Ruffer Illiquid Multi Strategies Fund 2015 Limited

Interim report and
unaudited financial statements

For the period ended
30 September 2024

Contents

Board of Directors

The Directors of the Company are all independent and non-executive. They are –

Keith Betts (Chairman), a resident of Guernsey.
Keith Betts, aged 68, is self-employed. He was formerly Chief Executive Officer of Newhaven Trust Company (Channel Islands) Limited and before that Managing Director of CIBC Bank and Trust Company (Channel Islands) Limited and subsidiaries (1987 to 2001). He is a non-executive Chairman of Ruffer (Channel Islands) Limited.

Wayne Bulpitt, CBE, a resident of Guernsey.
Wayne Bulpitt, aged 63, is Co Chair of Aspida Group Limited. He was formerly head of offshore investment services for Canadian Imperial Bank of Commerce, Global Private Banking & Trust division (1998-2001) and Managing Director of CIBC Fund Managers (Guernsey) Limited (1992-1998).

James Aitken, a resident of the United Kingdom.
James Aitken, aged 53, is a resident of the United Kingdom. He is Managing Partner of Aitken Advisors LLP, a macro-financial consultancy that advises institutional investors and policy makers worldwide on financial markets, macroeconomics, financial system issues and policy itself.

Peter Luthy, a resident of the United Kingdom.
Peter Luthy, aged 73, has worked in the fixed income market for over 30 years. In 1990, he co-founded a credit focussed bond broker, Luthy Baillie Dowsett Pethick and Co. Limited (LBDP) whose shareholders included Deutsche Bank AG, Robert Fleming Limited and Swiss Bank Corporation. Dresdner Kleinwort Benson acquired LBDP in 1996 where he was Global Head of Credit Products. He was a Managing Partner of Banquo Credit Management Limited between 2004 and 2014.

John Hallam, a resident of Guernsey.
John Hallam, aged 75, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is Chairman of NB Distressed Debt Investment Fund Ltd. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years.

Statement of Directors' Responsibilities in Respect of the Interim Unaudited Financial Statements

The Directors are responsible for preparing the Interim Report and Unaudited Financial Statements which gives a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards, ('FRS 102').

In preparing those financial statements, the Directors are required to –

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departure as disclosed in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. The Directors are also responsible for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Board of Directors confirms that, throughout the period covered by the financial statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The Company is committed to zero tolerance towards the facilitation of tax evasion.

Going concern

The Board of Directors is satisfied at the time of approving the financial statements that the Company has adequate resources and the intention to continue to operate for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Signed on behalf of the Board by –

Keith Betts Director	John Hallam Director

28 November 2024

Investment Manager's report

In the period from 1 April 2024 to 30 September 2024, the Net Asset Value (NAV) per share of the Company fell by -6.3% from 62.92p to 58.96p[1].

Economic data was supportive of risk assets during the six-month period under discussion. Growth remained robust, bolstering corporate earnings, and ending any lingering market fears of a recession. In addition, having surprised to the upside in the first quarter of the calendar year, inflation reverted to its downward trend, and began to approach 2%. This moderation in price growth allowed central banks to signal expectations for a greater degree of monetary policy easing. Asset valuations benefitted from both strong earnings and the fall in discount rates. This created a difficult environment for the fund's short credit and long volatility strategies, leading to negative performance.

Credit markets did still experience three bouts of limited weakness during the six months. The first came in April, as a result of a hot US CPI print for March, which raised Treasury yields and dragged on credit. This was then followed by a widening of credit spreads driven by political uncertainty in June, following Macron's decision to call a snap election in France. The last came in early August, as a result of a sharp strengthening of the Japanese Yen and a weak US payrolls print. However, all three of these episodes were short-lived and markets bounced back quickly. The potency of the protection held by the managers of the underlying funds was exhibited during each of the selloffs, as positive performance was temporarily posted. However, the strategies are not designed for monetisation of gains on these relatively minor market corrections, so the profits were later given back. Overall, spreads did tighten over the six months, making this a tough period for the managers' strategies.

Looking ahead, we see dangers to the economy in both tails. However, given the current balance of economic data and the policy rate path set out by central banks, the risk of a reacceleration of inflation now seems particularly prominent. Following Chair Powell's speech at Jackson Hole, investors once again firmly believe that the United States Federal Reserve ("Fed") put is back. However, failure to return the economy to a sustainable 2% rate of price growth would limit the Fed's capacity to reduce the policy rate as is priced. Subsequent higher discount rates and slower growth would drag on risk assets, to the benefit of the underlying managers' positions.

On the other hand, it is possible that inflation remains contained, but economies experience a negative growth shock. Given current market fragilities, we would still expect a sharp correction, before Fed action is triggered. Even if the Fed does eventually respond to weakness, markets would be temporarily exposed to a left-tail shock. This creates a strong opportunity for the managers, and the fund would play an important role in protecting the portfolio during this period.

1 Calculated in accordance with United Kingdom Accounting Standards – UK GAAP (FRS 102).

All four managers posted negative returns over the period, which was to be expected given the broader moves in markets. Losses on our investments with Saba and Chenavari were a result of further compression of US and European credit spreads, as well as the negative carry associated with shorting corporate debt. Equity and FX volatility remained largely contained over the six months, leading to negative returns on our Peters and 36 South investments.

The fund completed a closing of £102m in August. Using the proceeds, as well as some existing cash, we invested $32m with Saba, $32m with Peters, £15m with 36 South and £15m with Chenavari at the end of August. We made further top-ups of $40m with Saba, and $13m with Peters, at the end of September.

Discrete performance, period ending 30 September 2024

From %	31 Mar 19	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24
To %	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	31 Mar 24	30 Sep 24
Ruffer Illiquid Multi Strategies Fund 2015 Limited	47.3	4.2	3.6	1.2	-29.8	-6.3

Notes: Absolute returns (not annualised).

Source: Ruffer. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested.

Please note that past performance is not a reliable indicator of future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

Ruffer AIFM Limited

28 November 2024

Portfolio analysis

Investment portfolio	Currency	Type of security	Holdings at 30 Sep 24 units	#Unrealised movement £	Total value of investment at 30 Sep 24 £	% of Total net assets
United Kingdom 9.57%						
(31.03.24–8.74%)						
Chenavari Multi Strategy Credit Fund Limited	GBP	Hedge fund	6,728,355	(158,716,597)	56,201,948	9.57
					56,201,948	9.57
Cayman Islands 44.46%						
(31.03.24–50.84%)						
Peters – RMSF Segregated Port Class A 010121	USD	Hedge fund	103,665	(10,083,050)	64,127,344	10.93
Peters – RMSF Segregated Port Class A 050123	USD	Hedge fund	19,000	(2,739,888)	12,435,224	2.12
Peters – RMSF Segregated Port Class A 100122	USD	Hedge fund	2,500	(692,068)	1,547,473	0.26
Saba Capital R Fund Ltd – Class C – Series 1	USD	Hedge fund	7,088	(26,988,643)	1,182,136	0.20
Saba Capital R Fund Ltd – Class C – Series 2	USD	Hedge fund	18,747	(46,662,026)	3,126,750	0.53
Saba Capital R Fund Ltd – Class C – Series 3	USD	Hedge fund	6,081	(13,811,000)	1,014,246	0.17
Saba Capital R Fund Ltd – Class C – Series 4	USD	Hedge fund	6,368	(13,722,578)	1,062,118	0.18
Saba Capital R Fund Ltd – Class C – Series 5	USD	Hedge fund	9,290	(18,118,306)	1,549,448	0.26
Saba Capital R Fund Ltd – Class C – Series 6	USD	Hedge fund	10,828	(24,545,394)	1,806,002	0.31
Saba Capital R Fund Ltd – Class C – Series 7	USD	Hedge fund	12,714	(28,054,121)	2,120,460	0.36
Saba Capital R Fund Ltd – Class C – Series 8	USD	Hedge fund	13,884	(32,195,622)	2,315,593	0.40
Saba Capital R Fund Ltd – Class C – Series 9	USD	Hedge fund	53,879	(29,794,914)	10,271,485	1.75
Saba Capital R Fund Ltd – Class C – Series 10	USD	Hedge fund	67,646	(37,442,467)	12,861,273	2.19
Saba Capital R Fund Ltd – Class D – Series 8	USD	Hedge fund	45,711	(18,812,409)	13,806,699	2.35
Saba Capital R Fund Ltd – Class D – Series 9	USD	Hedge fund	175,000	(49,292,642)	78,664,068	13.40
Saba Capital R Fund Ltd – Class D – Series 10	USD	Hedge fund	19,000	(12,048,043)	4,972,471	0.85
Saba Capital R Fund Ltd – Class D – Series 12	USD	Hedge fund	62,000	(24,459,055)	25,059,731	4.27
Saba Capital R Fund Ltd – Class D – Series 13	USD	Hedge fund	32,000	(1,293,556)	23,054,930	3.93
					260,977,451	44.46
Ireland 31.71%						
(31.03.24–33.60%)						
Sandawana Fund Class A	GBP	Hedge fund	203,476	19,455,422	186,154,320	31.71
					186,154,320	31.71
Total portfolio investments				(530,016,957)	503,333,719	85.74
Other net current assets					83,745,514	14.26
Total shareholders' equity					587,079,233	100.00

These amounts are cumulative and represent the movement between cost and fair value.

Statement of comprehensive income

	Notes	For the period ended 30 Sep 24 £	For the period ended 30 Sep 23 £
Income			
Bank interest		609,816	510,542
Net realised gain on foreign currency		100	–
Net unrealised gain on foreign currency		1,834	645,503
Total income		611,750	1,156,045
Loss			
Net movement in unrealised fair value loss on investments at fair value through profit or loss	11	(37,607,965)	(72,624,703)
Net realised loss on foreign currency		(330,697)	(1,360,529)
Total loss		(37,938,662)	(73,985,232)
Expenses			
Administrative expenses	3	(221,591)	(224,702)
Total expenses		(221,591)	(224,702)
Total comprehensive loss for the period		(37,548,503)	(73,053,889)
Basic loss per redeemable ordinary share (in pence)	12	(4.33)	(8.99)

All results shown above are from continuing operations and are attributable to shareholders of the Company.

The notes on pages 12 to 26 form an integral part of these financial statements.

Statement of financial position

	Notes	As at 30 Sep 24 £	As at 31 Mar 24 £
Non-current assets			
Investments at fair value through profit or loss	4, 11	503,333,719	486,593,199
Current assets			
Debtors	5	149,476	90,254
Cash at bank		19,861,802	35,658,298
Securities due on payments in advance		63,860,914	–
		83,872,192	35,748,552
Current liabilities			
Creditors	6	(126,678)	(154,364)
		(126,678)	(154,364)
Net assets		587,079,233	522,187,387
Capital and reserves			
Share capital	7	616,844,644	514,404,295
Profit and loss account		(29,765,411)	7,783,092
Total shareholders' equity		587,079,233	522,187,387
Number of shares in issue	7	995,803,246	829,917,347
Net asset value per redeemable ordinary share (in pence)	13	58.96	62.92

These financial statements on pages 8 to 26 were approved by the Board of Directors and authorised for issue on 28 November 2024.

They were signed on its behalf by

Keith Betts
Director

John Hallam
Director

The notes on pages 12 to 26 form an integral part of these financial statements.

Statement of cash flows

	Notes	For the period ended 30 Sep 24 £	For the period ended 30 Sep 23 £
Net cash outflow from operating activities	A	(29,280)	(1,088,929)
Cash flow from investing activities			
Payments to acquire investments	4	(54,348,485)	(144,693,897)
Advance payment for securities		(63,860,914)	–
Net cash outflow from investing activities		(118,209,399)	(144,693,897)
Cash flow from financing activities			
Shares issued in the period	7	102,440,349	116,227,967
Net cash inflow from financing activities		102,440,349	116,227,967
Net decrease in cash and cash equivalents	B	(15,798,330)	(29,554,859)
Notes			
A Cash flow from operating activities			
Total comprehensive loss for the period*		(37,548,503)	(73,053,889)
Net unrealised gain on foreign currency		(1,834)	(645,503)
Net unrealised fair value loss on investments	11	37,607,965	72,624,703
(Increase)/decrease in debtors		(59,222)	1,138
Decrease in creditors		(27,686)	(15,378)
Net cash outflow from operating activities		(29,280)	(1,088,929)
B Reconciliation of cash flow to movement in net cash			
Cash and cash equivalents at the beginning of the period		35,658,298	64,246,462
Net unrealised gain on foreign currency		1,834	645,503
Net cash outflow from activities		(15,798,330)	(29,554,859)
Cash and cash equivalents at the end of the period		19,861,802	35,337,106

* Total comprehensive loss for the period includes interest received of £573,009 (2023: £541,307).

The notes on pages 12 to 26 form an integral part of these financial statements.

Statement of changes in equity

For the period ended 30 September 2024	Notes	Share capital £	Profit and loss account £	Total equity £
As at 31 March 2024		514,404,295	7,783,092	522,187,387
Shares issued during the period	7	102,440,349	–	102,440,349
Total comprehensive loss for the period		–	(37,548,503)	(37,548,503)
As at 30 September 2024		616,844,644	(29,765,411)	587,079,233

For the period ended 30 September 2023		Share capital £	Profit and loss account £	Total equity £
As at 31 March 2023		398,176,328	229,009,397	627,185,725
Shares issued during the period	7	116,227,967	–	116,227,967
Total comprehensive loss for the period		–	(73,053,889)	(73,053,889)
As at 30 September 2023		514,404,295	155,955,508	670,359,803

The notes on pages 12 to 26 form an integral part of these financial statements.

Notes to the financial statements

1 General information

The Company was incorporated in Guernsey on 4 November 2014 with registered number 59288 and is governed by The Companies (Guernsey) Law, 2008. The address of the registered office can be found on page 27.

The Company is a registered Closed-ended Investment Scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the 'POI Law') and the Registered Collective Investment Scheme Rules and Guidance, 2021 issued by the Guernsey Financial Services Commission ('GFSC'). The Company's shares are listed on The International Stock Exchange ('TISE').

The financial statements are presented in Pound Sterling (£) which is also the functional currency, being the currency of the primary economic environment in which the Company operates.

The Company's investment objective is to seek to generate positive returns over the life of the Company from financial market cycles, after fees and expenses, including but not limited to investing in strategies focusing on credit and volatility.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. Critical accounting judgements and key sources of uncertainty where such judgements are made are indicated in the accounting policies below.

a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the fair value of certain financial assets. The financial statements of the Company for the period ended 30 September 2024 have been prepared in accordance with FRS 102 issued by the Financial Reporting Council and in accordance with The Companies (Guernsey) Law, 2008.

In arriving at their conclusion on the basis of going concern, the Directors have considered –

Financial resources, business plans and management intentions – the Company's net assets at 30 September 2024 of £587,079,233 and the cash balance at 30 September 2024 of £19,861,802, together with the facts that:

- annual operating expenditure of the Company is not considered material, and
- there are no current intentions to liquidate or close down the Company in the ensuing period to 30 November 2025.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

b) Income and expenses

Income and expenses are included in the Statement of comprehensive income on an accruals basis. Income is recognised to the extent that it is virtually certain that the economic benefit will flow to the company and revenue can be reliably measured.

c) Cash at bank

Cash and cash equivalents in the Statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

d) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity is recorded at the amount of proceeds received, net of issue costs. The redeemable ordinary shares of the Company have been recognised as equity as there is no contractual obligation to deliver cash or another financial asset. Shares are redeemable only at the option of the Company and have no par value.

e) Financial instruments

I Classification

The Company classifies its investments as financial assets at fair value through profit or loss.

Investments are classified by the Board of Directors at fair value through profit or loss at inception and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

II Recognition and derecognition

Investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment at transaction price with transaction costs being expensed as incurred in the Statement of comprehensive income.

Subsequent to initial recognition, gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the Statement of comprehensive income as "net movement in unrealised fair value gain/loss on investments at fair value through profit or loss" in the period in which they arise. Movements in the fair value of assets as a result of foreign currency movements are also presented in the Statement of comprehensive income within "net movement in unrealised fair value gain/loss on investments at fair value through profit or loss". The Company's policy requires the Investment Manager to re-evaluate the fair value of these financial assets using relevant financial and non-financial information as described in III, below.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Gains or losses are recognised in the Statement of comprehensive income as "Realised gain on investments at fair value through profit or loss" or "Realised loss on investments at fair value through profit or loss" when the financial asset is derecognised. Gains or losses are calculated as the difference between the proceeds from sale of a financial asset(s) minus cost of the financial asset at the date of disposal. Interest, distributions and dividend elements of such investments are recorded separately under 'income'.

III Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

When financial instruments are not traded in an active market, the fair value is determined by using appropriate valuation techniques. In valuing investments at fair value, reference is made to the principles detailed in the International Private Equity and Venture Capital Valuation Guidelines (the 'IPEVCA Guidelines'). The estimate of value considers principally the valuations provided by the Investment Manager/Administrator of each Investee Vehicle into which the Company invests. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 11.

f) Critical accounting judgement and estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The items in the financial statements where these estimates have been made include:

Investments at fair value through profit or loss

All investments are classified as investments at fair value through profit or loss. The key source of estimation uncertainty is on the valuation of the managed funds and other securities which are not traded in active markets. In reaching its valuation of the managed funds and other securities, the key judgements that the Board has to make relate to the valuation models and techniques.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change risk and have concluded that it does not have a material impact on the value of the Company's investments. In line with FRS 102, investments are valued at fair value as disclosed in note 4. The Directors consider that the pricing of the underlying portfolio of the Company's investments reflects market participates' views of climate change risk and that there are no further climate related influences.

g) Taxation

The Company has requested Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability for the financial year is an annual fee of £1,600.

h) Foreign currency

Transactions denominated in foreign currencies are translated into Pound Sterling and are recorded at the rate of exchange ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the Statement of financial position date exchange rate and foreign exchange translation differences are accounted for in the Statement of comprehensive income.

i) Debtors

Debtors at the Statement of financial position date are initially measured at transaction price and subsequently measured at amortised cost.

j) Creditors

Creditors at the Statement of financial position date are initially measured at the transaction price and subsequently measured at amortised cost.

k) Issue costs

Issue costs relating to share issues are debited against share capital as required under FRS 102. For the purpose of calculating and publishing the Company's net asset value, issue costs are amortised over three years on a straight line basis.

l) Determination of functional currency

Pound Sterling is the currency used to manage the liquidity in order to handle the issue and redemption of the Company's participating shares and accordingly, the Board has determined that the Company's functional and presentation currency is Pound Sterling.

3 Administrative expenses

	For the period ended 30 Sep 24 £	For the period ended 30 Sep 23 £
Administration fees	77,356	83,729
Directors' fees	65,625	52,500
Legal and professional fees	1,230	–
Audit fees	30,062	26,250
Custodian fees	1,826	1,736
General expenses	45,492	60,487
	221,591	224,702

4 Investments at fair value through profit or loss

	30 Sep 24 £	31 Mar 24 £
Opening book cost	979,002,191	834,308,294
Payments to acquire investments	54,348,485	144,693,897
Closing book cost	1,033,350,676	979,002,191
Net unrealised fair value loss on investments	(530,016,957)	(492,408,992)
Investments at fair value through profit or loss	503,333,719	486,593,199

5 Debtors

	30 Sep 24 £	31 Mar 24 £
Prepaid expenses	28,020	5,605
Bank interest income receivable	121,456	84,649
	149,476	90,254

6 Creditors

	30 Sep 24 £	31 Mar 24 £
Administration fees	38,562	24,301
Audit fees	30,062	59,600
Realisation class fee	–	2,000
Custodian fees	603	1,000
General expenses	10,300	9,194
Other professional expenses	47,151	58,269
	126,678	154,364

7 Share capital

	30 Sep 24 £	31 Mar 24 £
Issued share capital		
Opening share capital	514,404,295	398,176,328
Shares issued during the period/year	102,440,349	116,227,967
Closing share capital	616,844,644	514,404,295
Number of shares:		
Opening number of shares	829,917,347	700,194,145
Shares issued during the period/year	165,885,900	129,723,202
Shares redeemed during the period/year	(1)	–
Closing number of shares	995,803,246	829,917,347

The Company's share capital is represented by redeemable ordinary shares of nil par value, and each share carries one vote at the general meetings of the Company. All shares rank equally and are entitled to dividends should they be declared.

On 24 April 2023, 129,723,202 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.895969 per share and the Company received gross proceeds of £116,227,967.

On 20 August 2024, 165,885,900 shares of no par value were admitted to the official list of the TISE. These shares were issued at £0.617535 per share and the Company received gross proceeds of £102,440,349.

Capital management

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

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

The Company may borrow to meet any drawdown demand from an investee vehicle or funding obligation for a direct investment within the time limits set out in such demand where it does not have sufficient liquid assets to meet such demand and for the purpose of intra-day settlement. The Company may arrange an overdraft facility for such purposes. The Company may pledge or otherwise grant security over its assets in connection with such borrowings. Other than borrowing to meet any such draw down demand, funding obligation and for intra-day settlement, no borrowing is permitted at the Company level.

The Directors may at their discretion redeem shares to return to investors, any capital amounts not committed to investee vehicles or direct investments and to pay capital amounts received by the Company from investee vehicles and direct investments, which in either case are not required to fund the Company's fees and expenses or to fund further drawdowns or obligations.

Refer to Financial instruments and risk management objectives and policies (note 9) for the policies and processes applied by the Company in managing its risk regarding capital preservation. The Company has no obligation to repurchase shares.

8 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions so as to obtain benefits from its activities or is a member of its key management personnel.

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

Effective 1 January 2024, the Chairman's fee was increased to £31,250 per annum and all other Directors' fees increased to £25,000. None of the Directors nor the Chairman has an entitlement to a pension or other benefits.

During the six months to 30 September 2024, Directors' fees of £65,625 (30 September 2023: £52,500) were charged to the Company as shown in note 3 of which £nil (31 March 2024: £nil) remained payable at the period/year end as shown in note 6. There were no material contracts with any of the Directors, or contracts for provision of services subsisting during the period, to which the Company was a party.

The Company has appointed Ruffer AIFM Limited to act as the Company's Investment Manager (the 'Investment Manager'). Ruffer AIFM Limited is authorised and regulated by the U.K. Financial Conduct Authority to perform the regulated activity of managing the unauthorised Alternative Investment Fund.

The Investment Manager has been appointed as Alternative Investment Manager to the Company by the Alternative Investment Fund Services Agreement dated 4 November 2014. Under this agreement, the Investment Manager agrees to perform various management duties. These include seeking out and evaluating investment opportunities, monitoring and analysing the performance of the Company's investments, liaising with the Administrator, attending board meetings of the Company as required and undertaking adequate due diligence into proposed investments. This agreement is terminable by either party on twelve months' notice (such notice to be served not earlier than two years after the date of the agreement) or for breach or on insolvency.

9 Financial instruments and risk management objectives and policies

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The Company is exposed to market risk (which includes interest rate risk, and foreign exchange risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company's Investment Manager is responsible for identifying and controlling investment risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Company.

Prior to making an investment on behalf of the Company, and on an ongoing basis thereafter, the Investment Manager performs appropriate due diligence, which includes an assessment of the valuation methodology adopted by the underlying investment and its own operational processes and controls. The Board of Directors approves the underlying investment valuations.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Company has a significant exposure to market risks by virtue of the nature of its business. The Company seeks to manage this exposure by ensuring appropriate due diligence in selecting investments and engages in an ongoing monitoring process of its investments.

Were the market prices to move by 20%, this would result in an increase/decrease of £100,666,744 in net assets and profit or loss (31 March 2024: £97,318,640).

Interest rate risk

Floating rate financial assets comprise the cash balances which bear interest at rates based on bank base rates. The Company could be subject to exposure on those assets which are interest-bearing, however during the current period, the Company did not have any interest bearing investments other than cash, the interest on which was immaterial in nature and therefore no sensitivity analysis was disclosed.

Foreign exchange risk

Foreign exchange risk is the market risk that the fair value of future cash flows of financial instruments will fluctuate because of a change in foreign exchange rates. During the period, the Company was exposed to foreign exchange risk arising from currency exposures, primarily where investments and cash and cash equivalents are denominated in a currency different to the reporting currency. The Investment Manager has the power to manage exposure to currency movements by using forward foreign currency contracts. As at 30 September 2024, the Company had no open forward foreign currency contracts (31 March 2024: £nil).

The Company's exposure to foreign currencies at the period/year end is set out below –

	Currency exposure	30 Sep 24 Local currency	30 Sep 24 £ equivalent	31 Mar 24 Local currency	31 Mar 24 £ equivalent
Investments at fair value through profit or loss	USD	350,062,139	260,977,451	335,387,215	265,495,503
Cash at bank	USD	811,588	605,053	784,293	620,853
Debtors	USD	12,668	9,444	1,935	1,532
Creditors	USD	(17,409)	(12,979)	(32,529)	(25,750)
			261,578,969		266,092,138

As at 30 September 2024, the Company had significant exposure to US Dollar as a result of financial assets designated at fair value through profit or loss. The table below shows the effect on NAV and profit/loss for the period/year if the foreign currencies strengthened/weakened against Pound Sterling by 5% with all other variables held constant.

	30 Sep 24 Strengthened £	30 Sep 24 Weakened £	31 Mar 24 Strengthened £	31 Mar 24 Weakened £
USD	13,078,948	(13,078,948)	13,304,607	(13,304,607)

Credit risk

The Company has exposure to credit risk from its normal activities where the risk is that a counterparty will be unable to pay in full an amount when due. The Company's maximum exposure to credit risk is represented by the carrying value of its current assets on the Statement of financial position amounting to £83,872,192 (31 March 2024: £35,748,552). There are no aged debts within debtors.

The Company's Custodian and banker is Northern Trust (Guernsey) Limited, a wholly-owned subsidiary of The Northern Trust Corporation which has a credit rating of A+ (31 March 2024: A+) from Standard and Poor's and A2 (31 March 2024: A2) from Moody's. The Company's investments are held in accounts which are segregated from the Custodian's own trading assets. If the Custodian were to become insolvent, the Company's right of ownership is clear and they are, therefore, protected. However, the Company's cash balances, which are all held with the

Custodian, may be at risk in this instance as the Company would rank alongside other creditors of the Custodian.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises due to the Company investing primarily in illiquid assets, and therefore not being able to readily realise cash to settle those financial liabilities. The Company invests primarily in illiquid investments and as such there is a lack of an active market for those investments.

The Investment Manager intends to manage the Company's liquid assets to ensure that it has sufficient cash to satisfy funding obligations for direct investments. However, the Company may borrow to meet any draw down demand from an investee vehicle or funding obligation for a direct investment within the time limits set out in such demand where it does not have sufficient liquid assets to meet such demand. The Company may also borrow for the purpose of intra-day settlement. The Company may arrange an overdraft facility for such purposes. Other than borrowing to meet any such draw down demand, funding obligation, or intra-day settlement, no borrowing is permitted at the Company level.

The Company's only financial liabilities are its payables which mature in less than 12 months from 30 September 2024 and therefore, a maturity analysis has not been presented.

10 Ultimate controlling party

The issued shares of the Company are owned by a number of parties with no single party having a controlling interest in the Company. In the opinion of the Directors, the Company does not have an ultimate controlling party.

11 Fair value of financial instruments

The Company invests in managed funds and other securities that do not have readily assessable market values. In this instance, investments are valued at fair value, which is principally based on the Company's share of the NAV published by the underlying administrator or manager. The Investment Manager reviews the methods and policies used by the underlying administrators and managers to price underlying investments as well as the published NAVs. In addition, the Investment Manager reviews any recent events that may have an impact on the value of such security and/or any other available assessment.

The Investment Manager considers climate change risk as part of its ESG approach and has assessed that the impact of climate change risk is reflected in the value of the underlying investments.

The Directors consider the Investment Manager's analysis and views and adjust NAV, where necessary, to derive fair values that are supported by market evidence as well as using unobservable information. Such adjustments also reflect the effect of the time passed since the calculation date, liquidity risk, transaction activity or other factors, see note 2 (e)III.

Portfolio investments may have underlying investments in or exposure to a range of credit instruments, including but not limited to, credit default swaps, bonds, credit-linked notes and similar instruments. The fair values of the structured credit investments in such instruments are calculated using a number of methods, including broker quotes and valuation models which are accepted in the industry. The valuations incorporate both observable and non-observable data.

The NAVs may be unaudited or estimated at the date of these financial statements. The Company bases its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The fair values applied do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future circumstances that cannot be reasonably determined at this time. Because of the inherent uncertainty of valuations, estimated fair values may be materially higher or lower than the values that would have been used in different market conditions.

The Directors have concluded that no adjustments are required to those investments whose value is derived from the NAV at the end of the period/year. The total value of investments being measured based on NAV at 30 September 2024 is £503,333,719 (31 March 2024: £486,593,199).

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on –

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The valuation technique for Level 3 investments can be divided into three groups:

- NAV - as reported by the underlying fund where the Investment Manager considers the NAV to be an appropriate reflection of fair value,
- adjusted NAV - NAV as reported by the underlying fund adjusted at the Investment Manager's discretion for future cash flows or variances based on their own evaluation, and
- recent transactions - where there has been a successful transaction following a competitive process subsequent to period/year end through a sale of investments by the Company that is representative in volume and nature and conducted on an arm's length basis, this is taken as the primary driver for valuing Level 3 investments.

Financial assets at fair value through profit or loss

As at 30 Sep 24

	Level 1 £	Level 2 £	Level 3 £	Total £
Investments at fair value through profit or loss	–	–	503,333,719	503,333,719
	–	–	503,333,719	503,333,719

As at 31 Mar 24

	Level 1 £	Level 2 £	Level 3 £	Total £
Investments at fair value through profit or loss	–	–	486,593,199	486,593,199
	–	–	486,593,199	486,593,199

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and end of the period/year.

	For the period ended 30 Sep 24 £	For the year ended 31 Mar 24 £
Opening balance	486,593,199	562,944,969
Net loss on investments	(37,607,965)	(221,045,667)
Purchases	54,348,485	144,693,897
Closing balance	503,333,719	486,593,199
Total movement in gains or losses included in profit or loss includes:		
Total movement in unrealised loss included in profit or loss for the period/year for financial assets held at the end of the period/year	(37,607,965)	(221,045,667)

There have been no transfers between levels during the period.

12 Basic loss per ordinary share

The basic loss per ordinary share has been calculated on a weighted average basis and is arrived at by dividing the total comprehensive loss attributed to ordinary shares for the period/year by the weighted average number of equity shares in issue.

	For the period ended 30 Sep 24	For the period ended 30 Sep 23
Total comprehensive loss attributable to ordinary shares for the period (£)	(37,548,503)	(73,053,889)
Total weighted shares	867,083,039	812,904,468
Basic loss per redeemable ordinary share (in pence)	(4.33)	(8.99)

13 Reconciliation of reported net asset value to net asset value per financial statements

	For the period ended 30 Sep 24 pence	For the year ended 31 Mar 24 pence
Reported Net Asset Value (in pence)	58.88	62.89
Adjustment due to –		
Adjustment to the fair value of investments	0.08	0.03
Net assets attributable to shareholders per financial statements (in pence)	58.96	62.92

14 Subsequent events

Management has evaluated subsequent events up to 28 November 2024, which is the date that the financial statements were available to be issued.

No significant events have occurred after the Statement of financial position date in respect of the Company that may be deemed relevant to the accuracy of these financial statements.

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