

TM Ruffer Portfolio

Positive returns with low volatility

June recorded a further positive month for global equities, and a frustrating one for the portfolio, marking what has been a disappointing six month period in the context of our focus on capital preservation.

Markets have increasingly tried to consign 2022 to history. A bad dream, but no more. The prospect of a recession has led to a belief that rates might come down as quickly as they have risen. Supported by plentiful liquidity, stability has dominated. We have been more worried about the potential for instability. Suffering pain in our protective investments is not new, but we would usually hope that this would be offset by good performance from our growth assets. The path for stability described above, in our opinion, would necessitate continued strength in the real economy. We felt this would largely be predicated on continued recovery from China, supported by both stimulus and a powerful re-opening. This led us to focus our growth assets on both commodities, and equities more geared to the real economy. So far, this has not been the case, commodities have created a further headwind. Equally, whilst our equities have contributed positively, this has not been sufficient to offset the cost of protection.

Currently markets are increasingly certain policy makers will successfully be able to bring inflation back to target and will do so without creating any financial instability. The much-fabled soft landing will play out. Meanwhile, with interest rates moving higher than expected, and likely to stay high for longer, the impacts of tighter monetary policy are starting to be felt. This is already having consequences. This will inevitably, and intentionally, slow the economy. Despite this obvious risk, markets remain certain the risks will be contained. Investors are now willing to buy into equities (and indeed corporate credit) despite the fact they now offer a lower return (and higher risk) than cash! We are increasingly taking the other side of this perceived certainty.

The protections in the portfolio are threefold: structural protection against a new regime which is likely to be characterised by rising and more volatile levels of inflation; shorter-term (and powerful) protection against the potential financial instability caused by tighter liquidity and higher interest rates; and protection against the likely recession that will follow. For the moment, investors seem to be growing in confidence that policy makers will be able to successfully navigate the narrow tightrope of stability. Tightening policy sufficiently to maintain monetary (or inflation) stability, without creating financial instability. We are less convinced. Taking a cautious view can be painful, but history tells us that not long after these periods the risks emerge, leading to significant drawdowns in markets.

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.

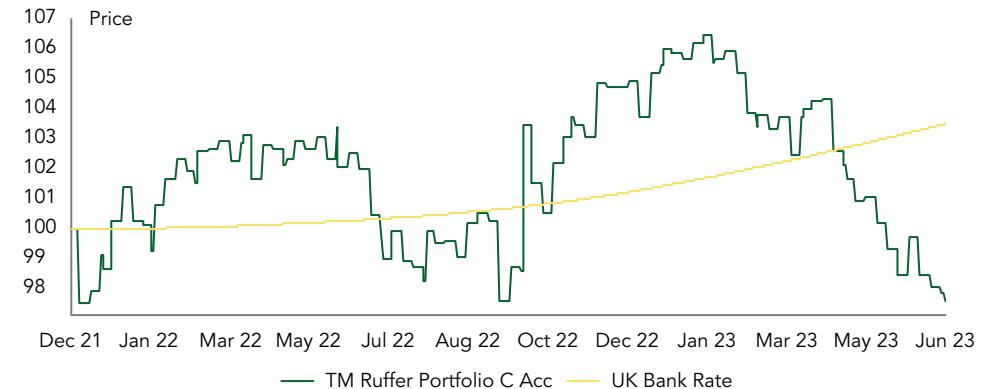


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Investment objective

To achieve positive returns over a 12 month 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 on 9 December 2021



	Performance %	Share price as at 30 June 2023	p
June 2023	-0.9	97.57	
Year to date	-8.0	94.69	
1 year	-1.5		

12 month performance to June %

TM Ruffer Portfolio C Acc	-1.5
UK Bank Rate	3.2

Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. 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 30 Jun 2023

Asset allocation



Asset allocation %

● Short-dated bonds	26.1
● Credit and derivative strategies	13.9
● Non-UK index-linked	11.1
● Long-dated index-linked gilts	7.6
● Index-linked gilts	4.9
● Gold exposure and gold equities	4.7
● Cash	4.7
● Commodity exposure	9.1
● North America equities	6.1
● UK equities	4.1
● Asia ex-Japan equities	2.8
● Europe equities	2.8
● Japan equities	1.7
● Other equities	0.5
Currency allocation	%
● Sterling	65.4
● Yen	16.7
● US dollar	6.9
● Australian dollar	5.0
● Euro	0.1
● Other	5.9

Currency allocation



10 largest equity holdings*

Stock	% of fund
iShares MSCI EM Asia UCITS ETF	1.0
Alibaba Group Holding	0.7
Ambev SA	0.5
Bayer AG	0.4
Swire Pacific	0.4
Glencore	0.4
BP	0.4
Cigna	0.3
Amazon	0.3
Pioneer Natural Resources Company	0.3

5 largest bond holdings

Stock	% of fund
UK Treasury 0.125% 2024	5.2
US Treasury 0.125% TIPS 2052	4.0
UK Treasury index-linked 0.125% 2068	3.8
US Treasury 0.625% TIPS 2024	3.5
UK Treasury index-linked 0.125% 2024	2.9

*Excludes holdings in Ruffer 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 £2,961.2m

Fund information

		%
Ongoing Charges Figure	1.24	
Annual management charge	1.14	
Maximum annual management charge	1.20	
Yield	1.92	
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

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Fund Managers

Luka Gakic

HEAD OF UK WEALTH

Joined Ruffer in 2011, after four years at Lehman Brothers, and 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 CISI.



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 CISI and 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 2023, assets managed by the Ruffer Group exceeded £25.2bn.

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