

TM Ruffer Portfolio

Positive returns with low volatility

There was a growing sense through September that a combination of US economic resilience and higher oil prices would force the US Fed to keep interest rates higher for longer. The latest 'dot plot' of Federal Open Markets Committee board members' expectations for interest rates over the coming few years, which the Fed uses to influence the market's expectations of the level and path of future interest rates, seemed to confirm as much suggesting, for the first time that rates would stay above 5% for all of 2024. A persistently strong economy with a persistent inflation problem demands persistently high interest rates. Equity and bond markets had already started to roll over in anticipation, but the release of the dot plot on 20 September encouraged them both lower into month end.

That the fund largely sidestepped these falls was thanks to the large allocation to very short-dated UK and US government bonds, which carried positively even as longer-term interest rates rose. The fund's position in oil and energy and related equities also made a positive contribution, benefitting from supply-side discipline from both OPEC and marginal US producers. It is our view recession risks are building, and oil will not be immune once the market downgrades demand expectations, so we took some profits.

On the other side of the ledger, the fund's longer dated bond holdings, in US (TIPS) and UK inflation-linked bonds, were the biggest detractors from performance. Towards the end of the month, we decided to take advantage of these falls to add to US TIPS, allocating 5% of the fund's capital to ten year bonds offering real yields of nearly 2.3%. This was partly funded by a sale of the small remainder of the fund's gold bullion exposure. The latter has remained remarkably resilient in the face of persistently high US real rates, giving us an opportunity to switch the exposure into TIPS at what we deem very good relative value.

We also took advantage of the spurt of US dollar strength in September to reduce US dollar exposure in favour of further bolstering our yen position, which now makes up c20% of the fund. We continue to expect the yen to be one of the assets at the epicentre of an unwind of trades that have proved popular this year but that we deem unsustainable.

On the flip side of US dollar strength was sterling weakness, which also allowed us to exit the position in Australian government bonds on favourable terms. We remain cautious on sterling, but it has fallen hard and fast over the last couple of months and we don't want a temporary reversal to hold back performance.

A darkening economic reality, combined with tight monetary policy in the UK and US and incrementally restrictive policy from the Bank of Japan, we think will ultimately cause a great, and quite possibly sudden, reversal of the market moves over the first eight months of 2023. When it comes, this should benefit the fund's biggest positions, in UK and US inflation-linked bonds, and the yen. We may well look back on September 2023 as a turning point.

We are holding a meeting for shareholders on Tuesday 5 December at our London office. 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.

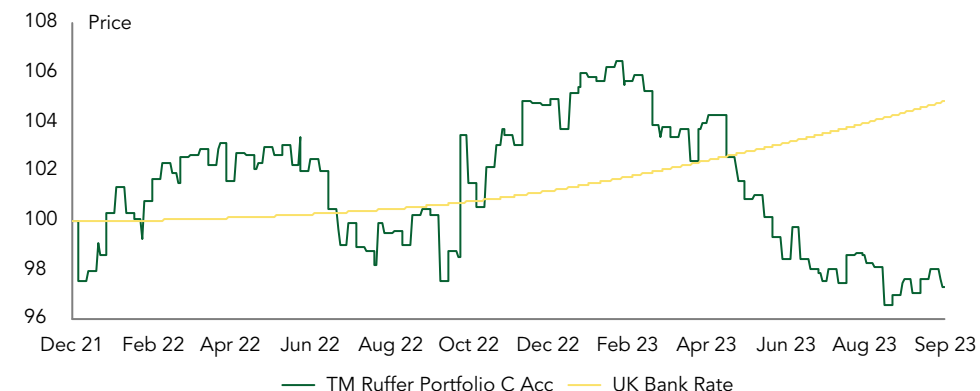


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Investment objective

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 September 2023	p
September 2023	-0.4	C accumulation	97.35
Year to date	-8.2	C income	93.23
1 year	-5.9		

12 month performance to September %	2023
TM Ruffer Portfolio C Acc	-5.9
UK Bank Rate	4.1

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 Sep 2023

Asset allocation



Asset allocation	%
Short-dated bonds	32.3
Non-UK index-linked	14.2
Index-linked gilts	7.8
Credit and derivative strategies	6.9
Long-dated index-linked gilts	6.7
Cash	6.5
Gold exposure and gold equities	2.5
Commodity exposure	7.1
North America equities	6.5
UK equities	4.0
Asia ex-Japan equities	3.4
Europe equities	1.4
Japan equities	0.1
Other equities	0.4
Currency allocation	
Sterling	71.2
Yen	19.6
US dollar	5.2
Euro	1.5
Australian dollar	0.1
Other	2.4

Currency allocation



10 largest equity holdings*

Stock	% of fund
iShares MSCI China A UCITS ETF	1.0
Alibaba Group Holding	0.8
iShares MSCI EM Asia UCITS ETF	0.5
Pioneer Natural Resources Company	0.5
Ambev SA	0.4
BP	0.4
Glencore	0.4
Bayer AG	0.4
Swire Pacific	0.4
Amazon	0.3

5 largest bond holdings

Stock	% of fund
UK Treasury 0.25% 31 Jan 2025	7.8
UK Treasury index-linked 1.0% 2024	7.8
UK Treasury 0.125% 2024	7.4
US Treasury 0.125% TIPS 2052	3.2
US Treasury 4.75% 31 Jul 2025	3.0

*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 for 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 **£3,012m**

Fund information

		%
Ongoing Charges Figure		1.24
Annual management charge		1.14
Maximum annual management charge		1.20
Yield		2.2
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

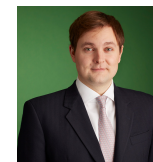
Joined Ruffer in 2011, after four years at Lehman Brothers, and Nomura, where he worked in equity financing and delta-one sales. Graduated from the University of Oxford in 2006 with a degree in philosophy, politics and economics and is a member of the CISI.



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 August 2023, assets managed by the Ruffer Group exceeded £24.2bn.

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