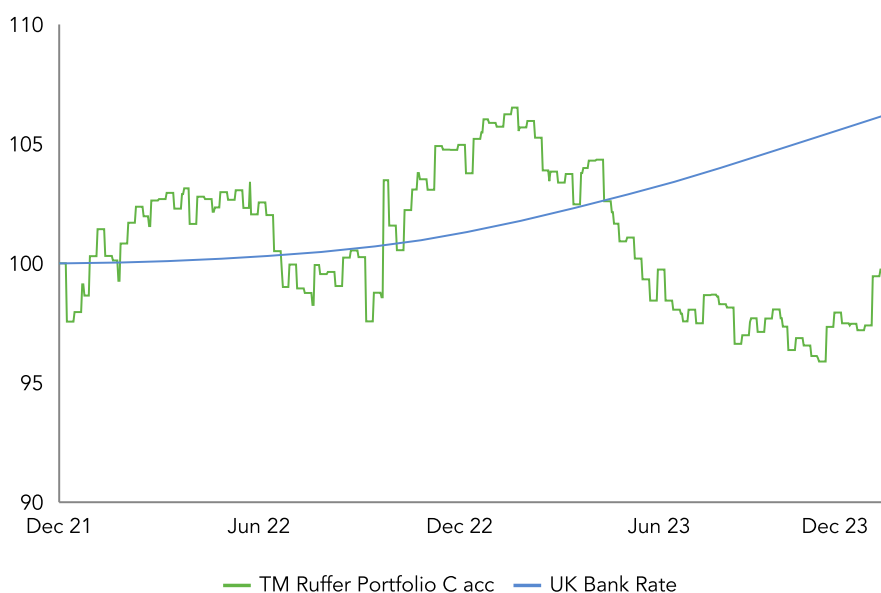


# TM Ruffer Portfolio Fund

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 8 DECEMBER 2021



Christmas arrived early for asset owners last year, as December saw US equities approach all-time highs and the bond rally continue. The Federal Reserve provided the festive cheer, by pivoting their message from 'higher for longer' interest rates to 'lower, sooner', projecting three cuts in 2024 thanks to falling inflation. This reinforced the market's soft-landing narrative and drove a US-centric Santa rally. Elsewhere, the Bank of Japan left policy unchanged despite significant noise, and investors remained unimpressed by the lack of concrete stimulus measures in China.

As was the case in November, the fund's fixed income holdings were the largest contributor – adding over 1.5% to performance. Yields continued to fall as the Chair of the Federal Reserve assured markets that they were unlikely to raise interest rates any further, taking the US ten year bond yield to 3.9%, down more than 1% since October. Our US exposure participated in the rally as the market broadened out from the 'Magnificent 7' technology stocks. Gold exposure was helpful, as the metal reached new highs. Meanwhile, the yen managed to gain over 4% against both the US dollar and the pound, despite the Bank of Japan leaving their loose monetary policy intact, adding over half a percent to performance in addition to gains from our yen call options. However, despite making positive returns in both December and the final quarter of 2023, the fund continued to face headwinds from its protective positions, which suffered as equities rose and credit spreads narrowed.

It continues to be our belief that tighter liquidity conditions present a significant risk to markets. Accordingly, we have reduced the fund's duration by roughly half from its recent peak, with sales of US bonds and gold bullion. This felt prudent given the bond market is now pricing six interest rate cuts in 2024, double the amount anticipated by the Fed. We believe a soft landing is now close to fully priced, leaving the market exposed to any pushback from policymakers or the data.

We maintain the view that it is too early to declare a soft-landing victory. Even if the probability of this outcome has increased, market pricing has moved even further, creating an asymmetry in asset prices. We think the scenario in which the market's six interest rate cuts are validated, is the arrival of recession. However, a soft landing is not an impossibility, and the fund holds over 20% across equities and commodities which should benefit from a broader market rally and further economic strength. This is also supported by the remaining fixed income positions and gold equities, which should rise in value if yields fall further.

Portfolio balance, which was painfully elusive at points last year, is now much more secure – evident in recent months as markets have rallied and the fund has delivered a positive return, despite its defensive positioning. Crucially though, if liquidity conditions and the economy do deteriorate, our derivative holdings – primarily credit protection and exposure to the VIX, should appreciate sharply. There were glimmers of this mid-month, as a small but sharp one day sell-off in the S&P saw the VIX index spike 12% intraday.

Overall, we enter the new year with the mindset that we are continuing to travel towards the danger, rather than away from it, and we will not let a disappointing 2023 obscure what we see in front of us.

## C CLASS DECEMBER 2023

Performance C acc %	GBP	
December	1.9	
Year to date	-6.3	
1 year	-6.3	
3 years pa	-	
5 years pa	-	
10 years pa	-	
Since inception pa	-0.3	
<b>Share price, p</b>		
C GBP acc	99.31	
C GBP inc	95.09	
Dividend yield	2.13	
	<b>Net</b>	<b>Gross</b>
Duration (years)	2.7	3.1
Equity exposure %	15.9	16.4

## 12 month performance to 31 December 2023

%	2019	2020	2021	2022	2023
TMRP C acc	-	-	-	7.5	-6.3
UK Bank Rate	-	-	-	1.5	4.7

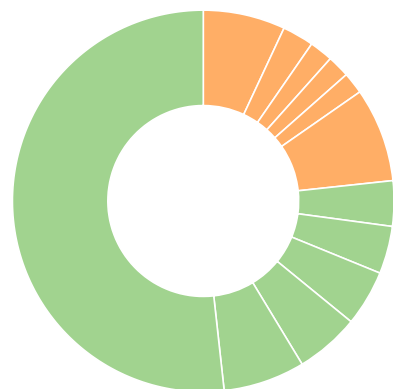
One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of 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.

## 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 12 month rolling periods.

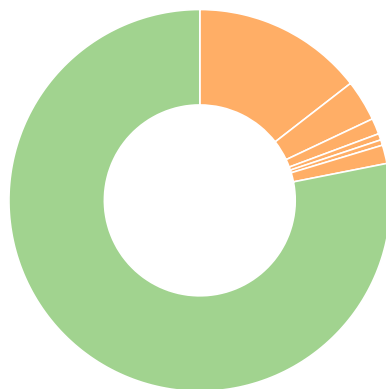
# TM Ruffer Portfolio Fund 31 Dec 23

## ASSET ALLOCATION



Asset allocation	%
Short-dated bonds	51.7
Long-dated index-linked gilts	6.9
Credit and derivative strategies	5.4
Cash	4.7
Global funds	4.0
Gold exposure and gold equities	3.8
Commodity exposure	6.9
Consumer discretionary equities	2.7
Healthcare equities	2.0
Financials equities	1.9
Energy equities	1.8
Other equities	8.0

## CURRENCY ALLOCATION



Currency allocation	%
Sterling	78.1
Yen	14.5
US dollar	3.5
Hong Kong dollar	1.3
Euro	0.5
AU dollar	0.5
Other	1.6
Geographical equity allocation	%
Asia ex-Japan equities	5.4
UK equities	5.4
North America equities	3.1
Europe equities	1.8
Other equities	0.7

## 5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	2.1
BP	1.4
Alibaba Group ADR	0.9
Pfizer	0.8
Ambev SA ADR	0.7

Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

## RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2023, assets managed by the Ruffer Group exceeded £23.4bn.

**FUND SIZE £3,047.3M**

## FUND INFORMATION

Annual management charge %	1.14	
Maximum annual management charge %	1.2	
Minimum investment (or equivalent in other currency)	£100,000	
Ongoing Charges Figure %	1.24	
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	
Ex dividend dates	30 Jun, 31 Dec	
Pay dates	28 Feb, 31 Aug	
Investment manager	Ruffer LLP	
Depository	Bank of New York Mellon (International) Limited	
Authorised Corporate Director	Thesis Unit Trust Management Limited	
Auditors	Ernst & Young LLP	
Structure	Non-UCITS Retail Scheme Investment Funds (OEIC)	
Share class	ISIN	SEDOL
C GBP acc	GB00BP4DCZ86	BP4DCZ8
C GBP inc	GB00BP4DJF75	BP4DJF7

## ENQUIRIES

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## FUND TEAM



**Luka Gacic**  
HEAD OF CORE FUND MANAGEMENT |  
FUND MANAGER

Before joining Ruffer in 2011, he spent four years at Lehman Brothers, and then Nomura, in equity stock lending and delta-one sales. He graduated from the University of Oxford in 2006 with a degree in philosophy, politics and economics.



**Alexander Chartres**  
FUND MANAGER

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.



**Kate Forsyth**  
FUND SPECIALIST

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.

## GLOSSARY

**Volatility** measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

**UK Bank Rate** the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

## DISCLAIMER

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The fund's prospectus and key information documents are provided in English and available on request. 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).

