

TM Ruffer Portfolio

Positive returns with low volatility

During February, the fund rose price from 99.26p to 101.56p.

Our commentary this month is dominated by the impact of events in Ukraine. This war is first and foremost a human tragedy and our thoughts are with the people of Ukraine. The investment implications are secondary to the crisis, but we recognise our duty to provide investors with an update on the impact on their investments. The fund made gains earlier in the month and was broadly flat as the invasion unfolded. Geopolitical risk is unpredictable and we do not claim to position the fund in anticipation of specific events. Instead, we always hold protective assets which help us to weather market volatility in environments of heightened geopolitical risk.

The chief drivers of performance were derivative protection, gold and energy exposure. Derivative protection took two forms – interest rate protection and equity protection. We continued to use interest rate options to reduce duration risk in our inflation-linked bond holdings and this enabled us to benefit as bond yields rose for the first two weeks of the month. We took some profits in these options and the marginally higher duration since the invasion started has been helpful as bond yields have fallen. We will continue to be flexible in managing duration risk and believe that the path of rates will still be higher, but the speed of increase is now less certain. Towards the end of the month equity put options helped performance.

The fund has no direct exposure to Russia or Ukraine. We have a 2% position in BP, as part of our allocation to energy. BP is exiting its position in the Russian oil company Rosneft. It has underperformed its peers over the last fortnight due to this exposure, but the shares moved little on the announcement as an exit had already been priced in. Elsewhere, energy stocks have performed well for us. They have been a significant equity allocation since the beginning of the market recovery from the covid crisis. Our view that global demand would remain robust and supply would be constrained is playing out and we have been reducing exposure as part of an overall reduction in equity risk. We currently have 38% in equities, as well as protection in the shape of equity put options and exposure to credit default swaps.

We added to gold exposure in late 2021 moving from 6% to 8%. There was general investor disinterest in gold after a lacklustre 2021 and we also felt that emergent dollar weakness could see gold re-emerge as a safe haven. While we were wrong about dollar weakness, gold has undoubtedly benefitted from safe-haven demand.

Looking further ahead, the US is unlikely to incur the serious energy price inflation we expect in Europe. This may see a return to US exceptionalism. This would put upward pressure on the dollar, which in turn sucks liquidity out of broader financial markets (as well as making the Fed's life more difficult). This is likely to increase stress in markets more generally, hence our desire not to be overextended in either direction.

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.

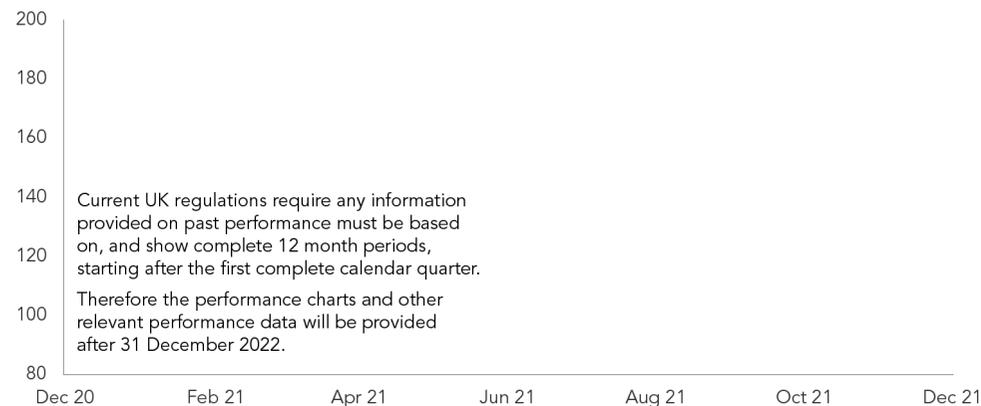


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Investment objective

To achieve positive returns over a 12 month period, after all costs and charges have been taken, regardless of market conditions. 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 one or a number of 12 month periods.

Performance since launch



Share price as at 28 February 2022	p
C accumulation	101.56

Source: Ruffer LLP

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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.

TM Ruffer Portfolio as at 28 Feb 2022

Asset allocation



Asset allocation %

● Credit and derivative strategies	12.3
● Cash	11.7
● Long-dated index-linked gilts	9.4
● Gold exposure and gold equities	8.1
● Non-UK index-linked	7.0
● Short-dated bonds	4.9
● Index-linked gilts	4.0
● Global funds	3.1

Currency allocation



Currency allocation %

● Sterling	73.5
● Yen	10.2
● US dollar	6.2
● Euro	2.8
● Other	7.3

10 largest equity holdings*

Stock	% of fund
BP	1.4
Lloyds Banking Group	1.4
Shell	1.3
NatWest Group	1.2
Rakuten	1.0
Ambev SA	1.0
Mitsubishi UFJ Financial Group	1.0
Sumitomo Mitsui Financial Group	1.0
GlaxoSmithKline	1.0
Cigna	0.9

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2068	4.0
US Treasury FRN 2023	3.0
UK Treasury index-linked 0.125% 2065	2.7
US Treasury 0.125% TIPS 2022	2.3
UK Treasury index-linked 2.5% 2024	2.3

*Excludes holdings in pooled funds

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

The fund's prospectus and key investor information documents are provided in English and available on request or from ruffer.co.uk. Please note that TM Ruffer Portfolio is a UK non-UCITS retail scheme (NURS). The TM Ruffer Portfolio is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible that at any one time the TM Ruffer Portfolio may invest more than 35% of its assets in transferable securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), the Governments of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Australia, Austria, Brazil, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, LCR Finance plc, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Private Export Funding Corporation (PEFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), the World Bank, Japan Development Bank, European Federal Home Loans, Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

Fund size **£1,105.2m**

Fund information

	%
Ongoing Charges Figure (capped)	1.23
Annual management charge	1.20
Yield	na
Minimum investment	£100,000
Ex dividend dates	30 Jun, 31 Dec
Pay dates	28 Feb, 31 Aug
Dealing frequency	Weekly, every Wednesday where this is a business day Plus the final business day of the month
Valuation point	12.00 each dealing day

	Accumulation	Income
ISIN	GB00BP4DCZ86	GB00BP4DJF75
SEDOL	BP4DCZ8	BP4DJF7

Investment manager Ruffer LLP

Auditors Ernst & Young

Authorised Corporate Director Thesis Unit Trust Management Limited

Depository Bank of New York Mellon (International) Limited

Structure Non-UCITS Retail Scheme Investment Funds (OEIC)

Enquiries

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Fund Managers

Luka Gakic

HEAD OF UK WEALTH
Joined Ruffer in 2011, after spending four years at Lehman Brothers, and then Nomura, where he worked in equity financing and delta-one sales. Graduated from the University of Oxford in 2006 with a degree in Philosophy, Politics and Economics and is a member of the Chartered Institute for Securities & Investment.



Alexander Chartres

INVESTMENT DIRECTOR
Joined Ruffer in 2010 after graduating from Newcastle University with a first class honours degree in history and politics. He is a member of the Chartered Institute for Securities & Investment and he co-manages two of Ruffer's flagship funds.



Investment Specialist

Kate Forsyth

INVESTMENT MANAGER
Joined Ruffer in 2016, with a degree in Spanish and International Management from the University of Bath. She became a member of the Chartered Institute for Securities & Investment following completion of the CISI Masters in Wealth Management in 2019.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 January 2022, assets managed by the Ruffer Group exceeded **£24.5bn**.

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