

# TM Ruffer Portfolio

Positive returns with low volatility

Might discretion be the better part of valour? So far this year it seems not. Taking a cautious view on markets for the first five months of 2023 has proved a painful experience. The fund, with its focus on protection assets, is down by about 7% this year, giving back broadly what we made last year as markets tumbled.

Losing money for clients is always painful, but we have been here before. For more than a quarter of a century now, Ruffer has protected investors from every major market crisis. In order to achieve this, however, we have at times delivered dull or disappointing short-term performance. Losing money in 1999 in the tech bubble, flatlining in the easy markets of 2006-2007 and struggling in the run up to the covid crisis. Strikingly, each of our disappointing periods has come before a sharp decline in stock markets, as we focused portfolios more on protection than growth, albeit often seemingly too early. We have been willing to sit on the sidelines as we wait for the problems we have identified to manifest themselves, even if that means suffering the costs of holding protection with progressively less on the growth side of the ledger as an offset.

We are where we are for a reason. With a 5.25% risk free return available in US money market funds, cash has only been such an attractive alternative to equities twice this century: in 2000, during the tech bubble and in 2007, just before the financial crisis. Neither period ended well for investors, and we fear a similar outcome could be lying in wait for markets now. Even more worrying is what happened after these crises. In both 2000 and 2008 markets were immediately 'medicated' by dramatic interest rate cuts. Today, a similar rescue may be difficult. With inflation more persistent than promised, central bankers would have to choose between monetary stability (fighting inflation) or financial stability (supporting markets). Add into this worrying picture a TMT-like boom concentrated in just a few US stocks (year to date the unweighted S&P 500 is actually down in price terms).

All of this points to an emphasis on protection rather than growth, though as ever we aim for an appropriate balance of 'fear' and 'greed' so as to make time our friend. We are confident our protection assets will more than prove their worth and whilst timing is always difficult, we would always choose being too early over being too late. This year, however, it has more been our focus on commodities for our growth exposure that has failed to offset the costs of holding protection.

For us, this certainly looks like a situation where 'discretion' should still prove to be the better part of 'valour'. Taking a cautious view so far this year has been painful, but we think the evidence suggests caution may win out.

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.

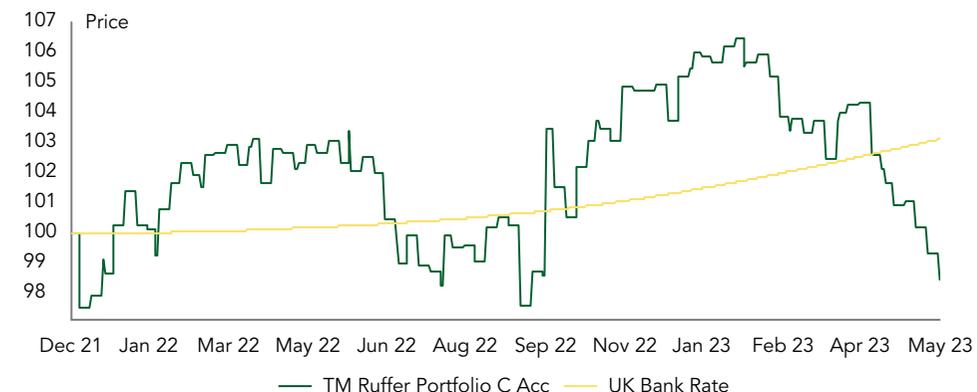


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## Investment objective

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 twelve-month rolling periods.

## Performance since launch on 9 December 2021



	Performance %	Share price as at 31 May 2023	p
May 2023	-3.2	<b>C accumulation</b>	<b>98.44</b>
Year to date	-7.2	<b>C income</b>	<b>95.53</b>
1 year	-4.8		

12 month performance to March %	2023
TM Ruffer Portfolio C Acc	1.1
UK Bank Rate	2.3

Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser. 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 Information Document and the latest report and accounts.

# TM Ruffer Portfolio as at 31 May 2023

## Asset allocation



Asset allocation	%
Short-dated bonds	22.0
Credit and derivative strategies	14.4
Non-UK index-linked	11.2
Cash	7.5
Long-dated index-linked gilts	6.7
Gold exposure and gold equities	6.1
Index-linked gilts	4.9
Commodity exposure	8.8
North America equities	6.1
UK equities	4.1
Europe equities	2.8
Asia ex-Japan equities	2.8
Japan equities	2.1
Other equities	0.5
<b>Currency allocation</b>	<b>%</b>
Sterling	65.4
Yen	16.7
US dollar	6.9
Australian dollar	5.0
Euro	0.1
Other	5.9

## Currency allocation



## 10 largest equity holdings\*

Stock	% of fund
iShares MSCI EM Asia UCITS ETF	1.0
Alibaba Group Holding	0.7
Ambev SA	0.5
Bayer AG	0.4
Glencore	0.3
Amazon	0.3
BP	0.3
Alibaba Group ADR	0.3
Pioneer Natural Resources Company	0.3
Swire Pacific	0.3

## 5 largest bond holdings

Stock	% of fund
UK Treasury 0.125% 2024	5.2
US Treasury 0.125% TIPS 2052	4.0
US Treasury 0.625% TIPS 2024	3.6
UK Treasury index-linked 0.125% 2068	3.6
UK Treasury index-linked 0.125% 2024	2.8

\*Excludes holdings in Ruffer funds  
Source: Ruffer LLP.  
Pie chart totals may not equal 100 due to rounding.

The fund's prospectus and key information documents are provided in English and available on request. 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 für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

Fund size £2,971.6m

## Fund information

		%
Ongoing Charges Figure		1.24
Annual management charge		1.14
Maximum annual management charge		1.20
Yield		1.9
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
ISIN	Accumulation GB00BP4DCZ86	Income GB00BP4DJF75
SEDOL	BP4DCZ8	BP4DJF7
Investment manager		Ruffer LLP
Auditors		Ernst & Young LLP
Authorised Corporate Director		Thesis Unit Trust Management Limited
Depository		Bank of New York Mellon (International) Limited
Structure		Non-UCITS Retail Scheme Investment Funds (OEIC)

## Enquiries

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## Fund Managers

### Luka Gakic

HEAD OF UK WEALTH

Joined Ruffer in 2011, after four years at Lehman Brothers, and 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 CISI.



### 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 CISI and 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 2023, assets managed by the Ruffer Group exceeded £26.0bn.

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