

13 March 2025

RUFFER INVESTMENT COMPANY LIMITED
(a closed-ended investment company incorporated in Guernsey with registration number 41966)
(the "Company")

Attached is a link to the Monthly Investment Report for February 2025:

http://www.rns-pdf.londonstockexchange.com/rns/4128A_1-2025-3-12.pdf

Hot on the heels of January's bond market wobble, in February it was the turn of US equities to struggle. A combination of sticky inflation prints and increasingly volatile tariff news flow proved painful, with the dominant mega-cap tech stocks down almost double digits from their December peak. This time, however, bonds acted as an offset, as concerns over the economic impact of Trump's policies raised expectations of interest rate cuts in the US this year.

Meanwhile, on this side of the Atlantic, geopolitics clearly dominated the agenda. Amidst all the many headlines, the passing of the German election, hopes for an end to the Russia-Ukraine war, and a brighter economic outlook saw European equities outperform for a second month. The fund continued to benefit from this rotation in markets, with equity exposure the largest single contributor over the month, delivering around 1%. Within this, our Chinese equities, particularly Alibaba, were key as the latest AI developments from China challenged the dominance of US technology companies. We have since taken some profits and resized the position. Oil fell almost 5% over the month, as geopolitical tensions eased, yet the fund's energy equities, focused on BP, rose as an activist entered the space. Alongside our equities, copper had another strong month, benefitting our c 2% position in the metal. Finally, the portfolio's yen exposure delivered as the currency strengthened almost 3% versus the dollar and 1.5% versus sterling, with inflation data in Japan continuing to point towards further monetary policy normalisation.

Our derivatives detracted from performance, despite a small positive contribution from credit protection as spreads started to widen. Disappointingly, the portfolio's precious metals exposure did not reflect the positive momentum in the gold price as gold miners paused for breath after a strong start to the year, and silver and platinum both fell.

As for portfolio activity, alongside the trimming of Chinese equities, the recent fall in yields led us to take gains on our 10 year TIPS holding purchased last month, as US real yields fell back towards and eventually below 2% (down from 2.3% in mid-January). This took the duration of the portfolio back to around two years.

So far, the new US administration seems to have convinced the market that tariffs are merely a bargaining chip, and that DOGE will find sufficient savings to allow the desired tax cuts (without worsening the deficit). This may prove to be a triumph of hope over experience. The inconsistencies and uncertainties that remain, combined with elevated valuations in the US, leave markets feeling accident prone. This has started to become evident in consumer confidence data (the latest reading is the lowest for three and a half years) and investor sentiment (the AAll survey is the most bearish since September 2022). What the catalyst might be - whether a turn in the fundamentals, a resurgence in inflation or some kind of shock - remains to be seen. But, with uncertainty and volatility likely to persist, we remain focused on protecting investors' capital.

Enquiries:

Apex Fund and Corporate Services (Guernsey) Limited
Company Secretary
Nicole Liebenberg
DDI: +44(0)20 3530 3653
Email: ric@apexgroup.com
LEI: 21380068AHZKY7MKNO47

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

