Ruffer LLP

SRD Institutional Investor Disclosure

Ruffer Absolute Return Fund

Investment strategy

Our goal is to deliver consistent positive returns, regardless of how financial markets perform. We define this through two investment aims –

- not to lose money in any rolling twelve-month period
- to generate returns meaningfully ahead of the 'risk-free' alternative of placing money on deposit

Ruffer portfolios are predominantly invested in conventional assets, such as equities, bonds, commodities and currencies; we also will make use of derivatives.

At the heart of our investment approach is an asset allocation which always maintains a balance of 'growth' and 'protective' investments.

Our starting point is always the prevailing risks and opportunities we see in financial markets, rather than any pre-determined asset class ranges. We translate the risks into investment opportunities by identifying those asset classes that should benefit from an occurrence of the risk events. These are the protective assets. The investments in growth follow the same approach. They constitute what we believe to be the best opportunities available globally, and may be thematic or special situations.

The asset allocation is fulfilled predominantly through specific security selections. We seek to invest in companies that reflect the themes we look to benefit from in portfolios. We rarely simply invest in a stock market index as often they contain risks that we wish to avoid.

We operate without the constraints of benchmarks that institutional investors have historically been tied to.

We aim to deliver uncorrelated performance that has an attractive balance between risk and return, avoiding irrecoverable capital losses and harnessing the power of compounding.

Material risks

Risk management sits at the heart of Ruffer's investment philosophy, and drives the primary investment objective of capital preservation. We believe in managing the absolute risk of loss. Risk management is not a policing function, it is central to the way we invest.

Although our aim is to avoid losing money in any rolling twelve-months there is always the chance that we may fail to meet this objective because of the nature of the investments involved.

Ruffer controls market risk through building an unbenchmarked portfolio of offsetting growth and protective assets. This process involves rigorous assessment of the inter-dependence of holdings. There are therefore two primary material risks –

1. It is possible that individual constituents of the portfolio lose all their value
2. We may misjudge investments and their relationship when held together so that the portfolio is riskier than anticipated

Equity selection and engagement

Evaluation of investee companies

As an absolute return manager with a relatively concentrated portfolio of equity holdings, we endeavour to fully understand a company's risks and opportunities, including relevant ESG considerations. As we have one investment approach and conduct our own research, we are able to systematically integrate these considerations across our research and investment processes. Our decision to invest in companies is therefore based on both fundamental and ESG analysis which also informs our stewardship activities, including engagement and voting.

Ruffer's research team are responsible for security selection. The team are tasked with finding the best investment opportunities globally and are not constrained by narrow sector or country boundaries.

All stock selections are the result of in-depth fundamental analysis. Our analysts meet with the executive management of a company or investment vehicle, to understand their business and strategy. They also undertake extensive research trips, including factory and site visits.

On top of this, our specialist responsible investment team partners closely with the analysts in our research team to identify and evaluate the risks and impacts to the environment and society that could arise as a result of poor management of a company's operations. The risks associated with weak corporate governance practices are also considered.

We use MSCI ESG Research and other relevant sources, such as the Sustainability Accounting Standards Board (SASB), Transition Pathway Initiative (TPI) and CDP (formerly Carbon Disclosure Project) to inform our analysis.

Engagement

Ruffer believes that engagement is an effective tool to achieve meaningful change and we are committed to engaging with companies in which our clients' assets are invested on a wide range of topics. Engagement gives us an opportunity to improve our understanding of investee companies, which enhances our investment decisions. By engaging with a company to achieve specific goals, we are improving our understanding of the material ESG risks it faces, challenging its behaviour in relation to ESG considerations and in turn increasing its awareness of regulatory and societal changes. This is likely to result in superior outcomes and returns for our clients.

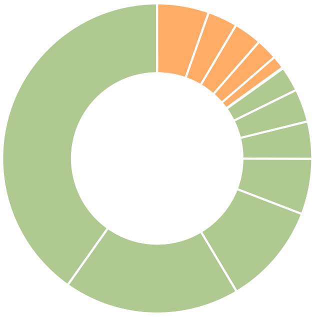
We will engage on our own, or with other investors that share our concerns through collaborative initiatives such as Climate Action 100+, which was launched in December 2017 and of which Ruffer was a founding investor signatory. Collaborative engagement can also provide a platform to engage on wider sector, regulatory and policy matters with investors and other stakeholders. Ruffer is open to working alongside other investors on both policy and company specific matters. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the responsible investment team with input from research analysts and portfolio managers as well as the legal and compliance teams (taking in consideration the UK concert party rules and overseas equivalents). Ruffer engages regularly with the Investment Association and the Institutional Investor Group on Climate Change (IIGCC).

We do not use proxy advisors within our engagement activities nor do we engage in stock lending.

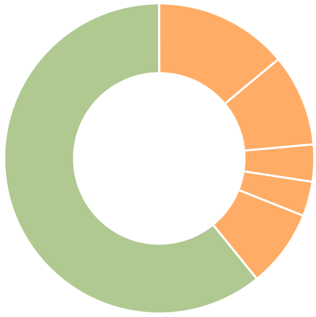
Conflicts of interest

Ruffer is a partnership, and this structure aligns our interests with those of our clients. Our senior staff share in the long-term profitability of the firm, so they are interested in investment returns and client relationships that are sustainable. Where conflicts of interest on voting or engagement exist between Ruffer, and/or a particular client and our wider client base, it is Ruffer's policy to act in the best interests of all our clients. In order to further eliminate potential conflict of interests, the justifications and the decision making process on every item are clearly documented.

Portfolio construction as at 31 December 2022



Asset allocation	%
Short-dated bonds	40.2
Index-linked gilts	18.4
Cash	10.6
Long-dated index-linked gilts	5.8
Gold and gold equities	3.9
Non-UK index-linked	3.4
Protection strategies and options	2.6
UK equities	5.4
Commodity exposure	3.1
Europe equities	2.9
North America equities	2.2
Japan equities	1.3
Other equities	0.1



Currency allocation	%
Sterling	60.8
Yen	14.0
US dollar	9.6
Gold	3.9
Euro	3.6
Other	8.1

Portfolio turnover	%
Portfolio turnover *	107
Turnover costs †	0.80

* Portfolio turnover is calculated as the lower of purchases or sales over the period (adjusted for short-dated securities) divided by the average market value, expressed as an annualised percentage.
† Turnover costs are the direct and indirect costs associated with trading activity over the period.

Source: Ruffer. Please note that past performance is not a reliable indicator of future performance. The value of the investments 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.
Asset and currency allocation totals may not equal 100% due to rounding.