

Ruffer Fixed Income

Positive returns from fixed income

Over the course of the quarter, the fund's C capitalisation shares fell 3.1% from 129.94p to 125.86p. The US Treasury ten year bond yield rose from 0.92% to 1.74%.

The rise of 82 basis points in US ten year rates over the quarter was the second largest in the last 25 years. Events at the start of the quarter set in motion a set of remarkable circumstances.

The result of the 5 January run off for the two US Senate seats from Georgia: both went to the Democratic candidates, levelling the parties with 50 seats each. The Vice President having the casting vote means the Democrats control the executive and both houses of the legislature. Following a period of negotiation, a new stimulus bill of \$1.9 trillion was passed and, almost instantly, the Washington chatter was of an infrastructure spending bill to come later in the year.

Alongside further stimulus has come remarkable news on the US vaccine program, which will allow a faster re-opening of the economy. And, of course, the Federal Reserve is still buying \$120 billion of bonds a month and promising not to raise rates until we have seen inflation at 2%, and inflation is expected to be above target for some time. The US economy has a number of strong supports over the months ahead.

The forced shut down of the economy last year means many prices have exceptional comparators, none more so than the oil market, which traded at negative prices. The favourable comparators will mean that US CPI inflation data in the coming months is likely to be above levels associated with the Federal Reserve's inflation target. The Federal Reserve is saying this inflation will be 'transitory' and so they will look through it. Some are wondering whether the stimulus is 'too much', and any inflation might be longer lasting.

The longer end of the bond market sold off, starting as soon as the Georgia result was made public. We used a rally late in January to sell some of our long end TIPS. The market continued to sell off and in late February, flows from overseas sellers saw some fraught trading sessions. We bought back the bonds we sold in January.

Our long run view, of a more inflationary outlook, is unchanged. As the market and the authorities digest the economy's re-opening and the effects of the huge stimulus bond markets will undoubtedly face a rocky few months.

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

The investment objective of Ruffer Fixed Income is to achieve positive returns from an actively managed portfolio of predominantly fixed-income securities, variable-income securities and related instruments issued by governments and other entities, without geographical restriction.

Performance since launch on 13 August 2013 – C class shares GBP



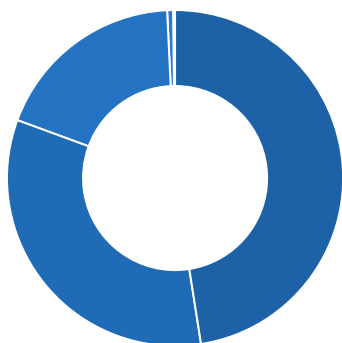
C capitalisation shares	Performance %	Share price as at 31 March 2021	p
Q1	-3.1	C capitalisation	125.86
Year to date	-3.1	C distribution	125.87
1 year	7.1	Z capitalisation	137.36
3 years	14.8	Z distribution	131.34
5 years	15.3		

12 month performance to March %	2017	2018	2019	2020	2021
C capitalisation shares	5.1	-4.4	8.3	-1.1	7.1

Source: Ruffer LLP

Ruffer Fixed Income as at 31 Mar 2021

Portfolio structure



Asset allocation	%
US inflation-linked bonds (7-15 years)	47.7
US inflation-linked bonds (15-30 years)	33.3
Japan inflation-linked bonds (7-15 years)	18.7
UK short-dated government bonds	0.5
cash and unrealised FX	-0.2

5 largest 10 bond holdings

Stock	% of fund
US Treasury 0.25% TIPS 2050	25.0
US Treasury 0.125% TIPS 2030	20.2
US Treasury 0.25% TIPS 2029	16.3
Government of Japan 0.2% 2030	11.5
US Treasury 0.875% TIPS 2029	11.2

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

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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.

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Fund size £639.7m

Fund information

Ongoing Charges Figure %	Cap	Dis	
C class GBP	1.27	1.27	
Z class GBP	0.12	0.12	
%	O class	C class	Z class
Max annual management charge	1.5	1.2	0.0
Maximum initial charge	5.0	5.0	7.5
Minimum investment £	1,000	10m	30m
Record date	Third Monday of November		

Ex dividend dates Next NAV following the record date

Payment Within five business days after ex dividend date

Dealing Weekly, every Monday (if not a business day, on the following business day) Plus on the last calendar day of each month

Cut off 4pm Luxembourg time on the day before valuation day (so typically Friday and the penultimate business day of the month)

ISIN	O class	C class	Z class
Cap	LU0954199336	LU0954198791	LU0954199096
Dis		LU0954198874	LU0954199252
Structure	Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV		

Investment manager Ruffer LLP

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Custodian Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

Fund Manager

Marnoch Aston

RESEARCH DIRECTOR

Joined the Financial Stability Directorate at the Bank of England in 2008, prior to which he was a founding partner of Clematis Capital. He has an MSc in Economics and Finance from Warwick University and joined Ruffer in 2012.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 28 February 2021, assets managed by the Ruffer Group exceeded £21.6bn.

Enquiries

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

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