

WS Ruffer Diversified Return Fund

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 15 SEPTEMBER 2021



The fund return was positive in July, driven by strong performance from the equity book and the commodity holdings.

The best-performing major asset in July was Brent crude oil (+24%) as the US-Iran conflict re-escalated, and bond yields rose too (bond prices fell), with the US 30 year yield reaching its highest level (5.3%) since 2007.

The portfolio proved robust to both dynamics, firstly thanks to the position in agricultural commodities (all of which rose strongly in the month) and the lower weighting to oil-consuming cyclical companies. Secondly, and more relevant for future returns, the exceptional asymmetry on offer in many of the assets the fund currently holds means small changes in news flow or fundamentals can lead to outsize positive performance whilst proving resilient to bad news.

For example, one of the catalysts for the sell-off in global AI stocks was (like DeepSeek in January 2025) the announcement of a powerful yet cheap new Chinese AI model, Kimi K3, trained using Alibaba's cloud technology. Whilst semiconductor stocks had their worst month since 2008, Alibaba was the largest positive contributor to the fund in July, with its share price up nearly 30%.

The yen contributed positively in the month, rising more than any other G7 currency (+3.3%). The fund has owned the yen since late 2022 as a hedge to its risk assets; our thesis at the time was that it would be a lower-cost tail hedge than the alternatives. That part was wrong (it has been an expensive hedge) but the yen is starting to come good, with evidence of US and Japanese intervention in the currency towards the end of July. It continues to offer protective characteristics and perhaps, finally, a lower cost of carry.

The main negative contributor in the month was the bond position in the fund. Bond yields rose in part because the new Chair of the Federal Reserve, Kevin Warsh, failed to live up to market expectations that he would deliver on a stated intent to control inflation. Investors are easily led astray by listening to central bankers' words rather than looking at the context in which they operate: we do not believe Warsh is different to any of the central bankers who have preceded him in the last 30 years. Politicians (to whom central bankers are answerable) almost never want higher deposit rates, and Warsh is unlikely to deliver them unless he is absolutely forced to by rising inflation or bond yields. So we expect higher US inflation and bond yields until both are driven into reverse by a falling US equity market, making bonds structurally dangerous but cyclically useful – indeed we added to 30 year inflation-linked bonds in the US (TIPS) at the end of the month, as real yields exceeded 3%. We also further reduced the position in the UK long-dated linkers in favour of 10 and 30 year TIPS, preferring the US's higher real yields and greater political certainty.

In the short term, investment is mainly about positioning: financial markets have a marvellous way of turning a good idea into a bad investment by funnelling too much capital towards it. Our view is that the utopian narrative surrounding AI makes it a bad place to find a margin of safety; meanwhile, there are rich pickings in the rest of the equity market. For protection, we are confident that bonds and the yen (alongside the short credit position) should provide good returns if equity markets fall materially.

C CLASS JULY 2026

Performance C acc %	GBP
July	1.3
Year to date	0.8
1 year	4.9
3 years pa	3.8
5 years pa	-
10 years pa	-
Since inception pa	2.3

Share price, p		
C GBP acc		111.56
C GBP inc		106.75
Dividend yield		0.67
	Net	Gross
Duration (years)	2.7	2.7
Equity exposure %	33.8	34.4

C acc GBP	Volatility %	Sharpe	Sortino
3 years	4.3	-0.2	-0.2
5 years	-	-	-
10 years	-	-	-
Since inception	4.9	-0.3	-0.3

12 month performance to 30 June 2026

%	2022	2023	2024	2025	2026
RDRF C acc	-	-2.7	1.6	5.1	4.2
UK Bank Rate	-	3.2	5.2	4.7	3.9

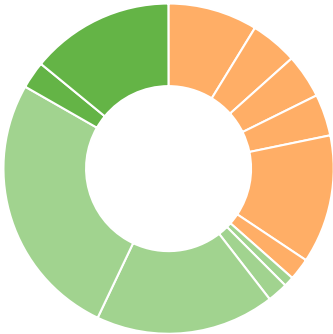
One to 12 month performance figures are cumulative, all others annualised. Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being 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 in all market conditions over any 12 month 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 periods.

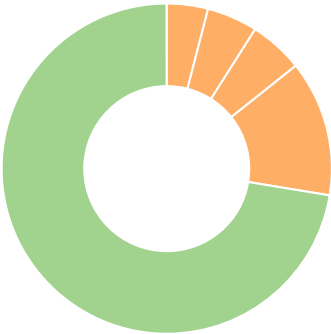
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ASSET ALLOCATION



Inflation	%
Long-dated non-UK inflation-linked bonds	14.1
Gold and precious metals exposure	2.7
Protection	
Short-dated nominal bonds	26.3
Long-dated nominal bonds	17.6
Cash	2.0
Credit and derivative strategies	0.7
Growth	
Consumer discretionary equities	8.8
Energy equities	4.6
Industrials equities	4.3
Financials equities	4.1
Other equities	12.6
Commodity exposure	2.2

CURRENCY ALLOCATION



Currency allocation	%
Sterling	72.4
US dollar	13.3
Yen	5.3
Euro	5.0
Other	4.0
Geographical equity allocation	
North America equities	12.4
UK equities	8.6
Europe equities	6.7
Japan equities	3.6
Asia ex-Japan equities	3.1

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
BP	1.1
Microsoft	1.0
Amazon	1.0
Prudential	0.9
Prosus	0.8

The credit and derivatives strategies allocation is calculated using market value. In some cases, this allocation might be negative due to the nature of how the instruments, in particular credit default swaps, are priced. 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 June 2026, assets managed by the Ruffer Group exceeded £18.1bn.



FUND SIZE £1,470.7M

FUND INFORMATION

Annual management charge %		1.1
Minimum investment (or equivalent in other currency)		£1,000
Ongoing Charges Figure %		1.13
Dealing frequency		Daily
Valuation point		12:00
Pay dates		15 May, 15 Nov
Record dates		15 Mar, 15 Sep
Investment manager		Ruffer LLP
Depository		The Bank of New York Mellon (International) Limited
Authorised Corporate Director		Waystone Management (UK) Limited
Auditors		Ernst & Young LLP
Structure		Sub-fund of WS Ruffer Managed Funds (OEIC) UK domiciled UCITS Eligible for ISAs
Share class	ISIN	SEDOL
C GBP acc	GB00BMWLQT53	BMWLQT5
C GBP inc	GB00BMWLQS47	BMWLQS4

ENQUIRIES

Ruffer LLP	rif@ruffer.co.uk
80 Victoria Street	+44 (0)20 7963 8100
London SW1E 5JL	ruffer.co.uk/rdrf
DEALING LINE	0345 601 9610

PORTFOLIO MANAGEMENT TEAM

Ruffer has a single investment strategy and asset allocation. A team of portfolio managers are collectively responsible for implementing this strategy across all our core funds.

LEAD PORTFOLIO MANAGERS

WS RUFFER DIVERSIFIED RETURN FUND

Ian Rees

Jasmine Yeo

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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 Investor Information Document and the latest report and accounts.

The fund's prospectus and key investor information documents are provided in English and available on request or from ruffer.co.uk/rdrf WS Ruffer Managed Funds is a UK UCITS. The WS Ruffer Diversified Return Fund is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible at any one time the WS Ruffer Diversified Return Fund may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities.

