

LF Ruffer Diversified Return Fund

Positive absolute returns with low volatility

During April, the fund price fell from 107.16p to 106.59p. This compared with a return on the UK Bank Rate of 0.1%.

April turned out not to be the kindest month. After a dismal first quarter, when investors lost money in both bonds and global equities, April gave us more of the same, only worse. Bond yields resumed their upward march as inflation hit new highs, making this year the worst period for benchmark US 10 year treasuries since 1788 - just before George Washington became president! Equity markets also disappointed with the S&P 500 off 8.8% in the month and the Nasdaq dropped 13.3%. The UK equity market outperformed again, holding steady in April. This is due to the sectoral composition – with a heavy bias to energy, miners and value - rather than a vote of confidence in the UK economy. Sterling fell almost 5% against the dollar, although admittedly most other currencies were also weak versus the greenback.

This month's gold stars for achievement went once again to the protection assets; interest rate options and credit protections. An honourable mention should go to the fund's equity holdings as energy stocks and what we call 'value defensives' (telecoms, healthcare and pharmaceuticals) made gains. Importantly of course, in any kind of bear market, it is what you don't own that matters more than what you do own. Our avoidance not just of profitless tech, but also of outrageously profitable (but expensive) tech, has allowed our equities in aggregate to make a positive return so far in 2022.

Having predicted the return of inflation for many years, we now doubt the resolution of central banks to raise rates sufficiently far to choke it off. However, there is little doubt that interest rates are set to rise further. This means the key question right now is what will break first, the market or the economy? With unemployment at record lows, it seems most likely to us that stock markets, bonds and credit snap before the economy hits recession, but we cannot be certain of this. There is also the risk that the bursting of over inflated bubbles in one part of the market can drag everything else down. Accordingly, we remain cautiously positioned with 35% in equities and now almost half of that in more defensive stocks. Should a recession be triggered we have positions in credit protection that should benefit the portfolio as corporate defaults rise.

The world has turned out to be more uncertain and more unpleasant than we expected at the start of the year. However, even as we watch what seems like a slow-motion car crash in equities, we remain confident that we can continue to protect investors' capital and make a reasonable return.

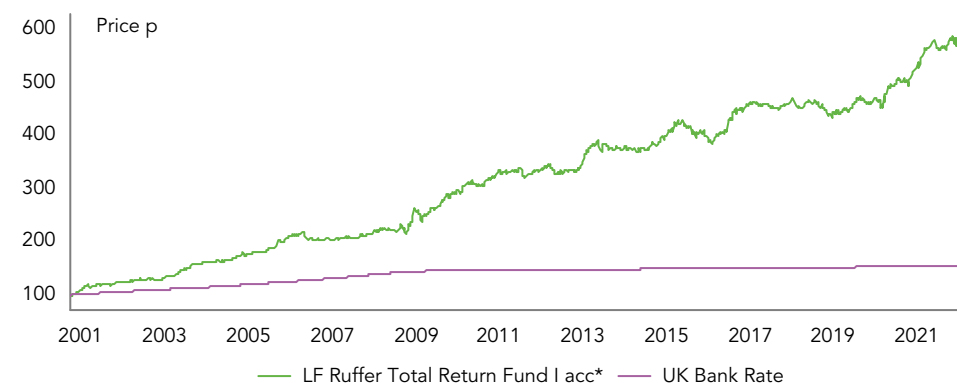


I class April 2022 Issue 8

Investment objective

To seek 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.

Performance based on LF Ruffer Total Return Fund* since launch on 29 Sep 2000



*All figures refer to simulated past performance based on the actual performance of the LF Ruffer Total Return Fund and include reinvested income.

I accumulation shares*	Performance %	Share price as at 29 April 2022	p
April 2022	-0.3	I accumulation	106.59
Year to date	3.7	I income	106.43
1 year	5.3		
3 years	32.5		
5 years	30.5		
10 years	78.2		

12 month performance to March %	2018	2019	2020	2021	2022
LF Ruffer Total Return Fund I acc*	-1.2	-0.6	4.2	20.5	6.3
UK Bank Rate	0.4	0.7	0.7	0.1	0.2

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.

Source: Ruffer LLP. Current UK regulations require that any information provided on past performance must be based on, and show complete 12 month periods, starting after the first complete calendar quarter. Therefore the performance charts and other relevant performance data will be provided after 30 September 2022. As such, the performance chart is that of the existing fund, LF Ruffer Total Return Fund, whereas the share price laid out above is of LF Ruffer Diversified Return Fund. Ruffer performance is shown in GBP after deduction of all fees and management charges, and on the basis of income being reinvested. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter.

LF Ruffer Diversified Return Fund as at 29 Apr 2022

Asset allocation



Asset allocation

Asset allocation	%
Index-linked gilts	14.1
Cash	12.4
Long-dated index-linked gilts	10.1
Gold exposure and gold equities	9.6
Short-dated bonds	8.5
Non-UK index-linked	7.8
Options	2.7
UK equities	10.7
North America equities	10.1
Japan equities	7.1
Europe equities	4.9
Asia ex-Japan equities	1.1
Other equities	0.9

Currency allocation	%
Sterling	62.1
US dollar	18.7
Yen	7.5
Australian dollar	5.7
Euro	0.7
Other	5.3

Currency allocation



10 largest equity holdings

Stock	% of fund
BP	3.0
Shell	2.1
Cigna	1.4
Alibaba Group ADR	1.1
Vodafone Group	1.0
Mitsubishi UFJ Financial Group	1.0
Bristol-Myers Squibb	0.9
Chesapeake Energy	0.9
American Express	0.9
GlaxoSmithKline	0.9

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	6.1
UK Treasury index-linked 0.125% 2024	5.0
UK Treasury index-linked 0.125% 2068	3.7
UK Treasury 0.125% 2023	3.6
US Treasury 0.625% TIPS 2023	3.4

Source: Ruffer LLP.
Pie chart totals may not equal 100 due to rounding.

Fund size **£619.8m**

Fund information

Ongoing Charges Figure (capped)	0.93
Annual management charge	0.90
Yield (historic)	0.00
Minimum investment	£50,000,000
Ex dividend dates	15 Mar, 15 Sep
Pay dates	15 May, 15 Nov
Dealing frequency	Daily
Valuation point	12:00
ISIN	Accumulation: GB00BMWQLQW82 Income: GB00BMWQLQV75
SEDOL	BMWQLQW8 BMWQLQV7
Investment manager	Ruffer LLP
Auditors	Ernst & Young LLP
Authorised Corporate Director	Link Fund Solutions
Depository	The Bank of New York Mellon (International) Limited
Structure	Sub-fund of LF Ruffer Managed Funds (OEIC) UK domiciled UCITS Eligible for ISAs

Dealing line

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Fund Managers

Duncan MacInnes

INVESTMENT DIRECTOR

Joined Ruffer in 2012. He graduated from the University of Glasgow School of Law in 2007 and spent four years working at Barclays in Glasgow, London and Singapore. He is a CFA charterholder and co-manager of two of Ruffer's flagship funds.



Ian Rees

INVESTMENT DIRECTOR

Joined Ruffer in 2012, after graduating from the University of Bath with an honours degree in economics. He spent 2017 in Ruffer's Hong Kong office working as an equity analyst covering emerging markets, and is a CFA charterholder.



Rachel Holdsworth

FUND SPECIALIST

Joined Ruffer in 2013 after graduating from Oxford University with a first class honours degree in biological sciences. She is a member of the Chartered Institute for Securities & Investment.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2022, assets managed by the Ruffer Group exceeded £26.0bn.

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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. Please note that LF Ruffer Managed Funds is a UK UCITS. The LF Ruffer Diversified Return Fund 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 LF 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.