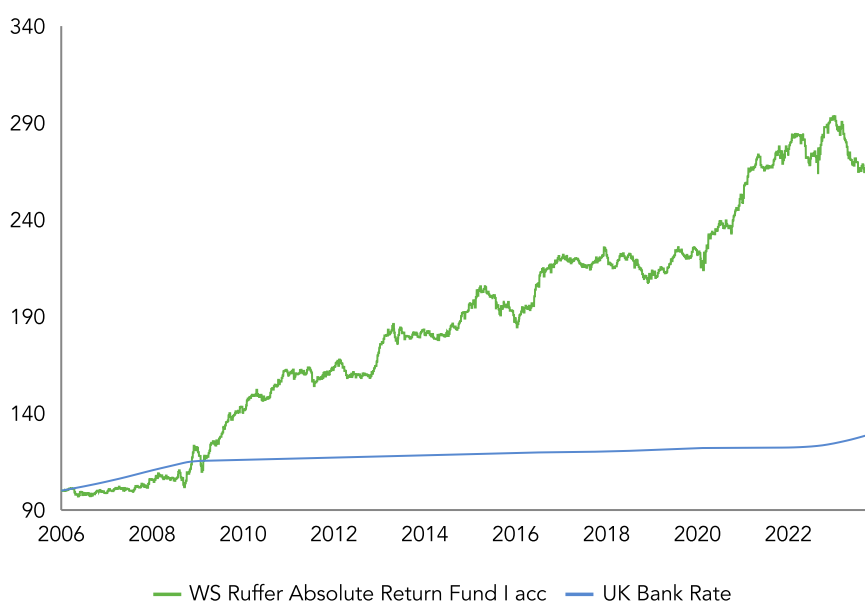


WS Ruffer Absolute Return Fund

PERFORMANCE SINCE LAUNCH ON 31 JANUARY 2006



October saw a sell-off in bond and equity markets, with both the benchmark US ten year Treasury bond and the MSCI World equity index falling by over 3%. It was the sixth consecutive month of losses for Treasuries and the third consecutive month of losses for the equity market.

Rising bond yields (so falling bond prices) since the summer have been driven by resilient economic data, a theme that continued in October, and by further increases in forecasts for US government spending. Something that also looks set to continue, with the conflict in the Gaza Strip adding further to US defence and foreign aid spending.

In the portfolio, although the protections worked (especially credit) and the balance of the portfolio was much improved as compared to earlier in the year, the muted nature of the equity sell-off so far has meant that these gains were insufficient to fully offset the losses from our bond holdings.

It has long been our belief – expressed on these pages almost every month this year – that rising bond yields would, slowly then suddenly, cause damage to financial markets and thereafter the wider economy. Wary of the timing of such an event, we have kept the portfolio relatively lightly positioned this year, but that has not prevented it from failing to deliver on Ruffer’s core objective of preserving capital over a rolling 12 month period. Whilst similar previous rolling 12 month losses for the Ruffer portfolio have historically heralded significant downturns in markets (and ensuing positive returns for the portfolio), that is scant consolation at this point.

In October, however, we drew a line in the sand. The bond market narrative shifted from ‘recession is still a possibility’ to ‘definitely a soft landing’, with long-dated US yields rising through the important 5% level as a result. This shift gave us an attractively priced opportunity to significantly increase the portfolio’s interest rate sensitivity (duration), with investors seemingly comfortable that both the economy and financial markets can support higher interest rates for longer. We did so by adding to our existing longer duration position in US TIPS (treasury inflation protected securities) and also buying long-dated nominal government bonds for only the second time since the financial crisis (the previous time being the prior high in yields in October 2022).

It is our firm view that bond yields cannot rise further from here without doing significant damage to both the real and financial economies. In the short term the opposite may be more likely – that bond yields come down, giving markets a temporary fillip – and we should benefit from such an outcome through the fund’s increased duration. However, signs are increasingly visible that high interest rates are causing damage in financial markets (struggling small caps, utilities and banks) and now also in the real economy (higher corporate delinquencies, falling job openings and sky high mortgage rates). So far, this year has been a difficult one for our portfolio and a trying time for our investors, but we feel the fund is well set to deliver on our aims in the volatile environment to come.

I CLASS OCTOBER 2023

Performance I acc %	GBP
October	-1.1
Year to date	-9.3
1 year	-6.1
3 years pa	4.2
5 years pa	4.2
10 years pa	3.8
Since inception pa	5.6

Share price, p	
I GBP acc	263.94
I GBP inc	189.66
Dividend yield	2.6

	Net	Gross
Duration (years)	5.4	6.7
Equity exposure %	14.2	11.9

I acc GBP	Volatility %	Sharpe	Sortino
3 years	6.4	0.4	0.6
5 years	6.5	0.4	0.7
10 years	5.8	0.5	0.8
Since inception	6.7	0.6	1.1

12 month performance to 30 September 2023

%	2019	2020	2021	2022	2023
RARF I acc	1.8	6.0	13.4	3.2	-3.7
UK Bank Rate	0.7	0.4	0.1	0.8	4.1

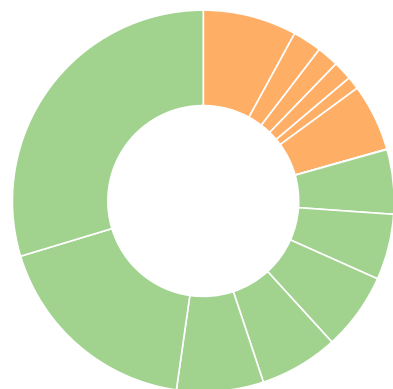
One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund’s prospectus. I class performance data calculated prior to the inception date, 8 Aug 2012, is based upon a simulated/extended track record, using the track record of WS Ruffer Absolute Return Fund C acc. 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.

INVESTMENT OBJECTIVE

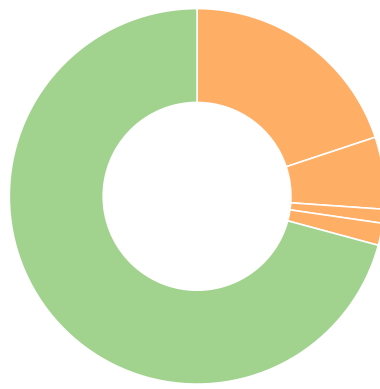
To seek to achieve positive returns in all market conditions over any 12 month period, after all costs and charges have been taken. Underlying this objective is a fundamental philosophy of capital preservation. Capital invested is at risk and there is no guarantee that a positive return will be delivered over any 12 month period.

WS Ruffer Absolute Return Fund as at 31 Oct 23

ASSET ALLOCATION



CURRENCY ALLOCATION



Asset allocation	%
Short-dated bonds	29.7
Non-UK index-linked	18.1
Long-dated index-linked gilts	7.4
Cash	6.7
Long-dated bonds	6.5
Index-linked gilts	5.6
Gold exposure and gold equities	5.5
Commodity exposure	7.9
Consumer discretionary equities	2.5
Financials equities	1.8
Consumer staples equities	1.6
Industrials equities	1.1
Other equities	5.7

Currency allocation	%
Sterling	70.8
Yen	19.9
US dollar	6.2
Euro	1.2
Other	1.9
Geographical equity allocation	%
UK equities	4.2
North America equities	2.9
Asia ex-Japan equities	2.8
Europe equities	2.4
Other equities	0.4

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	1.1
TSMC	0.6
Alibaba Group ADR	0.5
Amazon	0.4
Ambev SA	0.4

Excludes holdings in Ruffer funds | Source: Ruffer LLP Totals may not equal 100 due to rounding

RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2023, assets managed by the Ruffer Group exceeded £24.1bn.

FUND SIZE **£2,709.2M**

FUND INFORMATION

Annual management charge %	1.0	
Maximum initial charge %	7.5	
Minimum investment (or equivalent in other currency)	£25m	
Ongoing Charges Figure %	1.01	
Cut offs	10am on Wednesday (where it is a business day) and the last business day of the month	
Dealing frequency	Weekly forward, every Wednesday where this is a business day, plus the last business day of the month	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Investment adviser	Ruffer LLP	
Depository	The Bank of New York Mellon (International) Limited	
Authorised Corporate Director	Waystone Management (UK) Limited	
Auditors	Ernst & Young LLP	
Structure	Sub-fund of Asperior Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	
Share class	ISIN	SEDOL
I GBP acc	GB00B81SXL02	B81SXL0
I GBP inc	GB00B83HRZ70	B83HRZ7

ENQUIRIES

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DEALING LINE

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FUND TEAM



Steve Russell
INVESTMENT DIRECTOR |
FUND MANAGER

Graduated from the University of 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. He is co-manager of two of Ruffer's flagship funds.



Jos North
INVESTMENT DIRECTOR |
FUND MANAGER

Joined Ruffer in 2012 and now leads Ruffer's UK institutional business, including UK defined benefit, defined contribution and local government pension schemes, and UK charities. He is a member of the CISI and co-manages two of Ruffer's flagship funds.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

Sharpe ratio measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

Sortino ratio measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

DISCLAIMER

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/rarf. WS Ruffer Absolute Return Fund is a UK UCITS and is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible at any one time the WS Ruffer Absolute 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.

