

TM Ruffer Portfolio

Positive returns with low volatility

During October, the fund price rose from 103.48p to 103.78p.

Financial markets were calmer in October compared to the volatility of recent months. Surveys suggest investors entered the fourth quarter with a sense of dread, indicating they were as bearish as they had been for some time and simply hoping the year would end! Given this starting position, it is perhaps unsurprising financial assets generally rallied in the absence of further bad news. This rally was not universal, and although the Dow Jones enjoyed its best month since 1976, up 14%, the much-vaunted tech sector suffered substantial falls.

There was growing hope central banks would begin to slow their path of interest rate rises, and potentially even begin to hint at pivoting towards future cuts. At the same time, a relatively warmer autumn helped European gas prices fall, removing some shorter-term inflationary pressures. In the UK, the end of Liz Truss's brief term as prime minister, and the junking of her economic plans saw calm return to the gilt markets, which had been the epicentre of market volatility. All these things helped to boost market sentiment. Against this backdrop, the fund's performance was broadly flat. Despite their low weighting, the fund's equity positions were a positive contributor (+1.2%) to returns, while the main headwinds were the unconventional protections (-0.8%). The resurgence in sterling also saw the positions in the US dollar and the yen contribute negatively.

Last month we described a move into long dated US inflation-linked and conventional bonds. We continued this move throughout October. We entered 2022 with our duration position almost entirely hedged, we now have around eight years of duration in the fund. We have also taken some profits in the UK inflation-linked gilts bought at extremely attractive prices at the nadir of the post 'mini-budget' crisis.

Our structural view remains that we have moved into a new regime, characterised by higher and more volatile inflation. Structurally higher inflation means we remain in a bear market for both bonds and equities. Inflation will also be more volatile and there will be periods when it might decline meaningfully. During these phases of falling inflation, we will need to participate in potentially powerful bond rallies. This is unequivocally not a reversion to the regime of the last four decades, but an acknowledgment that the path to the new regime is unlikely to be linear. Active management, including the use of cash, will continue to be key to driving returns.

By the time we publish, the Federal Reserve will have announced the results of its 2 November meeting. There is much hope they will pivot in response to growing fears of a global recession. They will not be enthusiastic to see equity markets rally. Given the continued focus on financial conditions and inflation, we suspect any such rally might only be short lived.

We are holding a meeting for shareholders on Thursday 24 November at our office in London. If you would like to attend please email ruffer@ruffer.co.uk.

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.

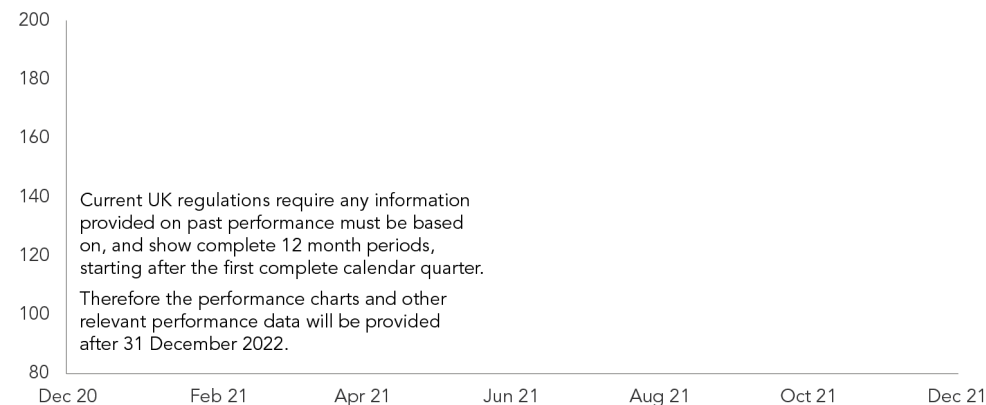


October 2022 Issue 11

Investment objective

To achieve positive returns over a 12 month rolling period, after all costs and charges have been taken. 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 twelve-month rolling periods.

Performance since launch



Share price as at 31 October 2022	p
C accumulation	103.78
C income	102.64

Source: Ruffer LLP

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. 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 Information Document and the latest report and accounts.

TM Ruffer Portfolio as at 31 Oct 2022

Asset allocation



Currency allocation



Asset allocation	%
● Credit and derivative strategies	19.2
● Index-linked gilts	17.0
● Long-dated bonds	12.7
● Short-dated bonds	12.1
● Long-dated index-linked gilts	10.7
● Cash	7.1
● Non-UK index-linked	4.6
● Gold exposure and gold equities	2.1
● Global funds	0.3
● North America equities	4.6
● UK equities	3.6
● Europe equities	2.7
● Japan equities	1.9
● Asia ex-Japan equities	0.9
● Other equities	0.4
Currency allocation	%
● Sterling	72.8
● Yen	10.1
● US dollar	7.9
● Australian dollar	5.1
● Euro	1.2
● Other	2.9

10 largest equity holdings*

Stock	% of fund
BP	0.4
Ambev SA	0.4
Sumitomo Mitsui Financial Group	0.3
Resona	0.3
Cigna	0.3
Alibaba Group ADR	0.3
Deutsche Post	0.2
Veolia Environnement	0.2
ArcelorMittal	0.2
Swire Pacific	0.2

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2024	9.2
UK Treasury index-linked 2.5% 2024	6.9
UK Treasury index-linked 0.125% 2068	3.5
US government 0.125% 2051	3.3
UK Treasury 0.125% 2073	2.7

*Excludes holdings in pooled funds
Source: Ruffer LLP.
Pie chart totals may not equal 100 due to rounding.

The fund's prospectus and key information documents are provided in English and available on request. 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 £2,622.5m

Fund information

	%
Ongoing Charges Figure	1.23
Annual management charge	1.15
Maximum 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
ISIN	Accumulation GB00BP4DCZ86 Income GB00BP4DJF75
SEDOL	BP4DCZ8 BP4DJF7
Investment manager	Ruffer LLP
Auditors	Ernst & Young LLP
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

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

Fund Managers

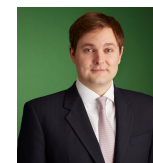
Luka Gakic

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.



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 30 September 2022, assets managed by the Ruffer Group exceeded £26.5bn.

This financial promotion is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority.
© Ruffer LLP 2022