

# Ruffer Fixed Income

## Positive returns from fixed income

Over the course of the quarter, the fund's C capitalisation shares rose 0.1% from 128.74p to 128.82p. The US Treasury ten year bond yield rose from 3.83% to 3.88%.

The theme of 2022 was inflation that kept on surprising on the upside, banishing the use of the word transitory to describe the phenomenon. Those inflation surprises initially brought the prospect of central bank hikes, it started with the idea of 25 basis point hikes, that gave way to 50 basis points, then 75 basis points and eventually some were even predicting that individual hikes of 1% were possible. The result was that the volatility of short-dated interest rates was unprecedentedly high and sustained during 2022.

In the US there are signs that that volatility may soon abate. The headline Consumer Price Index (CPI) has peaked and looks set to fall further. Having reached what it terms 'restrictive territory' the Federal Reserve moved from hiking by 75 basis points back to 50 basis points at its December meeting. And market discussions have moved from 'how high will rates go' to 'how long will rates stay high'. The shifting dynamics saw US rates rise early in the quarter, fall dramatically to mid-December and then rise again.

While the US saw inflation peaking during the quarter, the rest of the world saw inflation continue to march higher. That brought further rates hikes in Europe and announcements about the unwinding of some of its numerous balance sheet policies. That kept pressure on European rates to move higher. The big shock came in Japan where, right at the end of the quarter, the Bank of Japan widened the yield band in which it will allow ten year government bonds to trade.

In the fund, early in the quarter we added to our US duration position through 30 year Treasury Inflation Protected Securities (TIPS). We sold down nearly all of our position as the market rallied during November and December.

With inflation having peaked in the US the real interest rates on offer are potentially attractive, but that needs to be balanced against the potential for outflows from US bonds as the Bank of Japan and European Central Bank unwind their own stimulus.

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. Future performance is subject to taxation which depends on each investor's personal situation, and may be subject to change in the future.

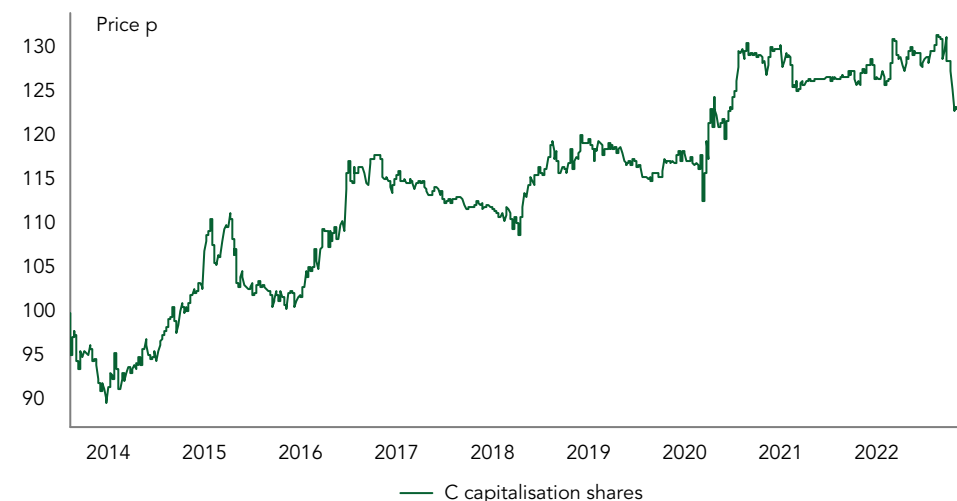


## Investment objective

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

Past performance does not predict future returns



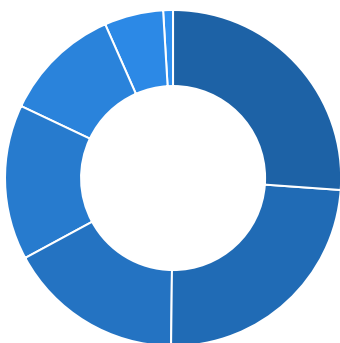
C capitalisation shares	Performance %	Share price as at 30 December 2022	p
Q4	0.1	<b>C capitalisation</b>	<b>1.2882</b>
Year to date	1.7	<b>C distribution</b>	<b>1.2676</b>
1 year	1.7	<b>Z capitalisation</b>	<b>1.4347</b>
3 years	8.8	<b>Z distribution</b>	<b>1.3416</b>
5 years	14.9		
Since inception to 31 August 22	31.3		

12 month performance to December %	2018	2019	2020	2021	2022
C capitalisation shares	6.5	-0.9	9.8	-2.5	1.7

Source: Ruffer LLP

# Ruffer Fixed Income as at 30 Dec 2022

## Portfolio structure



Asset allocation	%
● US inflation-linked bonds (0-7 years)	26.2
● US short-dated government bonds	23.9
● Australia government bonds	17.1
● Japan short-dated government bonds	14.9
● US inflation-linked bonds (15-30 years)	11.2
● UK index-linked gilts	5.8
● Cash and unrealised FX	0.9

## 5 largest 13 bond holdings

Stock	% of fund
US Treasury 2.75% TIPS 2023	23.7
US Treasury 0.625% 2024	16.2
Australian Govt Bonds 0.25% 2024	11.4
US TIPS 0.125% 2024	10.0
US Treasury 0.125% 2052	6.4

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

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 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.

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Fund size £546.6m

## 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 30 November 2022, assets managed by the Ruffer Group exceeded £26.1bn.

## Enquiries

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