

Independence of the risk management function

The risk management function is functionally and hierarchically separate from the portfolio management and operations functions. Where necessary, safeguards against conflicts of interest have been put in place to maintain independence of the risk management function. These safeguards are reviewed by the relevant governing body regularly and remedial actions are taken when necessary.

Risk management policy

How we identify, measure, monitor and manage risk is governed by risk management policies which are established by the risk management function.

Prior to launch of any new Ruffer product, the risk management function performs an assessment of the relevant risks, specifically the risk profile (size, portfolio structure and investment strategy). Additional risks may be identified and considered by the risk management function.

Quantitative and/or qualitative limits are set for relevant risks as identified for each of our funds. The risk limits are a representation of our risk appetite, the risk tolerance of investors, and the risk profile of the fund. Where only qualitative limits are used, justification is provided.

Risk management procedures have been established to monitor and manage each fund's compliance with set risk limits. Escalation procedures and remedial actions, in the event of an actual or anticipated breach of a risk limit, have been established for each of the funds. The actions must be timely and in the best interest of our clients and investors.

Review of risk management policy

The risk management function reviews the risk management policy at least annually and reports to the relevant governing body on the following

- The adequacy and effectiveness of the risk management policy for the needs of our clients, our funds and our business
- The degree of compliance with the policy by the business
- The adequacy and effectiveness of any measures taken to address deficiencies in the performance of the risk management process
- The independent performance of the risk management function carried out by internal audit. This review will include the adequacy and effectiveness of the measures taken to ensure the functional and hierarchical separation of the risk management function from the portfolio management and operations functions of the business.

In addition to the above periodic review, the risk management function also reviews the risk management systems when

- A material change is made to the risk management policies and procedures, or the processes and practices employed
- A new Ruffer product is launched
- Internal or external events indicate an additional review is required
- Material changes are made to a portfolio's investment strategy or risk profile

Updates to the risk management policy

The risk management policy and procedures will be updated as soon as practicable following approval of the relevant governing body. We will notify the appropriate regulatory bodies of any material changes as required.