to NAV per Share at different times, depending on factors such as supply and demand for the Shares, market conditions and general investor sentiment. There can be no guarantee that any discount or premium control policy will be successful or capable of being implemented. The market value of a Share may vary considerably from its NAV. The NAV per Share may not be an accurate guide to the value that a Shareholder may realise on a disposal of Shares.

### **It may be difficult for Shareholders to realise their investment at NAV and there may not be a liquid market in the Shares**

While the Directors retain the right to effect repurchases of Shares in the manner described in this document (and may in future be granted authority to repurchase other classes of shares), they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness

of the Directors so to act. Shareholders wishing to realise their investment in the Company may have to dispose of their Shares in the market. There can be no guarantee that a liquid market in the Shares will exist at the time or that the Shares will trade at prices close to their underlying NAV. Accordingly, Shareholders may be unable to realise all or part of their investment at such NAV or at all.

## **RISKS RELATING TO REGULATION AND TAXATION**

### **Changes in laws or regulations governing the Company's operations may adversely affect the Company's business**

The Company is subject to laws and regulations enacted by national and local governments. In particular, the Company will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the Listing Rules, the Prospectus Regulation, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the MAR, the PRIIPs Regulation, the POI Law and the Rules. In addition, the Company is subject to the continuing obligations imposed by the GFSC and the FCA on all investment companies whose shares are listed on the premium segment of the Official List and is subject to the admission and disclosure standards of the London Stock Exchange. A failure by the Company to comply with those obligations and standards may result in the Shares being suspended from listing.

Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment objective and on the Company's investments. In such event, this may also have a material adverse effect on the Company's profitability, NAV and the price of the Shares.

### **Tax residency**

In order to maintain its non-UK resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the Board, the place of residence of the individual Directors and the location(s) in which the Board makes decisions will be important in determining and maintaining the non-UK tax resident status of the Company. Although the Company is established outside the United Kingdom continued attention must be given to ensure that major decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. As such, management errors could potentially lead to the Company being considered a UK tax resident which would negatively affect its financial and operating results, the value of the Shares and/or the post-tax return to Shareholders.

### **The value of an investment which has a high proportion of overseas earnings could be adversely affected by exchange rate movements between Sterling and other currencies that the investment's earnings may be denominated in**

The earnings of an investment may not be denominated in or hedged to Sterling, and are therefore subject to the risk of movements in exchange rates. As a result the Sterling value of investments that have significant overseas earnings may rise or fall solely on account of exchange rate fluctuations.

### **Tax legislation**

Changes in taxation legislation or practice, whether in Guernsey, the UK or elsewhere, may adversely affect the value of the Company's investments, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investment in the Company (including rates of tax and availability of reliefs). Investors should consult their tax advisers with respect to their own particular tax circumstances and the tax effects of an investment in the Company. Statements in this document concerning the taxation of investors in Shares are based upon current tax law as at the date of this document and tax authority practice, each of which is, in principle, subject to change. The value of particular tax reliefs, if available, will depend on each Shareholder's particular circumstances. This Prospectus does not constitute tax advice and must not therefore be treated as a substitute for independent tax advice.

### **Due diligence and reporting obligations**

The Company will be required to comply with certain due diligence and reporting requirements under the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of

America) Regulations, 2014, as amended, and the Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations 2015, as amended, which were enacted to meet Guernsey's obligations under FATCA and the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development. Shareholders may be required to provide information to the Company to enable the Company to satisfy its obligations under the regulations. Failure by the Company to comply with its obligations under the regulations may result in fines being imposed on the Company and, in such event, the target returns of the Company may be adversely affected.

#### **The Company may be treated as a passive foreign investment company**

The Company may be treated as a "passive foreign investment company" (often referred to as a "PFIC") for US federal income tax purposes, which could have adverse consequences on US investors. If the Company is classified as a PFIC for any taxable year, holders of Shares that are US taxpayers may be subject to adverse US federal income tax consequences. Further, investors should assume that a "qualified electing fund" election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to US taxpayers if the Company were to be classified as a PFIC, will not be available because the Company does not intend to provide the information needed to make such an election. A "mark-to-market" election may be available, however, if the Company's Shares are regularly traded. Prospective purchasers of Shares that are US taxpayers are urged to consult with their own tax advisers concerning the US federal income tax considerations associated with acquiring, owning and disposing of Shares in light of their particular circumstances.

#### **The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations**

Unless otherwise expressly agreed with the Company, each initial purchaser and subsequent transferee of Shares will be required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code unless its purchase, holding and disposition of Shares does not constitute or result in a non-exempt violation of any US federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the US Tax Code. . In addition, under the Articles, the Board has the power to refuse to register a transfer of Shares or to require the sale or transfer of Shares in certain circumstances, including any purported acquisition or holding of Shares by a benefit plan investor.

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In order to avoid being required to register under the US investment Company Act, the Company has imposed significant restrictions on the transfer of Shares which may materially affect the ability of Shareholders to transfer Shares in the United States or to US Persons.

#### **The Shares will be subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions**

The Shares have not been registered and will not be registered in the United States under the US Securities Act or under any other applicable securities laws. Moreover, offers and sales of the Shares may only be made outside the United States to non-US Persons (as defined in Regulation S under the US Securities Act), in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S and in the United States or to US Persons only to persons reasonably believed to be "Qualified Institutional Buyers" that are also "Qualified Purchasers".

If at any time the holding or beneficial ownership of any Shares by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the US Tax Code; or (ii) would or might result in the Company and/or its Shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the US investment Company Act, and/or US investment Advisers Act of 1940, as amended and/or the US Securities Act and/or the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and/or any laws of any state of the US or other

jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “foreign private issuer” under the Exchange Act; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the US Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder; or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the US Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Directors may require the holder of such Shares to dispose of such Shares and, if the Shareholder does not sell such Shares, may dispose of such Shares on their behalf. These restrictions may make it more difficult for a US Person to hold and Shareholders generally to sell the Shares and may have a material adverse effect on the market value of the Shares.

## **Part 3**

### **Important Information**

#### **GENERAL**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares. This document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Shares to any person in any jurisdiction.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR, the delivery of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This document sets out information relating to the Tap Shares. The gross proceeds from the issue of the Tap Shares was £175,814,440 and the aggregate expenses of the issues amounted to £879,072. The net proceeds of £174,935,368 have all been invested in accordance with the Company's investment objective and investment policy.

#### **GUERNSEY REGULATORY INFORMATION**

The Company is an authorised closed-ended investment scheme registered pursuant to the POI Law and the Rules.

#### **FOR THE ATTENTION OF UNITED STATES RESIDENTS**

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Shares in the United States. The Shares may only be offered or sold outside the United States to non-US Persons in offshore transactions in reliance on the exemption from the registration requirements of the US Securities Act provided by regulation S thereunder. The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law or regulation. Any person in the United States who obtains a copy of this document is requested to disregard it.

#### **Service of process and enforceability of civil liabilities**

All of the Directors are residents of Guernsey or the UK, and the Company has been incorporated under Guernsey law. Service of process upon Directors and officers of the Company may be difficult to obtain

within the United States. Shareholders based in the United States may have difficulties enforcing in courts outside the United States judgments obtained in US courts against some of the Directors or the Company (including actions under the civil liability provisions of the US securities laws). In addition, an award or awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Guernsey and the UK.

Shareholder may also have difficulty enforcing liabilities under the US securities laws in legal actions originally brought in jurisdictions located outside the United States.

#### **FOR THE ATTENTION OF RESIDENTS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA**

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

#### **NON-MAINSTREAM POOLED INVESTMENTS AND MIFID II**

The Company notes the rules of the FCA on the promotion of non-mainstream pooled investments. The Company conducts its affairs so that the Shares can be recommended by financial advisers to retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products. The Shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because the Company would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident in the United Kingdom.

The Company intends to conduct its affairs so that the Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under The Markets in Financial Instruments Directive II ("**MIFID II**"). The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016 will be met in relation to the Shares and that, accordingly, the Shares should be considered "non-complex" for the purposes of MiFID II.

#### **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within PROD 3 of the FCA's Product Intervention and Product Governance Sourcebook (the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in COBS 3.5 and 3.6 of the FCA's Conduct of Business Sourcebook, respectively; and (ii) eligible for distribution through all distribution channels as are permitted by the Product Governance Requirements (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the Shares may decline and investors could lose all or part of their investment; (b) the Shares offer no guaranteed income and no capital protection; and (c) an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA's Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.



## PRIIPS REGULATION

In accordance with the PRIIPs Regulation, a Key Information Document in respect of the Shares has been prepared by the Investment Manager and is available to investors at [ruffer.co.uk/ric](http://ruffer.co.uk/ric). If you are distributing the Shares, it is your responsibility to ensure that the relevant Key Information Document is provided to any clients that are “retail clients” prior to purchase pursuant to the PRIIPs Regulation.

The Investment Manager is the only manufacturer of the Shares for the purposes of the PRIIPs Regulation and Investec is not a manufacturer for these purposes. Investec makes no representations, express or implied, or accepts any responsibility whatsoever for the contents of any Key Information Document prepared by the Investment Manager nor accepts any responsibility to update the contents of any Key Information Document in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such Key Information Documents to future distributors of Shares. Investec and its Affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of any Key Information Document prepared by the Investment Manager.

## DATA PROTECTION

The information that an investor in the Company provides in documents in relation to a subscription or acquisition for Shares or subsequently by whatever means which relates to the investor (if it is an individual) or a third party individual (“**personal data**”) will be held and processed by the Company (and any third party in Guernsey or the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant DP Legislation and regulatory requirements applicable in Guernsey and/or the United Kingdom as appropriate; and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at [ruffer.co.uk/privacy](http://ruffer.co.uk/privacy) (“**Privacy Notice**”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Privacy Notice which include:

- verifying the identity of the investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey, the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of Guernsey to countries or territories which do not offer the same level of protection for the rights and freedoms of investors in Guernsey, provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.



Investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Privacy Notice.

## **PRESENTATION OF FINANCIAL INFORMATION**

The financial statements of the Company referred to in this document have been prepared in accordance with the requirements of IFRS, the Listing Rules, the Companies Law and other applicable law. All future financial information for the Company will be prepared under IFRS and applicable law.

Certain financial and statistical information contained in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

None of the financial information used in this document has been prepared in accordance with US Generally Accepted Accounting Principles (“**US GAAP**”) or audited in accordance with auditing standards generally accepted in the United States of America (“**US GAAS**”) or auditing standards of the Public Company Accounting Oversight Board (United States) (“**PCAOB**”). US GAAS and the auditing standards of the PCAOB do not provide for the expression of an opinion on accounting standards which have not been finalised and are still subject to modification, as is the case with accounting standards as adopted for use in the EU and included in the financial statements of the Company referred to in this document. Accordingly, it would not be possible to express any opinion on the financial statements of the Company referred to in this document under US GAAS or the auditing standards of the PCAOB. In addition, there could be other differences between the auditing standards issued by the Financial Reporting Council in the United Kingdom and those required by US GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the financial statements of the Company referred to in this document and the implications of differences between the auditing standards noted herein.

The financial information included in this document is not intended to comply with the US Securities and Exchange Commission reporting requirements. Compliance with such requirements would entail the modification, reformulation or exclusion of certain financial measures and changes to the presentation of certain other information. No reconciliation to US GAAP is provided in this document.

## **PRESENTATION OF MARKET AND OTHER DATA**

Market and economic data used throughout this document is sourced from various independent sources. The Company confirms that such data has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this document to “**£**”, “**pence**” or “**GBP**” are to the lawful currency of the UK, all references in this document to “**Euro**” or “**€**” are to the currency adopted by those nations participating in the third stage of the economic and monetary union provisions of the Treaty on European Union, signed at Maastricht on 7 February 1992 and all references in this document to “**US\$**” are to the lawful currency of the United States.

## **DEFINITIONS**

Capitalised terms contained in this document shall have the meanings ascribed to them in Part 11 (*Definitions*) of this document, save where the context indicates otherwise.

## **EUROPEAN UNION LEGISLATION**

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this document shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

## **WEBSITE**

Without limitation, neither the contents of the Company's or the Investment Manager's or Investec's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and/or the law and practice of the Island of Guernsey (as relevant) and are subject to changes therein.

## **FORWARD LOOKING STATEMENTS**

This document contains forward looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 9 of Part 9 (*General Information*) of this document.

## Part 4

### Directors, Secretary and Advisers

<b>Directors</b>	Christopher Russell ( <i>Independent Non-Executive Chair</i> ) Jill May ( <i>Independent Non-Executive Director and Senior Independent Director</i> ) Shelagh Mason ( <i>Independent Non-Executive Director</i> ) David Staples ( <i>Independent Non-Executive Director</i> ) Nicholas Pink ( <i>Independent Non-Executive Director</i> )  all of the registered office below:
<b>Registered office</b>	Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR
<b>Investment Manager</b>	Ruffer AIFM Limited 80 Victoria Street London SW1E 5JL
<b>Sponsor</b>	Investec Bank plc 30 Gresham Street London EC2V 7QP
<b>Company Secretary and Administrator</b>	Sanne Fund Services (Guernsey) Limited Sarnia House Le Truchot St Peter Port Guernsey GY1 1GR
<b>Solicitors to the Company (as to English law)</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
<b>Advocates to the Company as to Guernsey law</b>	Mourant Ozannes (Guernsey) LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4HP
<b>Solicitors to the Sponsor</b>	Dentons UK and Middle East LLP One Fleet Place London EC4M 7WS
<b>Reporting Accountants</b>	BDO LLP 55 Baker Street London W1U 7EU

<b>Auditor</b>	<p>Deloitte LLP  Regency Court  Glategny Esplanade  St Peter Port  Guernsey  GY1 3HW</p>
<b>Registrar</b>	<p>Computershare Investor Services (Guernsey) Limited  3rd Floor  NatWest House  Le Truchot  St Peter Port  Guernsey  GY1 1WD</p>
<b>Custodian and Depositary</b>	<p>Northern Trust (Guernsey) Limited  Trafalgar Court  Les Banques  St Peter Port  Guernsey  GY1 3DA</p>

## Part 5

### The Company

#### 1 INTRODUCTION

Ruffer Investment Company Limited was incorporated in Guernsey as a non-cellular company limited by shares on 1 June 2004 with the objective of achieving a positive total annual return, after all expenses, of at least twice the Bank of England base rate. The Company is domiciled in Guernsey. The Company operates under the Companies Law and ordinances and regulations made thereunder and, following the passing of a continuation resolution at the annual general meeting of the Company held on 8 November 2007, has an indefinite life. The Shares are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

As at 10 May 2022, (being the latest practicable date prior to the publication of this document) the Company had unaudited net assets of £886.3 million and a market capitalisation of £934.2 million. Since its initial public offering, the Company has paid or declared cumulative dividends amounting to 44.0 pence per Share.

For the six months to 31 December 2021, the Net Asset Value total return per Share of the Company was 2.8 per cent. and the Share price total return was 2.6 per cent. For the 12 months to 31 December 2021, the Share price total return was 12.7 per cent. and the Net Asset Value total return per Share was 11.4 per cent. marking three consecutive calendar years of good returns for Shareholders (+37 per cent. in Net Asset Value total return performance over 2019 to 2021). The annualised Net Asset Value total return since the Company's launch in 2004 to 31 March 2022 was 9.2 per cent.

The Company has paid semi-annual dividends. Further information on the Portfolio is set out in Part 6 (The Portfolio) of this document.

The Company has an independent Board of non-executive directors and has engaged Ruffer AIFM Limited, a private limited company incorporated in England and Wales, which is authorised and regulated in the UK by the FCA, as the Company's AIFM to provide portfolio and risk management services to the Company. The Investment Manager is a wholly-owned subsidiary of Ruffer LLP.

Ruffer LLP has been looking after investments for institutions, pension funds, charities, financial planners and private clients, in the UK and internationally since 1994. With £26 billion of assets under management as at 31 March 2022, Ruffer LLP has a 26 year track record of 9 per cent. net annualised returns<sup>1</sup>. The Ruffer team, based in four offices in London, Edinburgh, Paris and Guernsey, comprises over 350 employees of various disciplines. Further information on Ruffer LLP and its group is set out in Part 7 (*Directors, Investment Manager and Administration*) of this document.

#### 2 TAP SHARES

Since February 2021, the Shares have continually traded at a premium to the Net Asset Value per Share, indicating strong ongoing demand for the Shares in the market. As part of the Board's efforts to satisfy this demand, and thereby to instil a degree of premium control, the Company has issued 57,955,127 Tap Shares in the period since the publication of the Company's previous prospectus on 15 November 2021 to 13 May 2022 (being the latest practicable date prior to the publication of this document) by way of regular issue of Tap Shares. This is in addition to the 13,787,221 Shares issued by the Company on 6 December 2021 pursuant to an open offer, offer for subscription and intermediaries offer undertaken by the Company (the **"Formal Fundraising"**). Tap issues over that period have been undertaken at an average price of 303.4 pence per Share and at an average 2.29 per cent. premium to the Net Asset Value per Share at the time of issue.

<sup>1</sup> Cumulative performance 30 June 1995 to 31 March 2022, in pounds sterling. Ruffer's representative portfolio is an unconstrained segregated portfolio following Ruffer's investment approach. Ruffer performance is shown after deduction of all fees and management charges, and all figures include reinvested income. Annual performance, year to: 31 March 2017 12.0 per cent., 31 March 2018 -1.9 per cent., 31 March 2019 -1.6 per cent., 31 March 2020 5.6 per cent., 31 March 2021 23.3 per cent. and 31 March 2022 5.6 per cent. Past performance is not a reliable indicator of future performance.

The Board remains cognisant of the need to comply with the requisite provisions of the Prospectus Regulation when issuing Tap Shares and, more particularly, the rolling requirement that the Company should not issue more than 20 per cent. of its share capital during any preceding twelve-month period without having published a prospectus. The opportunity was taken to reset the 20 per cent. capacity with the publication of the prospectus issued in connection with the Formal Fundraising on 15 November 2021; but since that date, the Company has issued 57,955,127 Tap Shares, representing 19.55 per cent. of the Company's issued share capital as at 13 May 2022 (being the latest practicable date prior to the publication of this document), meaning that such capacity has been very largely utilised. Accordingly, this document is being published in order to 'reset' once more the Company's 20 per cent. capacity to issue further Shares by way of tap issue afforded under the Prospectus Regulation.

Paragraph 3.3(c) of Part 9 (*General Information*) of this document sets out further details of the Tap Shares that have been issued.

### **3 BACKGROUND TO, REASONS FOR AND THE BENEFITS OF THE ISSUE OF THE TAP SHARES**

The Directors believe that the issue of the Tap Shares yield the following principal benefits for the Company and Shareholders:

- maintenance of the Company's ability to issue Shares to meet ongoing demand in the market in order to provide effective management of the premium to Net Asset Value per Share at which the Shares may trade so as to ensure that long-term investors who regularly acquire Shares are not disadvantaged;
- an increase in the size of the Company, thereby spreading operating costs over a larger capital base which should reduce the ongoing charges ratio; and
- improvement of liquidity in the market for the Shares.

### **4 INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

#### **Investment objective**

The principal objective of the Company is to achieve a positive total annual return, after all expenses, of at least twice the Bank of England base rate.

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

#### **Investment policy**

The Company invests across a broad range of assets, geographies and sectors to achieve its objective. This allocation will change over time to reflect the risks and opportunities identified by the Investment Manager across global financial markets, with an underlying focus on capital preservation. The allocation of the portfolio between different asset classes 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).

In selecting investments, the Company does not adopt any investment weightings by reference to any benchmark. Both the Board and the Investment Manager believe that the adoption of any index related investment style would inhibit the ability of the Company to deliver its objective.

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 pound sterling. Where appropriate, the Investment Manager will also use in-house funds to gain exposure to certain asset classes.

### **Borrowing and gearing policy**

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.

### **Use of derivatives**

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

### **Investment restrictions**

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 engage in currency hedging where the Investment Manager considers such hedging to be in the interests of efficient portfolio management.

Total exposure to any single counterparty in the management of cash and the use of derivatives, should not exceed 15 per cent. of the Company's gross assets.

The Directors have determined that no more than 15 per cent. in aggregate of the Company's gross assets at the time of acquisition will be invested in listed investment companies (including investment trusts), with a maximum of 10 per cent. of gross assets invested in investment companies not having stated investment policies allowing them to invest no more than 15 per cent. of their own gross assets in other UK listed investment companies (including investment trusts).

### **Breach of investment policy**

In the event of a breach of the investment objective and/or investment policy set out above, a notification will be made to a Regulatory Information Service if the Directors consider the breach to be material.

### **Material change to investment objective and/or investment policy**

In accordance with the requirements of the FCA, any material changes in the Company's investment objective and/or investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting.

## **5 COMPETITIVE STRENGTHS**

The Directors believe that the Company has a number of competitive strengths, including:

- The absence of an index-based benchmark ensures that only the highest conviction ideas are incorporated into the investment strategy. There is no pressure to mirror a benchmark or be subject to the perverse incentive of trying to do less badly than a falling index-related benchmark.
- The Investment Manager's parent company, Ruffer LLP, is a privately owned partnership controlled by partners working in the business. This aligns its interests with the Shareholders as there is no incentive or pressure to grow in an unsustainable manner nor to chase performance in fashionable but overvalued asset classes. It also contributes to a high level of staff retention.
- The Investment Manager has a good track record of producing positive returns with low volatility in a variety of market conditions and historically has done well at inflection points in markets.
- The Investment Manager has a good track record of integrating macro-economic views with effective stock specific research.
- The strength of compounding has had a powerful effect on long-term performance of the Company. By minimising drawdowns in falling markets the Company has been able to deploy capital into severely depressed assets and benefit from the subsequent recovery.



- The Company typically has a low (and sometimes negative) correlation to other asset classes making it a true diversifier for Shareholders. Many aspects of people's lives are aligned with the economic cycle (earned income, job security, asset values) and so an investment that is a-cyclical can be beneficial in a downturn.
- The Investment Manager has a fully integrated approach to responsible investing. This includes a dedicated ESG team who manage engagement with individual companies and oversee collaboration with other investors. Detailed reporting on voting and engagement activity is available to investors in the Company's annual report as published from time to time.

## 6 INVESTMENT STRATEGY

In order to achieve the investment objective the Company seeks to create a balance of offsetting investments, that is, protective and growth assets (as described below). The starting point for asset allocation is based on the Investment Manager's view of prevailing risks and opportunities in financial markets, rather than any pre-determined benchmark or asset class ranges.

For protective assets (such as debt securities, gold investments, derivatives for hedging strategies and cash), the Investment Manager translates risks into investment opportunities by identifying asset classes that may benefit from an occurrence of risk events. Growth assets (such as equities and equity related securities) are the Investment Manager's view on the best opportunities available globally and allocations may be geographic, thematic or special situations.

Security selection is the result of fundamental analysis with the Investment Manager seeking to identify opportunities that offer asymmetric risk-reward. The analysis can include, but may not be limited to, an assessment of a company's markets, product/service offering, competitive position, financial strength, the competence of its management and ESG considerations.

## 7 DIVIDEND POLICY AND TARGET RETURNS

The Board's policy is to pay dividends semi-annually, which are typically declared in September and March, with an objective of distributing a minimum of 85 per cent. of the Company's revenue each year.

Dividends will only be paid from the Company's revenue account and not from capital. Dividend payments by the Company will depend on the income stream generated by the underlying investments in the Company's investment portfolio and therefore no assurance can be given that dividends will continue to be paid.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies Law, whereby the Board must be satisfied on reasonable grounds that the Company will, immediately after payment of any dividend, be able to pay its debts as they become due and that the value of the Company's assets would be greater than the value of its liabilities.

The Board has the discretion to increase or reduce the dividend, or not to declare a dividend, as appropriate in consideration of the financial position of the Company.

**Investors should note that the declaration and payment frequency of dividends are not profit forecasts. There may be a number of factors that adversely affect the Company's ability to declare and pay a dividend and there can be no assurance that any dividend will be paid. This should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not assume that the Company will make any distributions at all in deciding whether to invest in the Shares.**

## 8 ENVIRONMENTAL AND SOCIAL GOVERNANCE (ESG)

Whilst the Company has a limited carbon footprint in respect of its day-to-day activities, the Board notes that the Investment Manager recognises that responsible investing is core to its longer-term business success, and actively integrates ESG issues into its investment process pursuant to Ruffer's responsible investment policy.

Amongst other things, Ruffer is a signatory to the UN Principles for Responsible Investment, to Climate Action 100+, to the Transition Pathway Initiative, to the Sustainability Accounting Standards Board Standards, the Net Zero Asset Managers Initiative, the Carbon Disclosure Project and the Institutional Investors Group on Climate Change (“IIGCC”). The Investment Manager regularly engages with portfolio companies and advocates for change where appropriate. It recognises that ESG factors are a source of both opportunity and risk at the macro- and micro-economic level.

A number of environmental initiatives have been introduced by the Board and the Administrator, as follows:

- minimising printing of Board materials;
- deemed consent from Shareholders to accept electronic copies of documents;
- use of recycled paper for annual and interim reports for shareholders requiring hard copies; and
- use of recycled Woodland Trust printer paper by the Administrator, which funds new UK woodland.

In addition, the Board is looking into various carbon reducing and offsetting initiatives including carbon balancing the travel of the Directors, the Investment Manager and other agents of the Company, increased virtual attendance at Board meetings and investigating a virtual or hybrid AGM.

### Approach

ESG considerations are fully integrated into Ruffer’s investment process. Ruffer has one investment approach and conducts its own research, which means it can systematically integrate ESG considerations across its whole research and investment process. Ruffer’s ESG approach is designed to identify material risks and opportunities that could impact its investments. Its decision to invest in companies is based on both fundamental and ESG analysis and Ruffer uses a wide range of data sources to inform its analysis.

Ruffer’s investment approach is an iterative process, and its ESG analysis informs its active stewardship activities through engagement and voting:

- **Macro:** understanding long term trends, risks and opportunities such as climate change
- **Micro:** in-depth research conducted by analysts and Ruffer’s specialist responsible investment team
- **Stewardship:** voting, engagement and collaboration
- **Stakeholders:** engaging with stakeholders through industry initiatives

### Stewardship: voting and engagement

To act as responsible stewards of its investors’ assets, Ruffer uses its judgement to determine when to engage and how to vote at shareholder meetings to best protect the interests of its investors while being cognisant of the impact on all stakeholders.

Engagement improves Ruffer’s understanding of the material ESG risks a company faces and can help those companies improve their performance, which is likely to result in superior outcomes and returns for Ruffer’s investors. Ruffer engages independently or through collaborative initiatives, such as the IIGCC, Climate Action 100+ and the Investor Mining and Tailings Safety Initiative.

In fixed-income, Ruffer invests predominantly in government bonds and endeavours to engage in policy decision-making through industry bodies such as the IIGCC and the Investment Association, particularly on climate change issues, and has responded to multiple consultations in recent years in relation to the European Commission’s Action Plan on Sustainable Finance, as well as the UK Treasury Select Committee’s Decarbonisation Inquiry.

The progress of Ruffer’s engagement is incorporated into its investment theses and informs its investment decision-making and voting activity.

### Voting

Ruffer takes seriously the opportunity to vote, as it enables Ruffer to encourage boards and management teams to consider and address areas that they are concerned about. It is Ruffer’s policy to vote on Annual

General Meeting (AGM) and Extraordinary General Meeting (EGM) resolutions, including shareholder resolutions, as well as corporate actions, and Ruffer votes on all shareholdings in the companies held within the Company's portfolio.

Research analysts, supported by Ruffer's responsible investment team, review the relevant issues on a case-by-case basis and exercise their judgement, based on their in-depth knowledge of the company. Ruffer has internal voting guidelines as well as access to proxy voting research, currently from Institutional Shareholder Services, to assist the analysts in their assessment of resolutions and the identification of contentious issues. Although Ruffer is cognisant of proxy advisers' voting recommendations, in general, it does not delegate or out-source its stewardship activities when deciding how to vote on its clients' shares.

If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. Ruffer looks to discuss with companies any relevant or material issue that could impact on an investment, asking for additional information or an explanation, if necessary, to inform its voting discussions. If Ruffer decides to vote against the recommendations of management, it will endeavour to communicate this decision to the company before the vote along with its explanation for doing so.

## **Reporting**

Since 2015, Ruffer has published an annual report, which presents its approach to responsible investment and stewardship activities. The report includes aggregated quantitative and qualitative voting data with explanations of its voting rationale. It also includes detailed case studies in relation to its engagement activities and an overview of the engagement themes that were prevalent throughout the year. In addition, Ruffer publishes a quarterly responsible investment report and a stewardship activities report.

## **Climate change**

Ruffer considers climate change related risks and opportunities for all its investments. The effects of climate change can be felt in all regions of the world with profound social, economic, environmental and political implications. Markets do not yet seem to be accounting appropriately for these changes, which creates both risks and opportunities. Over the past year, Ruffer has intensified its engagements with companies on climate change to encourage them to adapt their business models to align with the transition to a low-carbon economy. Ruffer also closely monitors and looks to reduce the carbon footprint of its own business and has been certified as carbon neutral since 2017.

## **9 VALUATION POLICY**

9.1 The Articles provide that the Net Asset Value of the Company shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities of the Company, calculated on the basis set out below. The assets of the Company shall be deemed to include the following:

- (a) all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;
- (b) all treasury bills, demand notes, promissory notes and accounts receivable;
- (c) all shares, stocks, units, participations, warrants, bonds, time notes, debenture stock, subscription rights, options, futures contracts and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
- (d) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to stockholders of record on a date before the day as of which the assets are being valued;
- (e) all interest accrued on any interest-bearing securities owned by the Company;
- (f) unrealised profits on open contracts; and
- (g) all other assets of the Company of every kind and nature including any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the Valuation Point and prepaid expenses as valued and defined from time to time by the Directors.

9.2 Any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.

9.3 The investments of the Company shall be valued as follows:

- (a) subject to paragraph 9.5, assets listed, quoted or dealt in on a recognised securities exchange (including financial futures, warrants and rights expressed by reference to stock indices) are to be valued at the market dealing price, at the last close of business before the Valuation Point on the recognised securities exchange which, in the opinion of the Directors, is the principal recognised securities exchange on which the asset in question is listed, quoted or dealt in. If separate bid and offer prices are quoted, the price to be adopted for calculating the Net Asset Value shall be the bid price;
- (b) deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;
- (c) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- (d) certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the assets are being valued;
- (e) the value attributed to any open futures position will be the amount calculated by reference to the settlement price on the principal futures exchange on which that future is being traded after deduction of any commission or charge that would be incurred in liquidating that future at the settlement price on the relevant day. If any future cannot be valued by reference to the settlement price on that day due to the operation of daily limits or other rules of the market on which that future is traded, then the value of that future will be the value which is attributed to it by the Manager after obtaining such professional advice as the Manager thinks fit;
- (f) in relation to any future which is a forward contract for a currency other than sterling which is not traded on a futures exchange, the value of any particular contract will be the average between the lowest offered price and the highest bid price at the close of business on the relevant day of the banker or broker through whom the contract is traded;
- (g) investments in unit trusts or other forms of collective investment schemes will be valued at the latest available mid-market price or valuation quoted by the manager or, as the case may be, the administrator of the unit trust or scheme in question;
- (h) any treasury bills and other government obligations held for margin deposits and any interest and exchange rate contracts will be valued at their market value,

provided that if in the case of any investment the Directors at any time consider that the above basis of valuation is inapplicable or that the value determined in accordance with the foregoing principles is unfair they shall be entitled to substitute what in their opinion is a fair value thereof (or different values for the purpose of calculating offer prices and bid prices).

9.4 Notwithstanding the foregoing, where at the time as of which the assets are being valued any investment of the Company has been realised or unconditionally contracted to be realised there shall be included in the assets of the Company in place of such investment the net amount receivable by the Company in respect thereof provided that if the net amount receivable is not payable until some further time after the time as of which the assets are being valued the Directors may make such allowance as they consider appropriate.

9.5 Notwithstanding the rules in paragraph 9.3, where an option subsists for another person to purchase an asset from the Company or for the Company to sell an asset to another person, but such option has not been exercised, the value of the asset concerned shall be taken to be the price at which the option is exercisable, at any time at which such price is (in the case where another person is entitled

to purchase) lower than, or (in the case where the Company is entitled to sell to another person) higher than, the price by reference to which the value would otherwise be calculated.

9.6 Any valuations made shall be binding on all relevant persons.

9.7 The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities including (but without limitation) liabilities in respect of taxation on income or capital gains whether realised or unrealised) of whatsoever kind and nature. Any unrealised loss on open contracts will be included as liabilities of the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. All fees and expenses payable by the Company shall be treated as accruing on a daily basis unless the Directors shall otherwise determine.

9.8 Brokerage commissions on open contracts shall be accrued as a liability of the Company upon the initiation of such positions.

## **10 CALCULATION OF NET ASSET VALUE**

The Company Net Asset Value is the value of all assets of the Company less its liabilities (including provisions for such liabilities) calculated in Sterling in accordance with the Company's valuation policy as set out at paragraph 9 above. The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time (excluding any Shares held in treasury).

An unaudited Net Asset Value and Net Asset Value per Share is calculated on a weekly basis and at the end of each month, pursuant to the valuation policy as set out at paragraph 9 above, by the Administrator in conjunction with the Investment Manager.

The Net Asset Value and the Net Asset Value per Share is provided to Shareholders through a Regulatory Information Service and is also published on the Company's website as soon as practicable thereafter.

### **Suspension of the calculation of the Net Asset Value**

The calculation of the Net Asset Value (and Net Asset Value per Share) may only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator and/or the Investment Manager) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through a RIS as soon as practicable after any such suspension occurs.

## **11 REPORTS, ACCOUNTS AND MEETINGS**

The audited accounts of the Company are prepared under IFRS and applicable law. The Company's accounting reference date is 30 June and the annual report and accounts are prepared up to 30 June each year. Copies of the report and accounts will be published by the end of October each year. Copies will be sent to Shareholders and/or made available on the Company's website, according to Shareholder preferences, shortly following publication. Shareholders will also receive an unaudited half-yearly report covering the six months to 31 December each year, which is expected to be published each year within three months of this period end.

The Company held its most recent annual general meeting on 3 December 2021 and it will continue to hold an annual general meeting each year. Other extraordinary general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

## **12 SHARE CAPITAL MANAGEMENT**

### **12.1 Premium management**

In the event that the Shares trade at a premium to the Net Asset Value per Share, the Company may issue new Shares. The Company has issued 57,955,127 Tap Shares in the period from the publication

of the Company's previous prospectus on 15 November 2021 to 13 May 2022 (being the latest practicable date prior to the publication of this document) by way of regular issue of Tap Shares. This is in addition to the 13,787,221 Shares issued by the Company on 6 December 2021 pursuant to an open offer, offer for subscription and intermediaries offer undertaken by the Company. The tap issues over that period have been undertaken at an average price of 303.4 pence per Share and at an average 2.29 per cent. premium to the Net Asset Value per Share at the time of issue.

Investors should note that the issue of new Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the number of new Shares that may be issued.

## 12.2 Discount management

### **Repurchase of Shares**

The Directors will consider repurchasing Shares in the market if they believe it to be in the Company's and Shareholders' interests and as a means of correcting an imbalance between the supply of, and demand for, the Shares.

A resolution was passed at the Company's annual general meeting held on 3 December 2021 granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued share capital during the period expiring on the conclusion of the earlier of the Company's next annual general meeting and the expiry of 15 months from the passing of such resolution, unless such authority is renewed prior to such time. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required. Shares purchased by the Company may be held in treasury or cancelled.

In the event that the Board decides to repurchase Shares, purchases will only be made through the market for cash at prices not exceeding the last reported Net Asset Value per Share and such purchases will only be made in accordance with: (i) the Listing Rules, which currently provide that the maximum price (exclusive of expense) to be paid per Share must not be more than the higher of (a) 5 per cent. about the average of the mid-market quotations for the Shares for the five Business Days before the purchase is made; and (b) the higher of: (A) the price of the last independent trade; and (B) the highest current independent bid for Shares on the London Stock Exchange at the time the purchase is carried out; and (ii) the Companies Law, which provides among other things that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.

Shareholders should note that the purchase of Shares by the Company is at the absolute discretion of the Directors and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

### **Treasury Shares**

Any Shares repurchased may be held in treasury. The Companies Law allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the Company the ability to redistribute Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

No Shares will be sold from treasury at a price less than the Net Asset Value per Share at the time of sale unless they are first offered *pro rata* to existing Shareholders.

### **Redemption Facility**

In addition to the Company having the authority to purchase Shares when deemed appropriate by the Directors, the Company has a Redemption Facility (which takes the form of a tender offer to all holders of Shares). 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 per cent. 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, together with share buybacks, 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.

### **13 TAXATION**

Shareholders are referred to Part 8 (*Taxation*) of this document for details of the principal Guernsey and United Kingdom tax consequences applicable to the Company and its Shareholders. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than Guernsey and the United Kingdom are strongly advised to consult their own professional advisers immediately.

### **14 DISCLOSURE OBLIGATIONS**

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) ("**DTR 5**") of the FCA Handbook apply to the Company on the basis that the Company is a "non-UK issuer", as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.

### **15 PROFILE OF A TYPICAL INVESTOR**

The Shares are designed to be suitable for institutional investors and professionally advised private investors. The Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Shares.

### **16 RISK FACTORS**

The Company's performance is dependent on many factors and potential investors should read the whole of this document and in particular Part 2 (*Risk Factors*) of this document.



## Part 6

### The Portfolio and Investment Outlook

#### 1 THE PORTFOLIO

##### 1.1 Key performance indicators

The Company's key performance indicators are as follows:

	31 December 2021 (%)	31 December 2020 (%)
Share price total return over six months <sup>(1)</sup>	2.6	9.1
Net Asset Value total return per Share over six months <sup>(1)</sup>	2.8	6.4
Premium/(discount) of Share price to NAV	1.8	0.9
Dividends per Share over six months <sup>(2)</sup>	1.55p	0.95p
Annualised dividend yield <sup>(3)</sup>	1.06	0.7
Annualised Net Asset Value total return per Share since launch <sup>(1)</sup>	7.8	7.5
Ongoing charges ratio <sup>(4)</sup>	1.08	1.09

(1) Assumes reinvestment of dividends.

(2) Dividends declared during period.

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

(4) Calculated in accordance with AIC guidance.

##### 1.2 Financial highlights

The Company's financial highlights include:

	31 December 2021	31 December 2020
Share price	293.00p	287.00p
Net Asset Value	£708,921,258	£575,913,008
Market capitalisation	£721,880,616	£587,541,854
Number of shares in issue	246,375,637	204,718,416
Net Asset Value per Share	287.74p	281.32p

##### 1.3 Performance drivers

The positive contributors to the Company's returns for the first quarter of 2022 were the unconventional protections, commodity equities and gold exposure.

Within the Company's unconventional protection, interest rate options have benefitted from rising bond yields, which has more than offset the fall in investments in index-linked bonds. The Company's equity put options as well as its credit protections performed positively when growth stocks fell sharply in January and broader equity indices declined following the Russian invasion of Ukraine.

As energy prices have risen, the energy majors have continued to perform well - BP (+13 per cent.) and Royal Dutch Shell (+30 per cent.) - as well as gas producers like Chesapeake (+35 per cent.). Investments in agriculture-linked equities, such as Bayer (+32 per cent.), also contributed to recent performance.

Index-linked bonds detracted from performance as conventional bond yields rose faster than inflation expectations – this was to be expected in this environment and was why interest rate options were held to offset this risk. Elsewhere equities, other than commodity stocks, generally fell in value given the increased geopolitical uncertainty and policy tightening signalled by the Federal Reserve.

The following table summarises the five largest positive and negative contributors to the Company's portfolio for the first quarter of 2022:

<i>Five largest positive contributions</i>	<i>%</i>	<i>Five largest negative contributions</i>	<i>%</i>
Ruffer protection strategies	+2.6	UK inflation-linked bonds	(1.4)
Energy equities	+1.8	Ruffer SICAV UK Mid & Smaller Companies Fund	(0.3)
Gold exposure & gold mining equities	+1.0	Countryside Properties	(0.2)
Ruffer Multi Strategies Fund	+1.0	Marks & Spencer	(0.2)
Mitsubishi UFJ Financial Group	+0.2	General Motors	(0.2)

(Source: Investment Manager, 31 March 2022)

#### 1.4 Asset allocation (unaudited)

The Company's asset allocation as at 31 March 2022 (the latest practicable date prior to the publication of this document) was as follows:

<i>Asset</i>	<i>%</i>
UK equities	16.45
Illiquid strategies and options	13.1
Long-dated index-linked gilts	10.8
Gold exposure and gold equities	10.4
Index-linked gilts	9.3
Cash	7.9
North America equities	7.55
Non-UK index linked	7.3
Japan equities	6.3
Europe Equities	5.3
Short-dated bonds	5.0
Other equities	0.5
Asia ex-Japan equities	0.2
Total	<b>100</b>

(Source: Investment Manager, 31 March 2022)

#### 1.5 Currency allocation (unaudited)

The Company's currency allocation as at 31 March 2022 (the latest practicable date prior to the publication of this document) was as follows:

<i>Currency</i>	<i>%</i>
Sterling	65.4
US dollar	14.7
Yen	7.3
Australian dollar	5.1
Euro	0.5
Other	7.0
Total	<b>100</b>

(Source: Investment Manager, 31 March 2022)

## 1.6 Top ten equity holdings (unaudited)

The Company's top ten equity holdings as at 31 March 2022 (the latest practicable date prior to the publication of this document) were as follows:

<i>Equity holding</i>	<i>%</i>
BP	3.1
Shell	1.6
Cigna	1.2
Bayer	1.1
Vodafone Group	1.0
Mitsubishi UFJ Financial Group	1.0
Bristol-Myers Squibb	1.0
ORIX Corporation	0.9
Chesapeake Energy	0.8
GlaxoSmithKline	0.8

*(Source: Investment Manager, 31 March 2022)*

## 2 INVESTMENT OUTLOOK

After a long period of low and relatively steady rates of inflation, economic growth and interest rates, the forces which created this environment have changed. Central banks are only just beginning to react. A future period of radical uncertainty and the potential for a degree of unanticipated inflation not seen for more than forty years implies volatility both in the underlying economic environment and in financial markets.

Behavioural finance identifies a psychological condition known as 'ambiguity aversion', which translates into extreme caution by investors during periods of radical uncertainty. These, however, are the very conditions which the Ruffer investment philosophy is designed to weather. The 'all-weather' strategy which the Investment Manager applies to the RICL portfolio continues to aim to protect against a number of different scenarios, including the potential tail risk of more extreme outcomes. Geopolitical conflict, such as a Chinese invasion of Taiwan or the Russian invasion of Ukraine, are obvious extreme risks, but the portfolio has not only weathered recent market volatility created by conflict, it has increased in value.

The Investment Manager concludes that there is no one asset and no single strategy which can guarantee success. As the wealth warning says, past performance is no guide to the future, but the Board remains confident that the regret-minimising and flexible strategy adopted for your Company will continue, in the new environment, to provide shareholders of RICL with a core diversifying component of their portfolio as well as both absolute and real protection of wealth.

## Part 7

### Directors, Investment Manager and Administration

#### 1 THE DIRECTORS

The Directors are responsible for the Company's investment objective and investment policy and have overall responsibility for the Company's activities including the review of investment performance and the control and supervision of the Investment Manager. All of the Directors are non-executive and are independent of the Investment Manager and the Company's other service providers. A majority of the Board will, at all times, be independent of the Investment Manager.

The Directors meet at least four times a year and otherwise as required to, *inter alia*, review and assess the Company's performance in relation to the investment policy and strategy, the risk profile of the Company, the selection of investments and the Company's service providers, including the Investment Manager, and generally to supervise the conduct of its affairs.

The Directors are as follows:

##### **Christopher Russell (Independent Non-Executive Chairman)**

A resident of Guernsey, Christopher Russell is a non-executive director of investment and financial companies. These include Hanseatic Asset Management Ltd, a family office in Guernsey, and JPMorgan Global Core Real Estate Assets Ltd, a vehicle which invests in unlisted global JPMorgan real estate and infrastructure funds. Prior to a non-executive career, Chris was a director of Gartmore Investment Management plc, where he was Head of Gartmore's businesses in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia, resident in Japan then Hong Kong. Prior to joining Flemings in London, he was with Phillips & Drew Asset Management. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales. In 2006, he was commissioned by John Wiley to publish *Trustee Investment Strategy for Endowments and Foundations*. Mr. Russell was appointed to the Board on 1 December 2016 and became Chairman of the Board on 4 December 2020.

##### **Shelagh Mason (Independent Non-Executive Director)**

A resident of Guernsey, Shelagh Mason is a solicitor specialising in English commercial property. She retired as a consultant with Collas Crill LLP in October 2020. She is also non-executive Chairman of the Channel Islands Property Fund Limited, sits on the Board of Riverside Capital PCC and Skipton International Limited, a Guernsey Licensed bank, and until 28 February 2022 was a non-executive director of The Renewables Infrastructure Group Limited, a FTSE 250 company, stepping down after 9 years on the board. Shelagh also sits on the board of Starwood European Real Estate Finance Limited, a London-listed company. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust Limited, a property fund listed on the London Stock Exchange for 10 years until December 2014. She retired from the board of MedicX Fund Limited, a Main Market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors and she also holds the IOD Company Direction Certificate and Diploma with distinction. Mrs Mason was appointed to the Board on 1 June 2020.

##### **Jill May (Independent Non-Executive Director and Senior Independent Director)**

A resident of the United Kingdom, Jill May has 25 years' experience in investment banking, 13 years in M&A with S.G. Warburg & Co. Ltd. and 12 years as a Managing Director at UBS, focused on group strategy and organisational change. She has broad knowledge of investment banking, asset management and private banking in the UK and EMEA. She is an External Member of the Prudential Regulation Committee of the Bank of England and was a non-executive director of the CMA from its inception in 2013 until October 2016, and a Panel Member of the CMA until 2018. She is a non-executive director of JPMorgan Claverhouse, a UK listed investment trust, Standard Life Investments Property Income Trust, a UK-listed REIT, and of AlphaFMC, a UK-listed financial consulting company. Ms. May was appointed to the Board on 17 March 2017 and became Senior Independent Director on 4 December 2020.

### **David Staples (Independent Non-Executive Director)**

A resident of Guernsey, David Staples is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Chartered Institute of Taxation. He also holds the Institute of Directors' Diploma in Company Direction. For thirteen years until 2003, Mr Staples was a partner with PricewaterhouseCoopers (PwC) and led the tax practice in the South East of England advising several large family and owner-managed businesses. He was also a member of the management board of the firm's London and South East Middle Markets Tax Practice. Since leaving PwC, Mr Staples has joined the boards of several listed companies as a non-executive director. He has served as chairman of MedicX Fund Limited and chairman of the audit committees of Henderson Far East Income Limited and Aberdeen Private Equity Fund Limited. He is currently a director of NB Global Monthly Income Fund Limited and Baker Steel Resources Trust Limited, both of which are listed on the London Stock Exchange. He is also a director and chairman of the general partners of seven private equity funds advised by Apax Partners. Mr Staples was appointed to the Board on 2 March 2018.

### **Nicholas Pink (Independent Non-Executive Director)**

A resident of the United Kingdom, Nicholas Pink has extensive senior management experience in financial services with previous roles at UBS Investment Bank, including Global Head of Research, Head of European Research, Head of Asia Research and Head of European Equities. Prior to this he was Head of European Utilities Research at UBS Investment Bank. He is a non-executive director of JP Morgan Russian Securities plc, a UK-listed investment trust, and of Redburn Europe Limited, an independent provider of research and execution services to institutional investors. Mr Pink was appointed to the Board on 1 September 2020.

## **2 THE INVESTMENT MANAGER**

### **2.1 Introduction**

Ruffer LLP has been looking after investments for institutions, pension funds, charities, financial planners and private clients, in the UK and internationally, since 1994, successfully navigating three major market corrections – the dot.com bust, global financial crisis and Covid-19. As at 31 March 2021, Ruffer LLP and its group had £26 billion assets under management, and boasts a 26 year track record of 9 per cent. net annualised returns<sup>2</sup>.

The Company has appointed Ruffer AIFM Limited, a wholly-owned subsidiary of Ruffer LLP, as the investment manager of the Company, pursuant to the Investment Management Agreement (further details of which are set out in paragraph 6.1 of Part 9 (*General Information*) of this document. The Investment Manager acts as the Company's manager for the purposes of the EU AIFM Directive and the AIFM Regime and provides portfolio and risk management services to the Company, together with certain other ancillary services.

### **2.2 Management Team**

The personnel of the Investment Manager who are involved with the provision of investment management services to the Company consists of Hamish Baillie and Duncan MacInnes (together, the "**Management Team**").

#### ***Hamish Baillie (Investment Director)***

Hamish Baillie joined Ruffer LLP in 2002. He founded and manages the Edinburgh office of Ruffer LLP which opened in September 2009. He manages investment portfolios for individuals, trusts, charities and pension funds and is the lead manager of the Company. He is a member of the Chartered Institute for Securities & Investment and a graduate of Trinity College Dublin.

---

2 Cumulative performance 30 June 1995 to 31 March 2022, in pounds sterling. Ruffer's representative portfolio is an unconstrained segregated portfolio following Ruffer's investment approach. Ruffer performance is shown after deduction of all fees and management charges, and all figures include reinvested income. Annual performance, year to: 31 March 2017 12.0 per cent., 31 March 2018 -1.9 per cent., 31 March 2019 -1.6 per cent., 31 March 2020 5.6 per cent., 31 March 2021 23.3 per cent. and 31 March 2022 5.6 per cent. Past performance is not a reliable indicator of future performance.

### **Duncan MacInnes (Investment Director)**

Duncan MacInnes joined Ruffer in 2012. He graduated from Glasgow University School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and is co-manager of the Company.

## **2.3 Investment Management Agreement**

The Company initially appointed Ruffer LLP as investment manager. On 18 July 2014 the Company announced that, effective from 22 July 2014, Ruffer AIFM Limited, a wholly owned subsidiary of Ruffer LLP, would be appointed as the Company's AIFM and investment manager and the existing arrangements with Ruffer LLP would terminate, as part of an adjustment to the Company's operational arrangements to ensure compliance with the AIFM Regime and the EU AIFM Directive. The Company and the Investment Manager have entered into the Investment Management Agreement, a summary of which is set out at paragraph 6.1 of Part 9 (*General Information*) of this document, pursuant to which the Investment Manager has, subject to overall supervision and direction of the Board, agreed to provide investment management services to the Company. The Investment Manager acts as the Company's manager for the purposes of the AIFM Regime and the EU AIFM Directive and provides portfolio and risk management services, and certain other ancillary services to the Company.

Under the Investment Management Agreement, the Investment Manager receives a management fee, payable monthly in arrears, calculated on the basis of the following formula:

$A \times B$

where:

"A" equals the average of the weekly Net Asset Value calculations of the Company undertaken over the course of the relevant month as determined on the relevant Valuation Date; and

"B" equals 0.0833333 per cent.,

which, in aggregate, shall be an amount equivalent to one per cent. per annum of the Net Asset Value of the Company, save that where the Company is invested in a fund managed by Ruffer and Ruffer takes a fee within that fund it is excluded from the  $A \times B$  calculation.

The Investment Management Agreement may be terminated by the Company or by the Investment Manager giving 12 months' notice at any time.

## **3 OTHER ADVISERS**

### **3.1 Administrator and Company Secretary**

Sanne Fund Services (Guernsey) Limited has been appointed as administrator and company secretary to the Company pursuant to the terms of the Administration and Secretarial Agreement (further details of which are set out at paragraph 6.5 of Part 9 (*General Information*) of this document) to provide administration and general company secretarial services to the Company (including, but not limited to, general administrative functions, such as the calculation in conjunction with the Investment Manager, and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records, and providing the company secretarial functions required by the Companies Law and the Rules). The Administrator is part of the Sanne Group, which is listed on the London Stock Exchange.

### **3.2 Custodian and Depositary**

Northern Trust (Guernsey) Limited has been appointed as custodian and depositary to the Company pursuant to the terms of the Depositary Agreement (further details of which are set out at paragraph 6.6 of Part 9 (*General Information*) of this document).



### 3.3 Auditor

Deloitte LLP provides audit services to the Company. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company.

### 3.4 Registrar

Computershare Investor Services (Guernsey) Limited has been appointed to provide registrar services to the Company pursuant to the Registrar Agreement (further details of which are set out at paragraph 6.7 of Part 9 (*General Information*) of this document). Under the Registrar Agreement the Registrar has responsibility for maintaining the register of Shareholders, receiving transfers of Shares for certification and registration and receiving and registering Shareholders' dividend payments together with related services.

## 4 FEES AND EXPENSES

### 4.1 Expenses incurred in respect of the publication of this document

The Company has incurred and will incur issue expenses that arise from, or are incidental to, the publication of this document. These expenses include the fees payable under the Sponsor Engagement Letter, legal and accounting fees and any other applicable expenses. The costs and expenses of, and incidental to, the publication of this document, payable by the Company are expected to be c.£260,000.

### 4.2 On-going annual expenses

The Company incurs annual fees, charges and expenses in connection with the day to day running of the Company. The ongoing charges ratio as at 31 December 2021 was 1.08 per cent., calculated in accordance with AIC guidance, which is expected to reduce as fixed costs are spread over a larger capital base following the issue of new Shares.

The Investment Manager has prepared a key information document (KID) in respect of the Shares as required under the PRIIPs Regulation. That regulation requires costs to be calculated and presented in accordance with detailed and prescriptive rules. The KID is available on the Company's website at [ruffer.co.uk/ric](http://ruffer.co.uk/ric).

## 5 CONFLICTS OF INTEREST

The Investment Manager and its affiliates serve as the investment manager to other clients and, where appropriate and in accordance with the Company's investment policy, the Investment Manager may invest on behalf of the Company in in-house funds to gain exposure to certain asset classes. As a result, the Investment Manager and its affiliates may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients, including ones in which the Investment Manager and its affiliates may have a greater financial interest. Where appropriate, the Investment Manager and its affiliates may give advice or take action with respect to such other clients that differs from the advice given to, or action taken in relation to, the Company.

The Investment Manager and its affiliates may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management or other services in relation to other funds which may have similar investment policies to that of the Company or funds in which the Company invests.

The Investment Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients, when potential conflicts of interest arise. The provision of service by the Investment Manager is governed by the Conduct of Business Sourcebook Rules (the "**COBS Rules**") and in the event of a conflict of interest arising, the Investment Manager will ensure that it is resolved fairly and in accordance with the COBS Rules. The COBS Rules require the Investment Manager to ensure fair treatment of all its clients. The COBS Rules also require that when

an investment is made it shall be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the Investment Manager will use its reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COBS Rules.

The Directors are required by the Rules to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules.

Directors are required to disclose all actual and potential conflicts of interest as they arise for approval by the Board, who may impose restrictions or refuse to authorise conflicts. The process of consideration and, if appropriate, approval will be conducted only by those Directors with no material interest in the matter being considered. The Board maintains a Conflicts of Interest Policy which is reviewed periodically and a Business Interests and Potential Conflicts of Interest Register which is reviewed by the Board at each quarterly Board meeting.

As at the date of this document, there are: (i) no actual or potential conflicts of interest between any duties owed to the Company, the Directors, the Investment Manager or any of the Directors and their private interest or duties; and (ii) no material potential conflicts of interest which any of the services providers to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests.

## **6 CORPORATE GOVERNANCE**

### **6.1 Introduction**

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors currently report against the principles and recommendations of the AIC Code which applies to listed investment companies and addresses all of the principles set out in the UK Corporate Governance Code. The AIC Code has been endorsed by the UK Financial Reporting Council and the GFSC.

The Board has established an Audit & Risk Committee and a Management Engagement Committee. These committees undertake specific activities through delegated authority from the Board. Terms of reference for each committee have been adopted and are reviewed on a regular basis by the Board.

The Board does not have a separate Nomination Committee, the functions of which are fulfilled by the Board. Any proposals for a new Director are discussed and approved by the Board. The Board will determine whether an external search consultancy or open advertising is used in the appointments of future non-executive directors. In light of its non-executive and independent nature, the Board considers that it is not appropriate to have a Remuneration Committee as anticipated by the UK Corporate Governance Code because this function is carried out as part of the regular Board business. The Board is, however, investigating objective external professional advice on future board remuneration.

### **6.2 Audit & Risk Committee**

The Audit & Risk Committee comprises the entire Board, all of whom are independent non-executive directors, and is chaired by David Staples (who is considered to have recent and relevant financial experience). The Audit & Risk Committee meets at least twice a year. There are likely to be other regular attendees at meetings of the Audit & Risk Committee, including the Auditor, by invitation of the Audit & Risk Committee.

The Audit & Risk Committee is responsible for ensuring that the financial performance and position of the Company is properly reported and monitored. The Audit & Risk Committee reviews the financial

statements of the Company and any formal announcements relating to the Company's financial performance, considers the appropriateness of the accounting policies and practices of the Company (including critical estimates and judgement areas), monitors and reviews the quality, effectiveness and independence of the Auditor, the effectiveness of the audit and the continuing appointment, and remuneration, of the Auditor, and monitors and reviews the internal control and risk management systems of the Company and its service providers. It also monitors the procedures for the prevention, detection and reporting of fraud, bribery and corruption.

Due to its size, structure and the nature of its activities, the Company does not have an internal audit function. The Audit & Risk Committee will continue to keep this matter under review.

### **6.3 Management Engagement Committee**

The Management Engagement Committee is comprised of the entire Board, with Jill May appointed as Chairman. The Management Engagement Committee meets at least once a year or more often, if required. Its principal duties are to review the performance of and contractual arrangements with the Investment Manager and all other key service providers to the Company (other than the Auditor), which it does on an annual basis. In addition, the Management Engagement Committee monitors and reviews the level of remuneration of the Investment Manager to ensure that it is appropriate, competitive and sufficient to incentivise the Investment Manager.

## **7 DIRECTOR SHARE DEALINGS**

The Company has adopted a share dealing code in relation to the Shares, which is based on the requirements of the Listing Rules and MAR.

## Part 8

### Taxation

**Investors should consult their professional advisers concerning the possible tax consequences of their purchasing, holding or selling Shares. The following summary of the principal Guernsey and United Kingdom tax consequences applicable to the Company and its Shareholders is based upon interpretations of existing laws in effect on the date of this document and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. The tax and other matters described in this document are not intended as legal or tax advice. Each investor must consult its own advisers with regard to the tax consequences of an investment in Shares. None of the Company, the Directors, Investec, the Investment Manager or any of their respective Affiliates or agents accept any responsibility for providing tax advice to any prospective investor.**

#### GUERNSEY TAXATION

##### **The Company**

The Company has been granted exempt company status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (as amended) (the “**Ordinance**”) for the current calendar year. A company with exempt company status is treated as non-resident for the purposes of income tax. Exemption will be applied for annually and is granted on payment of a fee, currently fixed at £1,200 per annum, provided that the Guernsey Revenue Service is satisfied that the Company complies, and will continue to comply, with the provisions of the Ordinance. The Directors intend to manage the Company in such a way as to ensure that the Company at all times complies with the requirements of the Ordinance. As the Company should have no Guernsey source income other than relevant bank deposit income (which is not considered to be Guernsey source income for these purposes), it will not be liable to income tax in Guernsey.

The Company is incorporated in Guernsey. The Directors intend to manage the operations of the Company so that it does not become tax resident in any other jurisdiction.

Under current Guernsey tax law there is no liability to capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the issue, transfer or realisation of the Shares (save for registration fees and *ad valorem* duty for a Guernsey grant of representation when the deceased dies leaving assets in Guernsey which require presentation of such a grant).

Dividends paid by exempt companies to non-Guernsey residents will be free of Guernsey withholding tax and reporting requirements. Where a tax exempt company pays a dividend to shareholders that are Guernsey tax resident individuals, the company will only need to report the relevant details of those dividends.

##### **Withholding tax**

Provided the Company obtains and maintains its tax exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution.

In the event that the Company does not have tax exempt status at the time a distribution is made it may be required to withhold tax at the applicable rate in respect of any distributions made (or deemed to have been made) to Shareholders who are Guernsey resident individuals.

##### **Stamp duty**

There is also no stamp duty or equivalent tax payable in Guernsey on the issue, transfer or redemption of the Shares. In addition, no stamp duty is chargeable in Guernsey on the issue, transfer, disposal or redemption of shares other than Document Duty which can apply in some instances where a company holds Guernsey situated real estate.

##### **Economic Substance**

Companies and certain other bodies that are tax resident in Guernsey (which includes for these purposes companies that are treated as tax exempt under the Ordinance as described above) are required to declare

if they have income from certain “relevant activities”. If so, they are required to demonstrate that they have adequate Economic Substance in Guernsey in relation to those activities.

Failure to demonstrate adequate Substance may lead to financial penalties, spontaneous automatic exchange of information in relation to the company by the Guernsey Revenue Service with other relevant tax authorities and, potentially, the company being compulsorily struck off the Guernsey company register.

Collective Investment Vehicles are not usually expected to have relevant activities that would bring them within scope of the Economic Substance Regulations unless they are considered to be “self-managed funds” which are treated as having the relevant activity of Investment Management.

It is likely that the Company will be treated as a Collective Investment Vehicle for as long as it remains income tax exempt under the Ordinance. However, it is likely that the Company will not be treated as a self-managed fund whilst the Investment Manager remains in office, or if an alternative external provider is appointed to fulfil the functions currently undertaken by the Investment Manager.

### ***Goods and services tax***

The States of Guernsey has been considering options for the introduction of a system of goods and services tax (“**GST**”) and published a policy letter in August 2021 regarding the introduction of GST. However, no decision as to the introduction of GST has been made and it is unlikely that GST will be introduced in Guernsey prior to 2024 at the earliest.

### ***FATCA and the Common Reporting Standard***

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“**US-Guernsey IGA**”) regarding the implementation of the US Foreign Account Tax Compliance Act (“**FATCA**”). Under the legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the US unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Guernsey has also implemented the Common Reporting Standard (“**CRS**”) regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements have been imposed in respect of certain investors who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations have also been imposed. Where applicable, information to be disclosed includes certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS has been implemented through Guernsey’s domestic legislation in accordance with guidance issued by the Organisation for Economic Cooperation and Development as supplemented by guidance notes in Guernsey.

Under the CRS, disclosure of information will be made to Guernsey Revenue Service for transmission to the tax authorities in other participating jurisdictions.

Under the CRS, there is currently no reporting exemption for securities that are ‘regularly traded’ on an established securities market, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of the Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey.

Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners and/or controllers of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

In subscribing for or acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, intergovernmental agreements and/or regulations.

**FATCA/CRS AND SIMILAR MEASURES FOR THE AUTOMATIC EXCHANGE OF INFORMATION ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE COMPANY, THE SHARES AND THE SHAREHOLDERS IS SUBJECT TO CHANGE. EACH SHAREHOLDER OF SHARES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA/CRS AND TO LEARN HOW FATCA/CRS MIGHT AFFECT EACH SHAREHOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

The Articles grant the Directors the power by notice in writing to require any Shareholder to disclose to the Company the identity of persons (other than the Shareholder) who has an interest in the Shares held by the Shareholder or such other information as may be required by applicable law. The Directors may deal with any Shares held by a Shareholder in default of such a request in accordance with the Articles.

Investors should consult with their respective tax advisers regarding the Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and any similar regimes concerning the automatic exchange of information, any other related legislation, intergovernmental agreements and/or regulations on their investment in the Company. If a Shareholder fails to provide the Company or the Administrator with information that is required by either of them to allow them to comply with any of the above reporting requirements, or any similar reporting requirements, adverse consequences may apply.

## **Shareholders**

Shareholders who are not resident in Guernsey for tax purposes can receive distributions without deduction of Guernsey income tax.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them (subject to their own circumstances). The Company will be required to provide the Guernsey Revenue Service such particulars relating to any distribution paid to Guernsey resident Shareholders as the Guernsey Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment.

Distributions made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on liquidation, will not be subject to Guernsey tax provided such payments are not taken into account in computing the profits of any permanent establishment situated in Guernsey through which such Shareholder carries on a business in Guernsey.

Shareholders, whether or not Guernsey resident, should not be liable to Guernsey tax on disposal of Shares in the Company if those Shares are held for investment purposes. The Director of the Guernsey Revenue Service can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in the Shares, with details of the interest.

As already referred to above, Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or similar tax is chargeable in Guernsey on the issue, transfer or redemption of Shares.



### ***Request for information***

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, any agreement with the US Internal Revenue Service in relation to FATCA from time to time in force, or any obligation arising under the implementation of any applicable regime, including the CRS, relating to FATCA and the automatic exchange of information with any relevant competent authority.

### ***Anti-avoidance***

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a Guernsey tax liability. At her discretion, the Director of the Guernsey Revenue Service will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction or deferral of the tax liability.

In addition, Guernsey has committed to introduced mandatory disclosure rules for CRS avoidance arrangements and opaque offshore structures (“**MDR**”). These MDR rules would require promoters of such avoidance arrangements and services providers to disclose information on the arrangement or structure to the Director of Revenue Service in Guernsey. Such information would include the identity of any user or beneficial owner and would then be exchanged with the tax authorities of the jurisdiction in which the users and/or beneficial owners are resident, where there is a relevant information exchange agreement.

## **UNITED KINGDOM TAXATION**

### **Introduction**

The following statements are intended only as a general guide to certain UK tax considerations relevant to investors in the Shares. They do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current published practice (which may not be binding) of HMRC as at the date of this document, both of which may change, possibly with retroactive effect.

They apply only to Shareholders who are resident (and in the case of individual Shareholders resident and domiciled) for UK tax purposes in (and only in) the UK, who hold their Shares as an investment, (other than in an individual savings account or pension arrangement), and who are the absolute beneficial owners of both their Shares and any dividends paid on them (for these purposes such Shareholders being, in the case of an individual, a “**UK Individual Shareholder**” and, in the case of a Shareholder within the charge to UK corporation tax, a “**UK Corporate Shareholder**”).

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, persons holding Shares as part of hedging or conversion transactions, persons who provide investment management services to the Company, Shareholders who are not domiciled or not resident in the UK, collective investments schemes, trusts and those who hold 5 per cent. or more of the Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, able to claim any inheritance tax relief or any non-UK resident Shareholder holding Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

Investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

### **The Company**

#### ***Tax residence***

The Directors intend to conduct the management and control of the affairs of the Company in such a way that it should not be resident in the UK for UK tax purposes. Additionally, for so long as the Company is an “AIF” within the meaning given in regulation 3 of the Alternative Investment Fund Management Regulations

2013, is authorised or registered in Guernsey or has its registered office in Guernsey, and is not an “excluded entity” within the meaning given by section 363A of the Taxation (International and Other Provisions) Act 2010, then, in accordance with that section, the Company should not be regarded as resident in the UK for direct tax purposes (i.e. income tax, corporation tax and capital gains tax).

Accordingly, on the basis that the Company is not intending to be resident in the UK and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein), the Company will not normally be subject to UK corporation tax, nor will it be subject to UK income tax, other than (potentially) on any UK source income.

## **Shareholders**

### ***Taxation of capital gains***

Any gains on transfers or disposals of Shares (including a disposal on a winding-up of the Company) by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains.

UK Individual Shareholders will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2022–2023. No indexation allowance will be available. Capital gains tax chargeable will be at the current rate of 10 per cent. (for basic rate tax payers) and 20 per cent. (for higher and additional rate tax payers) for the tax year 2022-2023.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK Corporate Shareholders may be subject to corporation tax on chargeable gains arising on a disposal of their Shares, depending on the circumstances and subject to any available exemption or relief. No indexation allowance will be available to reduce any chargeable gain arising on disposal of the Shares.

Capital losses realised on a disposal of Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a UK Corporate Shareholder), even if this reduces a UK Individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to a UK Individual Shareholder in the year of his death.

### ***Taxation of dividends***

Distributions made by the Company will take the form of ordinary dividends. Investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.

#### *UK Individual Shareholders*

A £2,000 annual tax free dividend allowance is available to UK Individual Shareholders for the tax year 2022-2023. Dividends received in excess of this threshold (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed, for the tax year 2022-2023 at 8.75 per cent. (basic rate taxpayers), 33.75 per cent. (higher rate taxpayers) and 39.35 per cent. (additional rate taxpayers).

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

### *UK Corporate Shareholders*

UK Corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes in Part 9A of CTA 2009, or if such a Shareholder elects for an otherwise exempt dividend to be taxable.

**It is particularly important that investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.**

### ***Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)***

No UK stamp duty or SDRT will arise on the issue of Shares.

No UK stamp duty will be payable on a transfer of Shares, provided that no instruments effecting the transfer are executed in the UK, no matters, actions or other things relating to the transfer are performed or will be performed in the UK and no property situated in the UK relates to the transfer.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company (or any other body corporate) incorporated in the UK, any agreement to transfer the Shares and any transfer of the Shares effected on a paperless basis through CREST will not be subject to UK SDRT.

### ***ISA, SSAS and SIPP***

Shares acquired by a UK Individual Shareholder on the secondary market should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2022-2023). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2022-2023 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder's annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

The Directors have been advised that the Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees (or, where applicable, the providers) of the SIPP or the SSAS, as the case may be.

**Individuals wishing to invest in Shares through an ISA, SIPP or SSAS should contact their professional advisers regarding their eligibility.**

### ***Other United Kingdom tax considerations***

#### *UK Offshore Fund Rules*

The Directors have been advised that the Company should not be, and the Shares should not be shares in, an “offshore fund” for the purposes of UK taxation, although the Company does not make any commitment to investors that it will not be treated as an offshore fund.

#### *Controlled Foreign Companies*

If the Company is controlled by UK resident persons (corporate and individual) such that it would be a “Controlled Foreign Company” for UK tax purposes, UK Corporate Shareholders having an interest in the Company, such that broadly 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to corporation tax in respect of their share of the Company's profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010.

### ***Transfer of assets abroad***

The attention of UK Individual Shareholders is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or

domiciled outside the UK and may render them liable to income tax in respect of undistributed income and profits of the Company.

### ***Attribution of gains to persons resident in the United Kingdom***

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter 3 of Part 1 of the Taxation of Chargeable Gains Act 1992 (“**Chapter 3**”). Broadly, this chapter applies to a “participator” (direct or indirect) for the purposes of this Chapter (which includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company would, were it to have been resident in the United Kingdom for UK taxation purposes, be a “close” company for those purposes.

The provisions of Chapter 3 of the TCGA 1992 could, if applicable, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company as a “participator”. No liability under Chapter 3 should be incurred by such a person however, where the amount apportioned to such person and to persons connected with them does not exceed one quarter of the gain.

### ***Transactions in securities***

The attention of Shareholders is drawn to the provisions of (in the case of UK Individual Shareholders) Chapter 1 of Part 13 of the Income Tax Act 2007 and (in the case of UK Corporate Shareholders) Part 15 of the CTA 2010, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

If any Shareholder is in doubt as to their taxation position, they are strongly recommended to consult an independent professional adviser without delay.

## Part 9

### General Information

#### 1 RESPONSIBILITY

- 1.1 The Company and each of the Directors, whose names appear on page 25 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.
- 1.2 The Investment Manager accepts responsibility for the information and opinions related to or attributed to the Investment Manager or any Affiliate of the Investment Manager contained in Part 2 (*Risk Factors*), paragraphs 1 and 8 of Part 5 (*The Company*), paragraph 1.4 of Part 6 (*The Portfolio and Investment Outlook*), and paragraphs 2 and 5 of Part 7 (*Directors, Investment Manager and Administration*) of this document (the “**Investment Manager Sections**”). To the best of the Investment Manager’s knowledge, the Investment Manager Sections are in accordance with the facts and make no omission likely to affect their import.

#### 2 THE COMPANY

- 2.1 The Company was incorporated as a non-cellular company limited by shares in Guernsey under The Companies (Guernsey) Law 1994-1996, as amended, on 1 June 2004 with the name Ruffer Investment Company Limited and registered number 41996.
- 2.2 The registered office and principal place of business of the Company is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR with telephone no. +44 (0)1481 737600.
- 2.3 The principal legislation under which the Company operates is the Companies Law and ordinances and regulations made thereunder. The Company is regulated by the GFSC and authorised as a closed-ended investment scheme pursuant to the POI Law and the Rules. The Company is not regulated as a collective investment scheme by the FCA but is an AIF under the AIFM Regime and the EU AIFM Directive. The Company and the Shareholders are subject to the Listing Rules, the Prospectus Regulation Rules, the Prospectus Regulation, MAR, the Disclosure Guidance and Transparency Rules and the rules of the London Stock Exchange.
- 2.4 The Company’s accounting period ends on 30 June of each year. The current accounting period will end on 30 June 2022. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under IFRS and applicable law.
- 2.5 The Company is domiciled in Guernsey, does not have any employees, and does not own any premises and, as at the date of this document, has no subsidiaries.
- 2.6 The Company has been established with an indefinite life.
- 2.7 The Company operates in accordance with its Memorandum and Articles.

#### 3 SHARE CAPITAL

- 3.1 The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Law and ordinances and regulations made thereunder. The Shares are denominated in Sterling.
- 3.2 This issued share capital of the Company as at 30 June 2018 was 177,188,416 Shares.

3.3 The following changes in the share capital of the Company have taken place between 1 July 2018 and the date of this document:

- (a) between 10 July 2018 and 10 November 2021 (inclusive), in aggregate, 47,575,000 Shares were issued by the Company by way of tap issue:

<i>Date of issue</i>	<i>Number of Shares</i>	<i>Price per Share (p)</i>	<i>Net proceeds of issue</i>
10 July 2018	250,000	231.50	£575,856
24 July 2018	200,000	233.75	£465,163
11 September 2018	1,550,000	229.00	£3,531,753
16 October 2018	550,000	225.10	£1,231,860
30 October 2018	350,000	225.30	£784,607
6 November 2018	700,000	226.25	£1,575,831
4 February 2021	500,000	270.00	£1,343,250
10 February 2021	1,000,000	275.50	£2,741,225
11 February 2021	1,000,000	275.50	£2,741,225
18 February 2021	500,000	276.50	£1,375,588
24 February 2021	750,000	276.25	£2,061,516
25 February 2021	1,000,000	276.25	£2,748,688
3 March 2021	750,000	276.50	£2,063,381
4 March 2021	500,000	276.50	£1,375,588
10 March 2021	300,000	281.25	£839,531
11 March 2021	400,000	281.25	£1,119,375
17 March 2021	1,000,000	284.50	£2,830,775
18 March 2021	1,000,000	284.50	£2,830,775
24 March 2021	850,000	284.50	£2,406,159
25 March 2021	150,000	284.75	£424,989
31 March 2021	1,100,000	284.50	£3,113,853
1 April 2021	150,000	286.50	£427,601
7 April 2021	500,000	284.25	£1,414,144
8 April 2021	450,000	284.25	£1,272,729
14 April 2021	1,500,000	285.50	£4,261,088
15 April 2021	1,280,000	285.50	£3,636,128
21 April 2021	800,000	284.50	£2,264,620
22 April 2021	500,000	284.50	£1,415,388
28 April 2021	150,000	284.50	£424,616
29 April 2021	350,000	285.00	£992,513
5 May 2021	800,000	286.00	£2,276,560
6 May 2021	250,000	286.25	£712,047
12 May 2021	700,000	286.75	£1,997,214
13 May 2021	250,000	287.00	£713,913
20 May 2021	850,000	291.00	£2,461,133
26 May 2021	600,000	292.00	£1,743,240
27 May 2021	250,000	292.00	£726,350
2 June 2021	750,000	292.25	£2,180,916
3 June 2021	200,000	292.25	£581,578
9 June 2021	250,000	293.25	£729,459
10 June 2021	300,000	293.50	£876,098
16 June 2021	500,000	292.25	£1,453,944
17 June 2021	350,000	292.25	£1,017,761
23 June 2021	300,000	287.75	£858,934
24 June 2021	650,000	287.75	£1,861,023
30 June 2021	450,000	285.75	£1,279,446
1 July 2021	150,000	285.75	£426,482
7 July 2021	400,000	286.50	£1,140,270
8 July 2021	400,000	286.50	£1,140,270
14 July 2021	850,000	286.50	£2,423,074
15 July 2021	400,000	286.50	£1,140,270



<i>Date of issue</i>	<i>Number of Shares</i>	<i>Price per Share (p)</i>	<i>Net proceeds of issue</i>
21 July 2021	1,500,000	283.50	£4,231,238
22 July 2021	400,000	283.50	£1,128,330
28 July 2021	850,000	285.00	£2,410,388
29 July 2021	400,000	285.00	£1,134,300
4 August 2021	1,500,000	286.75	£4,279,744
5 August 2021	250,000	286.75	£713,291
11 August 2021	900,000	287.25	£2,572,324
12 August 2021	300,000	287.25	£857,441
18 August 2021	600,000	286.25	£1,708,913
19 August 2021	350,000	286.25	£996,866
25 August 2021	1,280,000	286.75	£3,652,048
26 August 2021	1,000,000	287.25	£2,858,138
2 September 2021	600,000	286.50	£1,710,405
9 September 2021	150,000	288.25	£430,213
15 September 2021	1,000,000	288.00	£2,865,600
22 September 2021	415,000	286.25	£1,181,998
29 September 2021	1,000,000	288.00	£2,865,600
6 October 2021	750,000	288.50	£2,152,931
13 October 2021	750,000	292.50	£2,182,781
20 October 2021	750,000	300.50	£2,242,481
27 October 2021	1,000,000	304.50	£3,029,775
3 November 2021	1,100,000	297.25	£3,253,401
10 November 2021	1,000,000	300.00	£2,985,000

(b) on 6 December 2021, 13,787,221 Shares were issued by the Company by way of open offer, offer for subscription and intermediaries offer at 296.50 pence per Share.

(c) between 18 November 2021 and 13 May 2022 (the latest practicable date prior to the date of this document), 57,955,127 Tap Shares were issued by the Company by way of Tap Issue:

<i>Date of issue</i>	<i>Number of Tap Shares</i>	<i>Price per Tap Share (p)</i>	<i>Net proceeds of issue</i>
18 November 2021	1,500,000	298.50	£4,455,113
25 November 2021	525,000	297.75	£1,555,372
2 December 2021	250,000	297.00	£738,788
8 December 2021	2,000,000	296.50	£5,900,350
15 December 2021	950,000	289.25	£2,734,136
16 December 2021	750,000	289.25	£2,158,528
22 December 2021	1,150,000	289.00	£3,306,883
29 December 2021	100,000	291.00	£289,545
30 December 2021	600,000	291.00	£1,737,270
5 January 2022	1,600,000	295.00	£4,696,400
6 January 2022	650,000	295.00	£1,907,913
12 January 2022	1,150,000	299.00	£3,421,308
13 January 2022	1,500,000	299.00	£4,462,575
20 January 2022	1,650,000	298.00	£4,892,415
26 January 2022	2,000,000	294.50	£5,860,550
27 January 2022	1,200,000	294.50	£3,516,330
2 February 2022	1,500,000	298.00	£4,447,650
3 February 2022	1,500,000	298.00	£4,447,650
9 February 2022	2,000,000	304.00	£6,049,600
16 February 2022	2,000,000	309.00	£6,149,100
2 March 2022	2,000,000	304.00	£6,049,600
3 March 2022	500,000	304.00	£1,512,400
9 March 2022	1,200,000	303.00	£3,617,820
10 March 2022	700,000	303.00	£2,110,395
16 March 2022	2,000,000	306.00	£6,089,400

<i>Date of issue</i>	<i>Number of Tap Shares</i>	<i>Price per Tap Share (p)</i>	<i>Net proceeds of issue</i>
17 March 2022	2,000,000	306.00	£6,089,400
23 March 2022	5,000,000	308.00	£15,323,000
24 March 2022	850,000	308.00	£2,604,910
30 March 2022	2,000,000	305.50	£6,079,450
31 March 2022	2,000,000	305.50	£6,079,450
6 April 2022	1,250,000	304.50	£3,787,219
7 April 2022	1,550,000	304.50	£4,696,151
13 April 2022	2,000,000	306.00	£6,089,400
14 April 2022	2,000,000	306.00	£6,089,400
20 April 2022	1,600,000	308.50	£4,911,320
27 April 2022	2,000,000	313.00	£6,228,700
4 May 2022	2,000,000	313.00	£6,228,700
11 May 2022	2,000,000	317.50	£6,318,250
12 May 2022	730,127	317.00	£2,302,930

3.4 All the net proceeds of the Shares issued as detailed at paragraph 3.3 have been invested and/or retained as cash in accordance with the Company's investment objective and investment policy.

3.5 As at the date of this document, the Company's share capital consisted of 296,505,764 Shares with an aggregate nominal value of £29,650.5764.

3.6 On 3 December 2021, resolutions of the Company were passed at the 2021 AGM to, *inter alia*:

- (a) authorise the Company in accordance with section 315 of the Companies Law to make market acquisitions (as defined in the Companies Law) of its Shares, provided that:
  - (i) the maximum number of Shares authorised to be acquired by the Company is 14.99 per cent. of the Shares in issue at the date of the resolution;
  - (ii) the minimum price (exclusive of expenses) which may be paid for a Share is 0.01p, being the nominal value per Share;
  - (iii) the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of:
    - (A) 5 per cent. above the average market value of a Share for the five business days prior to the day the purchase is made; and
    - (B) the value of a Share calculated on the basis of the higher of the price quoted for the last independent trade and the highest independent bid for any number of the Shares on the trading venue where the purchase is carried out;
  - (iv) acquisitions may only be made pursuant to this authority if the Shares are (at the date of the proposed acquisition) trading on the London Stock Exchange at a discount to the lower of the undiluted or diluted Net Asset Value;
  - (v) such authority will expire at the conclusion of the annual general meeting of the Company in 2022 or, if earlier, on the expiry of 15 months from the passing of the resolution, unless such authority is renewed prior to such time; and
  - (vi) the Company may make a contract to acquire Shares under the authority 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;
- (b) authorise the Board to issue up to an aggregate number of equity securities (as defined in the Articles) as represents 10 per cent. of the Shares admitted to trading on the Main Market immediately following the passing of the resolution on a non-pre-emptive basis, provided that such authority will expire (unless previously renewed, varied or revoked by the Company by special resolution), on the date which is 18 months from the date of passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the company, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be

issued after such expiry and the Board may allot Shares in pursuance of any such offer or agreement as if this authority had not expired; and

(c) amend the Articles to enable hybrid or virtual general meetings to take place going forward.

3.7 The Company is permitted to fund the payments for purchases of Shares in any manner permitted by the Companies Law and the Directors must have reasonable grounds for believing that the Company will satisfy the solvency test prescribed by the Companies Law immediately after making such purchases.

3.8 At the First 2022 EGM, the Board was granted authority to issue equity securities (as defined in the Articles) representing 10 per cent. of the equity securities in issue as at that date, excluding Shares held in treasury, for cash at a price of not less than the Net Asset Value per Share plus the costs of the exercise at the time of any such issue on a non-pre-emptive basis, provided that such authority will expire on the date which is 18 months from the date of the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in general meeting).

3.9 At the Second 2022 EGM, the Board was granted authority to issue further equity securities (as defined in the Articles) representing 10 per cent. of the equity securities in issue as at that date, excluding Shares held in treasury, for cash at a price of not less than the Net Asset Value per Share plus the costs of the exercise at the time of any such issue on a non-pre-emptive basis, provided that such authority will expire on the date which is 18 months from the date of the passing of the resolution or, if earlier, at the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in general meeting).

3.10 No shares in the capital of the Company are held by or on behalf of the Company.

3.11 Save as disclosed in this paragraph 3 of this Part 9 (*General Information*), no share or loan capital of the Company has since 1 July 2018 been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed.

3.12 As at the date of this document, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.

3.13 All of the Shares are in registered form and are eligible for settlement in CREST. Temporary documents of title will not be issued.

#### **4 INTERESTS OF DIRECTORS, PRINCIPALS OF THE INVESTMENT MANAGER AND MAJOR SHAREHOLDERS**

4.1 The interests of the Directors (beneficial or non-beneficial) in the share capital of the Company as at 13 May 2022 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Director</i>	<i>No. of Shares</i>	<i>Percentage of issued share capital</i>
Christopher Russell	125,000	0.042%
Shelagh Mason	14,698 <sup>(1)</sup>	0.005%
Jill May	13,750	0.005%
David Staples	495,000 <sup>(2)</sup>	0.167%
Nicholas Pink	45,027 <sup>(3)</sup>	0.015%
<b>Total</b>	<b>693,475</b>	<b>0.234%</b>

(1) All held beneficially jointly with her spouse.

(2) This includes 245,000 Shares held beneficially by David Staples and 250,000 Shares held beneficially by his partner.

(3) This includes 7,831 Shares held beneficially by Nicholas Pink alone, 27,292 Shares held beneficially jointly with his spouse and 9,904 Shares held beneficially by his spouse.

- 4.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. Shelagh Mason and Nicholas Pink have each been appointed for an initial term of three years with an option to extend for a further two terms and David Staples, Christopher Russell and Jill May have each been appointed for an initial term of five years with an option to extend for a further four years, provided that each Director will retire from office at each annual general meeting and, if not re-elected following retirement, their appointment will cease immediately. David Staples and Jill May have confirmed that they will not stand for re-election at the annual general meeting of the Company to be held in 2022 and a further announcement will be made in due course regarding any additional appointments to the Board and any revision to the composition of the committees of the Board. The Directors' letters of appointment do not provide for benefits upon termination. The Directors' appointments can be terminated in accordance with the Articles without compensation. The Articles provide that the office of director shall be terminated by, among other things: (i) written resignation; (ii) resolution of the Board following absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 4.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The Directors' respective current fees, dates of expiration of current term and dates of appointment to the Board are as follows:

<i>Director</i>	<i>Date of appointment</i>	<i>Date of expiration of current term</i>	<i>Current fees</i>
Christopher Russell	1 December 2016	30 November 2025	£48,800
Shelagh Mason	1 June 2020	31 May 2023	£34,500
Jill May	17 March 2017	17 March 2026	£36,850
David Staples	2 March 2018	1 March 2023	£39,700
Nicholas Pink	1 September 2020	31 August 2023	£34,500

The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. The aggregate remuneration of the Directors in respect of the financial period ended 30 June 2021 was £178,702. No benefits in kind were paid to the Directors in respect of such period. The aggregate remuneration of the Directors in respect of the six month period ended 31 December 2021 was £88,725. No benefits in kind were paid to the Directors in respect of such period.

- 4.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 4.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since 1 July 2018.
- 4.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 4.7 Over the five years preceding the date of this document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Christopher Russell	Absolute Return Objective SA Dawnfield Holdings Limited Deska Holdings Limited Genki Holdings Limited Hanseatic Asset Management LBG JPMorgan Global Core Real Assets Limited Les Cotils Charitable Company LBG Taipa Holdings Ltd TISEF Limited	E.I.P. China Opportunities Fund SPC E.I.P. Funds (Cayman Islands) SPC Enhanced Index Funds pcc FCPT Holdings Limited F&C Commercial Property Holdings Limited F&C Commercial Property Trust Limited HICL Infrastructure Company Limited HICL Infrastructure 1 HICL Infrastructure 2 Leonardo Crawley Limited Lothian Capital Limited Macau Property Opportunities Fund Limited Marina View Management Limited Prime Four Limited RYSR Ltd Schroders (C.I.) Ltd SCP Estate Holdings Limited SCP Estate Limited Winchester Burma Limited
Shelagh Mason	Channel Islands Property Fund Limited Global Fixed Income Realisation Limited Riverside Capital PCC Limited Skipton International Limited Starwood European Real Estate Finance Limited The Renewables Infrastructure Group Limited Third Point Independent Voting Company Limited	MedicX Fund Limited PFB Data Centre Fund Limited Leadenhall Property Co (Jersey) Limited Private JV Alpha German Property Income Trust Limited
Jill May	Alpha Financial Markets Consulting plc JPMorgan Claverhouse Investment Trust plc Langham Farms Limited Langham Industries Limited May Family Holdings Limited Standard Life Investments Property Income Trust Limited The Wellington College International Limited Tusk Trust Limited	Vaculug Limited Sirius Real Estate Limited

<i>Name</i>	<i>Current</i>	<i>Previous</i>
David Staples	Aberdeen Private Equity Fund Limited Apax IX GP Co. Limited Apax X GP Co Limited Apax Digital II GP Co Limited Apax Digital GP Co Limited Apax Europe VI GP Co Limited Apax Europe VII GP Co Limited Apax Europe VIII GP Co Limited Apax XI GP Co Limited Apax Global Impact GP Co Limited Baker Steel Resources Trust Limited Duet Real Estate Finance Limited NB Global Monthly Income Fund Limited	Global Fixed Income Realisation Limited Henderson Far East Income Limited Hirzel IV Purpose Trust HSBC Private Bank (C.I.) Limited MedicX Fund Limited
Nicholas Pink	Brighton College JPMorgan Russian Securities plc Poundsbridge CIC Redburn (Europe) Limited St Christopher's School, Hove	

4.8 Save as disclosed in paragraph 4.9 below, the Directors in the five years before the date of this document:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

4.9 Shelagh Mason was formerly a director of PFB Data Centre Fund Limited which, on 17 March 2017, entered into solvent members' voluntary liquidation. David Staples is a director of Aberdeen Private Equity Fund Limited and Duet Real Estate Finance Limited which on 29 June 2018 and 23 March 2017 respectively entered into solvent members' voluntary liquidations. Shelagh Mason is, and David Staples was formerly, a director of Global Fixed Income Realisation Limited which, on 29 March 2019, entered into solvent members' voluntary liquidation.

4.10 So far as is known to the Company, and which is notifiable under the Disclosure Guidance and Transparency Rules, as at 13 May 2022 (being the latest practicable date prior to the publication of this document), the following persons held, directly or indirectly, 3 per cent. or more of the issued Shares or the Company's voting rights:

<i>Name</i>	<i>No. of Shares</i>	<i>Percentage of voting rights</i>
Rathbones	30,394,720	10.25%
Brewin Dolphin, stockbrokers	30,368,606	10.24%
Hargreaves Lansdown, stockbrokers (EO)	27,591,715	9.31%
Interactive Investor (EO)	23,547,182	7.94%
Charles Stanley	17,724,900	5.98%
AJ Bell, stockbrokers (EO)	13,194,953	4.45%

(Source: Latest available share register analysis produced by Richard Davies Investor Relations Limited)



- 4.11 As at 13 May 2022 (being the latest practicable date prior to the publication of this document):
- (a) Hamish Baillie, Investment Director of the Investment Manager owned 256,249 Shares;
  - (b) Duncan MacInnes, Investment Director of the Investment Manager owned 43,100 Shares;
  - (c) Jonathan Ruffer, chairman of Ruffer LLP, owned 499,335 Shares; and
  - (d) Ruffer LLP (the parent entity of the Investment Manager) and other entities within the Ruffer Group exercised discretionary control over 2,959,990 Shares on behalf of its discretionary clients.
- 4.12 All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.
- 4.13 As at 13 May 2022 (being the latest practicable date prior to the publication of this document), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 4.14 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- 4.15 Save as disclosed in: (i) note 16 on pages 77 to 79 of the annual report for the year ended 30 June 2019; (ii) note 16 on pages 84 to 86 of the annual report for the financial year ended 30 June 2020; (iii) note 16 on pages 101 to 102 of the annual report for the financial year ended 30 June 2021; and (iv) note 8 on page 44 to 46 of the half-yearly financial report for the period ended 31 December 2021, each of which are incorporated by reference into this document, the Company has not entered into any related party transaction at any time during the period from 1 July 2018 to 13 May 2022 (being the latest practicable date prior to the publication of this document).
- 4.16 As at the date of this document, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 4.17 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

## **5 THE ARTICLES**

The Memorandum and Articles contain provisions, *inter alia*, to the following effect:

### **5.1 Objects/purposes**

The Memorandum provides that the objects of the Company are not restricted.

### **5.2 Voting rights**

Subject to the restrictions referred to below and to any special rights or restrictions for the time being attached to any class of shares, every member present in person or by proxy has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

### **5.3 Shares**

#### **(a) Shares of 0.01p each**

##### **(i) Income**

Holders of Shares are entitled to participate in any dividends or other distributions out of the profits of the Company available for distribution and resolved to be distributed in respect of any accounting period or any other income right to participate therein.

(ii) *Capital*

Holders of Shares are entitled on the winding-up of the Company to receive out of the assets of the Company available for distribution an amount equal to the nominal value of the Shares plus the surplus (if any) remaining after payment of the nominal values of the Nominal Shares then in issue.

(iii) *Redemption*

The Directors are entitled in their absolute discretion to determine the procedures for redemption, on and after the Redemption Date (subject to the facilities and requirements of CREST). Without prejudice to the foregoing and subject to the Companies Law and to such pre-determined maximum, the Company shall on each Redemption Date redeem such number of Shares as the Board may determine. The Company shall notify Shareholders of the number of Shares, if any, to be redeemed (subject to such pre-determined maximum) and the discount to be applied to the Net Asset Value of the Shares in arriving at the redemption price.

Payment of the redemption price in respect of any Shares in certificated form may be made by cheque or warrant made payable to the relevant Shareholders or, in the case of joint Shareholders, to such relevant joint Shareholders or to such person or persons as the relevant Shareholder or all the relevant joint Shareholders may in writing direct and sent (at the risk of the Shareholder or Shareholders) to the address specified by that Shareholder (or, if none is specified, to the address of the Shareholder as entered on the register, or in the case of joint Shareholders, to that one of the relevant joint Shareholders who is first named on the register in respect of such Shares). Due payment of the cheque or warrant will be in satisfaction of the redemption price represented thereby. The Company may alternatively make such payment by electronic transfer to a bank account nominated by the relevant Shareholder or all the relevant joint Shareholders and notified to the Registrar not less than three Business Days before the Redemption Date, at the Shareholder's or Shareholders' expense. Every such cheque or warrant which is sent through the post shall be sent by first class post.

Each payment in respect of Shares held in uncertificated form (that is, in CREST) will be made by electronic transmission to an account in accordance with the mandate instruction in writing acceptable to the Company given by the relevant Shareholder or all the relevant joint Shareholders.

C Shares of 0.1p each and Deferred Shares of 0.01p each

(iv) *Definitions*

The following definitions apply (for the purposes of this paragraph 5.3 only) in addition to, or (where applicable) in substitution for the definitions applicable elsewhere in this document:

**"C Share Surplus"** in relation to any tranche of C Shares means the net assets of the Company attributable to the C Shares in that tranche, being the assets attributable to the C Shares in that tranche (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to such C Shares;

**"Calculation Time"** in relation to any tranche of C Shares means the earliest of:

- (A) the close of business on the date determined by the Directors that at least 80 per cent. of the assets attributable to that tranche of C Shares have been invested (as defined below) in accordance with the Company's investment policy;
- (B) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;

- (C) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and
- (D) the close of business on the date falling six months after admission of that tranche of C Shares to the Official List;

“**Conversion**” means in relation to any tranche of C Shares, the subdivision and conversion of that tranche of C Shares in accordance with paragraph 5.3(xii) below;

“**Conversion Ratio**” is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C-D}{E}$$

and

$$B = \frac{F-G}{H}$$

and where:

“**C**” is the aggregate of:

- (A) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (B) below) which are listed or dealt in on a stock exchange or on a similar market:
  - (1) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service (“**SETS**”) and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange’s or market’s recognised method of publication of prices for such investments. Debt related securities (including government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or
  - (2) where such published prices are not available, calculated by reference to the Directors’ belief as to a fair current trading price at the Calculation Time for those investments, after taking account of any other price publication services reasonably available to the Directors;
- (B) the value of all other investments of the Company attributable to the C Shares of the relevant tranche at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and
- (C) the amount which, in the Directors’ opinion, fairly reflects, at the Calculation Time, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (including cash and deposits with or balances at bank and including any accrued income and other items of a revenue nature less accrued expenses);

“D” is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects the amount of the liabilities attributable to the C Shares of the relevant tranche at the Calculation Time;

“E” is the number of C Shares of the relevant tranche in issue at the Calculation Time;

“F” is the aggregate of:

- (A) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (B) below), other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time, which are listed or dealt in on a stock exchange or on a similar market:
  - (1) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the SETS and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange’s or market’s recognised method of publication of prices for such investments. Debt related securities (including government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or
  - (2) where such published prices are not available, calculated by reference to the Directors’ belief as to a fair current trading price at the Calculation Time for those investments, after taking account of any other price publication services reasonably available to the Directors;
- (B) the value of all other investments of the Company, other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and
- (C) the amount which, in the Directors’ opinion, fairly reflects at the Calculation Time, the value of the current assets of the Company (including cash and deposits with or balances at bank and including any accrued income or other items of a revenue nature less accrued expenses), other than such assets attributable to the C Shares (of whatever tranche) in issue at the Calculation Time;

“G” is the amount which (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time (including, for the avoidance of doubt, the full amount of all dividends declared but not paid) less the amount of D;

“H” is the number of Shares in issue at the Calculation Time;

“**Conversion Time**” means a time which falls after the Calculation Time being the time at which the admission of the New Shares to the Official List becomes effective and which is the earlier of:

- (A) the opening of business on such Business Day as is selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Time; or

- (B) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;

**“Force Majeure Circumstances”** means in relation to any tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 80 per cent. of the assets attributable to the relevant tranche of C Shares are invested (as defined below) in accordance with the Company’s investment policy;

**“Independent Accountants”** means Moore Stephens or such other firm of chartered accountants as the Directors may appoint for the purpose;

**“Manager”** means the manager from time to time of the Company’s investments;

**“Issue Date”** means in relation to any tranche of C Shares the date on which the admission of such C Shares to the Official List becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of such C Shares;

**“New Shares”** means new Shares arising on the conversion of the C Shares of the relevant tranche;

**“Share Surplus”** means the net assets of the Company less the C Share Surplus;

**“Valuation Date”** means the business day immediately preceding the Redemption Date.

References to the Independent Accountants certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

For the purposes of this paragraph 5.3, other than in paragraph 5.3(vii) below, assets or investments attributable to the C Shares of a particular tranche or the Shareholders of C Shares of a particular tranche shall mean the net cash proceeds (after all expenses relating thereto) as invested in or represented by investments or cash or other assets from time to time.

For the purposes of paragraph (A) of the definition of Calculation Time and the definition of Force Majeure Circumstances in relation to any tranche of C Shares, the assets attributable to the C Shares of that tranche shall be treated as having been “invested” if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanic.

(v) *Issues of C Shares*

- (A) Subject to the Companies Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions summarised in this sub-paragraph (A). The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time and Conversion Time together with any amendments to the definition of Conversion Ratio attributable to each such tranche.
- (B) Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

(vi) *Dividends and pari passu ranking of C Shares and New Shares*

The holders of C Shares of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Shares Surplus of that tranche.

If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares.

The New Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Times and otherwise *pari passu* with the Shares in issue at the Conversion Time.

The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits or net assets of the Company.

(vii) *Rights as to capital*

The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:

- (A) the Share Surplus shall be divided amongst the shareholders of Shares and Nominal Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution;
- (B) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares; and
- (C) the Deferred Shares shall have no rights to the capital or assets of the Company.

(viii) *Voting and transfer*

The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company. The C Shares shall be transferable in the same manner as the Shares. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, or attend or vote at, any general meeting of the Company.

(ix) *Redemption*

- (A) The C Shares are issued on terms that each tranche of C Shares and Deferred Shares shall be redeemable by the Company in accordance with the terms set out in the Articles.
- (B) At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of C Shares.
- (C) The Deferred Shares arising from Conversion of a particular tranche of C Shares (to the extent that any are in issue and extant) may be redeemed at the option of the Company at any time following Conversion of the relevant tranche of C Shares for an aggregate consideration of 1p for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares who shall be bound by them.
- (D) The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.



(x) *Class consents and variation of rights*

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (A) any alteration to the Memorandum or the Articles; or
- (B) any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion); or
- (C) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (D) the passing of any resolution to wind up the Company; or
- (E) the selection of any accounting reference date other than 30 June.

(xi) *Undertakings*

Until Conversion, and without prejudice to its obligations under the Companies Law, the Company shall in relation to each tranche of C Shares;

- (A) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- (B) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of Conversion Ratio above; and
- (C) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

(xii) *Conversion*

In relation to each tranche of C Shares, the C Shares shall be sub-divided and converted into New Shares and Deferred Shares at the Conversion Time in accordance with the following provisions of this paragraph. The Directors shall procure that:

- (A) the Administrator shall be requested to calculate, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion; and
- (B) the Independent Accountants shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:
  - (1) have been performed in accordance with the Articles; and
  - (2) are arithmetically accurate,whereupon, subject to the proviso in the definition of Conversion Ratio above, such calculations shall become final and binding on the Company and all holders of Shares and holders of C Shares.

The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a Regulatory Information Service, advising holders of C Shares



of that tranche, the Conversion Time, the Conversion Ratio and the aggregate number of New Shares to which holders of C Shares of that tranche are entitled on Conversion.

Conversion shall take place at the Conversion Time. On Conversion:

- (A) each issued C Share shall automatically be sub-divided into ten sub-divided C Shares of 0.01p each and such number of sub-divided C Shares shall automatically convert into such number of New Shares (such sub-division and conversion being deemed to be authorised by the special resolution creating the C Shares) as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of sub-divided C Shares which are converted into New Shares equals the aggregate number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share). Each sub-divided C Share which does not so convert into a New Share shall automatically convert into a Deferred Share having the rights set out in paragraphs 5.3(vii) and 5.3(x) above and shall be dealt with in accordance with paragraph (B) below. Share certificates will not be issued in respect of the sub-divided C Shares.
- (B) each sub-divided C Share which does not convert into a New Share in accordance with paragraph (A) above and is converted into a Deferred Share shall immediately upon Conversion be redeemed by the Company in accordance with paragraph 5.3(ix)(C) above for an aggregate consideration of 1p for all of the Deferred Shares so redeemed. The Company shall not be obliged to account to any holder of C Shares for the redemption monies in respect of such shares. Immediately following such redemption every 10 redeemed Deferred Shares shall be consolidated into Deferred Shares of 0.1p each and each such share shall automatically be reclassified as a C Share in the authorised share capital of the Company. Any Deferred Share of 0.01p not consolidated and reclassified as described above shall be reclassified as a Share in the authorised share capital of the Company. If at a time such shares would otherwise be redeemed the Company may not lawfully effect such redemption except out of the proceeds of a fresh issue of shares made for the purpose of a redemption, the Company shall issue such number of Nominal Shares of 0.01p each to the Administrator at a sufficient price per share in order to provide the Company with the funds to effect such redemption.

The New Shares arising upon Conversion shall be divided amongst the former holders of C Shares *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares, including, without prejudice to the generality of the foregoing, selling any such Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holder of C Shares, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holder of C Shares who shall be bound by them.

Forthwith upon Conversion, any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former holder of C Shares new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of C Shares elects to hold their New Shares in uncertificated form.

The Company will use its reasonable endeavours to procure that, upon Conversion, the New Shares are admitted to the Official List.

(xiii) *Nominal Shares*

Nominal Shares of 0.01p each can only be issued at par to the Administrator in order to ensure that funds are available to redeem the nominal amount paid up on Shares if the Directors so decide at the time of Share redemption. 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 paid up nominal value out of the assets of the Company after payment of the nominal value of the Shares.

The Administrator is obliged to subscribe for Nominal Shares for cash at par when the Shares are redeemed to ensure that funds are available to redeem the nominal amount paid-up on each Share, unless the Directors decide that the nominal amount of such Shares is to be redeemed out of profits attributable to the Company.

(xiv) *Deferred Shares*

As described in paragraph 5.3(ix) above, Deferred Shares shall only be issued in respect of Conversion of C Shares. In a winding-up after Conversion, Deferred Shares shall be entitled to return an amount equal to their nominal value after return of capital on Shares, paid up on Nominal Shares. The provisions in the Articles as to voting, dividend and redemption of the Deferred Shares are summarised in sub-paragraphs 5.3(vi), 5.3(viii) and 5.3(ix) above.

(b) **Unclassified Shares of 0.01p each**

Unclassified Shares of 0.01p each are only available for issue and designation as a Nominal Share or a Share.

#### 5.4 **Dividends**

Subject to compliance with section 304 of the Law, the Board may at any time declare and pay any such dividends as appear to be justified by the position of the Company.

No dividend shall be in excess of the amounts permitted by the Law or approved by the Board provided always that all monies realised on the sale or other realisation of any capital assets in excess of book value and all other monies in the nature of accretion to capital shall not be treated as profits available for distribution by way of dividend.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute by dividend.

#### 5.5 **Issue of shares**

Subject to the provisions of the Companies Law and the Articles and without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine and, subject to and in default of such resolution, as the Board may determine.

Subject to the Articles, including the pre-emption rights set out below, the unissued shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they determine but so that no share shall be issued at a discount except in accordance with the Companies Law and so that the amount payable on application of each share shall be fixed by the Board.

The Company may on any issue of shares pay such commission as may be fixed by the Board and disclosed in accordance with the Companies Law. The Company may also pay brokerages.

## 5.6 Pre-emption rights

The following definitions govern the operation of applicable pre-emption rights in respect of any shares of any class in the Company:

**“equity securities”** means any class of share of the Company or any rights to subscribe for, or to convert securities into, any class of share of the Company; and

**“allotment of equity securities”** includes the grant of a right to subscribe for, or to convert any securities into any class of share of the Company and the sale of any class of share of the Company that immediately before the sale are held by the Company in treasury.

The Company shall only allot equity securities of a particular class to a person if it has made an offer to each person who holds shares of the relevant class to allot to him, on the same or more favourable terms, a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares and the period during which such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.

Any such offer required to be made by the Company should be made by a notice that states a period of no less than 21 days during which it may be accepted.

The Company may by special resolution resolve that, for a period not exceeding five years, pre-emption rights shall be excluded or that they shall apply with such modifications as may be specified in that special resolution in relation to the allotment by the Company of equity securities generally, to allotments of a particular description or to a specified allotment of equity securities.

## 5.7 Variation of rights

If at any time the capital of the Company is divided into separate classes of share, the special rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons holding or representing by proxy at least one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share held by him on a poll. The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

## 5.8 Restrictions on voting

A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all amounts payable by him in respect of that share have been paid.

A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of shareholders' interests and given under the Articles (see paragraph 5.9 below) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

## 5.9 Notice requiring disclosure of interest in shares

The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise their powers under the relevant Article on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**default shares**”) and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

### ***Transfer of shares***

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST system. If the Directors implement any such arrangements no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of shares of that class in uncertificated form;
- (b) the transfer of title to shares of that class by means of the CREST system; or
- (c) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

Subject to restrictions of the Articles, any member may transfer all or any of his shares which are in certificated form by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The Directors may refuse to register any transfer of certificated shares unless the instrument of transfer is lodged at the Company's registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis.

Subject to the provisions of the CREST Guernsey Requirements the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year and shall be communicated to Shareholders, giving reasonable notice of such suspension, by means of a recognised regulatory news service.

If at any time the holding or beneficial ownership of any shares in the Company would (whether on its own or taken with other shares), in the opinion of the Directors, cause the assets of the Company to

be considered “plan assets” within the meaning of Regulation S adopted by the United States Department of Labor under ERISA then any shares which the Directors decide are shares which are so held or beneficially owned (“**Prohibited Share(s)**”) must be dealt with in accordance with the provisions below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at general meetings of the Company and of any class of shareholders (and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion). If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate.

#### **5.10 Alteration of capital and purchase of shares**

The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe and of such class, preference or priority as the Board may determine.

The Company before the issue of any such new shares may resolve that all or some of them shall be offered to members in proportion to their existing shares at such price as the Company or the Board may fix. Such an offer shall be carried out according to the procedure set out in paragraph 5.6 above. In the absence of any such resolution, the new shares may be dealt with as if they formed part of the original capital and shall be subject to the Articles.

The Company may from time to time, subject to the provisions of the Companies Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Companies Law.

The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum provided however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more shares may have such preferred, deferred or other rights over the others as the Company has power to attach to unissued or new shares; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of shares so cancelled.

The Company may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorisation and consent required by the Companies Law.

#### **5.11 Interests of Directors**

Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest in shares or debentures or other securities of the Company).

A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) the offer of securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to participate;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of any such company or of the voting rights of such company;
- (e) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
- (f) any proposal for the purchase or maintenance of insurance for the benefit of Directors or persons including the Directors.

Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

## 5.12 **Directors**

Directors need not be members of the Company but when they are, the Company may fix a share qualification for a Director.

The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £300,000 per annum (or such sums as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

If any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.

The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged or any contract in which he is interested is considered



and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.

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 his 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 annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

At each annual general meeting thereafter, one-third of the Directors (or if their number is not three or an integral multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third shall retire from office.

Subject to the provisions of the Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director in general meeting, shall nevertheless be required to retire at such annual general meeting. Notwithstanding these provisions of the Articles, the Board has determined that all of the Directors should stand for re-election at each annual general meeting in line with best practice.

The maximum number of Directors shall be seven and the minimum number of Directors shall be two. At no time shall a majority of the Directors be resident in the United Kingdom.

The office of Director shall be vacated if the Director resigns his office by written notice (not being a person holding for a fixed term an executive office subject to termination if he leaves from any cause to be a Director), if he shall have absented himself from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated, if he becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes resident in the United Kingdom and, as a result, a majority of the Directors are resident in the United Kingdom.

#### **5.13 General meetings**

Notice for any general meeting shall be sent by the secretary or officer of the Company or any other person appointed by the Board not less than fourteen days before the meeting. The notice must specify the time and place of the general meeting and, in the case of any special business, the general nature of the business to be transacted. With the consent in writing of all the members, a meeting may be convened by a shorter notice or at no notice in any manner they think fit. The accidental omission to give notice of any meeting or the non-receipt of such notice by any Shareholder shall not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting. The quorum for the general meeting shall be two members present in person or by proxy. At the 2021 AGM, a resolution will be proposed, in recognition of the constraints on public gatherings created by the COVID-19 pandemic, to amend the Articles to enable hybrid or virtual general meetings to take place going forwards.

#### **5.14 Duration of the Company**

At the annual general meeting of the Company in 2007 an ordinary resolution was passed that the Company continue as an investment company. The Company therefore continues indefinitely and no such further resolutions will automatically be proposed at subsequent annual general meetings.



### 5.15 Winding-up

On a winding-up, the surplus assets remaining after payment of all creditors, including payment of bank borrowings, shall be applied in the following priority:

- (a) first, in the payment to the holders of Shares of a sum equal to the nominal amount of the Shares of such class held by such holders provided that there are sufficient assets available in the Company to enable such payment to be made;
- (b) second, in the payment to the holder or holders of the Nominal Shares of sums up to the nominal amount paid up thereon out of the assets of the Company remaining after recourse thereto under 5.15(a) above;
- (c) third, in the payment to the holders of the Shares of any balance then remaining, including but without limitation the balance of any assets in the Company.

On a winding-up the liquidator may, with the authority of a special resolution, divide amongst the members *in specie* any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.

Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation for the transfer or sale, shares, policies or other like interests for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

### 5.16 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party provided always that the aggregate principal amount from time to time outstanding of all borrowings (as defined in the Articles) by the Company (exclusive of borrowings wholly within the Company) shall not at any time exceed 30 per cent. of the Net Asset Value of the Company.

## 6 MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company in the two years immediately preceding the date of this document and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this document:

### 6.1 Investment Management Agreement

Pursuant to an investment management agreement dated 10 July 2014 between the Company and the Investment Manager, the Investment Manager has agreed, subject to overall supervision and direction of the Board, to provide investment management services to the Company and, in particular, to provide portfolio management and risk management services to the Company and to act as the Company's AIFM for the purposes of AIFM Regime and the EU AIFM Directive.

Under the Management Agreement, the Investment Manager receives a management fee, payable monthly in arrears, calculated on the basis of the following formula:

$A \times B$

where:

“**A**” equals the average of the weekly Net Asset Value calculations of the Company undertaken over the course of the relevant month as determined on the relevant Valuation Date; and

“B” equals 0.0833333 per cent.,

which, in aggregate, shall be an amount equivalent to one per cent. per annum of the Net Asset Value of the Company, save that where the Company is invested in a fund managed by Ruffer and Ruffer takes a fee within that fund it is excluded from the A x B calculation.

In addition, the Investment Manager is entitled to reimbursement of any professional fees and expense incurred on behalf of the Company and/or in the performance of its duties.

The Investment Management Agreement may be terminated by either party giving 12 months’ written notice at any time, and by the Company on 30 days’ written notice where a key representative of the Investment Manager ceases to be employed by the Investment Manager and no replacement acceptable to the Board is put in place, provided such right is exercised within 90 days of the Company becoming aware of the departure of such representative. Either party may terminate the Investment Management Agreement immediately by written notice (without prejudice to any right of action accruing or already accrued to it) on the insolvency of the other party. The Investment Management Agreement will also terminate with immediate effect if the Investment Manager ceases to be authorised and regulated by the FCA to carry out its obligations under the Investment Management Agreement. The Investment Manager is entitled to terminate the Investment Management Agreement with immediate effect by notice in writing if the FCA requires it to cease acting as the AIFM of the Company or it is unable to ensure compliance by the Company with the AIFM Regime, and is further entitled to resign its appointment under the Investment Management Agreement on 60 days’ written notice if the Company commits any material breach of its obligations under the Investment Management Agreement which it fails to rectify within 30 days of written notice from the Investment Manager of such breach.

The Company has given certain market standard warranties and indemnities in favour of the Investment Manager, including an indemnity in respect of the Investment Manager’s potential losses in carrying on its responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by English law.

## 6.2 Sponsor Engagement Letter

On 16 May 2022, the Company, the Investment Manager and Investec entered into a sponsor engagement letter pursuant to which Investec has agreed to act as the Company’s sponsor for the purposes of the Listing Rules in relation to the publication of this document. The Sponsor Engagement Letter contains customary warranties given by the Company and the Investment Manager to Investec in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Investment Manager have agreed to indemnify Investec in relation to certain liabilities that it may incur in respect of the publication of this document. The obligations of Investec under the Sponsor Engagement Letter are subject to certain conditions and Investec has the right to terminate the Sponsor Engagement Letter in certain circumstances including, without limitation, in the event of a material breach by the Company or the Investment Manager to comply in any material respect with their respective obligations under the Sponsor Engagement Letter, the occurrence of a force majeure event or a material adverse change in the financial condition of the Company. Under the terms of the Sponsor Engagement Letter, the Company has agreed to pay Investec a corporate finance fee. The Sponsor Engagement Letter is governed by the laws of England and Wales.

## 6.3 Sponsor Agreement

On 15 November 2021, the Company, the Investment Manager and Investec entered into a sponsor agreement pursuant to which Investec agreed to act as the Company’s sponsor for the purposes of the Listing Rules in relation to the Company’s open offer, offer for subscription and intermediaries offer that took place in November 2021. The sponsor agreement contained customary warranties given by the Company and the Investment Manager to Investec in relation to, *inter alia*, certain matters relating to the Company and its business. In addition, the Company and the Investment Manager have agreed to indemnify Investec in relation to certain liabilities that it may incur in respect of the Company’s open offer, offer for subscription and intermediaries offer that took place in November 2021. The obligations of Investec under the sponsor agreement were subject to certain conditions and Investec had the right

to terminate the sponsor agreement in certain circumstances prior to admission of the Shares to be issued pursuant to the Company's open offer, offer for subscription and intermediaries offer that took place in November 2021 including, without limitation, in the event of a material breach by the Company or the Investment Manager to comply in any material respect with their respective obligations under the sponsor agreement, the occurrence of a force majeure event or a material adverse change in the financial condition of the Company. Under the terms of the sponsor agreement, the Company agreed to pay Investec a corporate finance fee and commissions in respect of Shares to be allotted pursuant to the Company's open offer, offer for subscription and intermediaries offer that took place in November 2021. The sponsor agreement is governed by the laws of England and Wales.

#### **6.4 Broker Agreement**

Pursuant to an engagement letter dated 21 December 2017 between the Company and Canaccord and a novation agreement relating thereto dated 18 June 2019 and with effect from 22 June 2019 between the Company, Canaccord and Investec, Investec has agreed to act as broker and financial adviser to the Company by providing advisory and corporate broking services. The Company has given certain market standard indemnities to Investec in the provision of its services. Either the Company or Investec may terminate the Broker Agreement with immediate effect at any time without liability. The Broker Agreement is governed by the laws of England.

#### **6.5 Administration and Secretarial Agreement**

Pursuant to an administration and secretarial agreement dated 1 April 2019 the Company, the Administrator and the Investment Manager, the Administrator has agreed to act as administrator and company secretary to the Company.

Under the terms of the Administration and Secretarial Agreement, the Administrator shall provide the day-to-day administration of the Company and is also responsible for the Company's general administrative functions, such as the calculation in conjunction with the Investment Manager, and publication of the Net Asset Value and maintenance of the Company's accounting and statutory records, and providing the company secretarial functions required by the Companies Law and the Rules.

The Company and the Investment Manager have each given certain warranties in favour of the Administrator that are standard for an agreement of this nature, including, in respect of the Company, warranties concerning the Company's status, capacity and authority to enter into, and perform its obligations under, the Administration and Secretarial Agreement. The Company has also given customary indemnities in favour of the Administrator, including in respect of the Administrator's potential losses in carrying on its responsibilities under the Administration and Secretarial Agreement.

The Administration and Secretarial Agreement, amongst other termination rights, is terminable upon not less than 90 calendar days' written notice. The Administration and Secretarial Agreement is also terminable immediately upon the occurrence of certain customary termination events including the insolvency of any party, a party committing a material or persistent breach of the Administration and Secretarial Agreement (where such breach has not been remedied within 30 days of written notice being given) or any party acting in violation or default or in non-compliance with any securities or taxation laws or regulations applicable to them.

The Administration and Secretarial Agreement is governed by Guernsey law.

#### **6.6 Depositary Agreement**

Pursuant to a depositary agreement dated 10 July 2014 between the Company, the Investment Manager and the Depositary, as amended pursuant to the variation letter dated 17 November 2014 between the same parties, the Depositary has been appointed to provide custody and "depo-lite" depositary services to the Company, which includes, *inter alia*, monitoring the Company's cash flows and the safekeeping of the assets of the Company. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

The Depositary is entitled to a depositary fee, payable monthly in arrears, of one basis point per annum of the Net Asset Value of the Company up to £100 million, falling to 0.80 basis points per annum on the next £100 million of the Company's Net Asset Value and to 0.60 basis points per annum of the Company's Net Asset Value thereafter, subject to a minimum of £20,000 per annum. In addition, the Depositary is entitled to custody fees and certain other fees for ad hoc services rendered from time to time. The Depositary is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred in connection with its duties.

The Depositary Agreement is terminable by any party giving 90 days' written notice to the other parties. The Depositary Agreement may be terminated with immediate effect by either the Company or the Depositary on the occurrence of certain events, including, *inter alia*: (i) any party having committed a material breach of the terms of the Depositary Agreement (where such breach has not been remedied within 30 days of written notice being given); (ii) the insolvency of a party; and where fraud is proven against the Company or the Investment Manager.

The Company and the Investment Manager have given certain market standard warranties in favour of the Depositary, and the Company has also given certain market standard indemnities in favour of the Depositary in respect of the Depositary's potential losses in carrying on its responsibilities under the Depositary Agreement.

The Depositary Agreement is governed by the laws of Guernsey.

## **6.7 Registrar Agreement**

Pursuant to a registrar agreement dated 26 August 2014 between the Company and the Registrar as amended pursuant to variation letters dated 27 January 2015, 16 March 2018 and 30 July 2018, the Registrar has agreed to act as registrar to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account per annum, subject to a minimum fee. The fee is subject to increase in line with the RPI; any proposed increases above RPI require the Company's agreement but, if rejected, trigger the Registrar's right to terminate the Registrar Agreement on six months' written notice. The Registrar is also entitled to activity fees under the Registrar Agreement, and to reimbursement of charges and costs incurred in performing its duties.

The Registrar Agreement may be terminated on six months' notice, such notice not to expire prior to the end of the third year of appointment, and is also terminable on written notice in the event of, *inter alia*, breach of the agreement (which has not been remedied within 21 days' written notice of such breach) or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of Guernsey.

## **7 TAKEOVER CODE**

### **7.1 Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

## 7.2 Compulsory acquisition

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved or accepted by shareholders comprising not less than 90 per cent. in value of the shares affected, then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, give notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire the dissenting shareholders’ shares on the terms of the offer approved by the shareholders comprising not less than 90 per cent. in value of the shares affected; and where the terms of the offer provided a choice of consideration, the Acquisition Notice must give particulars of the choice and state, (a) the period within which, and the manner in which, the dissenting shareholder must notify the offeror of his choice, and (b) which consideration specified in the offer will apply if it does not so notify the offeror.

## 8 OPERATING AND FINANCIAL REVIEW

The Historical Financial Information, which has been incorporated by reference into this document, includes, on the pages specified below, descriptions of the Company’s financial condition (in both capital and revenue terms), details of the Company’s investment activity and portfolio exposure and changes in its financial condition for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 and the six month period ended 31 December 2021:

	<i>Annual Report for the financial year ended 30 June 2019 Page nos.</i>	<i>Annual Report for the financial year ended 30 June 2020 Page nos.</i>	<i>Annual Report for the financial year ended 30 June 2021 Page nos.</i>	<i>Half-yearly Financial Report for the period ended 31 December 2021 Page nos.</i>
Investment Manager’s report	15 to 22	18 to 23	19 to 31	14 to 28
Responsible investment report	N/a	N/a	32 to 38	N/a
Top ten holdings	23	24	39	29
Report of the Directors	26 to 31	27 to 32	42 to 47	N/a

## 9 WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

## 10 CAPITALISATION AND INDEBTEDNESS

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 March 2022:

	<i>31 March 2022</i> <i>(Unaudited)</i> <i>(£'000)</i>
Total current debt:	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
	<hr/>
Total current debt	–
	<hr/>
Total non-current debt (excluding current portion of long-term debt):	
Secured	–
Unguaranteed/unsecured	–
	<hr/>
Total non-current debt	–
	<hr/>
<b>Total indebtedness</b>	<hr/> <b>–</b> <hr/>

The following table shows the Company's capitalisation as at 31 December 2021, being the date of the Company's last published interim accounts. Save for net capital raises of, in aggregate, £152,059,385 pursuant to the issue of Tap Shares between 1 January 2022 and the date of this document, there has been no material change to this information since 31 December 2021:

	<i>31 December 2021</i> <i>(Unaudited)</i> <i>(£'000)</i>
<b>Capitalisation<sup>(1)</sup></b>	
Share capital	374,638
Capital reserve	231,491
Other reserves <sup>(2)</sup>	95,050
	<hr/>
<b>Total capitalisation</b>	<hr/> <b>701,179</b> <hr/>

The following table shows the Company's unaudited net indebtedness as at 31 March 2022:

	<i>31 March 2022</i> <i>(Unaudited)</i> <i>(£'000)</i>
Cash	55,663
Cash equivalent	–
Trading securities <sup>(3)</sup>	–
	<hr/>
Liquidity	55,663
	<hr/>
Current financial receivables	–
Current bank debt	–
Current portion of non-current debt	–
Other current financial debt	–
	<hr/>
Current financial debt	–
	<hr/>
Net-current financial liquidity	55,663
	<hr/>
Non-current bank loans	–
Bonds issued	–
Other non-current loans	–
Non-current financial indebtedness	–
	<hr/>
<b>Net financial liquidity</b>	<hr/> <b>55,663</b> <hr/>

As at 31 March 2022, the Company had no indirect or contingent indebtedness.

Notes to the capitalisation and net indebtedness statement

- <sup>(1)</sup> Capitalisation does not include the profit and loss reserve in accordance with the ESMA update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No. 809/2004.
- <sup>(2)</sup> 'Other reserves' represents amounts converted from share premium in 2004 and 2008.
- <sup>(3)</sup> 'Trading securities' excludes investments made in line with the Company's investment policy.
- <sup>(4)</sup> The indebtedness statement excludes receivables in respect of the proceeds of share issues (£12,220,000), receivables in respect of sale of securities awaiting settlement (£20,000), fixed interest income receivable (£864,000) and dividends receivable (£999,000).

## 11 SIGNIFICANT CHANGE

Save for net capital raises of, in aggregate, £152,059,385 pursuant to the issue of Tap Shares between 1 January 2022 and the date of this document, there has been no significant change in the financial position of the Company since 31 December 2021, being the end of the last financial period for which unaudited interim accounts of the Company have been published.

## 12 LITIGATION

There are no governmental, legal or arbitration proceedings nor, so far as the Company is aware, are any such proceedings pending or threatened which may have, or have had during (at least) the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Company.

## 13 DEALING CODES AND LEI

13.1 The dealing codes for the Shares are as follows:

ISIN	GB00B018CS46
SEDOL	B018CS4
TIDM	RICA

13.2 The LEI for the Company is 21380068AHZKY7MKNO47.

## 14 GENERAL

- 14.1 Where third party information has been referenced in this document, the source of that third party information has been disclosed. All information in this document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 14.2 The auditors of the Company are Deloitte LLP of Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 3HW, who have been the only auditor of the Company for the period of the Historical Financial Information. Deloitte LLP is a member firm of the Institute of Chartered Accountants for England and Wales.
- 14.3 Investec has given and not withdrawn its consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 14.4 Ruffer AIFM Limited, whose registered office is located at 80 Victoria Street, London, SW1E 5JL (telephone number +44 (0)207 963 8100), acts as the investment manager of the Company. The Investment Manager was incorporated in England and Wales as a private limited company on 13 December 2013 under the Companies Act 2006 (registration number 08813919). The Investment Manager is an FCA authorised and regulated fund manager under FSMA with reference number 613490. The Investment Manager has been entered onto the UK register of UK AIFMs as a 'full-scope UK AIFM'. The Investment Manager has given and not withdrawn its consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 14.5 Northern Trust (Guernsey) Limited, whose registered office is located at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA (telephone number +44 (0)1481 745 000), acts as the Company's



depository and custodian and has certain specific custody, safekeeping, monitoring and oversight duties in respect of the assets of the Company. The Depository was incorporated with limited liability in Guernsey on 19 September 1972 with registration number 2651 and is a wholly-owned indirect subsidiary of Northern Trust Corporation, a corporation established in the United States. The Depository is authorised by GFSC (registration number 33). The principal business of NTGL is the provision of custodial, banking, depository and related financial services.

## **15 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available (i) for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the life of this document, and (ii) on the Company's website ([ruffer.co.uk/ric](http://ruffer.co.uk/ric)):

- (a) the Memorandum and Articles of the Company;
- (b) the Historical Financial Information; and
- (c) this document.

Dated: 16 May 2022

## Part 10

### Fund 3.2 Disclosures

The AIFM Regime requires certain disclosures to be made by UK AIFMs, such as the Investment Manager, when they market interests in an alternative investment fund to investors located in the United Kingdom.

In addition, the EU AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA (the “**Operative Provisions**”). These do not currently apply to fund managers established outside the EEA, such as the Investment Manager. Rather, non-EEA managers are only required to comply with certain disclosure, reporting and transparency obligations of the EU AIFM Directive (the “**Disclosure Provisions**”) and, even then, only if the non-EEA manager markets shares in an alternative investment fund to EEA domiciled investors within the EEA. Where the Disclosure Provisions appear to require disclosure on an Operative Provision which does not apply to the Company, no meaningful disclosure can be made. These Operative Provisions include prescriptive rules on measuring and capping leverage in line with known European standards, the treatment of investors, liquidity management, the use of “depositories” and cover for professional liability risks.

This document contains the information required to be made available to investors in the Company before they invest, pursuant to the AIFM Regime and the EU AIFM Directive. Article 23 of the EU AIFM Directive has been implemented in the United Kingdom through Chapter 3.2 of the Investment Funds sourcebook of the FCA Handbook (“**FUND 3.2**”). The table below sets out information required to be disclosed pursuant to FUND 3.2 and the EU AIFM Directive and related national implementing measures.

This document contains solely that information that Ruffer AIFM Limited (as the AIFM of the Company) is required to make available to investors pursuant to the AIFM Regime and the EU AIFM Directive and should not be relied upon as the basis for any investment decision.

<i>Regulatory Reference</i>	<i>DISCLOSURE REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE</i>
<i>EU AIFM Directive Article 23</i>	<i>FUND 3.2.2R</i>	
1(a)	1(a) a description of the investment strategy and objectives of the Company	Information on the investment strategy and objectives of the Company are outlined in paragraphs 4 and 6 of Part 5 ( <i>The Company</i> ) of this document.
1(a)	1(b) if the Company is a feeder fund, information on where the master fund is established;	Not applicable.
1(a)	1(c) if the Company is a fund of funds, information on where the underlying funds are established;	Not applicable.
1(a)	1(d) a description of the types of assets in which the Company may invest;	The types of assets in which the Company may invest are outlined in paragraph 4 of Part 5 ( <i>The Company</i> ) of this document.
1(a)	1(e) the investment techniques that the Company may employ and all associated risks;	The investment techniques used by the Company are described in paragraphs 4 and 6 of Part 6 ( <i>The Company</i> ) of this document.  Part 2 ( <i>Risk Factors</i> ) of this document provides an overview of the risks involved in investing in the Company.
1(a)	1(f) any applicable investment restrictions;	The investment restrictions applicable to the Company are set out in paragraph 4 of Part 5 ( <i>The Company</i> ) of this document under the heading “Investment restrictions”.

<i>Regulatory Reference</i> EU AIFM Directive Article 23	<i>FUND</i> 3.2.2R	<i>DISCLOSURE REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE</i>
1(a)	1(g)	the circumstances in which the Company may use leverage;	The circumstances in which the Company may use leverage, and the restrictions on the use of leverage, are described in paragraph 4 of Part 5 ( <i>The Company</i> ) of this document under the heading "Borrowing and gearing policy".
1(a)	1(h)	the types and sources of leverage permitted and the associated risks;	The AIFM Regime and the EU AIFM Directive prescribe two methods of measuring and expressing leverage (as opposed to gearing) and require disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing.  Certain risks associated with the Company's use of leverage are described in Part 2 ( <i>Risk Factors</i> ) of this document.
1(a)	1(i)	the maximum level of leverage which the AIFM is entitled to employ on behalf of the Company;	Without prejudice to the foregoing (in compliance with the investment policy concerning gearing), the Company has set a maximum amount of leverage of 250 per cent. on a gross basis and 150 per cent. on a commitment basis.
1(a)	1(j)	any collateral and asset reuse arrangements;	Not applicable.
1(b)	2	a description of the procedures by which the Company may change its investment strategy or investment policy, or both;	The Company will not make any material change to its published investment policy without the approval of Shareholders by way of an ordinary resolution at a general meeting. Any change to the investment policy which does not amount to a material change to the investment policy may be made by the Company without the approval of the Shareholders.
1(c)	3	a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, the applicable law and the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the Company is established;	The Company is a company limited by shares, incorporated in Guernsey. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.  Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Law. Under Guernsey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of incorporation; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. If a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

### ***Jurisdiction and applicable law***

As noted above, Shareholders' rights are governed principally by the Articles and the Companies Law. By subscribing for Shares, investors agree to be bound by the Articles, which are governed by, and construed in accordance with, the laws of Guernsey.

### ***Recognition and enforcement of foreign judgments***

Subject to the provisions and requirements of Guernsey's reciprocal enforcement legislation, the Royal Court in Guernsey (the "**Royal Court**") will recognise as a valid judgment and, without review of its substance, enforce any final and conclusive judgment obtained against the Company in the superior courts of a defined list of jurisdictions. The requirements of such reciprocal enforcement legislation include that the relevant judgment be given by a superior court of competent jurisdiction and that it be: (i) final and conclusive as between the parties thereto; and (ii) in respect of a sum of money not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty. The relevant legislation provides further that the registration of any such judgment may be set aside if, *inter alia*, the Royal Court is satisfied that: (i) the judgment is not a judgment to which reciprocal enforcement legislation applies or was registered in contravention of such reciprocal enforcement legislation; (ii) relevant superior courts have no jurisdiction in the circumstances of the case or the judgment debtor, being the defendant in the proceedings in the original court, did not receive notice of proceedings in the original court in sufficient time to enable him to defend the proceedings and did not appear; (iii) the judgment was obtained by fraud; (iv) enforcement would be contrary to public policy in Guernsey; or (v) the rights under the judgment are not vested in the person by whom the application for registration was made. The Royal Court would recognise as a valid judgment any final and conclusive judgment obtained in certain other jurisdictions against the Company and would give judgment based thereon without reconsideration of the merits, assuming proper service of process and assumption of jurisdiction in accordance with the laws of such jurisdictions if: (i) the judgment was for a fixed or ascertainable sum of money; (ii) the judgment was not obtained by fraud or in a manner opposed to the principles of natural justice; (iii) the judgment was not obtained in proceedings of a penal or taxation character; and (iv) recognition of the judgment is not contrary to public policy as applied by the Royal Court.

<i>Regulatory Reference</i>	<i>DISCLOSURE REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE</i>
<i>EU AIFM Directive Article 23</i>	<i>FUND 3.2.2R</i>	
1(d)	4	<p>the identity of the AIFM, the Company's depositary, the auditor and any other service providers and a description of their duties and the investors' rights;</p> <p><b>Investment Manager:</b></p> <p>Pursuant to the Investment Management Agreement, the Company has appointed Ruffer AIFM Limited to act as the Company's AIFM. The Investment Manager will maintain responsibility for implementing appropriate portfolio and risk management standards and procedures for the Company and will also carry out the on-going oversight functions and ensure compliance with the applicable requirements of the AIFM Regime and EU AIFM Directive.</p> <p>Further details of the Investment Management Agreement are set out in paragraph 6.1 of Part 9 (<i>General Information</i>) of this document.</p> <p><b>Administrator and Company Secretary:</b></p> <p>Pursuant to the Administration and Secretarial Agreement, the Company has appointed Sanne Fund Services (Guernsey) Limited as the Company's administrator and company secretary. The Administrator and Company Secretary will provide the day-to-day administration of the Company and will also be responsible for the Company's general administrative functions, such as the calculation (in conjunction with the Investment Manager) and publication of the Net Asset Value, the maintenance of the Company's accounting and statutory records, and providing the company secretarial functions required by the Companies Law and the Rules.</p> <p>Further details of the Administration and Secretarial Agreement are set out in paragraph 6.5 of Part 9 (<i>General Information</i>) of this document.</p> <p><b>Registrar:</b></p> <p>The Company will utilise the services of Computershare Investor Services (Guernsey) Limited as registrar in relation to the transfer and settlement of Shares.</p> <p>Further details of the Registrar Agreement pursuant to which the Registrar has been appointed to act as the Company's registrar are set out in paragraph 6.7 of Part 9 (<i>General Information</i>) of this document.</p> <p><b>Depositary and Custodian:</b></p> <p>Pursuant to the Depositary Agreement, Northern Trust (Guernsey) Limited has been appointed to provide custody and "depo-lite" depositary services to the Company, which includes, <i>inter alia</i>, monitoring the Company's cash flows and the safekeeping of the assets of the Company.</p> <p>Further details of the Depositary Agreement are set out in paragraph 6.6 of Part 9 (<i>General information</i>) of this document.</p>

**Auditor:**

Deloitte LLP provides audit services to the Company. The Auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

**Investors' rights**

The Company is reliant on the performance of third party service providers, including the Investment Manager, the Administrator, the Depositary, the Auditor and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

If a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against FCA authorised service providers (having complained to the provider first) to the Financial Ombudsman Service ("**FOS**") (further details of which are available at [www.fscs.org.uk](http://www.fscs.org.uk)). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("**FSCS**") if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation. Further information about the FSCS can be found at [www.fscs.org.uk](http://www.fscs.org.uk). To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal adviser.

<i>Regulatory Reference</i> <i>EU AIFM</i> <i>Directive</i> <i>Article 23</i>	<i>FUND</i> <i>3.2.2R</i>	<i>DISCLOSURE</i> <i>REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF</i> <i>RELEVANT DISCLOSURE</i>
1(e)	5	a description of how the Company complies with the requirements referred to in IPRU-INV 11.3.11G (Professional negligence) relating to professional liability risk;	In order to cover potential professional liability risks resulting from the Investment Manager's activities, the Investment Manager holds a professional indemnity insurance policy against liability arising from professional negligence which is appropriate to the risks.
1(f)	6	a description of:	
1(f)	6(a)	any management function delegated by the Investment Manager;	Not applicable.
1(f)	6(b)	any safe-keeping function delegated by the depositary;	The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.
1(f)	6(c)	the identity of each delegate appointed in accordance with FUND 3.10 (Delegation); and	<p>The following activities are delegated by the Investment Manager to its parent entity, Ruffer LLP, for the Company and other AIFs it manages:</p> <ul style="list-style-type: none"> <li>● dealing in investments, including currencies, and associated settlement activities for all the AIFs managed by the Investment Manager, including the Company. The Investment Manager retains its portfolio management function activities but the deals that the Investment Manager wants to carry out for the Company will be done by Ruffer LLP; and</li> <li>● voting on securities held by all the AIFs managed by the Investment Manager, including the Company. This enables securities managed by different entities in the Ruffer group to be collated for the purposes of voting and major shareholding notifications.</li> </ul>
1(f)	6(d)	any conflicts of interest that may arise from such delegations;	No conflicts. One of the reasons behind the aforementioned delegations is to mitigate conflicts that could arise if the activities were not delegated.
1(g)	7	(7) a description of the Company's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing any hard-to-value assets, in line with FUND 3.9 (Valuation);	A description of the Company's valuation procedure is outlined in paragraph 9 of Part 5 ( <i>The Company</i> ) of this document. The Company will not actively invest in hard-to-value assets. In the event unquoted or illiquid stock is held, where a published price or valuation in relation to an underlying investment is not available, the Administrator will seek to obtain an appropriate value from either an independent third party or from the Investment Manager, who would provide a best estimate of the fair value.



<i>Regulatory Reference</i> <i>EU AIFM</i> <i>Directive</i> <i>Article 23</i>	<i>DISCLOSURE</i> <i>REQUIREMENT</i>  <i>FUND</i> <i>3.2.2R</i>	<i>DISCLOSURE OR LOCATION OF</i> <i>RELEVANT DISCLOSURE</i>
1(h)	8	<p>a description of the Company's liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors;</p> <p>The Company has a Redemption Facility (which takes the form of a tender offer to all holders of Shares). 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 per cent. in aggregate of the Shares then in issue, with any tender requests from Shareholders in excess of this being scaled back <i>pro rata</i>.</p> <p>Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. In managing the Company's assets, therefore, the Investment Manager will seek to ensure that the Company holds at all times a portfolio of assets that is sufficiently liquid to enable it to discharge its liabilities.</p> <p>The Company is a closed-ended investment company with a fixed pool of capital and may from time to time at the absolute discretion of the Board undertake share buy backs. However, it is generally expected that investors seeking an exit from their investment will do so by disposing of their Shares in the secondary market, subject to the prevailing liquidity conditions.</p>
1(i)	9	<p>a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors;</p> <p>The Company incurs annual fees, charges and expenses in connection with the day to day running of the Company. The ongoing charges ratio as at 30 June 2021 was 1.08 per cent., calculated in accordance with AIC guidance, which is expected to reduce somewhat as fixed costs are spread over a larger capital base following the issue of new Shares.</p> <p>The Investment Manager has prepared a key information document ("<b>KID</b>") in respect of the Shares as required under the PRIIPs Regulation. That regulation requires costs to be calculated and presented in accordance with detailed and prescriptive rules. The KID is available on the Company's website: <a href="http://ruffer.co.uk/ric">ruffer.co.uk/ric</a></p> <p>The on-going annual expenses of the Company for the period ending 30 June 2022 relative to the Net Asset Value is expected to be approximately 1.07 per cent.</p> <p>Given that many of the fees are irregular in their nature, the maximum amount of fees, charges and expenses that Shareholders will bear in relation to their investment cannot be disclosed in advance.</p>

<i>Regulatory Reference</i>	<i>DISCLOSURE REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE</i>
<i>EU AIFM Directive Article 23</i>	<i>FUND 3.2.2R</i>	
1(j)	10	<p>a description of how the AIFM ensures a fair treatment of investors;</p> <p>The Directors of the Company have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. The Company must comply with the FCA's Premium Listing Principles which require the Company to treat all Shareholders of a given class equally.</p> <p>The Investment Manager maintains a conflicts of interest policy to avoid and manage any conflicts of interest that may arise between it and the Company.</p> <p>No investor has a right to obtain preferential treatment in relation to their investment in the Company and the Company does not give preferential treatment to any investors.</p> <p>The Shares of each class rank <i>pari passu</i> with all Shares of the same class.</p>
1(j)	11(a) to 11(c)	<p>whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of: that preferential treatment; the type of investors who obtain such preferential treatment; and where relevant, their legal or economic links with the AIF or the AIFM;</p> <p>Not applicable.</p>
1(l)	12	<p>the procedure and conditions for the issue and sale of units or shares;</p> <p>New Shares may be issued at the Board's discretion and providing relevant Shareholder issuance authorities are in place.</p> <p>The Company has a Redemption Facility (which takes the form of a tender offer to all holders of Shares). 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 per cent. in aggregate of the Shares then in issue, with any tender requests from Shareholders in excess of this being scaled back <i>pro rata</i>.</p> <p>While the Company will typically have Shareholder authority to buy back Shares, any such buy back is at the absolute discretion of the Board and no expectation or reliance should be placed on the Board exercising such discretion. It is generally expected that investors seeking an exit from their investment will do so by disposing of their Shares in the secondary market, subject to the prevailing liquidity conditions.</p>

<i>Regulatory Reference</i> <i>EU AIFM</i> <i>Directive</i> <i>Article 23</i>	<i>FUND</i> <i>3.2.2R</i>	<i>DISCLOSURE</i> <i>REQUIREMENT</i>	<i>DISCLOSURE OR LOCATION OF</i> <i>RELEVANT DISCLOSURE</i>
1(m)	13	the latest net asset value of the Company or the latest market price of the unit or share of the Company, in line with FUND 3.9 (Valuation);	The latest published unaudited NAV per Share of the Company, being as at 10 May 2022, is £3.0168 and can be found in the 'Announcements' section of the Company's website: <a href="http://ruffer.co.uk/ric">ruffer.co.uk/ric</a>
1(k)	14	the latest annual report, in line with FUND 3.3 (Annual report of an AIF);	The Company's latest annual report can be found under the heading 'Documents and Announcements' on the Company's website: <a href="http://ruffer.co.uk/ric">ruffer.co.uk/ric</a>
1(n)	15	where available, the historical performance of the Company;	The Company's historic annual and interim financial statements can be found under the heading 'Documents and Announcements' on the Company's website: <a href="http://ruffer.co.uk/ric">ruffer.co.uk/ric</a>
1(o)	16(a)	the identity of the prime brokerage firm;	Not applicable.
1(o)	16(b)	a description of any material arrangements of the Company with its prime brokerage firm and the way any conflicts of interest are managed;	Not applicable.
1(o)	16(c)	the provision in the contract with the depositary on the possibility of transfer and reuse of Company assets; and	The Depositary Agreement provides at clause 5.18 that neither the Depositary or any sub-custodian appointed thereunder shall reuse the assets (provided that cash is excluded) of the Company.
1(o)	16(d)	information about any transfer of liability to the prime brokerage firm that may exist; and	Not applicable.
1(p)	17	a description of how and when the information required under FUND 3.2.5 R and FUND 3.2.6 R will be disclosed.	<p>The Investment Manager as AIFM is required under the AIFM Regime to make certain periodic disclosures to Shareholders of the Company.</p> <p>Under the AIFM Regime, the Investment Manager must periodically disclose to Shareholders:</p> <ul style="list-style-type: none"> <li>● the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;</li> <li>● any new arrangements for managing the liquidity of the Company; and</li> <li>● the current risk profile of the Company and the risk management systems employed by the Investment Manager to manage those risks.</li> </ul> <p>This information shall be disclosed as part of the Company's annual and half year reporting to Shareholders.</p>

Under the AIFM Regime, the Investment Manager must disclose to Shareholders on a regular basis:

- any changes to: (i) the maximum level of leverage that the Investment Manager may employ on behalf of the Company; and (ii) any right or re-use of collateral (including any security, guarantee or indemnity) or any guarantee granted under the leveraging arrangement; and
- the total amount of leverage employed by the Company.

Information on changes to the maximum level of leverage and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be provided without undue delay.

Information on the total amount of leverage employed by the Company shall be disclosed as part of the Company's periodic reporting to Shareholders.

Without limitation to the generality of the foregoing, any information required to be disclosed may be disclosed to Shareholders: (i) in the Company's annual report or half-yearly report; (ii) by the Company issuing an announcement via a RIS; (iii) in a subsequent prospectus; and/or (iv) by the Company publishing the relevant information on [ruffer.co.uk/ric](http://ruffer.co.uk/ric).

## Part 11

### Definitions

The following definitions apply throughout this document unless the context otherwise requires.

<b>2021 AGM</b>	the annual general meeting of the Company held on 3 December 2021
<b>2022 EGMs</b>	the First 2022 EGM and the Second 2022 EGM
<b>Administration and Secretarial Agreement</b>	the administration and secretarial agreement dated 1 April 2019 between the Company, the Administrator and the Investment Manager, a summary of which is set out in paragraph 6.5 of Part 9 ( <i>General Information</i> ) of this document
<b>Administrator or Company Secretary</b>	Sanne Fund Services (Guernsey) Limited
<b>Affiliate</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the person specified, and includes in the case of Investec any affiliate as such term is defined in Rule 405 under the US Securities Act
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance published by the AIC from time to time
<b>AIF</b>	an alternative investment fund within the meaning of the EU AIFM Directive and the AIFM Regime (as appropriate)
<b>AIFM</b>	an alternative investment fund manager within the meaning of the EU AIFM Directive and the AIFM Regime (as appropriate)
<b>AIFM Regime</b>	together, The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds Sourcebook forming part of the FCA Handbook
<b>Articles</b>	the articles of incorporation of the Company
<b>Auditor</b>	Deloitte LLP
<b>Board</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Broker Agreement</b>	the engagement letter dated 21 December 2017 between the Company and Canaccord and a novation agreement relating thereto dated 18 June 2019 and with effect from 22 June 2019 between the Company, Canaccord and Investec, pursuant to which Investec has agreed to act as broker and financial adviser to the Company, a summary of which is set out in paragraph 6.4 of Part 9 ( <i>General Information</i> ) of this document
<b>Business Day</b>	any day which is not a Saturday or Sunday or a bank holiday in the City of London

<b>C Share</b>	voting convertible shares of 0.1p each in the capital of the Company, as described in paragraph 5.3(b) of Part 9 ( <i>General Information</i> ) of this document
<b>Calculation Time</b>	has the meaning given in paragraph 5.3(b)(i) of Part 9 ( <i>General Information</i> ) of this document
<b>Canaccord</b>	Canaccord Genuity Limited
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Companies Law</b>	the Companies (Guernsey) Law, 2008 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Ruffer Investment Company Limited
<b>Conversion Ratio</b>	has the meaning given in paragraph 5.3(b)(i) of Part 9 ( <i>General Information</i> ) of this document
<b>Conversation Time</b>	has the meaning given in paragraph 5.3(b)(i) of Part 9 ( <i>General Information</i> ) of this document
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>CREST Guernsey Requirements</b>	Rule 8 and such other rules and requirements of CREST as may be applicable to issuers from time to time specified in the CREST Manual
<b>CREST Regulation</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Custodian</b>	Northern Trust (Guernsey) Limited
<b>Daily Official List</b>	the daily official list of the London Stock Exchange
<b>Deferred Shares</b>	the redeemable deferred shares of 0.01p each in the capital of the Company, as described in paragraph 5.3(b) of Part 9 ( <i>General Information</i> ) of this document
<b>Depository</b>	Northern Trust (Guernsey) Limited
<b>Depository Agreement</b>	the depository agreement dated 10 July 2014 between the Company, the Investment Manager and the Depository, as amended pursuant to the variation letter dated 17 November 2014 between the same parties, a summary of which is set out in paragraph 6.6 of Part 9 ( <i>General Information</i> ) of this document
<b>Directors</b>	the directors from time to time of the Company and “ <b>Director</b> ” is to be construed accordingly
<b>Disclosure Guidance and Transparency Rules or DTRs</b>	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time



<b>DP Legislation</b>	the laws which govern the handling of personal data, including but not limited to, the Data Protection (Bailiwick of Guernsey) Law, 2017 and any other legislation in Guernsey concerning data protection, the General Data Protection Regulation (EU) 2016/679 and any other applicable laws implementing that regulation or related to data protection
<b>EEA</b>	European Economic Area
<b>ERISA</b>	US Employee Retirement Income Security Act of 1974, as amended
<b>ESG</b>	environmental and social governance
<b>EU AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>European Union</b> or <b>EU</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992
<b>Euros</b> or <b>EUR</b> or <b>€</b>	the lawful currency of participating member states of the European Union
<b>FATCA</b>	the US Foreign Account Tax Compliance Act of 2010, as amended from time to time
<b>FCA</b>	the Financial Conduct Authority or any successor authority
<b>FCA Handbook</b>	the FCA handbook of rules and guidance as amended from time to time
<b>First 2022 EGM</b>	the extraordinary general meeting of the Company held on 25 February 2022
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>GFSC</b>	the Guernsey Financial Services Commission
<b>Historical Financial Information</b>	has the meaning given to it at Part 12 ( <i>Documents Incorporated by Reference</i> ) of this document
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>Investment Management Agreement</b>	the investment management agreement dated 10 July 2014 between the Company and the Investment Manager
<b>Investment Manager</b>	Ruffer AIFM Limited
<b>IPO</b>	the admission of the Company's entire issued share capital to the premium segment of the Official List and to trading on the Main Market, which took place on 8 July 2004
<b>ISA</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)

<b>ISIN</b>	International Securities Identification Number
<b>Key Information Document or KID</b>	the key information document(s) relating to the Shares and/or any other class of shares issued by the Company from time to time (as the context requires), produced pursuant to the PRIIPs Regulation, as amended and updated from time to time
<b>LEI</b>	Legal Entity Identifier
<b>Listing Rules</b>	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>London Stock Exchange or LSE</b>	London Stock Exchange plc
<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time which is part of UK law by virtue of the European Union (Withdrawal) Act 2018
<b>Memorandum</b>	the memorandum of incorporation of the Company
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID") and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (together with MiFID, " <b>MiFID II</b> "), as amended from time to time
<b>Net Asset Value or NAV</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
<b>Net Asset Value per Share</b>	at any time the Net Asset Value divided by the number of Shares in issue (other than Shares held in treasury) at the date of calculation
<b>Nominal Shares</b>	non-participating shares of 0.01p each in the capital of the Company, as described in paragraph 5.3(c) of Part 9 ( <i>General Information</i> ) of this document
<b>Official List</b>	the official list maintained by the FCA pursuant to Part VI of FSMA
<b>POI Law</b>	the Protection of Investors (Bailiwick of Guernsey) Law, 2020
<b>PRIIPs Regulation</b>	the UK version of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products and its implementing and delegated acts which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019
<b>Prospectus Regulation</b>	the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc.) (EU Exit) Regulations 2019

<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>QIB</b>	qualified institutional buyer as defined in Rule 144A
<b>Redemption Date</b>	if the Directors at their sole discretion decide to operate the Redemption Facility, such date as may be nominated by the Board being such date as may be nominated by the Board in November of any year
<b>Redemption Facility</b>	the facility allowing Shareholders to redeem their Shares which will be operated by the Directors at their sole discretion as further described under the heading “Redemption Facility” in paragraph 12.2 of Part 5 ( <i>The Company</i> ) of this document
<b>Register</b>	the register of Shareholders of the Company
<b>Registrar</b>	Computershare Investor Services (Guernsey) Limited
<b>Registrar Agreement</b>	the registrar agreement dated 26 August 2014 between the Company and the Registrar as amended pursuant to variation letters dated 27 January 2015, 16 March 2018 and 30 July 2018, a summary of which is set out in paragraph 6.7 of Part 9 ( <i>General Information</i> ) of this document
<b>Regulation S</b>	Regulation S promulgated under the US Securities Act, as amended from time to time
<b>Regulatory Information Service or RIS</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>RPI</b>	the Retail Price Index published by the UK Office for National Statistics
<b>Ruffer</b>	Ruffer LLP and its subsidiaries and subsidiary undertakings, including the Investment Manager
<b>Rule 144A</b>	Rule 144A under the US Securities Act
<b>Rules</b>	the Authorised Closed Ended Investment Schemes Rules and Guidance, 2021
<b>Second 2022 EGM</b>	the extraordinary general meeting of the Company held on 21 April 2022
<b>SEDOL</b>	the Stock Exchange Daily Official List
<b>Shares</b>	Unclassified Shares of 0.01p each in the capital of the Company issued and designated as redeemable participating preference shares, as described in paragraph 5.3(a) of Part 9 ( <i>General Information</i> ) of this document, and “ <b>Share</b> ” shall be construed accordingly, which includes the Tap Shares
<b>Shareholder</b>	a holder of Shares
<b>SIPP</b>	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK

<b>Sponsor Engagement Letter</b>	the sponsor engagement letter between the Company, the Investment Manager and Investec dated 16 May 2022, a summary of which is set out in paragraph 6.2 of Part 9 ( <i>General Information</i> ) of this document
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
<b>Sterling or GBP or £ or p or pence</b>	the lawful currency of the United Kingdom
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers, as amended from time to time
<b>Tap Issue</b>	issue of Tap Shares by the Company utilising the exemption from the requirement to publish a prospectus contained in the Prospectus Regulation
<b>Tap Shares</b>	the 57,955,127 Shares issued by way of Tap Issue between 18 November 2021 and the date of this document (inclusive)
<b>Target Market Assessment</b>	has the meaning defined on page 21 of this document
<b>Unclassified Shares</b>	unclassified shares of 0.01p each in the authorised capital of the Company available for issue and designated as a Nominal Share or a Share, as described in paragraph 5.3(e) of Part 9 ( <i>General Information</i> ) of this document
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America or United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>USD or US\$</b>	US dollars, being the lawful currency of the United States of America
<b>US Investment Company Act</b>	US Investment Company Act of 1940, as amended
<b>US Person</b>	any person who is a US person within the meaning of Regulation S adopted under the US Securities Act
<b>US Securities Act</b>	US Securities Act of 1933, as amended
<b>US Tax Code</b>	the US Internal Revenue Code of 1986, as amended from time to time
<b>uncertificated or in uncertificated form</b>	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>Valuation Point</b>	the time at which the Net Asset Value of the Company is calculated under the Administration and Secretarial Agreement, generally being the close of business on the last Business Day of each week and of each month or such other time as the Directors may from time to time determine
<b>VAT</b>	value added tax

## Part 12

### Documents incorporated by reference

The Company's annual report and accounts for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 and the Company's interim reports for the six month period ended 31 December 2021 (together the "**Historical Financial Information**") contain information which is relevant to the publication of this document. These documents are available on the Company's website at [ruffer.co.uk/ric](http://ruffer.co.uk/ric).

The table below sets out the information from the Historical Financial Information which is incorporated by reference into, and forms part of, this document and which is available for inspection as set out in paragraph 15 of Part 9 (*General Information*) of this document.

Any non-incorporated parts of the Historical Financial Information are either not relevant for investors or covered elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in the Historical Financial Information shall not form part of this document.

<i>Document</i>	<i>Sections</i>	<i>Page numbers</i>
Annual report for the year ended 30 June 2019 <a href="http://ruffer.co.uk/ric">ruffer.co.uk/ric</a>	Chairman's review	4 – 9
	Business model and strategy	10 – 14
	Investment Manager's report	15 – 22
	Top ten holdings	23
	Report of the Directors	26 – 31
	Corporate governance statement	32 – 39
	Audit and Risk Committee report	42 – 46
	Report of the Depositary	47 – 48
	Independent Auditor's report to the members of the Company	49 – 57
	Statement of financial position	58
	Statement of comprehensive income	59
	Statement of changes in equity	60
	Statement of cash flows	61
	Notes to the financial statements	62 – 96
	Portfolio statement (unaudited)	97 – 101

<i>Document</i>	<i>Sections</i>	<i>Page numbers</i>
Annual report for the year ended 30 June 2020 ruffer.co.uk/ric	Chairman's review	5 – 10
	Business model and strategy	11 – 17
	Investment Manager's report	18 – 23
	Top ten holdings	24
	Report of the Directors	27 – 32
	Corporate governance statement	33 – 44
	Audit and Risk Committee report	47 – 52
	Management Engagement Committee report	53 – 54
	Report of the Depositary	55 – 56
	Independent Auditor's report to the members of the Company	57 – 65
	Statement of financial position	66
	Statement of comprehensive income	67
	Statement of changes in equity	68
	Statement of cash flows	69
	Notes to the financial statements	70 – 102
	Portfolio statement	103 – 106
	Appendix (unaudited)	109
Annual report for the year ended 30 June 2021 ruffer.co.uk/ric	Chairman's statement	5 – 11
	Business model and strategy	12 – 8
	Investment Manager's report	19 – 31
	Responsible investment report	32 – 38
	Top ten holdings	39
	Report of the Directors	42 – 47
	Corporate governance statement	48 – 59
	Audit and Risk Committee report	62 – 67
	Management Engagement Committee Report	68 – 69
	Report of the depositary	70 – 71



<i>Document</i>	<i>Sections</i>	<i>Page numbers</i>
Half-yearly financial report for the period ended 31 December 2021 ruffer.co.uk/ric	Independent Auditor's report to the members of the Company	72 – 81
	Statement of financial position	82
	Statement of comprehensive income	83
	Statement of changes in equity	84
	Statement of cash flows	85
	Notes to the financial statements	86 – 119
	Portfolio statement	120 – 123
	Appendix (unaudited)	127 – 128
	Chairman's review	5 to 13
	Investment Manager's report	14 to 28
	Top ten holdings	29
	Statement of principal risks and uncertainties	30
	Responsibility statement	31
	Independent review report	32
	Condensed statement of financial position (unaudited)	34
	Condensed statement of comprehensive income (unaudited)	35
	Condensed statement of changes in equity (unaudited)	36
	Condensed statement of cash flows (unaudited)	37
	Notes to the unaudited condensed interim financial statements	38 to 51
	Portfolio statement (unaudited)	52 to 57
	Appendix (unaudited)	61 to 62

