



Ruffer SICAV

Société d'investissement à
capital variable, Luxembourg

Audited financial statements
and annual report as at
15 September 2018

R.C.S. Luxembourg B 161.817

No distribution notice has been filed in Germany for the below Sub-Funds pursuant to section 310 of the Investment Code; because of this, shares of these Sub-Funds may not be distributed publicly to investors falling within the scope of the German Investment Code –

Ruffer SICAV – Ruffer Emerging Markets Fund

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

Ruffer SICAV – Ruffer Fixed Income

The report does not constitute an offer of shares.

No subscription can be received on the basis of this report. Subscriptions are only valid if made on the basis of the current Prospectus, the current Key Investor Information Documents, supplemented by the latest annual report and the most recent semi-annual report, if published thereafter.

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Organisation of the Company

Registered office

15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Company

Chairman Jean Garbois, Independent Director, 32, rue Emile Menier, 75116 Paris, France

Directors Mary McBain, Director, Ruffer (Asia) Limited, Suite 809, 8/F, Jardine House, 1 Connaught Place, Central, Hong Kong

Alain Guérard, Managing Partner, Mont Blanc Consult Sarl, 6, rue Kummert, L-6743 Grevenmacher, Grand Duchy of Luxembourg

Benjamin Boucher-Ferté, Investment Director, Ruffer LLP, 80, Victoria Street, London SW1E 5JL, United Kingdom

Myles Marmion, Finance Director, Ruffer LLP, 80, Victoria Street, London SW1E 5JL, United Kingdom

Management Company

FundPartner Solutions (Europe) S.A.

15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company

Christian Schröder, Chairman, Group Chief Digital Officer and Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

Michèle Berger, Managing Director, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Geoffroy Linard de Guertechin, Independent Director

Claude Kremer, Independent Director, Partner, Arendt & Medernach - Avocats, 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

Members of the Management Committee

Michèle Berger, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Céline Cottet, Head of Risk & Compliance, FundPartner Solutions (Suisse) SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

Pascal Chauvaux, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Dorian Jacob, Head of Investment Risk & Asset Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Investment Manager*

Ruffer LLP, 80, Victoria Street, London SW1E 5JL, United Kingdom

Sub-Investment Manager

Ruffer (Asia) Limited, 6th Floor Alexandra House, 18, Charter Road, Central Hong Kong, Hong Kong (for the Sub-Fund Ruffer SICAV - Ruffer Emerging Markets Fund)

Global distributor*

Ruffer LLP, 80, Victoria Street, London SW1E 5JL, United Kingdom

Depositary bank

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

* The Management Company has delegated the investment management and distribution activities to Ruffer LLP

Administrative Agent, Registrar and Transfer Agent, Paying Agent and Domiciliary Agent

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Independent Auditors

Ernst & Young S.A., 35E, avenue J.F. Kennedy, L 1855 Luxembourg, Grand Duchy of Luxembourg

Legal Advisors

Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

Counterparty on forward foreign exchange contracts

Pictet & Cie (Europe) S.A. Luxembourg

Counterparties on OTC option and swaption contracts

Barclays Bank PLC London

JP Morgan Securities PLC London

Morgan Stanley & Co International PLC London

Nomura Bank International PLC London

Goldman Sachs International

UBS AG London

General information

Ruffer SICAV (the ‘Company’) publishes annually, within 4 months after the end of the financial year, audited financial statements and annual report, on its activities and on the management of its assets; such report includes, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Independent Auditors.

The Company further publishes unaudited semi-annual reports, within 2 months after the end of the period to which it refers, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of shares issued and redeemed since the last publication.

All these reports are made available (free of charge) to the Shareholders upon request at the registered office of the Company, the depositary bank and other establishments appointed by the Company.

Distribution abroad

Additional information for investors in Germany

No distribution notification has been filed in Germany for the Sub-Funds –

Ruffer SICAV – Ruffer Emerging Markets Fund

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

Ruffer SICAV – Ruffer Fixed Income

pursuant to section 310 of the Investment Code; because of this, shares of these Sub-Funds may not be distributed publicly to investors falling within the scope of the German Investment Act.

Paying and Information Agent for the shares of the Company authorised for public distribution in Germany –

Deutsche Bank AG
Taunusanlage 12
60325 Frankfurt am Main
Germany

Applications for the redemption and conversion of shares may be filed with the Paying and Information Agent in Germany. At the request of Shareholders, the proceeds of redemptions, any dividends as well as other payments may be paid to them via the Paying and Information Agent in Germany (by credit transfer, cheque or cash deposit).

The current Prospectus, the Key Investor Information Documents (the ‘KIIDs’), the articles of incorporation of the Company, the annual and semi-annual reports, the issue, redemption and conversion prices of shares as well as any other information intended for Shareholders are available free of charge from the Paying and Information Agent in Germany. In addition, the issue and redemption prices are published on www.fundsquare.net, and any other information to Shareholders are published in the *Bundesanzeiger*.

Information for investors in Switzerland

The distribution of Shares in Switzerland is exclusively made to, and directed at, qualified investors ('Qualified Investors'), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (CISA) and its implementing ordinance. Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). The Prospectus and/or any other offering materials relating to the Shares may be made available in Switzerland solely by the Swiss representative and/or authorised distributors to Qualified Investors.

Home jurisdiction of the Company

Luxembourg

Swiss representative

FundPartner Solutions (Suisse) SA
60, route des Acacias
CH-1211 Geneva 73

Swiss paying agent

Banque Pictet & Cie SA
60, route des Acacias
CH-1211 Geneva 73

The Prospectus, the KIIDs, the articles of incorporation of the Company and the annual and semi-annual reports of the Company are available free of charge at the registered office of the Swiss representative.

Retrocessions

The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular –

- for introducing Swiss investors to the Investment Manager, who subsequently invest in Sub-Funds of the Company and
- for servicing Swiss investors who have invested in Sub-Funds of the Company.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

Rebates

In respect of distribution in or from Switzerland, the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Company.

Place of performance and jurisdiction

In respect of the shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Swiss representative.

Investment Manager's report

Ruffer SICAV – Ruffer Total Return International

16 September 2017 to 15 September 2018

The total return for the 12 months from 16 September 2017 to 15 September 2018 for the Sub-Fund's 'C GBP' Capitalisation shares was 1.35%, the FTSE All-Share index was up 5.86%, whilst the FTSE Govt All Stocks Index was up 1.06%.

At Ruffer we believe booms and busts are an inseparable feature of financial markets, and whilst it is possible to spot what will cause the next crisis, it is impossible to know when it will be. To avoid being dependent on the direction of markets, we seek to create a balance of offsetting investments within portfolios. We therefore always hold 'growth' and 'protective' assets alongside each other, varying the allocation to each over time.

Growth assets allow our investors some participation in the positive returns available during periods of benign market conditions. Protection assets defend these returns from specific, long term risks that we observe. Balancing the composition of these offsetting assets has allowed us to successfully preserve capital for over twenty years, including through the crashes of 2000 to 2003 and 2007 to 2009.

In reviewing this period it is probably most helpful to consider it in two parts. Until late January equity markets continued to grind upwards with volatility across all asset classes remaining nailed to the floor. Equity market leadership was concentrated in a very narrow number of stocks, most notably technology leaders in the US (eg Facebook, Amazon, Netflix), stocks which we have actively avoided. Hopes of stronger economic growth reignited, driven most clearly by the passing of President Trump's Tax Reform package in December 2017, but a positive economic environment was also visible across all major economies. With bond yields rising the portfolio's positions in cyclical and financial equities, especially those in Japan, benefited after a sluggish start to 2017.

From the end of January the investment weather changed considerably. Strong job creation in the US drove fears of wage inflation, leaving investors to wonder whether unnecessary stimulus had been added to the US economy. This led to a correction in early February and a brief surge in volatility. Global equities fell sharply, and US equities at their low point fell 10% from their January highs.

Two contrasting narratives have emerged from these latter events. One takes the view that they were no more than a bump in the night, that nothing has really changed, and that 'buying the dips' will continue to be rewarded. The other camp, in which we reside, considers that we are in the foothills of a change of investment regime, in which bond yields and interest rates rise as central banks seek, in the face of decent world growth, to 'normalise' monetary policy, and volatility stirs after several somnolent years. We thus see financial market risks as rising, and furthermore note that such changes in market conditions would be taking place against the backdrop of high valuations for most asset classes, driven up as they have been by nine years of near zero interest rates and large-scale buying support by central banks. It is this view, coupled with our fears about excesses and imbalances within the financial system that has largely accounted for our comparatively cautious view towards equities in this period, and the consequent comparatively dull portfolio performance.

That said, and in recognition of the fact that world economies are presently exhibiting robust growth, the portfolio retains around 40% in equities, but with a distinctive sector shape. Cyclical and financial equities are favoured, both for their attractive valuations but also in recognition of this presently healthy economic picture, and of the fact that rising bond yields could be expected to favour such names. On the other hand we broadly eschew 'bond-like' equities such as consumer staples, driven up as they have been in the quest for income, and having the most to lose from rising bond yields.

The portfolio's protective assets fall into two categories. Inflation-linked bonds protect against negative real interest rates and the risk of an inflationary outcome. Our long held conviction has been that a sustained period of inflation above the prevailing interest rate is the likely endgame to the world's unmanageable, and still growing, debt burden. Whilst this solution would solve the problem of over indebtedness, it does so at the expense of the asset owner. Less conventionally the portfolio owns positions protecting against sharp falls in equities, rising bond yields and credit spreads, and higher volatility. Such instruments have a cost if the events against which they are protecting fail to materialise, and this factor was detrimental to the portfolio's performance in the early part of the period under review. However in the events of February these positions appreciated in value when traditional protections such as gold, the Swiss franc and US government bonds failed to, giving us confidence that with genuinely uncorrelated protections hard to find, these instruments, despite their periodic costs, have a continued important role in the portfolio.

Financial markets have lost momentum in 2018. Many equity indexes outside of the US are flat or worse year to date – emerging markets are notably in the red with Shanghai down almost 20%. The troubles in these mercantilist Asian markets are not surprising, given rhetoric on tariffs has evolved into real action, whilst the currency crisis in Turkey results from self-inflicted economic mismanagement. The threats from President Trump may grab headlines but the strength of the US economy is propelling the dollar, which has begun to expose fundamental fault lines among many emerging markets. We continue to monitor these developments closely for the opportunities and threats they pose to individual equity stories but also because we believe they act as signposts on the way to a less globalised, and potentially less deflationary world.

We have used the recent weakness to add selectively to the portfolio's equity exposure with additions of Cigna (US healthcare), NXP (semiconductor producer) and Cleveland Cliffs (US iron ore miner) but restrained from adding significantly to the portfolio's overall equity weighting. Our preference remains to own economically sensitive equities (eg banks, energy companies, auto supply chain) which we expect to capture some of the benefits from the current upswing in global economic growth. On the protective side of the portfolio we have added to the existing gold bullion exposure after recent weakness stemming from an environment of a stronger dollar and higher bond yields.

We have been expressing a positive view on the global economy for a couple of years but our optimism has always been tempered by the number of risks that could abruptly end this 'Goldilocks' period for financial markets. The technical fragilities that so nearly caused a crisis in February are less acute but remain a chronic problem. The looming issue for the coming months will be how a hot economy and elevated financial markets handle tightening financial conditions and any political curve balls. The Federal Reserve remains steadfast on raising rates. It is impossible to forecast at which point rising interest rates and the reversal of quantitative easing will effect equities. However, this market cycle is abnormally long in the tooth, the punch bowl of easy money is being gradually removed and asset prices are high.

Starting from here equity markets may look absolutely expensive by historic yardsticks, but they do not look expensive compared to bonds, and bonds do not look expensive if long-term interest rates are regarded as settled. We feel it is a time for investors to know the risks in their portfolios and how they might be compensated for taking them.

Written by the Investment Manager on October 2018

Ruffer SICAV – Ruffer Emerging Markets Fund

16 September 2017 to 15 September 2018

Investment objective

The investment objective of the Sub-Fund is to achieve positive returns from an actively managed portfolio mainly of equities and equity related securities of companies listed on stock exchanges or regulated markets in countries whose equities or equity related securities are included in the MSCI Emerging Markets Index or companies which conduct the main part of their economic activity in such emerging market countries. The Sub-Fund may also invest in fixed income securities, collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions and other investments to the extent that each is permitted by the Regulations, as well as in debt and equity securities, with the proportion of the Sub-Fund invested in each asset class varying over time in line with changes in the Investment Adviser's views about their relative attraction and subject to the limitations on investments contained in the Prospectus.

The MSCI Emerging Markets is the benchmark comparison against which the performance of the Fund is measured.

Investment Review

The Sub-Fund's 'C GBP' Capitalisation shares fell by 9.42% over the year to 15 September 2018, compared to a 7.6% fall in the MSCI Emerging markets index and 4.7% fall in the index adjusted for sterling.

The market ended the year to 15 September 2018 at its lowest level for the year, despite having got off to a reasonably strong start. Major factors include the trade war, rising interest rates in the US and the strength of the dollar against most currencies. We also see credit tightening in China as having had a negative impact on markets. Although we view China's measures to rein in credit, particularly the shadow banking sector, as a positive, at the margin, credit growth has shrunk dramatically, and anecdotally, there are some signs of stress in areas of the economy that rely on more marginal funding sources: P2P lenders protesting in Beijing; venture capital firms seeing a large reduction in inflows, meaning less money going in to tech start-ups; housing sales slowing, albeit not at the listed property developers; some manufacturers indicating a slowdown in orders (which could be trade war related); weak Macau gaming revenues; and suggestions that some local governments are struggling to implement their infrastructure plans. All of this means there is less appetite for stock investment, and the Shanghai Composite Index has been one of the worst performing globally this year.

With respect to Sub-Fund performance, Ruffer SICAV – Ruffer Emerging Markets Fund underperformed the benchmark due to a confluence of factors, including currencies (the Brazilian real cannot practically be hedged and had a very large negative impact), an overweight position in Latin America (which performed poorly relative to the Asian markets), and high exposure to the more fragile ASEAN countries which suffered the most from higher U.S. dollar and U.S. rate increases.

The past year saw a significant change in the composition of the emerging market indices, which as of June 1st 2018 include China 'A' shares for the first time¹. A further tranche to be included in September 2018. Even though only a small proportion of listed Chinese equities are included in both the Asia-Pacific and Emerging Market indices, Asia already dominates the emerging market indices, and as more Chinese stocks are added, it will dominate even more.

¹ Source: MSCI

What are ‘emerging markets’, anyway? Even a quick search on Google will reveal that there is considerable debate about what this means, and for many, the term is outdated. In a globalised, tech-driven world, many of the distinctions between emerging and developed markets have begun to blur. Three ‘emerging’ markets (South Korea, Chile and Malaysia) have higher smartphone penetration than Germany, Italy and France². Two ‘emerging’ markets (China and South Korea) were number one and number three globally in terms of e-commerce sales as a percentage of retail sales in 2017, and Brazil and India are in the top ten as well³. If we look at metrics such as the average age of aircraft fleet⁴, or the median age of new car buyers, we see similar results.

Given the nebulous nature of the emerging markets category, changes in the composition of the index have no practical impact on our investment strategy. Since inception, the Sub-Fund has sought ‘consistent positive returns’, or in other words, capital growth. The focus has been to invest in businesses which have the ability to grow returns to shareholders, and what we have looked for is a healthy and growing macro-economic backdrop, and companies which are able to take advantage of this.

Over the past year our view of attractive economies and interesting investment environments has shifted. In Asia we have reduced our exposure to the Philippines, where the economy is overheating and a populist government has created uncertainty around key institutions (central bank independence and more generally, the rule of law). We have also reduced our large overweight in Indonesia as the economy looks fragile in a rising rate and U.S. dollar environment. Our holdings in Taiwan and Thailand have, in contrast, increased given the macroeconomic robustness of both countries and, in Thailand, the potential for rebounding consumer spending after a number of years of household and government balance sheet consolidation. HK/China remains the largest weighting in the Sub-Fund.

² Source: worldatlas website (<https://www.worldatlas.com/articles/countries-by-smartphone-penetration.html>)

³ Source: Statista (<https://www.statista.com/statistics/255083/online-sales-as-share-of-total-retail-sales-in-selected-countries/>)

⁴ Source: airfleets.net

In Latin America, Mexico remains our largest weighting. The Mexican presidential election and progress on trade negotiations with the U.S. removed the major overhangs holding back the Mexican equity market. We have focused our exposure in the Sub-Fund on Mexico's dynamic manufacturing and tourism sectors where we see good long term secular growth. In Brazil we remain much more cautious than in Mexico. Brazil has suffered through an extended period of economic weakness and political turmoil and there are signs of an economic recovery. However, there is a great deal of fragility in that recovery. Brazil faces a number of severe structural challenges including a social security time bomb and economic rigidities and regulation which hamper growth. The upcoming election will return a government with a stronger mandate than the current administration, but the leading candidates appear only lukewarm on reform, which makes it unlikely that the country can make rapid progress resolving its structural challenges.

Currencies were a major headwind for the Sub-Fund over the past year. We have historically hedged currencies where we thought it tactically appropriate in order to reduce volatility in our base currency. However, over the past year that strategy meant we did not take advantage of the natural hedge offered by many Asian currencies. Periods of dollar or local currency weakness have tended to be good for Asian equities, and vice versa, so that at least when the dollar is weak, the market usually moves strongly up, and when the dollar is strong, the market may be weaker, but we benefit from the strength in the currency against sterling. Outside of Asia the situation is more complicated as local currencies and equity market typically move in tandem in periods of stress and many currencies are impossible or expensive to hedge. This was the case in Brazil over the past year as periods of market weakness in local currency were exacerbated by currency depreciation, which the Sub-Fund was not practically able to hedge.

Investment outlook

This time last year, we highlighted the strong growth in the global economy and cautioned that while this was good for company earnings, it was not necessarily good for stock markets, which felt somewhat euphoric at the time. Global liquidity conditions have since started to tighten, particularly in the US, which formally began its QE unwind last October, and in Asia at least, the euphoria is now well and truly gone. This probably means a rebound is likely in the short term, but we would still highlight two concerns for the year ahead.

In the first place, the impact of the trade war is still very uncertain. We do not know how long the tariffs will last, nor whether the tariff war will escalate, or will suddenly disappear as an issue. We do not know who will bear the costs – the manufacturers, the buyers, or consumers. We do not know how the supply chain will respond, or how quickly. We do not know how far China will retaliate. There is a range of estimates as to how this will impact China's GDP growth this year, depending on a number of variables (the short answer is, "not much", but longer term, will it mean a reduction in investment? Will there be other unintended consequences? From a more strategic point of view, will this accelerate China's 'Belt and Road' ambitions, and indeed its wish to establish the renminbi as an alternative reserve currency?

Our second concern is continued tightening in the US, as the Federal Reserve unwinds QE. Will this eventually impact the US stockmarket, which continues to trade close to its highs?

We will therefore continue to exercise some caution in our investment strategy, whilst as ever remaining confident that the Sub-Fund's geographic area gives it exposure to the world's fastest growing economies.

Written by the Investment Manager on 21 September 2018

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

16 September 2017 to 15 September 2018

The total return for the 12 months from mid September 2017 to mid September 2018 for the Sub-Fund's 'C GBP' Capitalisation shares was 7.15%, the FTSE 100 was up 5.4%, whilst the FTSE 250 and the UK smaller cap index were up 8.0% and 5.9% respectively.

Two years after the Brexit vote and with a government operating under huge pressure following a poor performance in the general election last year, the Sub-Fund, which was created to provide exposure to predominantly UK mid and small cap stocks, continues to find itself operating with an uncertain macro backdrop, as negotiations surrounding our exit from the European Union continue.

The year has been punctuated by some notable events, and after a strong run into the calendar year end there was a notable pause at the beginning of the year. This tentative start to 2018 was accentuated by a lurch down in early February as global equity markets dropped by approximately 10%. After years of reduced volatility, many were awoken from a complacent slumber as the bear threatened to emerge in time for spring. This move was the downfall of a number of inverse VIX exchange traded products which, having made large bets on ongoing sanguine market conditions, were forced to close with some having seen their value drop by nearly 90%.

With England performing well in a major football tournament for the first time in years, it is sad to say we managed to let the side down with a few own goals in the period, with poor performance from Safestyle, Autins and Accrol worth flagging on the negative side of the ledger. These combined cost us 2.8%. Whilst these names have faced difficulties, which have resulted in management changes, we continue to engage actively with them as new teams step in, and we will watch closely as they attempt to restart their journeys. Despite these hiccups the vast majority of the businesses we are invested in have produced solid results during the year, both at the profit and EPS level, with robust cash generation and well received bolt on acquisition activity. On the positive side 4 of our top 5 holdings in Tesco, Games Workshop, Finsbury and Volex (the 5th is a short ETP on the FTSE 250) combine to add 10.2% to the Sub-Fund. There are other notable contributions from names we have significant stakes in such as EKT which was up 242% in the period and added 1.9% to performance.

The portfolio has traditionally had a strong focus on stock-specific ideas, with a bias to us backing 'self-help' companies with strong underlying balance sheets trading on low multiples, with high quality management, and with high free cash flows. From these foundations, and through our own modelling and analysis coupled with numerous management meetings, we look to sell out of ideas which have completed their journey and which trade on a 'full' valuation, and redeploy the proceeds into new ideas starting theirs.

Immediately following the Brexit and general election news we looked to lighten, where possible, our direct exposure to the UK consumer. But as valuations have become more attractive again, we have stepped back in to certain names and initiated on others including Dixons Carphone. The portfolio has exposure to a broad range of industries covering the likes of food manufacturing, infrastructure, healthcare, retail, oil, vehicle manufacturing, toys and textile rental services. Two thematic elements have appeared, namely in the Food and Infrastructure sectors over the last period, as we have looked to de-risk the portfolio and move towards areas we feel are less likely to be cut by the ever fearful consumer, and/or supported by government initiatives. These have played out well for us, as companies such as Tesco (our largest position) have been a beneficiary of this thesis, along with Finsbury Food Group and NWF Group.

The Sub-Fund will remain reliant on our companies delivering against the individual prospects for their businesses, and we remain cognisant of this, whilst being guided by our macro colleagues in terms of the potential impact of ever changing macro-economic factors on equity markets.

The number of positions in the Sub-Fund increased to 65 (excluding index options and currency hedges). This has been achieved as a result of us initiating in 13 new positions; (4 of which we have subsequently exited) and sold 2, with 2 others being bid for. The major driver of these new names has come via us partaking in some IPOs and placings which came at attractive multiples, and with a number of other attractive qualities. These included Bakkavor, a food producer with exposure to own label salad, breads and freshly prepared foods both in the UK and with attractive partnerships in the US and China; and TI Fluid Systems which develops and produces automotive fluid systems (brake pipes, fuel tanks and pipes).

As we have mentioned before, investing in companies where we do not know the management or where there is a limited company track record, requires very careful consideration and, as ever, we expect the Sub-Fund to invest in new stocks such as these, only on a very selective basis.

Of the 13 new positions added to the portfolio, nine remained as holdings on 14 September 2018 with a market value of £36.7m. The exceptions are BT Group, Integrafin, Shire, and Marks & Spencer Group. These new positions were funded through c. £29.0m of net inflows to the Sub-Fund, and £7.7m of dividend income. We also raised some funds from some of our winners, including Games Workshop and Eurocell, along with £20m from Cape and Lombard Risk (the two stocks bid for), and redeployed these funds into core names such as Volex, Tesco and our FTSE 250 short ETP.

We continued to protect the portfolio using a strategy of a core position in a more direct short of the FTSE 250 using the Boost ETP product, as well as periodic more tactical S&P puts (as these are very liquid instruments, and we feel the US market was showing occasional signs of distress). As the market has continued to grind higher these strategies have cost us 2.5% through option burn, and 0.7% through the direct short position.

With the passing of yet another year we become even more uncomfortable with the global situation where interest rates both short and long, are anchored at such low historic rates; a combination that has re-priced upwards all risk assets. This added to the ever higher levels of debt in the system, uncovered pension liabilities and level of inter-generational financial inequality, continue to give us much to be concerned about and we believe the road ahead looks as difficult to navigate as any seen in the past 40 years. Strong management teams, unlevered balance sheets, low valuations and self-help, the bedrock of our approach and portfolio construction, will not withstand an unwind of the current macro position. Whilst the timing of this unwind remains elusive, we feel beholden to hold some protection in the Sub-Fund and take some comfort from the shifts we have made to move into defensive sectors such as food, whilst also significantly adding to our FTSE 250 short position.

Looking forward we will continue to actively analyse, monitor and trade our portfolio, whilst seeking out new opportunities. These will remain, as always, largely UK focused.

Written by the Investment Manager on October 2018

Ruffer SICAV – Ruffer Fixed Income

16 September 2017 to 15 September 2018

In the period under review the Sub-Fund's 'C GBP' Capitalisation shares price rose by 3.89%. Over the same period the US 10 year nominal Treasury bond yield rose from 2.20% to 3.00%.

This time last year the unemployment rate in the US was 4.3% and inflation as measured by the Consumer Price Index (CPI) was 1.9%, and had been rising. So the economy was doing well and the Federal Reserve very close to meeting its dual mandate of maximum employment and stable inflation. So the tax reforms passed at the very end of 2017 added considerable impetus to the economy. Now the unemployment rate stands at 3.9% and CPI inflation at 2.7%.

In February 2018 Jerome Powell replaced Janet Yellen as the Chair of the Federal Reserve, but the tone of the message and the policy actions are little changed. The Fed made three quarter point hikes in the Fed Funds rate target over the year and looks set to continue on a path of gradual rate hikes. The additional fiscal stimulus has made the expected policy path more certain.

The bond market has reacted to the Fed and the economy with nominal rates and real rates moving higher. The main story has been the flattening of the yield curve, while ten year yields rose by eighty basis points the two year yield rose by one hundred and forty basis points. The difference between the ten year and two year yields stands at twenty six basis points, which those of a statistical bent tell us means we are close to the end of the cycle, whereas the Fed and the level of economic stimulus are telling us this hiking cycle has further to go.

Our US positioning remains at the short end, the rise in real yield has been partially offset by the rise in inflation. In the first quarter of 2018 the dollar was weakening even as rates were rising, to us that move made the dollar defensive with respect to risk assets and we took the opportunity to lift our foreign exchange hedge. The dollar's strength in the second quarter of 2018 was a big contributor to returns. Also during the second quarter we sold our position in long dated Canadian real return bonds as the policy mix in Canada shifted back towards monetary tightening.

While there was a change in the Chair of the Federal Reserve, Governor Kuroda was reappointed to lead the Bank of Japan. Senior Japanese policy makers now realise that the battle against inflation will be a marathon and not a sprint, but that policy settings had been for the shorter race. Policy has been tweaked to allow more variability in the ten year rate, helping the financial sector, but there is forward guidance that policy settings will remain in place until after the consumption tax hike in October 2019. We think that the Japanese inflation linked bond market underestimates the chance that the Bank of Japan reaches its target and so have extended our duration and added to our positions.

Before the Bank of Japan embarked on its forward guidance the European Central Bank had set out that will end its bond buying at the end of 2018 and that interest rates would remain at current levels at least through the summer of 2019. With the European economy doing well and inflation increasing, speculation as to the timing and pace of rate hikes has begun. Over the next year it is likely that the policy out turn in Europe will have a significant impact on global bond markets.

Written by the Investment Manager on October 2018

All Investment Manager's reports have been approved by the Board of Directors of the Company on 7 December 2018.

Independent auditor's report

To the Shareholders of
Ruffer SICAV
15, avenue J.F. Kennedy
L-1855 Luxembourg

Opinion

We have audited the financial statements of Ruffer SICAV (the “Fund”) and of each of its Sub-Funds, which comprise the statement of net assets and the statement of investments as at 15 September 2018 and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its Sub-Funds as at 15 September 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the “Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (“CSSF”). Our responsibilities under those Law and standards are further described in the « responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund and those charged with governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé”, that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé


Michael Ferguson

Luxembourg, 7 December 2018

Statistical information

		Shares outstanding	Net asset value per share		
Class	Currency	15 Sep 2018	15 Sep 2018	15 Sep 2017	15 Sep 2016
Ruffer SICAV – Ruffer Total Return International					
C GBP Cap	GBP	1,270,899.29	136.35	134.54	133.16
C EUR Cap†	EUR	3,110,992.72	129.46	129.13	129.06
C CHF Cap†	CHF	124,170.07	125.08	125.30	125.79
C USD Cap†	USD	1,187,840.21	137.21	133.59	131.24
C GBP Distr	GBP	1,898,032.64	133.28	131.92	130.71
C EUR Distr†	EUR	423,134.28	127.68	127.61	127.61
C USD Distr†	USD	667,921.75	135.41	132.20	129.99
C GBP Inc	GBP	311,458.72	130.88	130.72	130.45
C AUD Cap†	AUD	1,478.75	101.15	98.59	-
I GBP Cap	GBP	98,110.53	138.18	136.09	134.45
I EUR Cap†	EUR	2,658,682.72	131.22	130.64	130.33
I CHF Cap†	CHF	1,349.74	126.78	126.77	127.02
I USD Cap†	USD	1,085,747.84	139.08	135.16	132.54
I SEK Cap†	SEK	18,136,613.23	132.69	132.28	132.12
I CAD Cap†	CAD	560,584.71	114.18	111.59	110.00
I GBP Distr	GBP	463,850.18	135.15	133.65	132.38
I USD Distr†	USD	92,506.40	136.98	133.97	131.56
I SGD Cap†	SGD	1,006,054.98	113.84	111.24	109.41
I AUD Cap†	AUD	164.15	101.36	98.61	-
O GBP Cap	GBP	81,941.07	133.23	131.88	130.94
O EUR Cap†	EUR	1,788,965.95	126.49	126.58	126.92
O CHF Cap†	CHF	14,579.09	122.24	122.85	123.73
O USD Cap†	USD	214,362.79	134.09	130.97	129.08
Z GBP Cap	GBP	1,028,856.55	146.78	143.34	140.43
Z GBP Distr	GBP	83,870.33	143.47	141.53	140.05

† Hedged

		Shares outstanding		Net asset value per share	
Class	Currency	15 Sep 2018	15 Sep 2018	15 Sep 2017	15 Sep 2016
Ruffer SICAV – Ruffer Emerging Markets Fund					
O GBP Cap	GBP	-	-	154.29	137.28
C GBP Cap	GBP	5,139.40	142.29	157.08	139.29
C GBP Distr	GBP	4,646.69	141.62	157.09	139.30
Z GBP Cap	GBP	277,296.75	152.88	166.80	146.22
Z GBP Distr	GBP	67,884.87	145.56	161.24	142.80
Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund					
O GBP Cap	GBP	443.66	238.33	223.17	196.76
C GBP Cap	GBP	17,357.18	243.49	227.24	199.64
C GBP Distr	GBP	9,425.21	208.76	204.00	184.41
Z GBP Cap	GBP	1,033,998.15	261.50	241.28	209.56
Z GBP Distr	GBP	225,303.19	218.31	212.21	191.65
Ruffer SICAV – Ruffer Fixed Income					
O GBP Cap	GBP	3,837.12	112.01	108.18	110.53
C GBP Cap	GBP	114,548.49	116.57	112.20	114.25
C GBP Distr	GBP	33,673.03	116.58	112.20	114.25
Z GBP Cap	GBP	1,349,345.16	123.57	117.58	118.36
Z GBP Distr	GBP	1,518,468.84	120.13	115.33	117.11

Statement of net assets

As at 15 September 2018

	Combined	Ruffer SICAV - Ruffer Total Return International
	GBP	GBP
Assets		
Investments in securities at acquisition cost	2,543,711,950.85	1,905,816,959.18
Net unrealised gain on investments	282,983,730.34	248,181,325.82
Investments in securities at market value (note 2.c)	2,826,695,681.19	2,153,998,285.00
Options and swaptions at market value (note 9)	8,148,378.04	8,148,378.04
Cash at banks	198,728,127.39	160,978,192.02
Dividend and interest receivable, net of withholding tax	1,675,804.62	1,215,919.81
Unrealised gain on forward foreign exchange contracts (notes 2.f, 8)	6,080,054.37	5,646,734.74
	3,041,328,045.61	2,329,987,509.61
Liabilities		
Investment management fee payable (note 6)	4,609,841.12	4,546,666.03
Taxe d'abonnement payable (note 7)	84,005.41	68,220.23
Unrealised loss on forward foreign exchange contracts (notes 2.f, 8)	26,698,871.96	26,610,274.10
Other fees payable (note 4)	793,017.09	501,077.15
	32,185,735.58	31,726,237.51
Total net assets as at 15 September 2018	3,009,142,310.03	2,298,261,272.10
Total net assets as at 15 September 2017	2,917,497,630.74	2,182,639,307.35
Total net assets as at 15 September 2016	2,412,246,152.24	1,713,011,096.69

The accompanying notes form an integral part of these financial statements.

Ruffer SICAV - Ruffer Emerging Markets Fund	Ruffer SICAV - Ruffer UK Mid and Smaller Companies Fund	Ruffer SICAV - Ruffer Fixed Income
GBP	GBP	GBP
52,254,432.74	295,727,522.00	315,831,590.67
1,266,702.86	26,371,692.04	16,765,867.48
53,521,135.60	322,099,214.04	332,597,458.15
—	—	—
105,207.08	3,828,631.65	33,816,096.64
—	90,572.08	369,312.73
181,232.32	—	252,087.31
53,807,575.00	326,018,417.77	367,034,954.83
4,252.35	15,307.38	43,615.36
1,113.71	6,851.57	7,819.90
88,597.86	—	—
51,249.83	115,558.29	125,131.82
145,213.75	137,717.24	176,567.08
53,662,361.25	325,880,700.53	366,858,387.75
108,366,984.75	271,798,492.45	379,073,846.19
94,540,031.30	230,154,251.39	395,496,772.86

The accompanying notes form an integral part of these financial statements.

Statement of operations and changes in net assets

For the year ended 15 September 2018

	Ruffer SICAV - Ruffer Combined	Ruffer Total Return International
	GBP	GBP
NET ASSETS AT THE BEGINNING OF THE YEAR	2,917,497,630.74	2,182,639,307.35
Income		
Dividends, net (note 2.h)	28,575,253.92	18,655,786.13
Interest on bonds, net (note 2.h)	7,586,754.93	4,880,018.03
Bank interest	26,432.71	18,677.38
	36,188,441.56	23,554,481.54
Expenses		
Investment management fees (note 6)	21,909,429.95	21,617,390.68
Oversight support fees (note 5)	444,056.30	332,782.83
Depository fee, bank charges and interest	1,012,719.85	666,748.23
Professional fees, audit fees and other expenses	709,231.10	461,710.84
Administration fees	1,189,248.45	730,817.83
Taxe d'abonnement (note 7)	408,794.58	330,835.47
Transaction costs (note 2.i)	2,908,616.23	2,381,104.81
	28,582,096.46	26,521,390.69
NET INVESTMENT INCOME/LOSS	7,606,345.10	-2,966,909.15
Net realised gain on sales of investments	112,939,281.54	70,715,517.36
Net realised gain/loss on foreign exchange	8,749,055.74	8,149,046.72
Net realised loss on options and swaptions	-37,607,489.17	-29,795,559.79
Net realised gain/loss on forward foreign exchange contracts	-50,268,123.96	-64,752,389.86
Net realised gain/loss	41,419,069.25	-18,650,294.72
Net change in unrealised appreciation / depreciation		
On investments	1,202,788.08	15,201,850.64
On options and swaptions	-15,442,378.95	-15,442,378.95
On forward foreign exchange contracts	32,752,685.08	44,028,825.22
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	59,932,163.46	25,138,002.19
Proceeds from subscriptions of shares	693,181,712.60	580,530,274.01
Payments for redemptions of shares	-655,500,309.60	-487,925,995.53
Dividend distributed (note 15)	-5,968,887.17	-2,120,315.92
NET ASSETS AT THE END OF THE YEAR	3,009,142,310.03	2,298,261,272.10

The accompanying notes form an integral part of these financial statements.

Ruffer SICAV - Ruffer Emerging Markets Fund	Ruffer SICAV - Ruffer UK Mid and Smaller Companies Fund	Ruffer SICAV - Ruffer Fixed Income
GBP	GBP	GBP
108,366,984.75	271,798,492.45	379,073,846.19
1,602,175.52	8,317,292.27	–
–	313,518.76	2,393,218.14
7,652.04	103.29	–
1,609,827.56	8,630,914.32	2,393,218.14
36,032.09	63,207.73	192,799.45
13,314.08	45,082.21	52,877.18
50,737.29	148,306.79	146,927.54
70,856.23	86,554.57	90,109.46
73,246.60	184,147.40	201,036.62
8,492.06	32,452.88	37,014.17
163,165.25	364,346.15	0.02
415,843.60	924,097.73	720,764.44
1,193,983.96	7,706,816.59	1,672,453.70
13,030,303.35	26,095,119.42	3,098,341.41
-203,145.56	37,876.31	765,278.27
–	-7,811,929.38	–
907,525.89	-20,307.68	13,597,047.69
14,928,667.64	26,007,575.26	19,133,121.07
-18,597,110.58	-1,201,728.58	7,771,385.30
–	–	–
-2,528,249.60	–	-8,747,890.54
-6,196,692.54	24,805,846.68	18,156,615.83
15,056,774.82	70,199,738.29	36,562,728.38
-63,124,428.90	-39,107,241.01	-65,342,644.16
-440,276.88	-1,816,135.88	-1,592,158.49
53,662,361.25	325,880,700.53	366,858,387.75

The accompanying notes form an integral part of these financial statements.

Statement of investments

Ruffer Total Return International as at 15 September 2018 (expressed in GBP)

	Currency	Quantity	Market value (note 2)	% of net assets
I. Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market				
Shares				
Canada				
BARRICK GOLD CORP	USD	1,463,174.00	11,313,723.54	0.49
GOLDCORP INC	USD	1,289,950.00	10,092,690.19	0.44
IMV	CAD	781,250.00	3,300,171.30	0.14
KINROSS GOLD CORP	CAD	5,210,000.00	11,615,429.59	0.51
WHEATON PRECIOUS METALS	CAD	600,000.00	7,325,500.25	0.32
			43,647,514.87	1.90
China				
BANK OF CHINA 'H'	HKD	20,418,000.00	6,786,808.48	0.30
CHINA LIFE INSURANCE 'H'	HKD	6,673,000.00	11,018,755.50	0.48
CITIC SECURITIES 'H'	HKD	4,000,000.00	5,131,140.38	0.22
			22,936,704.36	1.00
France				
VIVENDI	EUR	601,720.00	11,570,194.20	0.50
			11,570,194.20	0.50
Guernsey				
SHERBORNE INVESTORS ORD NPV	GBP	10,500,000.00	8,505,000.00	0.37
			8,505,000.00	0.37
Ireland				
RYANAIR HOLDINGS	EUR	655,000.00	7,720,457.65	0.34
			7,720,457.65	0.34
Japan				
DAI-ICHI LIFE HOLDINGS	JPY	3,996,700.00	57,810,906.96	2.52
FUJITSU	JPY	2,450,000.00	13,272,690.22	0.58
HAZAMA ANDO	JPY	863,100.00	4,929,001.45	0.21
JAPAN POST HOLDINGS	JPY	3,324,100.00	30,255,356.97	1.32
MITSUBISHI ELECTRIC	JPY	1,146,100.00	11,510,725.41	0.50
MITSUBISHI UFJ FINANCIAL GROUP	JPY	11,553,300.00	53,650,079.12	2.33
ORIX	JPY	3,084,700.00	37,600,041.60	1.64

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity	Market value (note 2)	% of net assets
RESONA HOLDINGS	JPY	4,700,000.00	19,567,819.45	0.85
SONY	JPY	529,000.00	23,929,937.91	1.04
SUMITOMO MITSUI FINANCIAL GRP	JPY	1,800,000.00	54,000,942.79	2.35
			306,527,501.88	13.34
Jersey				
APTIV	USD	158,000.00	10,498,695.28	0.46
RANDGOLD RESOURCES	GBP	246,338.00	11,467,033.90	0.50
			21,965,729.18	0.96
Luxembourg				
ARCELORMITTAL	EUR	495,000.00	11,094,909.43	0.48
			11,094,909.43	0.48
Netherlands				
NXP SEMICONDUCTORS	USD	197,500.00	14,011,552.92	0.61
			14,011,552.92	0.61
Norway				
YARA INTERNATIONAL	NOK	522,260.00	18,117,662.78	0.79
			18,117,662.78	0.79
United Kingdom				
ARIX BIOSCIENCE	GBP	1,198,062.00	2,114,579.43	0.09
BP PLC	GBP	1,711,540.00	9,420,316.16	0.41
COUNTRYSIDE PROPERTIES	GBP	2,511,970.00	8,766,775.30	0.38
DIXONS CARPHONE	GBP	6,052,575.00	9,790,040.06	0.43
GLAXOSMITHKLINE	GBP	1,531,988.00	22,737,765.90	0.99
LLOYDS BANKING GROUP	GBP	26,700,000.00	15,720,960.00	0.68
OCADO GROUP	GBP	1,861,040.00	17,024,793.92	0.74
ROYAL BANK OF SCOTLAND GROUP	GBP	13,440,000.00	33,075,840.00	1.44
SECURE TRUST BANK	GBP	246,512.00	4,283,146.00	0.19
SOPHOS GROUP	GBP	2,841,860.00	14,706,625.50	0.64
TESCO	GBP	21,602,160.00	50,613,860.88	2.20
WHITBREAD	GBP	700,000.00	32,795,000.00	1.43
			221,049,703.15	9.62

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity/nominal	Market value (note 2)	% of net assets
United States				
APERGY	USD	307,180.00	9,987,170.69	0.43
CIGNA	USD	242,000.00	36,112,148.39	1.57
CLEVELAND-CLIFFS	USD	2,367,780.00	20,843,713.87	0.91
DOWDUPONT	USD	453,000.00	23,760,420.06	1.03
EXXON MOBIL	USD	360,000.00	22,830,752.48	0.99
GENERAL MOTORS	USD	419,030.00	11,098,289.26	0.48
MCKESSON	USD	97,145.00	9,551,789.60	0.42
NATIONAL OILWELL VARCO	USD	515,774.00	17,475,177.81	0.76
WALT DISNEY	USD	580,000.00	48,467,165.44	2.11
			200,126,627.60	8.70
Total shares			887,273,558.02	38.61
Bonds				
Japan				
0.10% Japan (CPI) 18/28 '23' -SR-	JPY	2,150,000,000.00	15,421,003.05	0.67
0.10% Japan (CPI) N°18 16/26 -SR-	JPY	2,150,000,000.00	15,447,937.27	0.67
0.10% Japan (CPI) N°22 17/27 -SR-	JPY	2,150,000,000.00	15,518,406.54	0.68
			46,387,346.86	2.02
United Kingdom				
0.125% BRITISH TREASURY (RPI) 13/19 -SR-	GBP	92,500,000.00	107,540,108.08	4.68
0.125% BRITISH TREASURY (RPI) 13/68	GBP	64,800,000.00	162,206,129.82	7.05
0.375% BRITISH TREASURY (RPI) 11/62 -SR-	GBP	50,500,000.00	128,740,829.21	5.59
1.75% UK TREASURY 13/19	GBP	70,000,000.00	70,578,900.00	3.07
1.875% BRITISH TREASURY (RPI) 07/22 -SR-	GBP	43,000,000.00	68,947,185.30	3.00
			538,013,152.41	23.39

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity/nominal	Market value (note 2)	% of net assets
United States				
0.125% US TREASURY (INFLATION) 12/22 -SR-	USD	56,332,000.00	46,054,435.19	2.00
0.125% US TREASURY (INFLATION) 16/21	USD	88,214,000.00	70,205,547.09	3.05
0.625% US TREASURY (INFLATION) 11/21 -SR-	USD	106,000,000.00	90,329,671.19	3.93
1.25% US TREASURY (INFLATION) 10/20	USD	177,000,000.00	158,046,352.85	6.87
			364,636,006.32	15.85
Total bonds			949,036,505.59	41.26
Structured products				
Ireland				
GOLD (ISHARES PHYSICAL METAL) 11/PERP -S-	USD	2,274,423.00	40,870,045.32	1.78
			40,870,045.32	1.78
Total structured products			40,870,045.32	1.78
Total I.			1,877,180,108.93	81.65
II. Units of investment funds				
Guernsey				
RUFFER ILLIQUID MULTI STRATEGIES 2015 GBP (1)/(2)	GBP	149,362,990.00	91,826,872.62	4.00
RUFFER ILLIQUID STRATEGIES FUND 2011 LTD GBP (1)/(3)	GBP	877,724.00	2,457,381.44	0.11
WEISS KOREA OPPORTUNITY FUND GBP (2)	GBP	2,700,000.00	4,347,000.00	0.19
			98,631,254.06	4.30
Luxembourg				
RUFFER SICAV - UK MID/SMALL CIES Z GBP -CAP- (1)/(3)	GBP	136,470.00	35,520,411.60	1.55
			35,520,411.60	1.55

1 Related party holdings

2 Closed-ended fund

3 Open-ended fund

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity	Market value (note 2)	% of net assets
United Kingdom				
LF RUFFER - JAPANESE FUND I GBP - GBP CAP- (1)/(3)		15,749,194.63	40,804,588.37	1.78
LF RUFFER INVESTMENT - EUROPEAN FUND I -CAP- (1)/(3)	GBP	1,976,000.00	12,552,540.00	0.55
LF RUFFER INVESTMENT - GOLD I GBP -ACC.- (1)/(3)	GBP	47,692,952.10	61,294,982.04	2.67
LF RUFFER INVESTMENT - PACIFIC FUND I GBP -CAP- (1)/(3)	GBP	8,000,000.00	28,014,400.00	1.22
			142,666,510.41	6.22
Total II.			276,818,176.07	12.07
Total investments			2,153,998,285.00	93.72
Cash at banks			160,978,192.02	7.00
Other net liabilities			-16,715,204.92	-0.72
Total net assets			2,298,261,272.10	100.00

1 Related party holdings

3 Open-ended fund

The accompanying notes form an integral part of these financial statements.

Geographical and industrial classification of investments

Ruffer Total Return International as at 15 September 2018

Geographical classification	in % of net assets	Industrial classification	in % of net assets
United Kingdom	39.23	Bonds issued by countries or cities	41.26
United States	24.55	Units of investment funds	12.07
Japan	15.36	Holding and finance companies	7.76
Guernsey	4.67	Insurance	4.57
Ireland	2.12	Retail and supermarkets	2.94
Luxembourg	2.03	Banks and credit institutions	2.61
Canada	1.90	Oil	2.16
China	1.00	Electronics and electrical equipment	2.15
Jersey	0.96	Leisure	2.11
Norway	0.79	Mining and steelworks	1.83
Netherlands	0.61	Agriculture and fisheries	1.82
France	0.50	Structured products	1.78
	93.72	Transport and freight	1.66
		Gastronomy	1.43
		Precious metals and stones	1.31
		Pharmaceuticals and cosmetics	0.99
		Automobiles	0.94
		Communications	0.93
		Biotechnology	0.65
		Internet, software and IT services	0.64
		Computer and office equipment	0.58
		Stainless steel	0.51
		Construction of machines and appliances	0.43
		Real estate shares	0.38
		Construction and building materials	0.21
			93.72

Statement of investments

Ruffer Emerging Markets Fund as at 15 September 2018 (expressed in GBP)

	Currency	Quantity	Market value (note 2)	% of net assets
Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market				
Shares				
Brazil				
INDUSTRIAS ROMI	BRL	495,800.00	656,194.53	1.22
KROTON EDUCACIONAL -CV VOTING-	BRL	550,000.00	989,339.40	1.84
LOCALIZA RENT A CAR	BRL	270,000.00	1,043,906.63	1.95
MARCOPOLO PFD	BRL	949,999.00	602,615.28	1.12
SER EDUCACIONAL	BRL	200,322.00	530,254.95	0.99
			3,822,310.79	7.12
British Virgin Islands				
HOLLYSYS AUTOMATION TECHNOLOGIES	USD	75,000.00	1,176,482.18	2.19
			1,176,482.18	2.19
Canada				
CANADIAN SOLAR	USD	95,000.00	1,062,256.53	1.98
			1,062,256.53	1.98
Cayman Islands				
AIRTAC INTERNATIONAL GROUP	TWD	240,191.00	1,627,985.93	3.03
CANVEST ENVIRONMENTAL PROTECTION	HKD	1,996,000.00	799,650.80	1.49
CHINASOFT INTERNATIONAL	HKD	3,000,000.00	1,479,686.76	2.76
CIFI HOLDINGS GROUP	HKD	1,500,000.00	554,151.46	1.03
GREATVIEW ASEPTIC PACKAGING COMPANY	HKD	2,700,000.00	1,210,652.80	2.26
HAITIAN INTERNATIONAL HOLDINGS	HKD	850,000.00	1,317,389.10	2.45
MODERN DENTAL GROUP	HKD	3,659,300.00	563,576.81	1.05
			7,553,093.66	14.07
China				
ALIBABA GROUP HOLDING ADR - SPONS.-	USD	10,000.00	1,259,962.13	2.35
BANK OF CHINA 'H'	HKD	3,000,000.00	997,180.21	1.86
BEIJING CAPITAL INTERNATIONAL AIRPORT 'H'	HKD	1,500,000.00	1,269,138.44	2.37
ZHUZHOU CRRC TIMES ELECTRIC 'H'	HKD	450,000.00	1,864,229.86	3.47
			5,390,510.64	10.05

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity	Market value (note 2)	% of net assets
Colombia				
BANCOLOMBIA	COP	150,000.00	1,207,161.85	2.25
BOLSA DE VALORES DE COLOMBIA	COP	250,000.00	751,629.07	1.40
GRUPO NUTRESA	COP	200,000.00	1,294,725.37	2.41
			3,253,516.29	6.06
Hong Kong				
CHINA MOBILE	HKD	200,000.00	1,499,181.97	2.79
CHINA OVERSEAS LAND & INVESTMENT	HKD	400,000.00	941,618.85	1.75
SWIRE PACIFIC 'A'	HKD	200,000.00	1,707,780.76	3.18
TECHTRONIC INDUSTRIES	HKD	400,000.00	1,941,723.33	3.62
			6,090,304.91	11.34
Indonesia				
JASA MARGA (PERSERO) TBK 'B'	IDR	4,870,337.00	1,134,683.91	2.11
MATAHARI DEPARTEMENT STORE 'A'	IDR	350,000.00	117,070.42	0.22
MEDIA NUSANTARA CITRA	IDR	18,000,000.00	781,072.12	1.46
NIPPON INDOSARI CORPINDO	IDR	999,933.00	52,946.12	0.10
PAKUWON JATI	IDR	20,000,000.00	547,577.01	1.02
			2,633,349.58	4.91
Mexico				
BECLE SAB DE CV	MXN	1,500,000.00	1,755,597.52	3.27
CEMEX ADR SP (R. 10 CPO)	USD	64,000.00	348,512.53	0.65
CORPORACION INMOBILIARIA VESTAMXN		1,115,090.00	1,279,748.95	2.38
GRUPO AEROPORT.DEL CENTRO NORTE 'B'	MXN	400,000.00	2,076,107.23	3.88
GRUPO HOTELERO SANTA FE	MXN	3,000,000.00	1,278,791.12	2.38
GRUPO ROTOPLAS	MXN	1,500,000.00	1,410,932.87	2.63
			8,149,690.22	15.19

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity	Market value (note 2)	% of net assets
Philippines				
ABS-CBN BROADCASTING CORP - PDR-	PHP	367,900.00	105,294.73	0.20
FILINVEST LAND	PHP	10,322,000.00	214,984.26	0.40
RFM CORPORATION	PHP	10,003,000.00	684,546.37	1.28
STI EDUCATION SYSTEMS HOLDINGS	PHP	38,926,000.00	380,552.29	0.71
			1,385,377.65	2.59
South Korea				
NCSOFT	KRW	1,300.00	385,132.19	0.72
SAMSUNG SDI	KRW	10,000.00	1,678,210.53	3.13
			2,063,342.72	3.85
Sri Lanka				
ASIRI HOSPITALS HOLDINGS	LKR	4,000,000.00	429,751.90	0.80
JOHN KEELLS HOLDINGS	LKR	3,000,000.00	1,873,624.85	3.49
TEEJAY LANKA	LKR	3,000,000.00	414,804.01	0.77
			2,718,180.76	5.06
Taiwan				
GIANT MANUFACTURE	TWD	250,000.00	814,589.32	1.52
PACIFIC HOSPITAL SUPPLY	TWD	270,000.00	472,785.16	0.88
TAIWAN SAKURA	TWD	900,000.00	854,012.96	1.59
			2,141,387.44	3.99
Thailand				
KASIKORNBANK -NVDR-	THB	400,000.00	2,038,889.81	3.81
MAJOR CINEPLEX GROUP -FGN- REG.	THB	1,500,000.00	880,856.77	1.64
SIAM CEMENT PUBLIC -NVDR-	THB	100,000.00	1,042,934.42	1.94
SUPALAI	THB	2,000,000.00	1,160,381.99	2.16
			5,123,062.99	9.55
United States				
AIRXPANDERS -CHESS DEPOSITARY-	AUD	1,100,000.00	63,438.91	0.12
SAMSONITE INTERNATIONAL	HKD	300,000.00	894,830.33	1.67
			958,269.24	1.79

The accompanying notes form an integral part of these financial statements.

	Market value (note 2)	% of net assets
Total investments	53,521,135.60	99.74
Cash at banks	105,207.08	0.20
Other net assets	36,018.57	0.06
Total net assets	53,662,361.25	100.00

Geographical and industrial classification of investments

Ruffer Emerging Markets Fund as at 15 September 2018

Geographical classification	in % of net assets	Industrial classification	in % of net assets
Mexico	15.19	Construction of machines and appliances	10.17
Cayman Islands	14.07	Transport and freight	9.88
Hong Kong	11.34	Real estate shares	8.74
China	10.05	Banks and credit institutions	7.92
Thailand	9.55	Holding and finance companies	7.79
Brazil	7.12	Electronics and electrical equipment	6.75
Colombia	6.06	Internet, software and IT services	5.83
Sri Lanka	5.06	Utilities	4.47
Indonesia	4.91	Communications	4.45
Taiwan	3.99	Gastronomy	4.02
South Korea	3.85	Food and soft drinks	3.79
Philippines	2.59	Tobacco and alcohol	3.27
British Virgin Islands	2.19	Conglomerates	3.18
Canada	1.98	Automobiles	3.07
United States	1.79	Construction and building materials	2.59
	99.74	Textiles and clothing	2.44
		Packaging	2.26
		Public utilities	1.98
		Pharmaceuticals and cosmetics	1.80
		Miscellaneous trade	1.59
		Environmental services & recycling	1.49
		Healthcare and social services	1.05
		Miscellaneous	0.99
		Retail and supermarkets	0.22
			99.74

Statement of investments

Ruffer UK Mid and Smaller Companies Fund as at 15 September 2018 (expressed in GBP)

	Currency	Quantity	Market value (note 2)	% of net assets
I. Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market				
Shares				
Canada				
IMV	CAD	150,000.00	633,632.89	0.19
			633,632.89	0.19
Cyprus				
DEKELOIL	GBP	13,207,219.00	567,910.42	0.17
			567,910.42	0.17
Guernsey				
RAVEN RUSSIA LIMITED PFD	GBP	197,382.00	272,387.16	0.08
			272,387.16	0.08
Isle of Man				
EPE SPECIAL OPPORTUNITIES	GBP	600,000.00	846,000.00	0.26
STRIX GROUP	GBP	2,600,000.00	4,191,200.00	1.29
			5,037,200.00	1.55
Jersey				
HIGHLAND GOLD MINING	GBP	675,000.00	938,250.00	0.29
SAFESTYLE UK	GBP	2,800,000.00	1,352,400.00	0.41
			2,290,650.00	0.70
Mauritius				
GRIT REAL ESTATE INCOME GROUP	USD	4,865,600.00	5,284,247.84	1.62
			5,284,247.84	1.62
Switzerland				
GEORG FISCHER REG.	CHF	2,400.00	2,217,384.08	0.68
			2,217,384.08	0.68
United Kingdom				
1SPATIAL	GBP	1,352,934.00	561,467.61	0.17
ACCROL GROUP HOLDINGS	GBP	12,826,472.00	2,565,294.40	0.79
ARENA EVENTS GROUP	GBP	4,100,000.00	2,982,750.00	0.92
ARIX BIOSCIENCE	GBP	1,280,210.00	2,259,570.65	0.69
AUTINS GROUP	GBP	1,025,000.00	456,125.00	0.14
BAKKAHOR GROUP	GBP	2,691,320.00	4,505,269.68	1.38
BILBY	GBP	3,500,000.00	3,570,000.00	1.10
BP PLC	GBP	1,775,066.00	9,769,963.26	3.00

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity	Market value (note 2)	% of net assets
CASTINGS	GBP	3,266,093.00	13,146,024.33	4.03
CERES POWER HOLDINGS	GBP	400,000.00	812,000.00	0.25
CHARACTER GROUP	GBP	1,032,242.00	5,460,560.18	1.68
CML MICROSYSTEMS	GBP	650,000.00	3,331,250.00	1.02
CRAWSHAW GROUP	GBP	1,750,000.00	51,625.00	0.02
DIRECTA PLUS	GBP	1,266,500.00	481,270.00	0.15
DIXONS CARPHONE	GBP	7,200,000.00	11,646,000.00	3.57
DX GROUP	GBP	18,856,081.00	1,859,209.59	0.57
ELEKTRON TECHNOLOGY	GBP	20,300,000.00	8,830,500.00	2.71
EPWIN GROUP	GBP	11,737,803.00	10,106,248.38	3.10
EUROCELL	GBP	2,725,000.00	6,758,000.00	2.07
FINSBURY FOOD GROUP	GBP	19,323,792.00	23,961,502.08	7.36
FLOWTECH FLUIDPOWER	GBP	1,257,800.00	2,169,705.00	0.67
FRONTIER SMART TECHNOLOGIES GROUP	GBP	1,400,000.00	665,000.00	0.20
GAMES WORKSHOP GROUP	GBP	443,000.00	16,258,100.00	4.99
GORDON DADDS	GBP	1,950,000.00	3,627,000.00	1.11
HAYNES PUBLISHING GROUP	GBP	181,000.00	369,240.00	0.11
HEADLAM GROUP	GBP	2,650,000.00	12,084,000.00	3.71
ITV	GBP	9,400,000.00	15,021,200.00	4.61
JOHNSON SERVICE GROUP	GBP	2,200,000.00	3,014,000.00	0.92
JOHNSTON PRESS	GBP	2,777,000.00	90,530.20	0.03
LAURA ASHLEY HOLDINGS	GBP	20,567,723.00	1,127,111.22	0.35
LONDON FINANCE & INVESTMENT GROUP	GBP	554,500.00	235,662.50	0.07
LUCECO	GBP	6,504,552.00	3,538,476.29	1.09
MILLENNIUM & COPTHORNE HOTELS	GBP	42,851.00	221,539.67	0.07
NEXUS INFRASTRUCTURE	GBP	4,728,427.00	9,173,148.38	2.81
NWF GROUP	GBP	890,000.00	1,735,500.00	0.53
OXFORD METRICS	GBP	7,500,000.00	5,700,000.00	1.75
PITTARDS	GBP	628,250.00	527,730.00	0.16
PORTA COMMUNICATIONS	GBP	5,706,336.00	105,567.22	0.03
PRODUCE INVESTMENTS	GBP	2,048,500.00	3,922,877.50	1.20
RANK GROUP	GBP	41,021.00	70,556.12	0.02

The accompanying notes form an integral part of these financial statements.

	Currency	Quantity/nominal	Market value (note 2)	% of net assets
REABOLD RESOURCES	GBP	157,124,257.00	1,414,118.31	0.43
REDHALL GROUP	GBP	43,550,000.00	2,939,625.00	0.90
SCISYS	GBP	283,864.00	510,955.20	0.16
STIRLING INDUSTRIES	GBP	800,000.00	768,000.00	0.24
SUPERMARKET INCOME	GBP	632,264.00	641,747.96	0.20
SURGICAL INNOVATIONS GROUP	GBP	75,500,000.00	2,416,000.00	0.74
TESCO	GBP	12,200,000.00	28,584,600.00	8.78
TI FLUID SYSTEMS	GBP	1,879,940.00	5,128,476.32	1.57
TP GROUP	GBP	70,000,000.00	4,935,000.00	1.51
VAN ELLE HOLDINGS	GBP	10,180,900.00	9,162,810.00	2.81
VOLEX	GBP	27,800,000.00	24,325,000.00	7.47
			273,597,907.05	83.96
Total shares			289,901,319.44	88.95
Bonds				
United Kingdom				
8.625% JOHNSTON PRESS 14/19 -SR-GBP S		3,635,000.00	2,340,794.60	0.72
			2,340,794.60	0.72
Total bonds			2,340,794.60	0.72
Structured products				
Ireland				
FTSE250 DLY SH.1 (BOOST) -ETN- 30/11/62	GBP	595,000.00	29,857,100.00	9.17
			29,857,100.00	9.17
Total structured products			29,857,100.00	9.17
Total I.			322,099,214.04	98.84
II. Other transferable securities				
Shares				
United Kingdom				
GLOO NETWORKS *	GBP	2,500,000.00	0.00	0.00
PURE WAFER *	GBP	580,000.00	0.00	0.00
TOROTRAK *	GBP	47,827,295.00	0.00	0.00
			0.00	0.00
Total II.			0.00	0.00

* Security is valued at its fair value under the direction of the Board of Directors of the Company
The accompanying notes form an integral part of these financial statements.

	Market value (note 2)	% of net assets
Total investments	322,099,214.04	98.84
Cash at banks	3,828,631.65	1.17
Other net liabilities	-47,145.16	-0.01
Total net assets	325,880,700.53	100.00

The accompanying notes form an integral part of these financial statements.

Geographical and industrial classification of investments

Ruffer UK Mid and Smaller Companies Fund as at 15 September 2018

Geographical classification	in % of net assets	Industrial classification	in % of net assets
United Kingdom	84.68	Retail and supermarkets	14.12
Ireland	9.17	Electronics and electrical equipment	12.49
Mauritius	1.62	Structured products	9.17
Isle of Man	1.55	Construction and building materials	9.13
Jersey	0.70	Food and soft drinks	8.76
Switzerland	0.68	Construction of machines and appliances	8.22
Canada	0.19	Communications	8.18
Cyprus	0.17	Utilities	6.47
Guernsey	0.08	Miscellaneous consumer goods	5.97
	98.84	Miscellaneous investment goods	3.71
		Oil	3.00
		Holding and finance companies	2.33
		Internet, software and IT services	2.08
		Gastronomy	1.01
		Biotechnology	0.88
		Miscellaneous trade	0.74
		Bonds issued by companies	0.72
		Transport and freight	0.57
		Mining and steelworks	0.29
		Real estate shares	0.28
		Public utilities	0.25
		Agriculture and fisheries	0.17
		Textiles and clothing	0.16
		Publishing and graphic arts	0.14
		Automobiles	0.00
		Miscellaneous	0.00
			98.84

Statement of investments

Ruffer Fixed Income as at 15 September 2018 (expressed in GBP)

	Currency	Nominal	Market value (note 2)	% of net assets
Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market				
Bonds				
Japan				
0.10% Japan (CPI) 18/28 '23' -SR-	JPY	2,818,400,000.00	20,215,141.86	5.51
0.10% Japan (CPI) N°18 16/26 -SR-	JPY	2,200,000,000.00	15,807,191.63	4.31
0.10% Japan (CPI) N°22 17/27 -SR-	JPY	3,000,000,000.00	21,653,590.52	5.90
			57,675,924.01	15.72
United States				
0.125% US TREASURY (INFLATION) 12/22	USD	41,500,000.00	34,459,939.47	9.39
0.125% US TREASURY (INFLATION) 12/22 -SR-	USD	65,000,000.00	53,140,990.68	14.49
0.125% US TREASURY (INFLATION) 13/23	USD	29,100,000.00	23,525,911.33	6.41
0.625% US TREASURY (INFLATION) 11/21 -SR-	USD	59,000,000.00	50,277,835.85	13.70
1.125% US TREASURY (INFLATION) 11/21 -SR- 144A	USD	13,000,000.00	11,515,338.09	3.14
1.25% US TREASURY (INFLATION) 10/20	USD	58,000,000.00	51,789,200.37	14.12
1.875% US TREASURY (INFLATION) 09/19	USD	55,000,000.00	50,212,318.35	13.69
			274,921,534.14	74.94
Total investments			332,597,458.15	90.66
Cash at banks			33,816,096.64	9.22
Other net assets			444,832.96	0.12
Total net assets			366,858,387.75	100.00

The accompanying notes form an integral part of these financial statements.

Geographical and industrial classification of investments

Ruffer Fixed Income as at 15 September 2018

Geographical classification	in % of net assets
United States	74.94
Japan	15.72
	90.66

Industrial classification	in % of net assets
Bonds issued by countries or cities	90.66
	90.66

Notes to the financial statements

As at 15 September 2018

Note 1 General

Ruffer SICAV (the ‘Company’) is an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a ‘société d’investissement à capital variable’ (SICAV) under the form of a ‘société anonyme’. The Company is governed by the law of the Grand Duchy of Luxembourg of 10 August 1915 on commercial companies, as amended, and by Part I of the amended Luxembourg law of 17 December 2010 on undertakings for collective investment (the ‘Law’).

The Company has been incorporated under the name of Ruffer SICAV, for an unlimited period. The registered office of the Company is established at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The Company is recorded at the ‘Registre de Commerce et des Sociétés’ with the District Court of Luxembourg under the number B 161.817.

As at 15 September 2018, the Company includes four Sub-Funds in activity –

Ruffer SICAV – Ruffer Total Return International

The following share classes are currently offered within the Sub-Fund

Class	Currency	Category	Class	Currency	Category
C	GBP	capitalisation	I	GBP	capitalisation
C	EUR	capitalisation	I	EUR	capitalisation
C	CHF	capitalisation	I	CHF	capitalisation
C	USD	capitalisation	I	USD	capitalisation
C	SEK	capitalisation	I	SEK	capitalisation
C	GBP	distribution	I	CAD	capitalisation
C	EUR	distribution	I	GBP	distribution
C	USD	distribution	I	USD	distribution
C	GBP	income	I	SGD	capitalisation
C	EUR	income	I	AUD	capitalisation
C	USD	income	O	GBP	capitalisation
C	SGD	capitalisation	O	EUR	capitalisation
C	AUD	capitalisation	O	CHF	capitalisation

† Not launched to date

Class	Currency	Category
O	USD	capitalisation
Z	GBP	capitalisation
Z	EUR	capitalisation †
Z	CHF	capitalisation †

† Not launched to date

Class	Currency	Category
Z	USD	capitalisation †
Z	CAD	capitalisation †
Z	GBP	distribution

Class O Shares are open to retail investors. Classes Z, I and C Shares are open to Institutional Investors. Class Z Shares are available to clients of the Investment Manager.

Ruffer SICAV – Ruffer Emerging Markets Fund

The following share classes are currently offered within the Sub-Fund

Class	Currency	Category
O	GBP	capitalisation *
C	GBP	capitalisation
C	GBP	distribution
Z	GBP	capitalisation
Z	GBP	distribution

* Liquidated on 30 April 2018

Classes Z and C Shares are only open to Institutional Investors that are clients of the Investment Manager.

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

The following share classes are currently offered within the Sub-Fund

Class	Currency	Category
O	GBP	capitalisation
C	GBP	capitalisation
C	GBP	distribution
Z	GBP	capitalisation
Z	GBP	distribution

Class O Shares are open to retail investors specifically approved in advance by the Board of Directors of the Company. Classes Z and C Shares are only open to Institutional Investors that are clients of the Investment Manager.

Ruffer SICAV – Ruffer Fixed Income

The following share classes are currently offered within the Sub-Fund

Class	Currency	Category
O	GBP	capitalisation
C	GBP	capitalisation
C	GBP	distribution
Z	GBP	capitalisation
Z	GBP	distribution

Class O Shares are open to retail investors specifically approved in advance by the Board of Directors of the Company. Classes Z and C Shares are only open to Institutional Investors that are clients of the Investment Manager.

FundPartner Solutions (Europe) S.A. a public limited company (société anonyme) with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, was appointed Management Company of the Company as of 20 September 2013. It is a Management Company within the meaning of chapter 15 of the Law.

Note 2 Summary of significant accounting policies

a General

The financial statements of the Company are prepared in accordance with generally accepted accounting principles and presented in accordance with the regulatory reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

b Formation expenses

Formation expenses are amortised over a maximum period of five years.

c Valuation of assets

The transferable securities listed on a stock exchange or regulated market are valued at the last known price unless that price is not representative.

Securities not admitted to a stock exchange or on a regulated market as well as securities that are so admitted but for which the final price is not representative, are valued based on the probable realisation value estimated prudently and in good faith.

OTC Derivatives (including structured products, options, swaptions and warrants) are valued at fair value based on generally accepted standard models provided by Bloomberg BVAL OTC. Options are valued by using the Black and Scholes Model according to uniform criteria for each type of option contract. Main inputs are the underlying price, interest rates and the related volatility.

The value of the liquid assets, bills or notes payable on demand and accounts receivable, deposits, prepaid expenditures, dividends and interest announced or come to maturity not yet affected, is constituted by the nominal value of these assets, except if it is unlikely that this value could be obtained. In the latter case, the value is determined by subtracting a certain amount that the Board of Directors of the Company deems appropriate to reflect the real value of these assets.

Money market instruments are valued at their nominal value plus any eventually accrued interest or at 'marked-to-market' or according to the amortised cost method.

Assets expressed in a currency other than the currency of the corresponding Sub-Fund are converted in this Sub-Fund's reference currency at the applicable exchange rate.

Shares or units in underlying UCI/UCITS are valued at the actual Net Asset Value (NAV) for such shares or units as of the relevant Valuation Day and excluding redemption fees that may arise (if any); if events have occurred which may have resulted in a material change in the NAV of such shares or units since the date on which such actual or estimated NAV was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Board of Directors of the Company, such change but the Board of Directors of the Company will not be required to revise or recalculate the NAV on the basis of which subscriptions, redemptions or conversions may have been previously accepted.

Cost of investments in currencies other than GBP is translated into GBP at the exchange rate applicable at the purchase date.

d Net realised gain/loss on sales of investments

Realised gains or losses on the sales of securities are recognised on a calculation date basis and are calculated on the basis of average cost.

e Foreign exchange translation

The accounts and the financial statements of the Company are expressed in Pound Sterling (GBP). Cash at banks, other net assets as well as the market value of the financial instruments in currencies other than GBP are translated into GBP at the exchange rate prevailing at the closing NAV date.

f Valuation of forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts, if any, are determined on the Valuation Day on the basis of the forward foreign exchange rates applicable on this date and are included in the statement of net assets as net unrealised gain/loss on forward foreign exchange contracts. As at 15 September 2018, open forward foreign exchange contracts are disclosed in note 8.

g Valuation of options, swaptions and warrants

Options, swaptions and warrants traded on a regulated market or stock exchange will be based on the mid price published on the regulated market or stock exchange unless that price is not representative in which case the value of the financial derivative instruments shall be determined by the Board of Directors of the Company as it deems fair and reasonable. Options, swaptions and warrants not traded on a regulated or stock exchange will be priced at fair value based on generally accepted standard models provided by Bloomberg BVAL OTC.

As at 15 September 2018, open option and swaption positions are disclosed in note 9.

h Income

Dividends income is recorded on the ex-dividend date. Interest is recorded on an accrual basis. In the statement of operations and changes in net assets, the dividends and interest income are recorded net of withholding taxes.

i Transaction costs

The transaction costs represent the costs incurred by each Sub-Fund in connection with purchases and sale of financial instruments.

They include brokerage fees as well as bank commissions, tax and other transaction fees, and are included in the statement of operations and changes in net assets.

Note 3 Subscription and redemption commission

The Subscription Price per Share of the Sub-Fund is the NAV per Share. A sales charge of a maximum of the percentage of the NAV per Share may be applied as follows –

Share class	Maximum subscription fee (in %)
O	5.00
C	5.00
I	5.00
Z	7.50

No redemption fee will be applied, however a fee may be charged in accordance with the market timing or dilution levy provisions of the Prospectus. The dilution levy mechanism may be applied across all Sub-Funds. The extent of the price adjustment is set by the Board of Directors of the Company to reflect dealing and other costs. The amount of the adjustment may vary from Sub-Fund to Sub-Fund and does not exceed 1% of the original NAV per share.

Note 4 Other fees payable

As at 15 September 2018, other fees payable mainly include administration, depositary, audit, Management Company, professional and directors fees.

Note 5 Oversight support fees

The Board of Directors of the Company has appointed FundPartner Solutions (Europe) S.A. as Management Company to provide investment management services (delegated to Ruffer LLP) in respect of the assets of the Company and distribution services (delegated to Ruffer LLP).

The Management Company is entitled to an oversight support fee for its services rendered.

Note 6 Investment management fee

The Investment Manager is entitled to receive an investment management fee payable quarterly for each Class of Shares as follows –

Ruffer SICAV – Ruffer Total Return International

Share class	Maximum investment management fee [†] (in %)	Actual investment management fee as at 15 Mar 2018 (in %)
O	1.50	1.40
C	1.20	1.10
I	1.00	0.90
Z	0.00	0.00

Ruffer SICAV – Ruffer Emerging Markets Fund

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

Ruffer SICAV – Ruffer Fixed Income

Share class	Maximum investment management fee [†] (in %)	Actual investment management fee as at 15 Mar 2018 (in %)
O	1.50	1.45
C	1.20	1.15
Z	0.00	0.00

[†] Maximum percentage per year of the average net assets attributable to this type of shares during the relevant period.

Note 7 Taxation

Under current law and practice, the Company is not liable to any Luxembourg income or net wealth tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. However, in relation to Class O Shares, the Company is liable in Luxembourg to a subscription tax ('taxe d'abonnement') of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the NAV of the respective Class at the end of the relevant quarter. A reduced tax rate of 0.01% per annum of the net assets will be applicable to Share Classes Z, I and C which are only sold to and held by Institutional Investors. Such tax is payable quarterly and calculated on the net assets of such Class at the end of the relevant quarter.

Note 8 Forward foreign exchange contracts

An investment in derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with transactions in the Sub-Fund; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. For more information about the use of derivatives instruments, including for hedging and trading purpose, please refer to the latest Prospectus.

Ruffer SICAV – Ruffer Total Return International

Open forward foreign exchange contracts for hedging purposes as at 15 September 2018

	Purchase		Sale	Maturity	Unrealised gain (in GBP)
GBP	14,047,507.96	EUR	15,703,874.08	28 Sep 18	29,107.78
GBP	652,399.61	SEK	7,640,056.07	28 Sep 18	4,662.02
GBP	1,020,013.52	SEK	12,000,000.00	28 Sep 18	2,634.40
GBP	552,484.98	SGD	987,765.79	28 Sep 18	1,940.88
GBP	893,773.14	USD	1,161,645.89	28 Sep 18	5,793.97
GBP	1,154,439.40	USD	1,484,176.16	28 Sep 18	19,919.91
GBP	2,097,382.04	USD	2,726,407.89	28 Sep 18	13,275.66
SEK	2,471,881,905.67	GBP	209,338,883.14	28 Sep 18	230,954.96
					308,289.58

	Purchase		Sale	Maturity	Unrealised loss (in GBP)
CHF	17,669,510.78	GBP	14,051,859.54	28 Sep 18	-54,843.79
EUR	1,044,038,447.41	GBP	944,901,776.64	28 Sep 18	-12,919,315.44
EUR	3,131,008.62	GBP	2,811,645.74	28 Sep 18	-16,686.28
GBP	371,388.39	CAD	633,365.76	28 Sep 18	-112.65
GBP	632,690.32	EUR	710,090.15	28 Sep 18	-1,185.78
GBP	1,600,223.13	SEK	18,922,046.38	28 Sep 18	-4,014.11
GBP	943,547.64	SEK	11,170,000.00	28 Sep 18	-3,463.55
GBP	530,283.51	SGD	952,919.46	28 Sep 18	-839.34
GBP	2,198,325.02	USD	2,880,531.23	28 Sep 18	-3,604.76
USD	453,959,426.17	GBP	351,806,989.63	28 Sep 18	-4,792,552.01
CAD	64,586,211.03	GBP	38,711,698.72	28 Sep 18	-828,623.28
SGD	116,379,366.41	GBP	66,027,099.97	28 Sep 18	-1,161,480.54
AUD	170,133.54	GBP	96,267.49	28 Sep 18	-2,871.07
					-19,789,592.60

Open forward foreign exchange contracts for share class trading purposes as at 15 September 2018

	Purchase		Sale	Maturity	Unrealised gain (in GBP)
GBP	24,764,965.20	EUR	27,407,000.00	13 Feb 19	178,293.80
GBP	197,492,034.90	JPY	28,290,734,000.00	14 Dec 18	3,962,649.62
GBP	607,673.22	JPY	88,236,734.00	19 Sep 18	5,601.49
GBP	57,601,023.81	USD	74,265,000.00	12 Oct 18	866,416.57
GBP	22,357,849.20	USD	28,940,000.00	12 Oct 18	249,091.31
GBP	21,130,313.44	USD	27,559,000.00	12 Oct 18	76,392.37
					5,338,445.16

	Purchase		Sale	Maturity	Unrealised loss (in GBP)
GBP	1,344,601.59	JPY	197,320,283.00	20 Sep 18	-1,845.92
GBP	296,560,131.33	USD	396,535,000.00	12 Oct 18	-6,384,380.15
GBP	18,671,993.51	USD	24,864,000.00	12 Oct 18	-323,500.42
GBP	5,309,498.24	USD	7,000,000.00	12 Oct 18	-38,273.07
GBP	13,042,743.09	USD	17,124,000.00	12 Oct 18	-39,372.64
USD	8,399,000.00	GBP	6,449,819.42	12 Oct 18	-33,309.30
					-6,820,681.50

The unrealised gain on these contracts as at 15 September 2018 was GBP 5,646,734.74 and is included in the statement of net assets.

The unrealised loss on these contracts as at 15 September 2018 was GBP 26,610,274.10 and is included in the statement of net assets.

Ruffer SICAV – Ruffer Emerging Markets Fund

Open forward foreign exchange contracts for trading purposes as at 15 September 2018

	Purchase		Sale	Maturity	Unrealised gain (in GBP)
GBP	14,759,711.89	HKD	150,000,000.00	12 Oct 18	148,595.19
GBP	3,088,445.35	USD	4,000,000.00	12 Oct 18	32,637.13
					181,232.32

	Purchase		Sale	Maturity	Unrealised loss (in GBP)
GBP	6,575,670.02	MXN	165,000,000.00	12 Oct 18	-88,597.86
					-88,597.86

The unrealised gain on these contracts as at 15 September 2018 was GBP 181,232.32 and is included in the statement of net assets.

The unrealised loss on these contracts as at 15 September 2018 was GBP 88,597.86 and is included in the statement of net assets.

Ruffer SICAV – Ruffer Fixed Income

Open forward foreign exchange contracts for trading purposes as at 15 September 2018

	Purchase		Sale	Maturity	Unrealised gain (in GBP)
GBP	26,765,453.89	JPY	3,879,000,000.00	16 Nov 18	252,087.31
					252,087.31

The unrealised gain on these contracts as at 15 September 2018 was GBP 252,087.31 and is included in the statement of net assets.

Note 9 Options and swaptions

Open purchased option and swaption contracts as at 15 September 2018

Listed financial derivative instruments–

Ruffer SICAV - Ruffer Total Return International

Name	Quantity	Strike	Maturity date	Currency	Market value in GBP
CALL CBOE Volatility Index*	4,000	30	17 Oct 18	USD	61,185.49

* Open purchased options

Over-the-counter financial derivative instruments—

Ruffer SICAV - Ruffer Total Return International

Name	Quantity	Strike	Maturity date	Currency	Market value in GBP
EUR SWAPTION 2Y (BARC)†	230,000,000	-0.05	14 Jan 19	EUR	127,238.47
EUR SWAPTION 2Y (BARC)†	230,000,000	-0.05	28 Jan 19	EUR	155,969.74
EUR SWAPTION 2Y (BARC)†	230,000,000	-0.05	13 Feb 19	EUR	197,014.41
EUR SWAPTION 2Y (GSI)†	240,000,000	-0.05	4 Feb 19	EUR	186,307.11
USD SWAPTION 1Y (BARC)†	280,000,000	0.18	16 Jul 19	USD	122,065.05
USD SWAPTION 1Y (NMR)†	280,000,000	0.18	22 Jul 19	USD	124,206.54
USD SWAPTION 1Y (NMR)†	280,000,000	0.18	29 Jul 19	USD	128,489.52
USD SWAPTION 1Y (UBS)†	280,000,000	0.18	5 Aug 19	USD	132,772.51
USD SWAPTION 1YR (MS)†	230,000,000	0.18	29 Mar 19	USD	56,290.65
USD SWAPTION 1YR (MS)†	220,000,000	0.19	8 Apr 19	USD	53,843.23
USD SWAPTION 1YR (MS)†	230,000,000	0.19	8 May 19	USD	65,086.06
USD SWAPTION 1YR (MS)†	220,000,000	0.2	30 Apr 19	USD	55,525.83
USD SWAPTION 1YR (BARC)†	230,000,000	0.21	23 Apr 19	USD	52,772.48
USD SWAPTION 1YR (MS)†	220,000,000	0.23	15 May 19	USD	50,478.03
EUR SWAPTION 3 YR (NMR)†	135,000,000	0.24	7 Jan 19	EUR	2,409.14
EUR SWAPTION 3 YR (BARC)†	230,000,000	0.27	11 Jan 19	EUR	4,104.47
EUR SWAPTION 3 YR (GSI)†	510,000,000	0.35	21 Jan 19	EUR	9,101.21
JPY SWAPTION 20 YR (NMR)†	11,000,000,000	0.98	28 Sep 18	JPY	-
JPY SWAPTION 20 YR (NMR)†	11,000,000,000	1	23 Oct 18	JPY	750.52
JPY SWAPTION 30 YR (NMR)†	3,200,000,000	1.2	6 Nov 18	JPY	4,585.02
JPY SWAPTION 20 YR (NMR)†	5,800,000,000	1.25	20 Nov 18	JPY	395.73
GBP SWAPTION 5Y (BARC)†	110,000,000	1.65	7 Jan 19	GBP	217,800.00
GBP SWAPTION 5Y (GSI)†	61,000,000	1.65	18 Feb 19	GBP	196,420.00
GBP SWAPTION 5Y (JPS)†	120,000,000	1.65	7 Jan 19	GBP	237,600.00
GBP SWAPTION 5Y (MS)†	110,000,000	1.65	4 Feb 19	GBP	306,900.00
GBP SWAPTION 5Y (GSI)†	110,000,000	1.67	28 Jan 19	GBP	258,500.00
GBP SWAPTION 30 YR (BARC)†	28,000,000	1.75	11 Jan 19	GBP	620,760.00
GBP SWAPTION 30 YR (MS)†	40,000,000	1.75	10 Oct 18	GBP	255,600.00
GBP SWAPTION 30 YR (BARC)†	34,000,000	2	17 Oct 18	GBP	5,100.00
GBP SWAPTION 30 YR (BARC)†	23,000,000	2	26 Oct 18	GBP	8,970.00
GBP SWAPTION 30 YR (GSI)†	26,000,000	2	19 Nov 18	GBP	40,820.00
GBP SWAPTION 30Y (BARC)†	29,000,000	2.1	24 May 19	GBP	364,240.00
GBP SWAPTION 30Y (JPS)†	28,000,000	2.1	17 May 19	GBP	337,400.00
GBP SWAPTION 30Y (BARC)†	46,000,000	2.12	24 Apr 19	GBP	442,060.00
GBP SWAPTION 30Y (BARC)†	23,000,000	2.13	12 Apr 19	GBP	193,890.00
GBP SWAPTION 30 YR (BARC)†	23,000,000	2.15	3 Dec 18	GBP	14,720.00
GBP SWAPTION 30 YR (BARC)†	46,000,000	2.15	1 Nov 18	GBP	2,760.00
GBP SWAPTION 30 YR (GSI)†	28,000,000	2.15	16 Nov 18	GBP	7,000.00
GBP SWAPTION 30 YR (JPS)†	28,000,000	2.15	29 Oct 18	GBP	1,120.00
GBP SWAPTION 30 YR (JPS)†	29,000,000	2.15	9 Nov 18	GBP	4,060.00
GBP SWAPTION 30 YR (JPS)†	29,000,000	2.15	23 Nov 18	GBP	11,310.00
GBP SWAPTION 30 YR (MS)†	16,000,000	2.15	15 Nov 18	GBP	3,680.00
GBP SWAPTION 30Y (GSI)†	46,000,000	2.15	7 Jun 19	GBP	526,240.00

Ruffer SICAV - Ruffer Total Return International (continued)

Name	Quantity	Strike	Maturity date	Currency	Market value in GBP
GBP SWAPTION 30Y (JPS)†	50,000,000	2.15	28 Feb 19	GBP	250,000.00
GBP SWAPTION 30Y (GSI)†	46,000,000	2.16	14 Mar 19	GBP	261,740.00
GBP SWAPTION 30Y (BARC)†	23,000,000	2.17	10 May 19	GBP	204,240.00
GBP SWAPTION 30Y (BARC)†	45,000,000	2.18	22 Mar 19	GBP	253,350.00
GBP SWAPTION 30 YR (BARC)†	28,000,000	2.2	10 Dec 18	GBP	15,680.00
GBP SWAPTION 30 YR (JPS)†	29,000,000	2.2	10 Dec 18	GBP	15,950.00
GBP SWAPTION 30 YR (JPS)†	28,000,000	2.2	21 Dec 18	GBP	24,080.00
GBP SWAPTION 30Y (GSI)†	58,000,000	2.2	13 Mar 19	GBP	270,280.00
GBP SWAPTION 30 YR (BARC)†	28,735,000	2.25	5 Nov 18	GBP	574.70
GBP SWAPTION 30 YR (BARC)†	14,265,000	2.3	20 Nov 18	GBP	855.90
GBP SWAPTION 30 YR (GSI)†	28,000,000	2.3	28 Dec 18	GBP	14,280.00
GBP SWAPTION 30 YR (BARC)†	34,000,000	2.35	28 Jan 19	GBP	31,960.00
GBP SWAPTION 30 YR (JPS)†	28,000,000	2.35	28 Dec 18	GBP	9,800.00
GBP SWAPTION 30 YR (JPS)†	29,000,000	2.35	7 Jan 19	GBP	14,500.00
GBP SWAPTION 30 YR (JPS)†	29,000,000	2.35	14 Jan 19	GBP	18,270.00
GBP SWAPTION 30 YR (JPS)†	28,000,000	2.35	21 Jan 19	GBP	21,560.00
GBP SWAPTION 30 YR (MS)†	29,000,000	2.35	21 Dec 18	GBP	7,540.00
PUT S&P500 (MS)†	190,000	2550/2400	21 Sep 18	USD	14,531.55
PUT S&P500 (UBS)†	320,000	2550/2400	28 Sep 18	USD	73,422.58
PUT S&P500 (BARC)†	350,000	2550/2475	21 Sep 18	USD	26,768.65
PUT S&P500 (BARC)†	220,000	2600/2450	21 Sep 18	USD	25,239.01
PUT S&P500 (MS)†	71,000	2625/2425	21 Sep 18	USD	8,145.32
PUT S&P500 (BARC)†	280,000	2650/2425	28 Sep 18	USD	139,196.98
PUT S&P500 (GS)†	160,000	2675/2450	19 Oct 18	USD	266,156.87
PUT S&P500 (GS)†	111,000	2750/2475	19 Oct 18	USD	362,925.54
PUT S&P500 (UBS)†	120,000	2750/2475	3 Oct 18	USD	169,789.73

The market value on these contracts as at 15 September 2018, was GBP 8,148,378.04 and is included in the assets part of the statement of net assets.

As at 15 September 2018, the Company received as collateral for the Sub-Fund Ruffer SICAV – Ruffer Total Return International an amount of GBP 6,636,000.00 for open option and swaption contracts.

† OTC product
NMR : Nomura Bank International PLC London
GSI : Goldman Sachs International
MS : Morgan Stanley
BARC : Barclays
JPS : JP Morgan Securities PLC London
UBS : UBS AG London

Note 10 Exchange rates

The following main exchange rates were used for the conversion of the net assets of the Sub-Funds into GBP as at 15 September 2018 –

1 GBP = 1.263110 CHF

1 GBP = 1.120730 EUR

1 GBP = 11.800773 SEK

1 GBP = 1.307500 USD

Note 11 Cross investment between Sub-Funds

As at 15 September 2018, the Sub-Fund Ruffer SICAV – Ruffer Total Return International had investments in the Sub-Fund Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund, amounting to GBP 35,520,411.60, and representing 1.55% of its net assets. The impact of this cross investment transaction has been eliminated from the combined figures in the statement of net assets and statement of operations and changes in net assets as follows –

In the statement of net assets, the cost value and the unrealised gain/loss on this cross investment was eliminated from the combined investments in securities at acquisition cost and from the combined net unrealised gain/loss on investments respectively. There was not any payable/receivable for investment purchased/sold at year-end.

In the statement of operations and changes in net assets, the change in unrealised gain/loss on this cross investment was eliminated from the combined change in unrealised appreciation/depreciation on investments.

Note 12 Related parties

Ruffer SICAV pays Director fees to the Chairman, Mr Jean Garbois, and to Mr Alain Guérard. The annual fee is EUR 15,000.00 each, payable quarterly in arrears.

Two Directors hold shares of Ruffer SICAV. No Director holds any shares in the Company nor has any interest in any transaction, which, during the year presented, has affected the Company and is unusual in its nature or conditions, or is significant to the business of the Company.

The Investment Manager of the Company, Ruffer LLP, holds shares of Ruffer SICAV. All transactions executed on behalf of the Investment Manager were entered into the ordinary course of business and on normal commercial terms.

The Sub-Fund Ruffer SICAV – Ruffer Total Return International had investments in related party funds as footnoted in the Statement of Investments.

Note 13 Statement of changes in the composition of the portfolio during the year

The statement of changes in the composition of the portfolio during the year is made available free of charge to shareholders at the registered office of the Company.

Note 14 Indemnification

The Company shall indemnify any director or officer and his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or a creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

Note 15 Dividends distributed

As at 29 September 2017, the Board of Directors of the Company resolved to pay to the Shareholders of the following Distribution Shares of the Sub-Funds mentioned below, dividends as follows –

Ruffer SICAV – Ruffer Total Return International

Share class	Ex-dividend date	Payment date	Currency	Dividend per share
C GBP dis	22 Nov 17	29 Nov 17	GBP	0.4172
C EUR dis	22 Nov 17	29 Nov 17	EUR	0.2618
C USD dis	22 Nov 17	29 Nov 17	USD	0.3738
C GBP inc	22 Nov 17	29 Nov 17	GBP	0.4025
C GBP inc	29 Nov 17	1 Dec 17	GBP	1.2215
I GBP dis	22 Nov 17	29 Nov 17	GBP	0.5676
I USD dis	22 Nov 17	29 Nov 17	USD	0.8759
Z GBP dis	22 Nov 17	29 Nov 17	GBP	1.4579

For this Sub-Fund, the dividend amount distributed was GBP 2,120,315.92*.

Ruffer SICAV – Ruffer Emerging Markets Fund

Share class	Ex-dividend date	Currency	Dividend per share
C GBP dis	27 Nov 17	GBP	0.7718
Z GBP dis	27 Nov 17	GBP	2.4967

For this Sub-Fund, the dividend amount distributed was GBP 440,276.88 and was paid as at 4 December 2017.

Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund

Share class	Ex-dividend date	Currency	Dividend per share
C GBP dis	27 Nov 17	GBP	9.2417
Z GBP dis	27 Nov 17	GBP	10.8984

For this Sub-Fund, the dividend amount distributed was GBP 1,816,135.88 and was paid as at 4 December 2017.

* Based on the exchange rates as at 15 September 2018

Ruffer SICAV – Ruffer Fixed Income

Share class	Ex-dividend date	Currency	Dividend per share
Z GBP dis	27 Nov 17	GBP	1.0270

For this Sub-Fund, the dividend amount distributed was GBP 1,592,158.49 and was paid as at 4 December 2017.

Note 16 Subsequent event

We anticipate that a sub-fund of Company, ‘Ruffer SICAV - Ruffer Emerging Markets Fund’, will proceed with a cross-border merger whereby all the assets and liabilities of the sub-fund will be merged into the ‘LF Ruffer Investment Funds - LF Ruffer Pacific & Emerging Markets Fund’, a sub-fund of ‘LF Ruffer Investment Funds’, an English open-ended investment company incorporated with limited liability and structured as an umbrella fund, existing under the laws of England and Wales, having its registered office at 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom under registered number IC49.

The Board of Directors have approved the merger in principle. Shareholders will be provided with further details following receipt of regulatory approval.

Appendix 1: TER (Total Expense Ratio) (unaudited)

Share class	TER in % as at 15 Sep 2018	Share class	TER in % as at 15 Sep 2018
Ruffer SICAV – Ruffer Total Return International		Ruffer SICAV – Ruffer Emerging Markets Fund	
C GBP cap	1.12	C GBP cap	1.37
C EUR cap	1.12	C GBP dis	1.38
C CHF cap	1.12	Z GBP cap	0.23
C USD cap	1.12	Z GBP dis	0.22
C GBP dis	1.12	Ruffer SICAV – Ruffer UK Mid and Smaller Companies	
C EUR dis	1.12	O GBP cap	1.61
C USD dis	1.12	C GBP cap	1.28
C GBP inc	1.12	C GBP dis	1.28
C AUD Cap	1.12	Z GBP cap	0.15
I GBP cap	0.93	Z GBP dis	0.15
I EUR cap	0.93	Ruffer SICAV – Ruffer Fixed income	
I CHF cap	0.93	O GBP cap	1.61
I USD cap	0.93	C GBP cap	1.27
I SEK cap	0.93	C GBP dis	1.27
I CAD cap	0.93	Z GBP cap	0.14
I GBP dis	0.93	Z GBP dis	0.14
I USD dis	0.93		
I SGD cap	0.91		
I AUD Cap	0.93		
O GBP cap	1.43		
O EUR cap	1.43		
O CHF cap	1.43		
O USD cap	1.43		
Z GBP cap	0.10		
Z GBP dis	0.10		

Calculation of TER

$$\text{TER \%} = \frac{\text{Operating charges}}{\text{Average NAV}} \times 100$$

Operating charges primarily consist of investment management fees, depositary fees, professional fees, audit and other expenses, administration fees, oversight support fees, taxe d'abonnement and amortisation of formation expenses.

The TER is calculated for the last twelve months. For the periods less than one year, a theoretical TER is disclosed.

Appendix 2: Other information to Shareholders (unaudited)

Remuneration of the members of the Management Company

The Management Company has adopted a remuneration policy, which is in accordance with the principles established by the law of 10 May 2016, amending the law of 17 December 2010 (the ‘UCITS Law’).

The financial year of the Management Company ends on 31 December of each year.

The table below shows the total amount of the remuneration for the financial year ended as at 31 December 2017, split into fixed and variable remuneration, paid by the Management Company to its staff. The table has been prepared taking into consideration point 162 of section 14.1 of the ESMA remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during financial year ended as at 31 December 2017	15	260,596	183,116	77,480

Additional explanation –

The beneficiaries reported is composed of the risk takers (including the 3 Conducting Officers exercising their activity in Luxembourg) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.

The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.

Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the Company.

The 2017 annual review outcome showed no exception.

There have been no changes to the adopted remuneration policy since its implementation.

Securities Financing Transactions and of Reuse (SFTR)

As at 15 September 2018, the Company is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

Information on risk measurement

Introduction

The four Sub-Funds of Ruffer SICAV use the VaR (Value at Risk) approach to monitor their Global Risk Exposure ('GRE').

More specifically, the four Ruffer SICAV Sub-Funds use the Absolute VaR option.

The following table provides the information required as per CSSF circular 11/512 for the Sub-Funds monitored through the VaR approach.

Global Risk													
Sub-Fund	Average leverage	Leverage Computation approach	Exposure monitoring approach	VaR optional Regime	Average VaR	Minimum VaR	Maximum VaR	Sub-Fund Average VaR	Benchmark Average VaR	Benchmark	VaR Legal limit	VaR Models and Inputs	
Ruffer SICAV – Ruffer Total Return International	61.44%	Sum of notional of the derivatives	VaR	Absolute	6.63%	5.77%	7.09%	6.63%	n/a	n/a	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years	
Ruffer SICAV – Ruffer Emerging Markets Fund	50.04%	Sum of notional of the derivatives	VaR	Absolute	9.98%	8.45%	12.11%	9.98%	n/a	n/a	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years	
Ruffer SICAV – Ruffer UK Mid and Smaller Companies Fund	10.26%	Sum of notional of the derivatives	VaR	Absolute	5.36%	4.64%	5.98%	5.36%	n/a	n/a	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years	
Ruffer SICAV – Ruffer Fixed Income	62.68%	Sum of notional of the derivatives	VaR	Absolute	6.28%	2.87%	8.99%	6.28%	n/a	n/a	20%	1 month holding period, 99% CI, Monte Carlo, observation period 3.5 years	

General comments

All VaR figures are calculated by taking into consideration the following parameters

- 1 month holding horizon
- 99% confidence interval (this means that there is a 1% probability that the value of the portfolio could have a monthly decline larger than the percentage displayed)
- Parametric methodology
- 3.5 years of data history to determine the risk factors

The treatment and presentation of VaR figures is slightly different depending on the VaR option used (relative or absolute).

Absolute VaR option

For Sub-Funds using the Absolute VaR option, we present the figures (average, min and max) in absolute terms. In other words they are not measured against any benchmark nor limit. We consider that way of presenting the figures as more relevant and easier to understand.

The leverage level is included as well. It has been calculated as the sum of the notionals of the derivatives used (CESR/10-788 box25). The presented figure is based on daily observations covering the period under review.

