

TM Ruffer Portfolio

Positive returns with low volatility

During May, the fund price rose from 102.34p to 103.41p

Inflation concerns were overtaken by those of growing recession risk during the month and therefore our inflation sensitive gold exposure and index-linked gilt holdings cost the portfolio 0.6% and 1.9% respectively. Payer swaptions continued to play a vital role in hedging the portfolio interest rate exposure and contributed 0.6%. A significant positive performance contribution came from energy stocks (+0.6%).

The carnage in the long-dated inflation-linked bond market should not be understated. The 2073 index-linked bond is down 54% from its November 2021 all-time high, falling 22% in May alone. We have long called these assets the 'crown jewels' due to our conviction that they should provide the perfect protection against the world of financial repression we are entering. This remains the case but the sensitivity to rising rates we have warned about has now been felt. This illustrates the distinction we have been labouring; investing for inflation and investing for inflation volatility are not the same thing and conflating the two will be costly. Mr Market will make us crawl through fire for the gift of redemption and derivative protection via the unconventional toolkit remains essential to navigate choppy and dangerous markets. Inflation-linked bonds are now back to pre-Brexit prices - and yet in our assessment the likelihood and proximity of the inflationary denouement is much greater. We believe they offer exceptional asymmetry and we have been buying.

This month saw the UK chancellor impose a windfall tax on energy companies. Setting aside the dubious logic of windfall taxes, the reaction of the stocks was to rise. Ultimately, the setup for companies like BP and Shell is attractive because supply has been constrained due to a combination of a capital cycle and, lately, geopolitical sanctions. This energy crisis is a supply issue that requires supply side solutions. A windfall tax will do little to address the underlying problems, and will perpetuate the supply/demand mismatch which is creating their super-normal profits in the first place. However, crucially, it polls well at a time of popular unrest.

A key question for investors has been whether to buy the dip. The Nasdaq is down 29% from its November 2021 high but we are not convinced that value has emerged. We have only nibbled on equities, more in the pursuit of portfolio balance, than it is bullishness - adding to Japan, Meta and US Housebuilders. The bear market is only beginning to grizzle, the FTSE All-World TR is down only 6% this year. Given the cross-currents in markets and the economy, the short-term is foggy. We must not lose sight of the long-term inflationary dynamics that continue to build and risk eviscerating savers.

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.

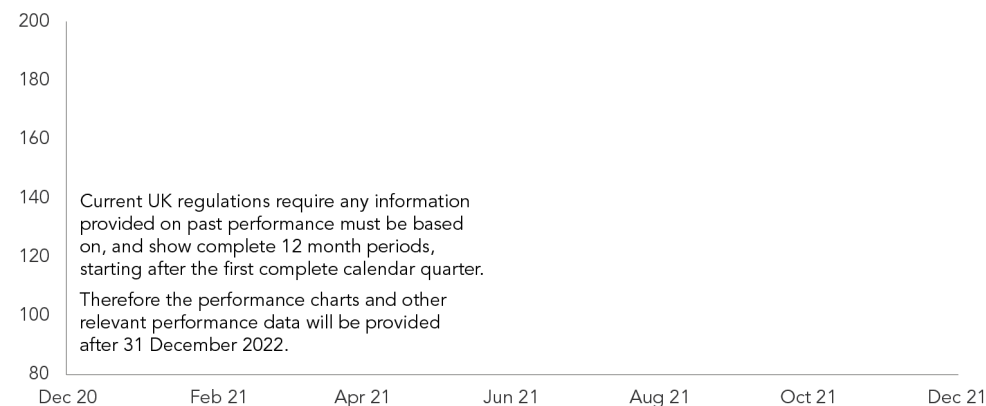


May 2022 Issue 6

Investment objective

To achieve positive returns over a 12 month period, after all costs and charges have been taken, regardless of market conditions. 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 since launch



Share price as at 31 May 2022	p
C accumulation	103.41

Source: Ruffer LLP

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TM Ruffer Portfolio as at 31 May 2022

Asset allocation



Asset allocation

	%
● Credit and derivative strategies	13.0
● Gold exposure and gold equities	9.9
● Long-dated index-linked gilts	9.3
● Short-dated bonds	8.9
● Index-linked gilts	7.0
● Cash	5.9
● Non-UK index-linked	5.2
● Global funds	0.4

● North America equities	13.1
● UK equities	10.4
● Japan equities	7.6
● Europe equities	6.4
● Asia ex-Japan equities	2.1
● Other equities	0.8

Currency allocation

	%
● Sterling	63.2
● Yen	10.0
● US dollar	6.9
● Australian dollar	6.5
● Euro	4.4
● Other	9.0

Currency allocation



10 largest equity holdings*

Stock	% of fund
BP	2.1
Vodafone Group	1.2
Meta Platforms	1.1
Sumitomo Mitsui Financial Group	1.0
UniCredit	1.0
Mitsubishi UFJ Financial Group	0.9
Cigna	0.9
JPMorgan Chase	0.8
Shell	0.8
NEC	0.8

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	5.2
UK Treasury index-linked 0.125% 2068	3.3
UK Treasury 0.125% 2073	2.2
UK Treasury index-linked 0.125% 2065	2.1
Australian Govt Bonds 5.5% 2023	1.7

*Excludes holdings in pooled funds

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

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 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 fur Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

Fund size **£2,225.8m**

Fund information

	%
Ongoing Charges Figure (capped)	1.23
Annual management charge	1.20
Yield	0
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

	Accumulation	Income
ISIN	GB00BP4DCZ86	GB00BP4DJF75
SEDOL	BP4DCZ8	BP4DJF7

Investment manager Ruffer LLP

Auditors Ernst & Young

Authorised Corporate Director Thesis Unit Trust Management Limited

Depository Bank of New York Mellon (International) Limited

Structure Non-UCITS Retail Scheme Investment Funds (OEIC)

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Fund Managers

Luka Gakic

HEAD OF UK WEALTH

Joined Ruffer in 2011, after spending four years at Lehman Brothers, and then 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 Chartered Institute for Securities & Investment.



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

Chartered Institute for Securities & Investment and he 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 30 April 2022, assets managed by the Ruffer Group exceeded **£26.2bn**.

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