

LF Ruffer Total Return Fund

Positive absolute returns with low volatility

During November, the fund price rose by 4.6%. This compared with a rise of 12.7% in the FTSE All-Share Index and a decrease of 0.5% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

The arrival of Pfizer's efficacy figures for its vaccine on 9 November saw what Jon Dye, our Head of Research, memorably referred to as an "up-crash" in markets and indeed it was one of the most extraordinary days in stock index history. The momentum factor, a popular algorithmic trading strategy that buys the best-performing stocks, whilst going short of the worst-performing stocks, fell by 24% – an eight standard deviation event. Over the month as a whole, the MSCI World equity index (like many others) saw its strongest return (+12.2%) since 1987; for the storied Dow Jones index in the US it was the fourth best month since the Great Depression era (+11.8%).

The fund's average equity position performed similarly strongly rising over 15%, reflecting our ongoing tilt towards recovery-sensitive value stocks. Our equities overall contributed 5.6% to the monthly performance. On the other side of the ledger were those protective assets that performed so strongly in the down-crash of March: options (-0.4%) and gold (-0.6%). The damage here has been limited by profit-taking in recent months.

Conspicuous by its absence from these statistics is the bond market. Bond yields hardly reacted in November. Their progress from here is of enormous importance for asset prices. Equity markets are racing to assert that the vaccine allows the investor a line of sight to strong economic growth in 2021. If bond markets come to share this view, then yields could rise steeply. This would undermine the central foundation of high asset prices. Gold, growth stocks and credit would all suffer. Few assets would benefit with value stocks, especially energy and financial stocks being the exception. These are well represented in the portfolio. If, instead, the US Federal Reserve succeeds in capping bond yields, while taking a relaxed stance on rising inflation, then initially all asset classes may benefit, with the notable exception of the US dollar. Commodities and inflation-linked bonds will likely be at the forefront.

So where now for markets and the fund? Conscious of the economic reality on the ground, the portfolio is protected against a deflationary default cycle with the credit protection strategies that performed so well in March. Our greater conviction, however, is that governments will continue to rely on the now trusted 'More Money Today' strategy of fiscal and monetary stimulus, making today's lockdowns yesterday's concern. The vaccines allow equity markets to see a bridge to a brighter world, just over the horizon. If this is right, then value stocks will have their day in the sun, before the hangover of dealing with the financial cost of the pandemic is truly addressed through financial repression. Our equity exposure is designed to benefit from this interlude and the index-linked bonds are there for the aftermath.

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to 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.

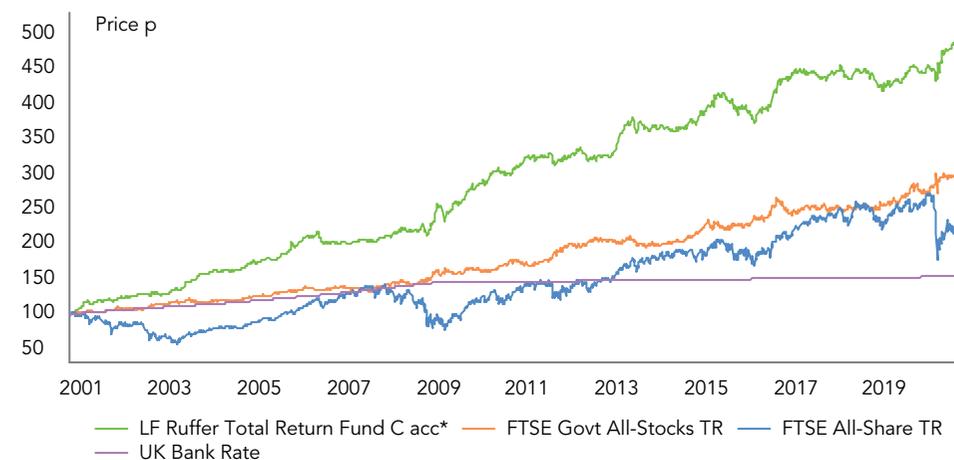


C class November 2020 Issue 215

Investment objective

The fund aims to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including equities, bonds and currencies. Capital invested is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve-month periods. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions. Pervading this objective is a fundamental philosophy of capital preservation.

Performance since fund launch on 29 September 2000



| C accumulation shares | Performance % | Share price as at 30 November 2020 | p |
|-----------------------|---------------|------------------------------------|---------------|
| November 2020 | 4.6 | C income | 321.54 |
| Year to date | 9.8 | C accumulation | 496.86 |
| 1 year | 11.8 | | |
| 3 years | 12.4 | | |
| 5 years | 26.3 | | |
| 10 years | 58.0 | | |

| 12 month performance to September 2020 % | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|------|-------|
| LF Ruffer Total Return Fund C acc* | 13.2 | 0.3 | 1.6 | 1.7 | 7.3 |
| FTSE Govt All-Stocks TR | 12.6 | -3.6 | 0.6 | 13.4 | 3.4 |
| FTSE All-Share TR | 16.8 | 11.9 | 5.9 | 2.7 | -16.6 |
| UK Bank Rate | 0.5 | 0.2 | 0.5 | 0.8 | 0.4 |

Source: Ruffer LLP, FTSE International (FTSE)†. * This share class has performance data calculated prior to the inception date, 12 Sept 2012. This is based upon a simulated/extended track record, using the track record of LF Ruffer Total Return Fund O acc.

LF Ruffer Total Return Fund as at 30 Nov 2020

Asset allocation



Asset allocation %

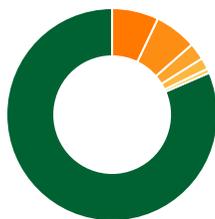
| | |
|---------------------------------|------|
| Non-UK index-linked | 24.3 |
| Long-dated index-linked gilts | 10.8 |
| Illiquid strategies and options | 8.7 |
| Gold and gold equities | 7.0 |
| Cash | 3.5 |
| Short-dated bonds | 3.2 |
| Index-linked gilts | 1.8 |

| | |
|------------------------|------|
| UK equities | 15.1 |
| North America equities | 8.7 |
| Japan equities | 8.1 |
| Europe equities | 6.6 |
| Asia ex-Japan equities | 2.0 |

Currency allocation %

| | |
|-----------|------|
| Sterling | 81.4 |
| Gold | 7.2 |
| US dollar | 6.3 |
| Yen | 1.6 |
| Euro | 0.8 |
| Other | 2.7 |

Currency allocation



10 largest equity holdings*

| Stock | % of fund |
|------------------------|-----------|
| Lloyds Banking Group | 2.8 |
| iShares Physical Gold | 2.0 |
| NatWest Group | 1.3 |
| Kinross Gold | 1.2 |
| Barclays | 1.2 |
| Tesco | 1.1 |
| BP | 1.0 |
| Countryside Properties | 1.0 |
| Bristol-Myers Squibb | 1.0 |
| Cigna Corporation | 0.9 |

5 largest bond holdings

| Stock | % of fund |
|--------------------------------------|-----------|
| UK Treasury index-linked 0.125% 2068 | 4.4 |
| US Treasury 0.875% TIPS 2029 | 3.2 |
| US Treasury 0.25% TIPS 2050 | 3.1 |
| UK Treasury index-linked 1.25% 2055 | 3.0 |
| US Treasury 0.25% TIPS 2029 | 2.7 |

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts.

The fund's prospectus and key investor information documents are provided in English and available on request or from ruffer.co.uk. Please note that LF Ruffer Investment Funds is a UK UCITS. The LF Ruffer Total Return Fund is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible that at any one time the LF Ruffer Total Return Fund may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities.

Fund size £3,454.4m

Fund information

| | % |
|--------------------------|---|
| Ongoing Charges Figure | 1.22 |
| Annual management charge | 1.20 |
| Maximum initial charge | 5.0 |
| Yield | 0.85 |
| Minimum investment | £1,000 |
| Ex dividend dates | 15 Mar, 15 Sep |
| Pay dates | 15 May, 15 Nov |
| Dealing | Weekly forward, every Wednesday where this is a business day Plus the last business day of the month |
| Cut off | 10am on Wednesday (where it is a business day) and the last business day of the month |

| | Accumulation | Income |
|------|--------------|--------------|
| ISIN | GB00B80L7V87 | GB00B58BQH88 |

| | | |
|-------|---------|---------|
| SEDOL | B80L7V8 | B58BQH8 |
|-------|---------|---------|

| | |
|--------------------|------------|
| Investment adviser | Ruffer LLP |
|--------------------|------------|

| | |
|-----|-----------------------------|
| ACD | Link Fund Solutions Limited |
|-----|-----------------------------|

| | |
|------------|---|
| Depository | The Bank of New York Mellon (International) Limited |
|------------|---|

| | |
|----------|-------------------|
| Auditors | Ernst & Young LLP |
|----------|-------------------|

| | |
|-----------|--|
| Structure | Sub-fund of LF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs |
|-----------|--|

Dealing line 0345 601 9610

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL www.ruffer.co.uk

Fund Managers

Steve Russell

INVESTMENT DIRECTOR

Graduated from Oxford in PPE and started work as an equity analyst at Confederation Life in 1987, progressing to Head of Equities. In 1999 he moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in 2003.



Matt Smith

INVESTMENT DIRECTOR

Joined Ruffer in 2011 after graduating from Edinburgh University with a first class honours degree in history and German. He worked as an equity analyst in Hong Kong before taking up a role in Ruffer's institutional investment team. He was made a manager of the Total Return Fund in 2019.



Alexander Chartres

INVESTMENT DIRECTOR

Joined Ruffer in 2010 after graduating from Newcastle University with a first class honours degree in history and politics. He specialises in geopolitics and its investment implications, with a particular focus on European and Great Power politics.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 October 2020, assets managed by the Ruffer Group exceeded £19.6bn.

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL
Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2020

† © FTSE 2020. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

