



Q3 2026 portfolio update

Alexander Chartres
FUND MANAGER

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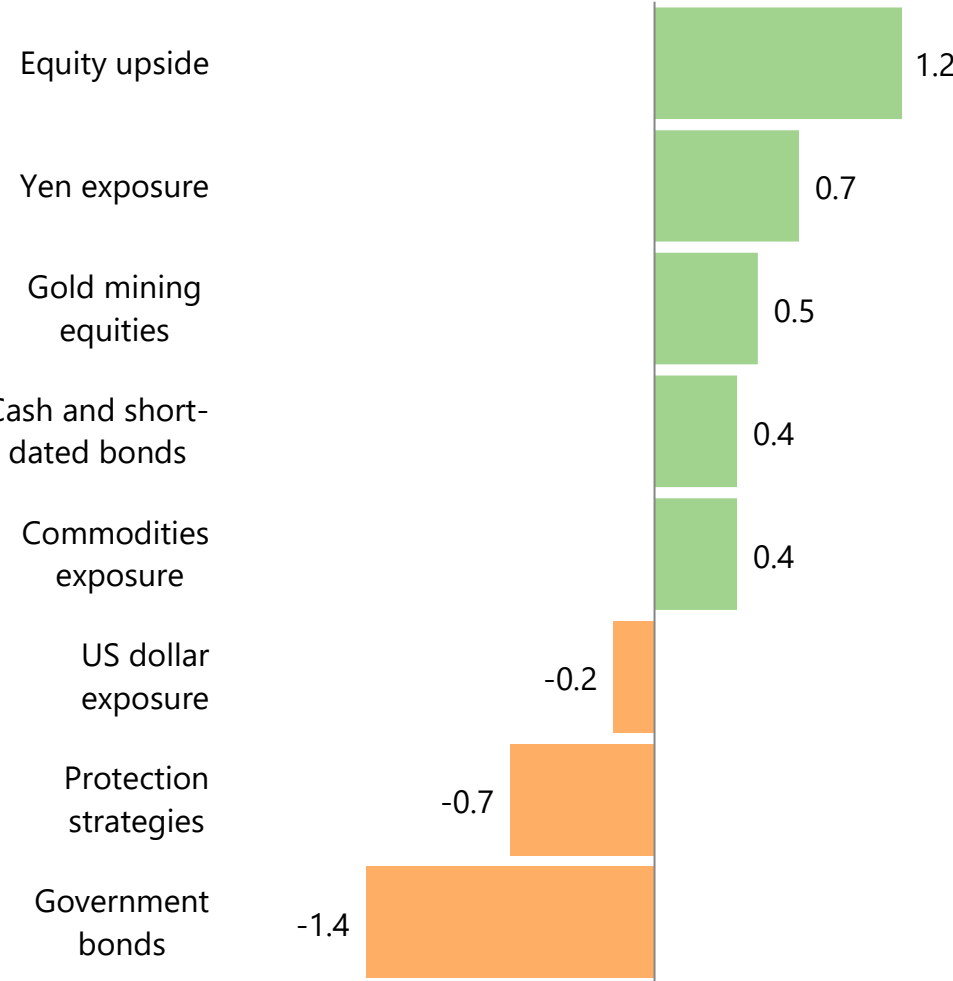
India White-Spunner
DIRECTOR-INSTITUTIONAL

OCTOBER 2026



Key performance contributions

WS RUFFER DIVERSIFIED RETURN FUND Q3



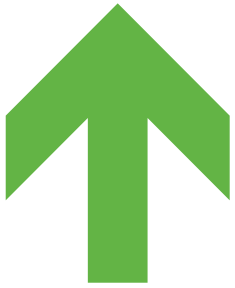
WS Ruffer Diversified Return Fund. Performance contributions calculated using end of day prices in local currency terms and gross of fees. 30 June 2026 to 30 September 2026.

Portfolio activity Q3 2026

AS AT 30 SEPTEMBER 2026



EQUITIES



COMMODITIES



GOVT
BONDS



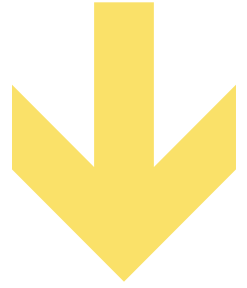
USD



JPY



PROTECTION
STRATEGIES



SHORT-
DATED
BONDS

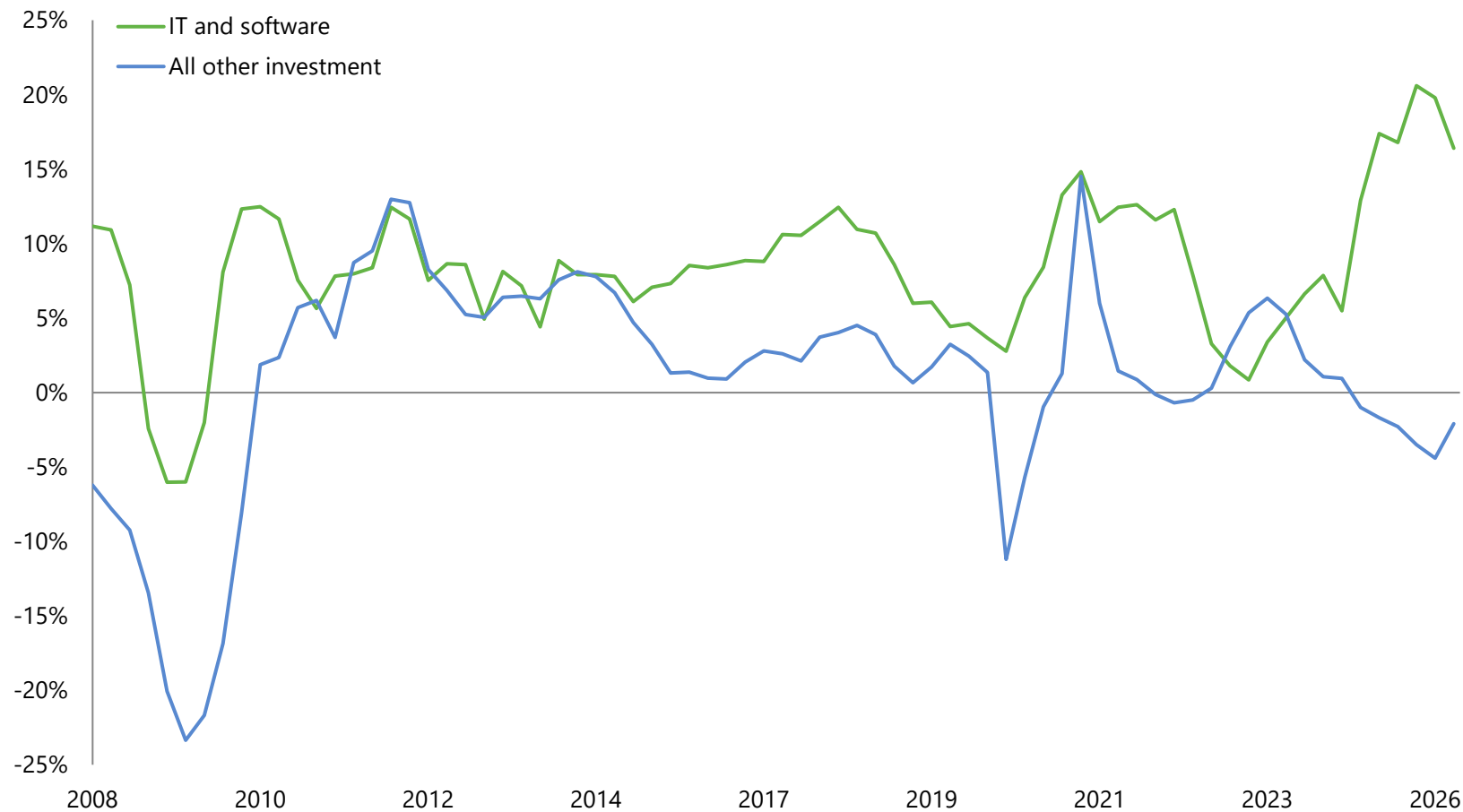


RUFFLER

Market
themes

AI capex has dominated – what happens next?

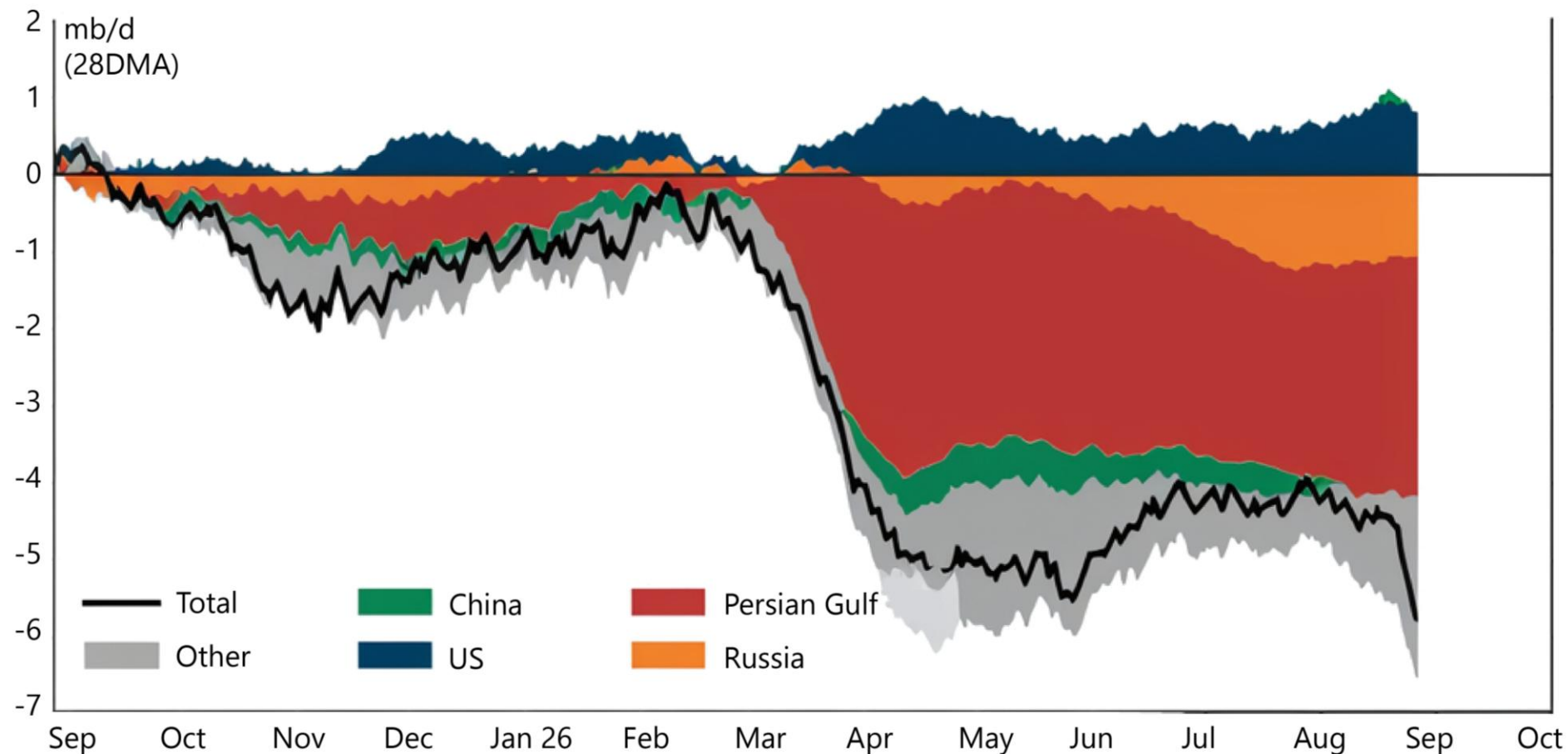
% CHANGE YOY, IT AND SOFTWARE INVESTMENT HAS SURGED WHILE THE REST OF CAPEX HAS STALLED



Source: Datastream. Data quarterly to June 2026

War disruption of fuel supply = inflation pressure

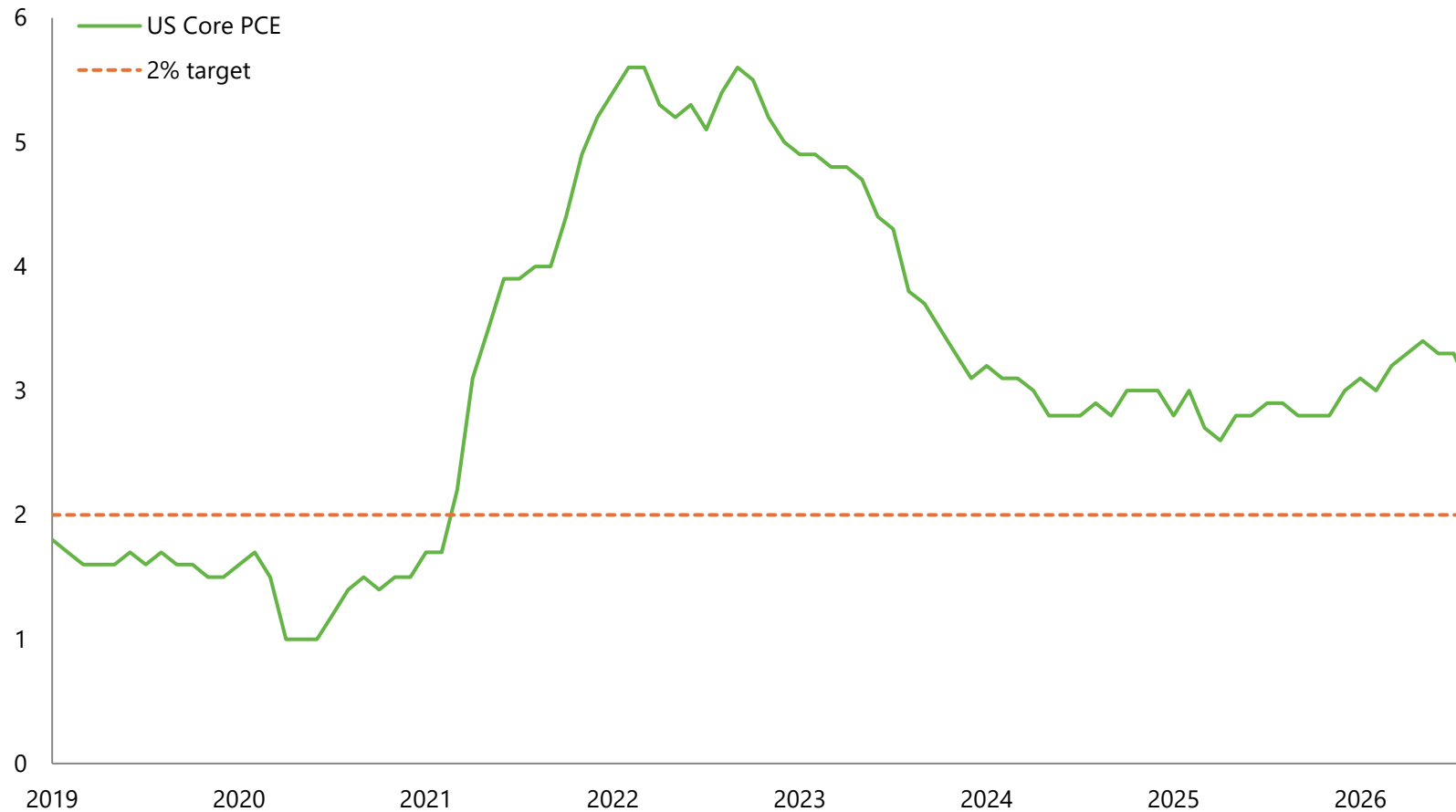
GLOBAL EXPORTS OF REFINED PRODUCTS DECLINED 6MB/D YOY. PERSIAN GULF AND RUSSIA 75% OF DECLINE



Change from August 27, 2025. Refined products exports do not include LPG.
Source: Kpler, Goldman Sachs Global Investment Research

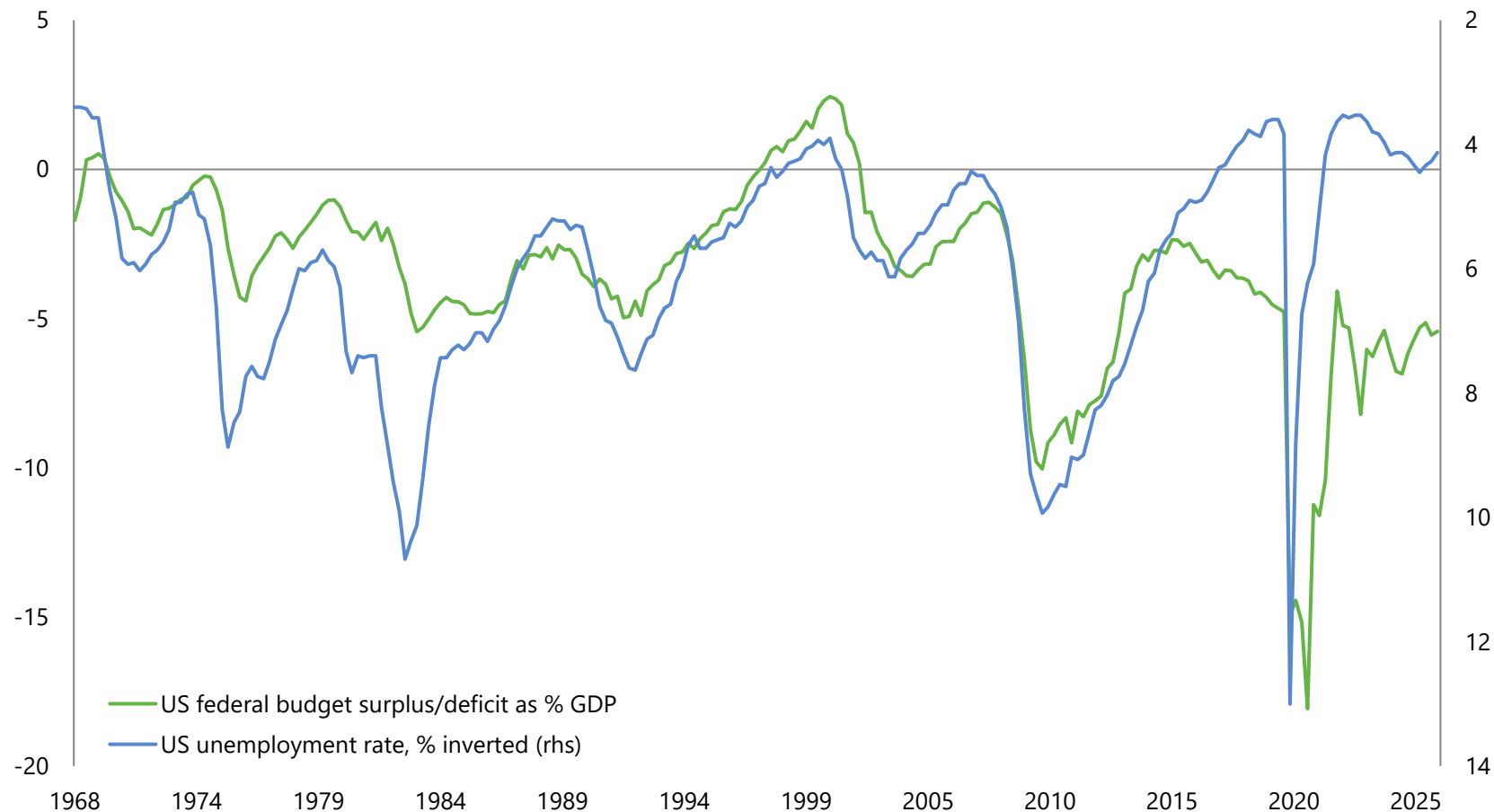
The reality of sticky inflation: is 3% the new 2%?

US CORE PCE HAS BEEN ABOVE THE FED'S 2% TARGET FOR FIVE YEARS IN A ROW...



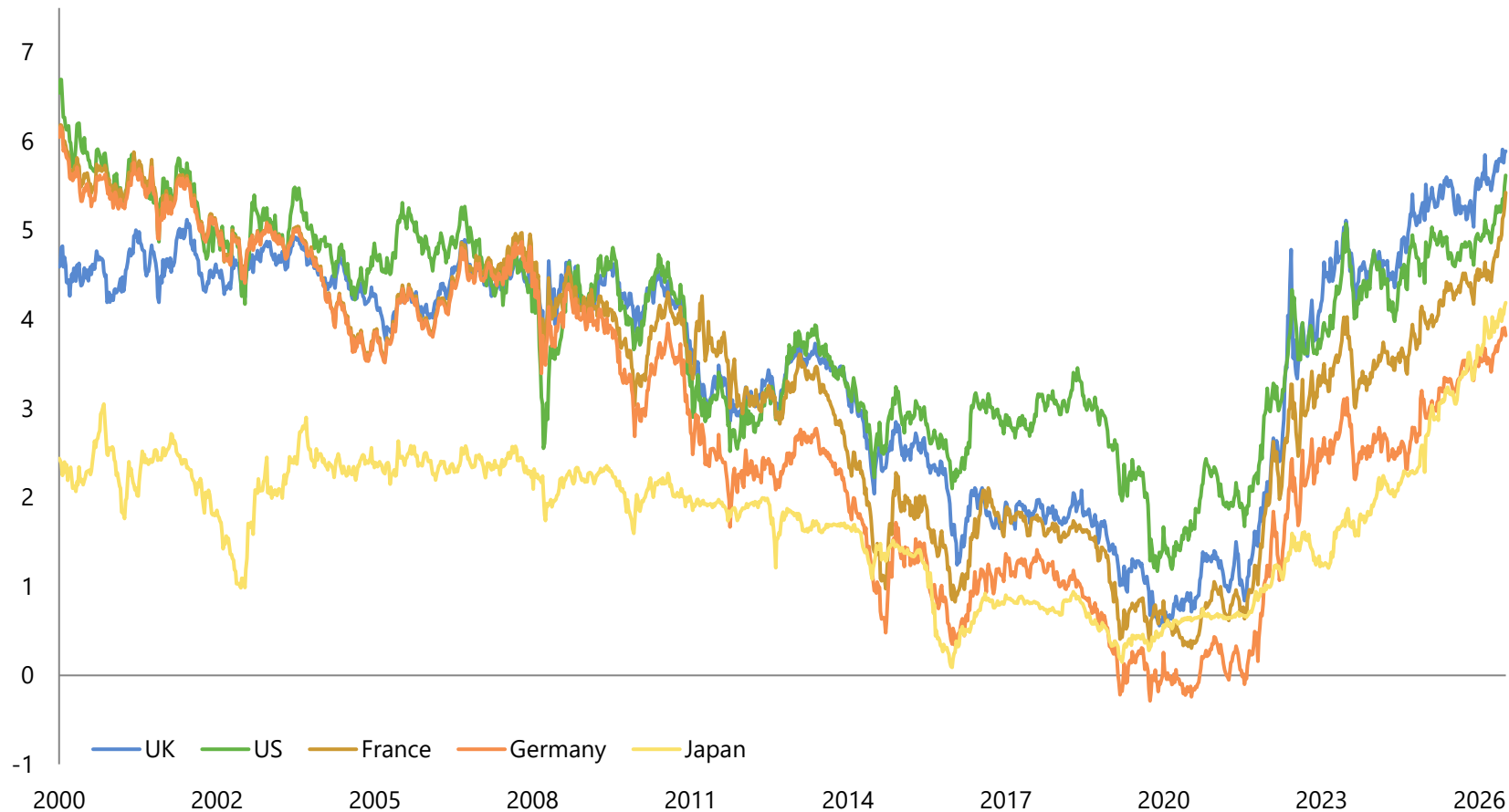
Record US deficits despite low unemployment

RECORD HIGH PEACETIME DEBTS AND DEFICITS REMAIN THE ELEPHANT IN THE ROOM.
FINANCIAL REPRESSION IS LIKELY



Fiscal stress: global yields continue to trend higher

30-YEAR YIELDS FOR MAJOR ECONOMIES. FASTER GROWTH, INFLATION PRESSURE, GLOBAL COMPETITION FOR CAPITAL AND FISCAL STRESSES ARE DRIVING YIELDS HIGHER



Source: Bloomberg. 30Y government bond yields. Data to 30 September

RUFFER

Bonds



Turning point in the bond bear market?

FROM BRUTAL BEAR MARKET IN BONDS, TO OPPORTUNITY

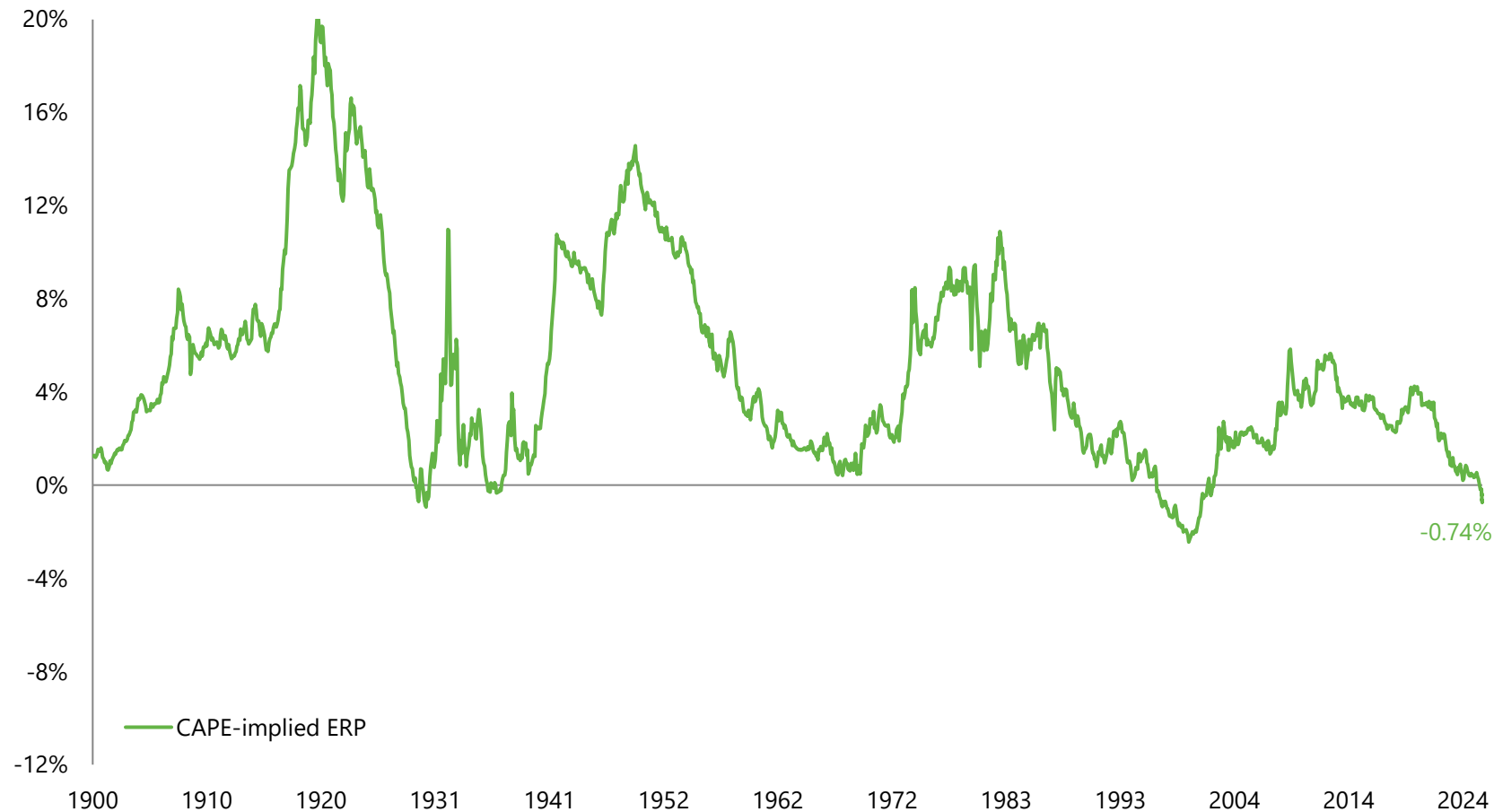
US Treasuries*: 10-year rolling returns (%)



Source: Bank of America Research.
Bloomberg. 30Y government bond
yields. Data to 31 August 2026

Could bonds be better than equities, from here?

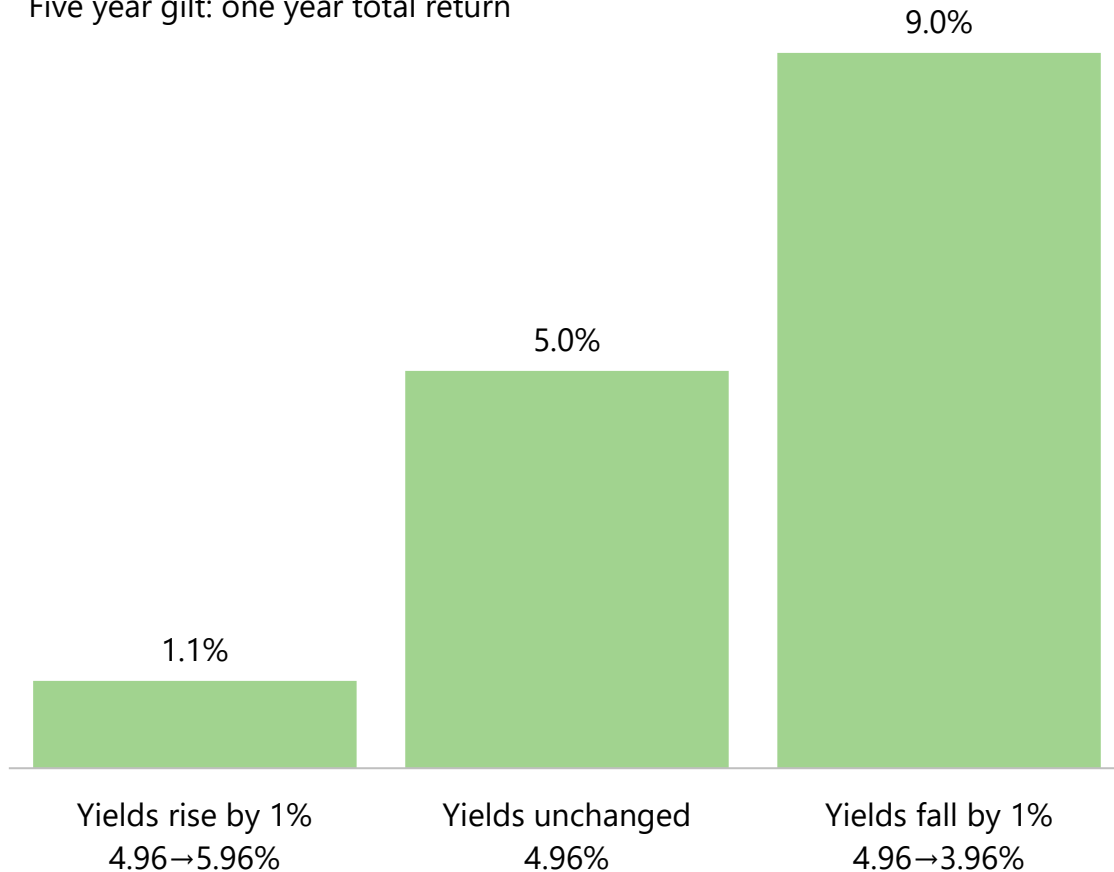
FROM BRUTAL BEAR MARKET IN BONDS, TO OPPORTUNITY



Gilts can offer income as a cushion

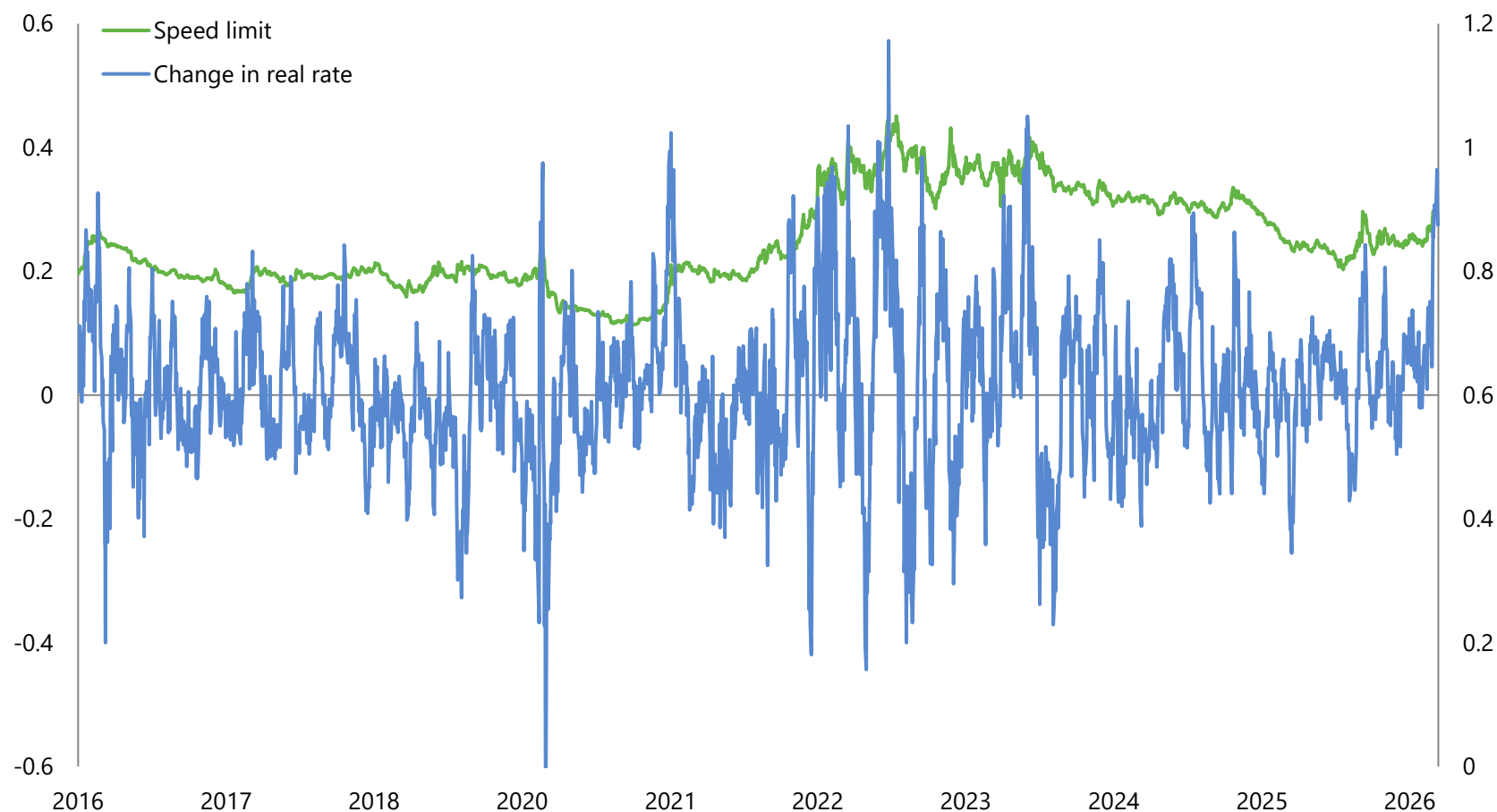
UK 4 1/8 2031 GILT – AN ASYMMETRIC RETURN PROFILE

Five year gilt: one year total return



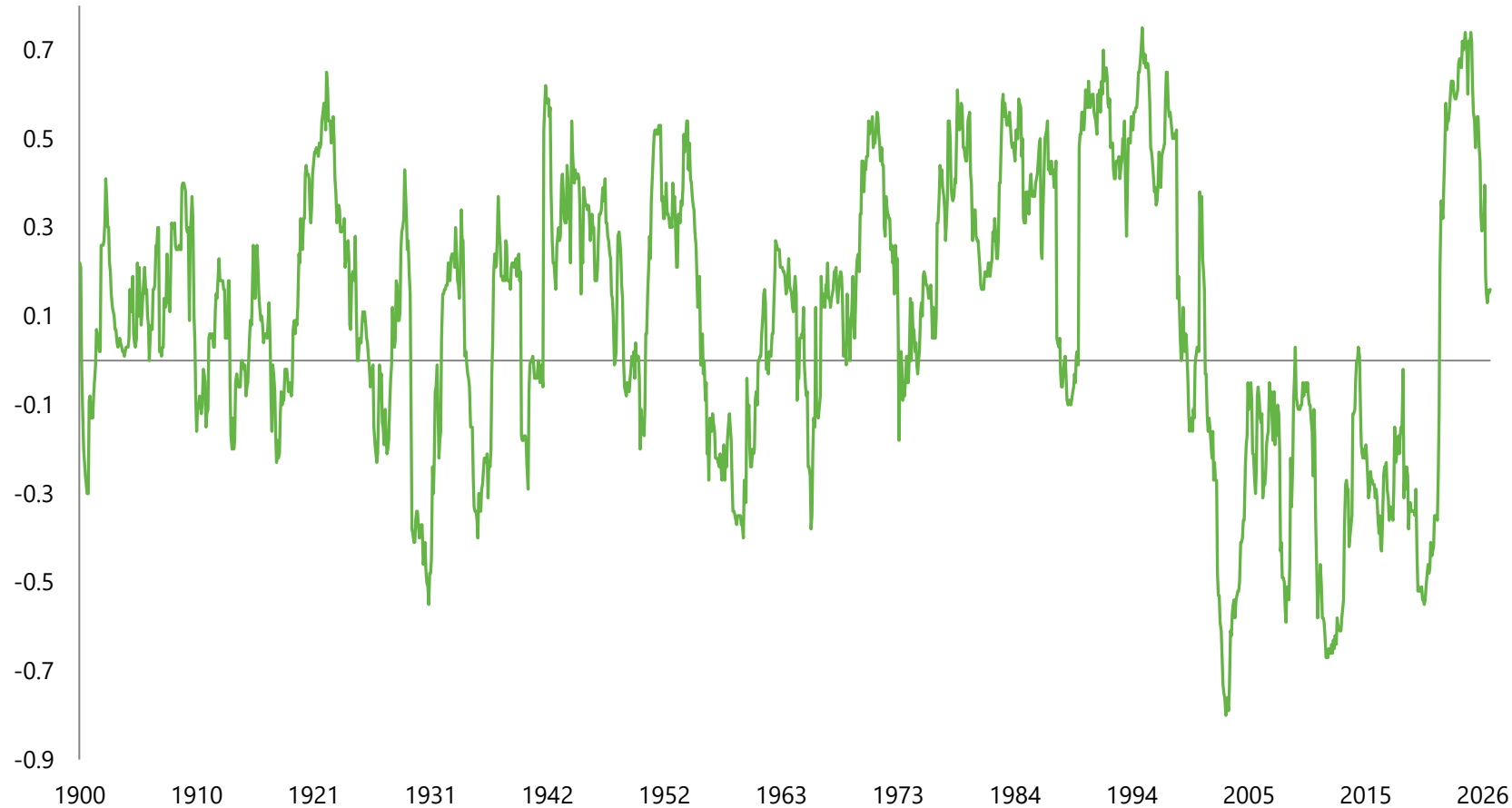
Will rising rates cause something to break?

RATES SHOCK SPEED LIMIT IS DERIVED FROM RATES OPTION PRICING



Positive bond/equity correlation = bonds don't offset

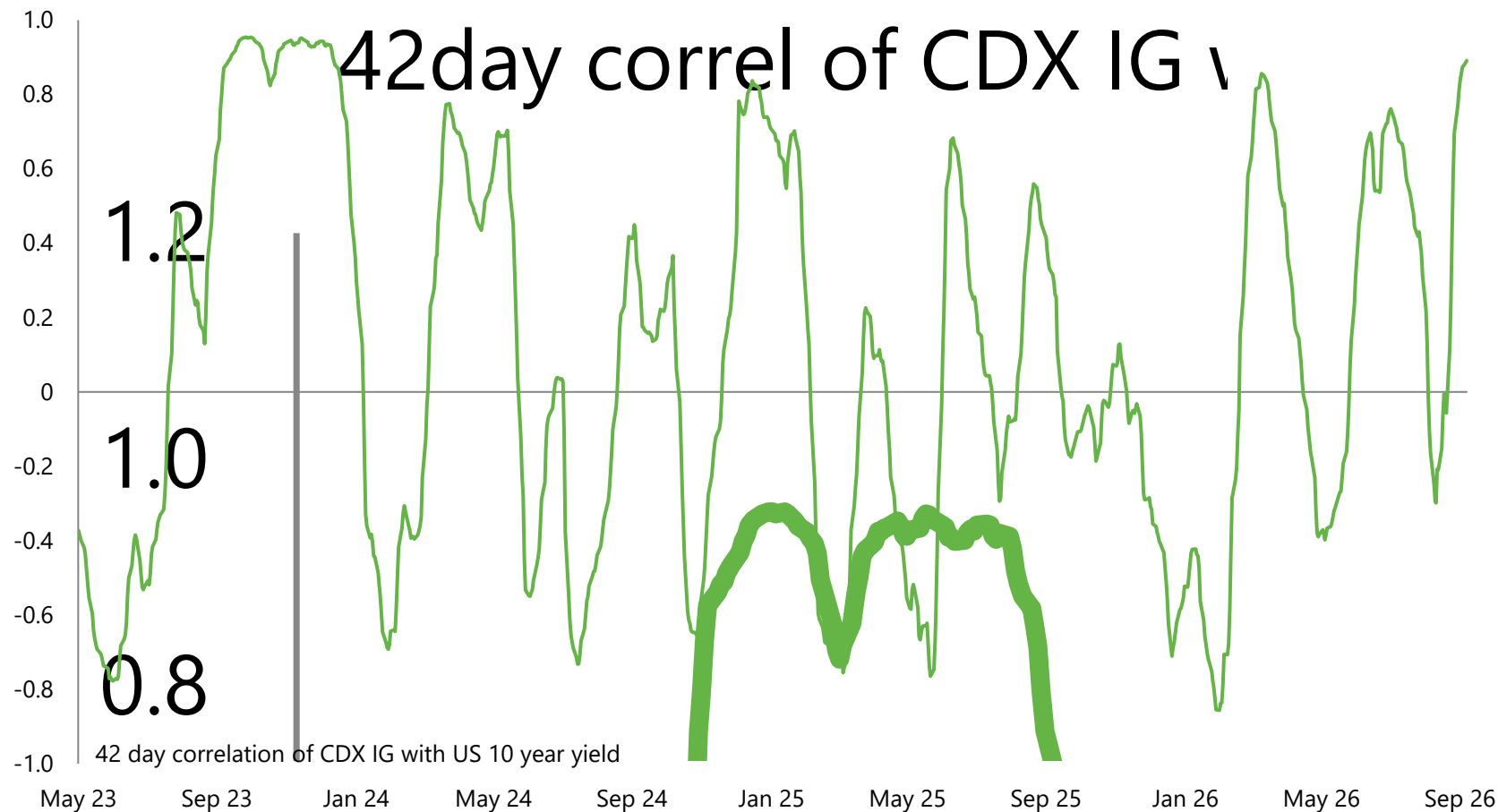
US TWO-YEAR BOND-EQUITY CORRELATION SINCE 1900



Source: Global Financial Data, Ruffer.
Rolling two-year correlation. Data
to September 2026

Using credit protection as a bond offset

CREDIT SPREADS STARTING TO RISE WITH YIELDS IS A HELPFUL PORTFOLIO BACKDROP TO ADD DURATION

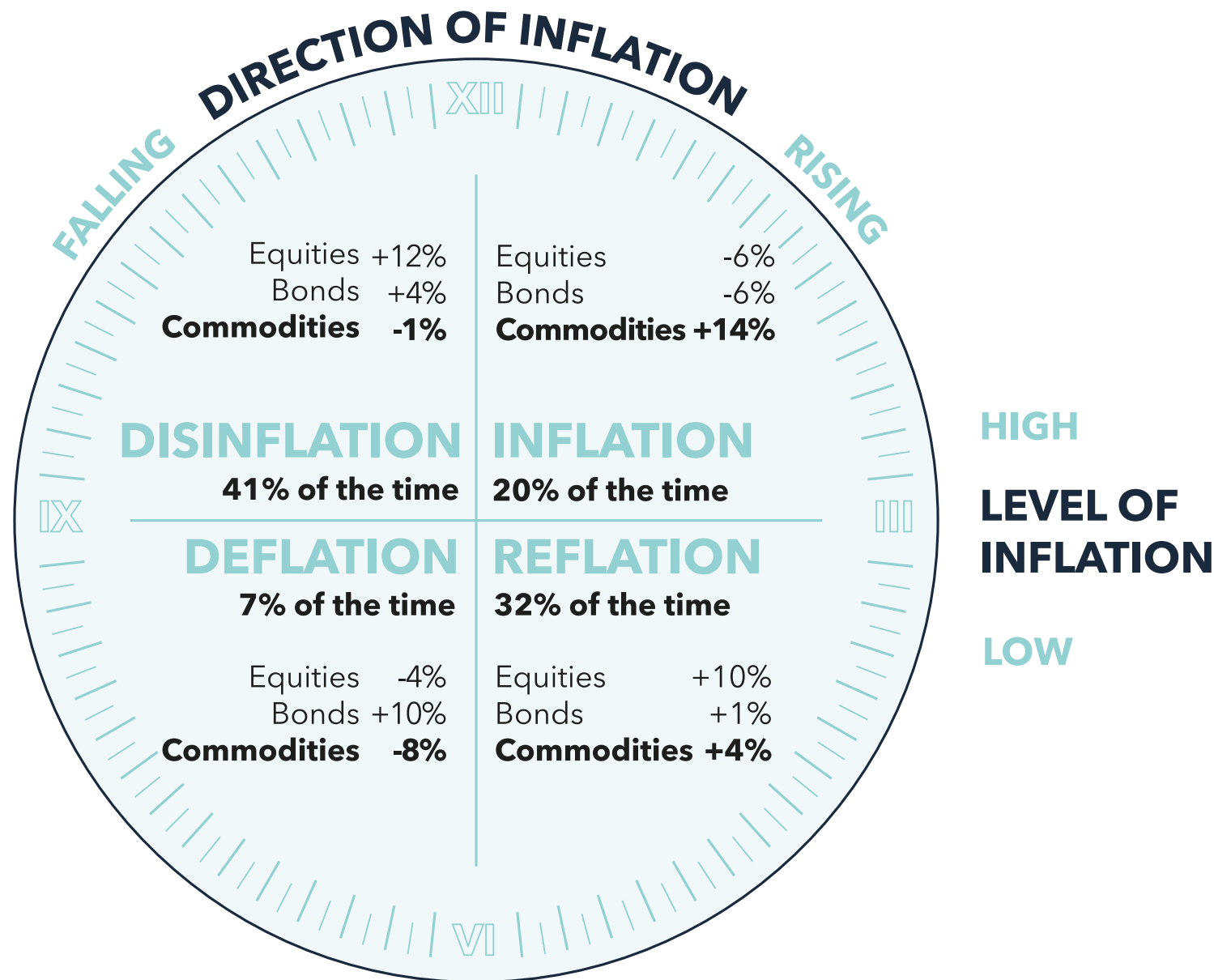




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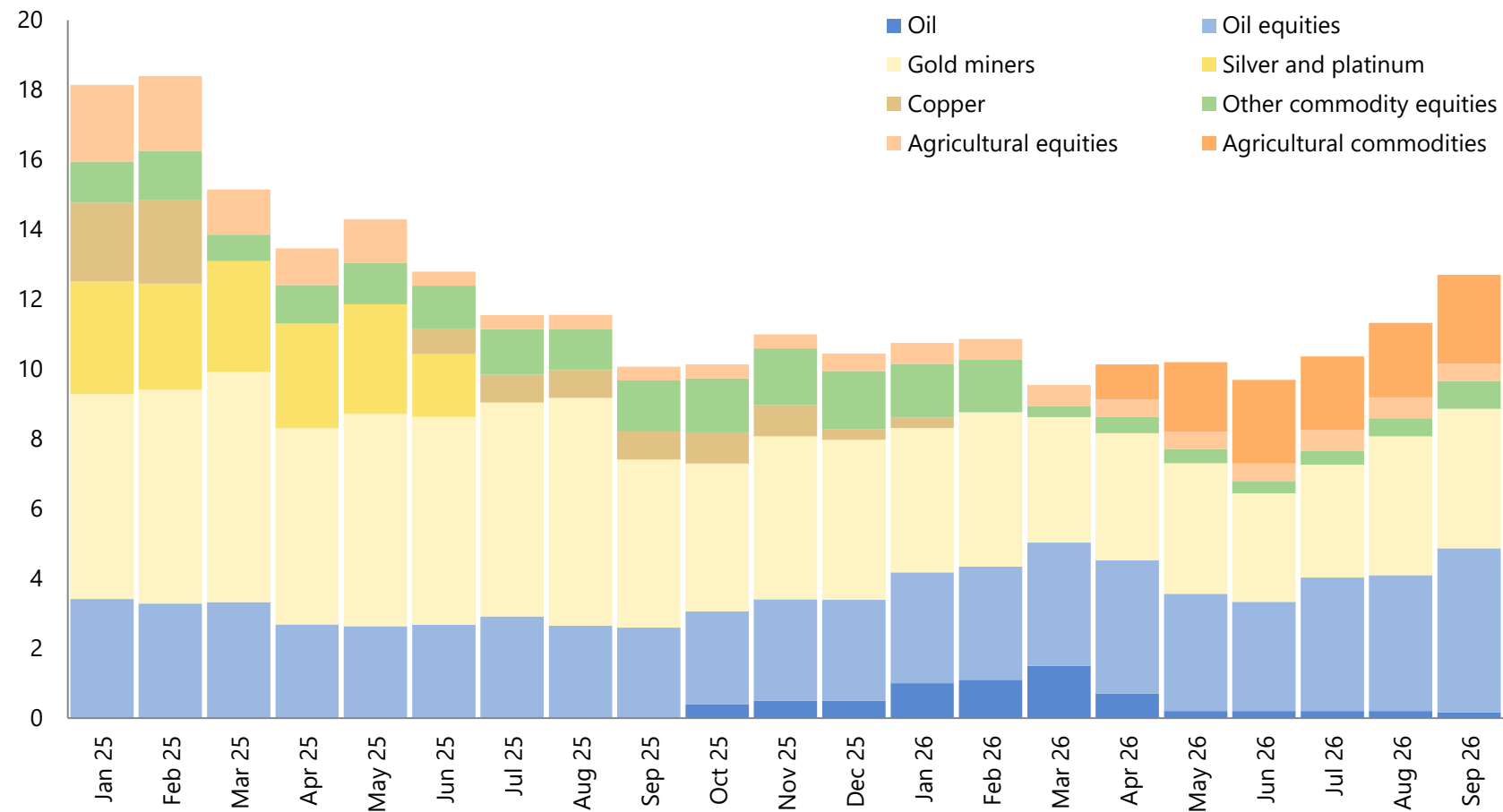
Commodity
exposure

Commodities provide resilience during inflationary regimes



Commodity and precious metal allocations

PROPORTION OF PORTFOLIO, %



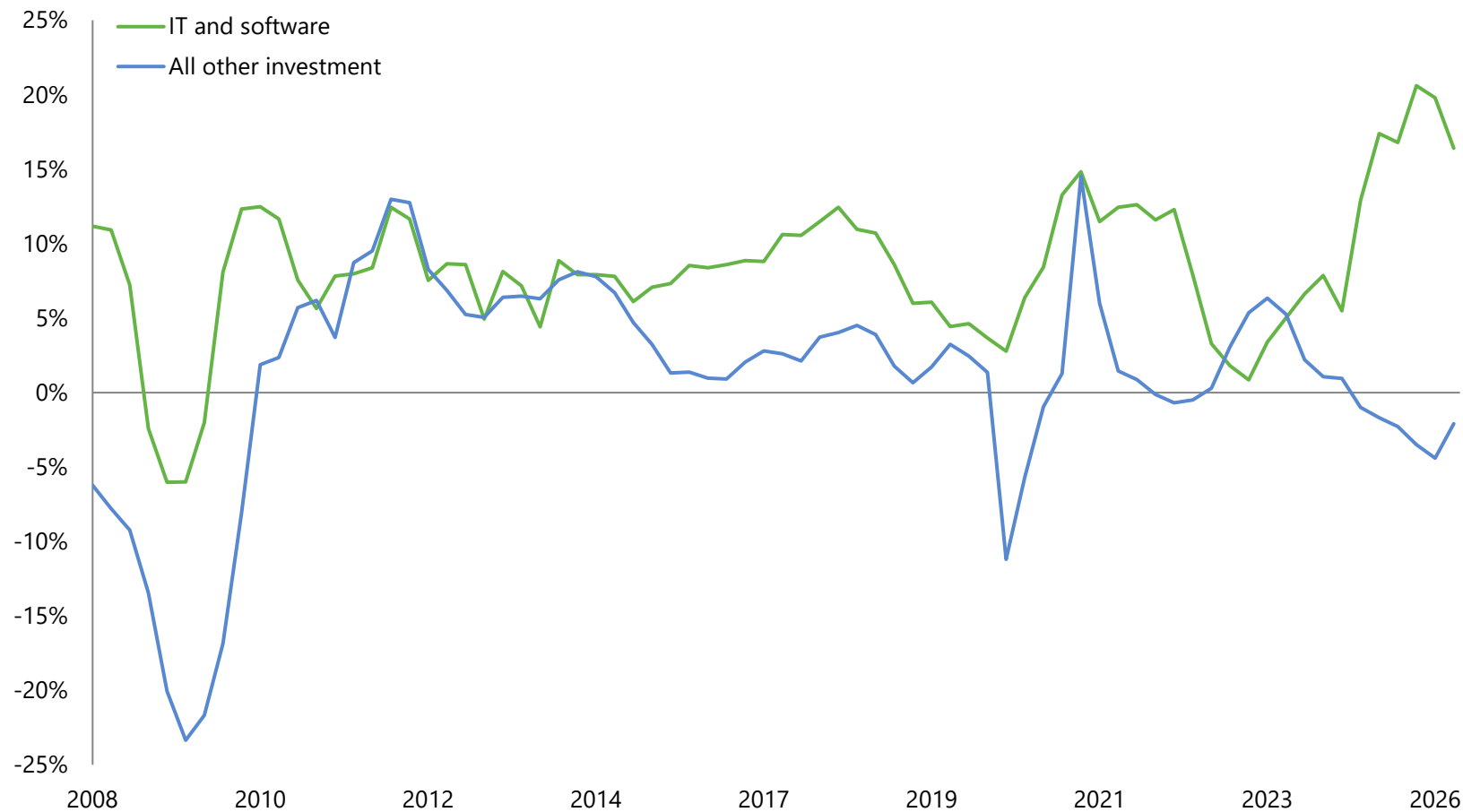


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Equity
opportunities

AI capex has dominated

% CHANGE YOY, IT AND SOFTWARE INVESTMENT HAS SURGED WHILE THE REST OF CAPEX HAS STALLED



AI investment drives broader growth

ALLOCATING TO EQUITIES THAT BENEFIT

LOW • INTEREST-RATE SENSITIVITY • HIGH



AI CAPEX



OTHER BUSINESS
CAPEX



CONSUMER
SPENDING



RESIDENTIAL
INVESTMENT



RUFFER

Current
portfolio

Narrow US AI rally

WHY THIS MIGHT HAPPEN

AI earnings momentum and passive flows continue

HOW WE ARE POSITIONED

US dollar

US equities

Japanese equities

Energy

Financials

Market rotates

WHY THIS MIGHT HAPPEN

Economic resilience broadens market leadership as capex fatigue drives investors towards cheaper areas of the market

HOW WE ARE POSITIONED

Cyclical equities

Rate-sensitive equities

China tech

Duration

Precious metals exposure

Market dislocation

WHY THIS MIGHT HAPPEN

GROWTH SHOCK	INFLATION
AI capex slows	Oil, energy and tariffs reignite price pressure

HOW WE ARE POSITIONED

GROWTH SHOCK	INFLATION
Derivative protection	Derivative protection
Duration	Commodities
Yen	Inflation-linked bonds

Regulatory performance data

PERCENTAGE GROWTH

To 30 Sep %	2023	2024	2025	2026
WS Ruffer Diversified Return	-2.7	1.6	5.1	4.2
UK Bank Rate	3.0	5.2	4.8	3.9

Source: Ruffer, Bloomberg. 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 reliable indicator of 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. Calendar quarter data has been used up to the latest quarter end. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. This document, and any statements accompanying it, are for information only and are not intended to be legally binding. Unless otherwise agreed in writing, our investment management agreement, in the form entered into, constitutes the entire agreement between Ruffer and its clients, and supersedes all previous assurances, warranties and representations, whether written or oral, relating to the services which Ruffer provides.

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