

TM Ruffer Portfolio

Positive returns with low volatility

During June, the fund price fell from 103.41p to 99.01p.

June began calmly, as markets (like us) mooted the idea that the worst of the inflation and interest rate damage might be past. The CPI inflation release on June 10 put paid to any such thinking, catalysing a sharp selloff in both bond and equity markets as global central banks accelerated their interest rate hikes. On a global basis nothing escaped the selloff: no major asset class delivered a positive return in the month, with the exception of Chinese equities. The last time this happened was in March 2020 in the depths of the covid crisis.

June's inflation release closed the window for a potential equity market rally by shifting the moment of peak inflation later into the year. We have high conviction that the triple tightening being executed by the Federal Reserve is likely to prove exceptionally damaging to financial markets over the next few months, meaning there will not be time for the peak inflation thesis to prove itself before markets or the economy crack under the tightening pressure.

We reflect this with the lowest weight to equities (25%) for the Ruffer strategy since March 2003. This is accompanied by a full suite of derivative protections. There are times in the market cycle that just need to be got through and we have to accept some volatility in the returns. Our preoccupation remains in avoiding a permanent and significant loss of capital.

Looking at June in isolation this extreme defensiveness was not enough. The only large positive contribution (+1%) came from the credit protections (these express a bearish view on corporate bonds) and the protective options (these express a bearish view on equity markets and interest rates), showing once again the importance of unconventional assets. Equities detracted around 2.5% from performance, with the allocation to Alibaba the only bright spot. Gold exposure and inflation-linked bonds accounted for most of the remaining negative performance.

In an episode of surprising and persistently high inflation, no allocation to risk escapes repricing. This has become clear to public market investors this year and will become clear to private market investors when their asset managers deign to reprice their private assets accurately (our bet: 2025). An allocation to cash is an underrated decision in such an environment because it offers the certainty of a slow loss. We have talked previously about putting the portfolio into a 'crouched' position - we are now unequivocally flat on the ground as bullets whizz overhead.

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.

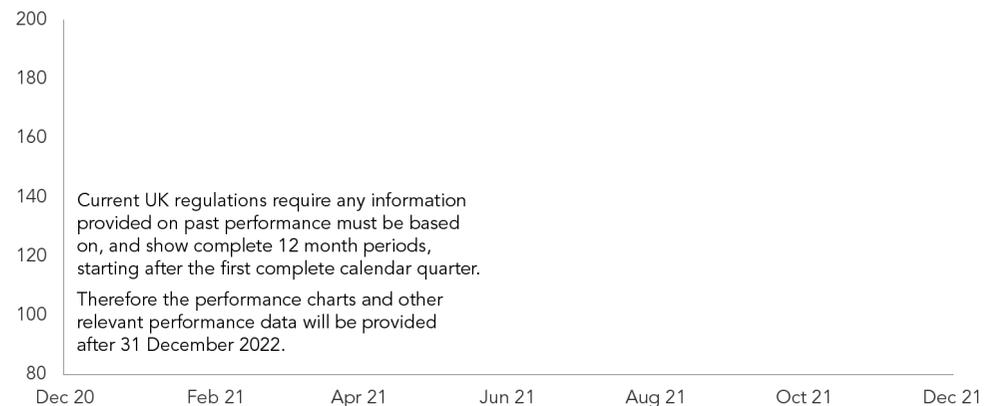


June 2022 Issue 7

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 30 June 2022 | p |
| C accumulation | 99.01 |

Source: Ruffer LLP

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TM Ruffer Portfolio as at 30 Jun 2022

Asset allocation



Currency allocation



| Asset allocation | % |
|------------------------------------|------|
| ● Credit and derivative strategies | 17.3 |
| ● Short-dated bonds | 13.0 |
| ● Cash | 11.7 |
| ● Gold exposure and gold equities | 8.7 |
| ● Long-dated index-linked gilts | 8.0 |
| ● Index-linked gilts | 6.9 |
| ● Non-UK index-linked | 5.3 |
| ● Global funds | 0.4 |
| ● North America equities | 7.6 |
| ● UK equities | 7.0 |
| ● Japan equities | 6.5 |
| ● Europe equities | 5.0 |
| ● Asia ex-Japan equities | 1.9 |
| ● Other equities | 0.8 |
| Currency allocation | |
| ● Sterling | 69.4 |
| ● Yen | 8.9 |
| ● Australian dollar | 6.1 |
| ● Euro | 3.1 |
| ● US dollar | 2.7 |
| ● Other | 9.8 |

10 largest equity holdings*

| Stock | % of fund |
|---------------------------------|-----------|
| BP | 1.4 |
| Sumitomo Mitsui Financial Group | 0.9 |
| Alibaba Group ADR | 0.8 |
| NEC | 0.8 |
| Mitsubishi UFJ Financial Group | 0.7 |
| Rakuten | 0.6 |
| Swire Pacific | 0.6 |
| Ambev SA | 0.5 |
| Cigna | 0.5 |
| Resona | 0.5 |

5 largest bond holdings

| Stock | % of fund |
|--------------------------------------|-----------|
| UK Treasury index-linked 2.5% 2024 | 5.1 |
| UK Treasury 0.125% 2023 | 4.1 |
| UK Treasury index-linked 0.125% 2068 | 2.5 |
| UK Treasury index-linked 0.375% 2062 | 1.9 |
| UK Treasury index-linked 0.125% 2065 | 1.8 |

*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 fur Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

Fund size **£2,177.2m**

Fund information

| | |
|---------------------------------|---|
| | % |
| Ongoing Charges Figure (capped) | 1.23 |
| Annual management charge | 1.20 |
| Yield | 0 |
| 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 May 2022, assets managed by the Ruffer Group exceeded **£26.6bn**.

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