

Ruffer Fixed Income

Positive returns from fixed income

Federal Reserve Chairman Jerome Powell said the path for inflation to get back down to its 2% target may be bumpy. This proved an excellent description of the first quarter of 2023 for global fixed income markets.

In the US, the year started with the presumption inflation was falling and the economy slowing. Fixed income markets rallied and the yield on ten year Treasury bonds fell by fifty basis points by mid-January from 3.88% at the start of the year. From that point the data began to show January was a stronger month for the US economy than expected, the non-farm payrolls released in early February was one of the biggest upside surprises and the core of inflation data showed progress was not as good as had been hoped.

At the end of January, the Federal reserve hiked by 25 basis points. In so doing they validated the market's belief that rate hikes would be predictable, which helped spur the fixed income rally. But the strengthening data caused more and more hikes to be priced in, the culmination being Powell's testimony to Congress, where he raised the possibility of going back to hiking in 50 basis point increments. This drove the ten year Treasury to above 4% yield. Then we saw the failure of Silicon Valley Bank and Signature Bank followed by another 25 basis point hike by the Federal Reserve. Despite the move higher in short rates, ten year Treasury yield fell, ending the quarter at 3.47%.

The European Central Bank hiked rates twice during the quarter each by 50 basis points and began to shrink its balance sheet. In Japan, the changing of the guard from Governor Kuroda to Ueda took place and an end to yield curve control looks in sight. The actions of the Bank of Japan and ECB should weigh on global duration, but the effects of the US bank failures and the rescue of Credit Suisse are a boost. We did not change our duration position during the quarter, our only move was to sell some short-dated US bonds to buy Japanese bonds.

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



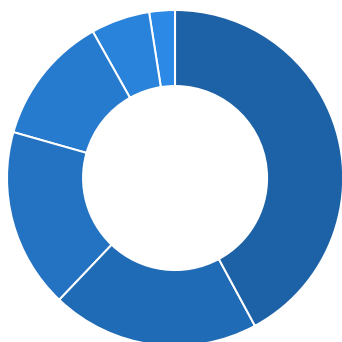
C capitalisation shares	Performance %	Share price as at 31 March 2023	p
Q1	-0.2	C capitalisation	1.2861
Year to date	-0.2	C distribution	1.2655
1 year	-0.2	Z capitalisation	1.4364
3 years	9.5	Z distribution	1.3432
5 years	15.8		
Since inception to 31 August 22	31.3		

12 month performance to March %	2019	2020	2021	2022	2023
C capitalisation shares	8.3	-1.1	7.1	2.3	-0.2

Source: Ruffer LLP

Ruffer Fixed Income as at 31 Mar 2023

Portfolio structure



Asset allocation	%
● Japan short-dated government bonds	42.1
● US inflation-linked bonds (0-7 years)	20.1
● Australia government bonds	17.3
● US inflation-linked bonds (15-30 years)	12.3
● UK index-linked gilts	5.7
● Cash and unrealised FX	2.5

5 largest 13 bond holdings

Stock	% of fund
US Treasury 0.625% 2024	14.8
Australian Govt Bonds 0.25% 2024	11.6
Government Of Japan 0.005% May 2024	10.8
Government Of Japan 0.005% Jun 2024	9.9
Government Of Japan 0.005% Jul 2024	9.3

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

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Fund size **£523.5m**

Fund information

Ongoing Charges Figure %	Cap	Dis	
C class GBP	1.28	1.28	
Z class GBP	0.13	0.13	
%	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 2023, assets managed by the Ruffer Group exceeded £26.2bn.

Enquiries

Ruffer LLP +44 (0)20 7963 8218
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL ruffer.co.uk

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