

WS Ruffer Diversified Return Fund

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 15 SEPTEMBER 2021



November proved to be a positive month for asset owners, as both bonds and equities rallied sharply. The catalyst was a growing hope that falling inflation will not be accompanied by slowing economic growth. This is an ideal outcome since it would allow policymakers to gently ease interest rates, helping to sustain high equity valuations without dampening earnings. Policymakers have also changed their tone, leaving investors less concerned about further monetary policy tightening.

The market moves were significant, with global bonds experiencing their best monthly return since 2008 and US equities recording their best monthly return this year. We added to the fund's bond duration in recent months to take advantage of compelling valuations (eg US ten year real yields reaching 2.5%), and with the belief that yields were reaching levels beyond which they would begin to cause acute pain to the financial system. The increased exposure enabled the fund to further benefit from November's rally in fixed income, which was the largest contributor to returns over the month. Likewise in equities, we had tactically added to the fund's exposure as risk assets struggled with rising yields in prior months. These increases to both bonds and equities enabled the portfolio to deliver a positive return and outweighed the headwinds from our protective assets. From a stock picking perspective, holdings in Ryanair, Coty and Jackson Financial were large positive contributors, alongside exposure to US banks Citi and EastWest.

On the negative side of the ledger, protective positions to guard against pain in the corporate bond market naturally suffered in the buoyant environment as credit spreads narrowed sharply. Elsewhere, exposure to energy was a headwind, partly as the perceived risk of wider military conflict across the Middle East has faded. Within our growth seeking assets, the exposure to Chinese equities continued to stutter. Whilst we deem the visit of Xi Jinping to San Francisco as a positive step in easing the tensions between the World's two largest powers, investor sentiment remains weak. We acknowledge there are good reasons for the high risk premium applied to Chinese equities, but it does stand out for both depressed valuations and, in our view, the increasing likelihood of further policy stimulus to come.

Given the speed of the rally across bonds and equities, we felt it was prudent to reduce the fund's exposures towards the end of the month. Bond markets are now pricing in over 1% of interest rate cuts in 2024 from the Federal Reserve. High equity valuations, tight credit spreads and low volatility suggest complacency may have returned to financial markets. There is a path for policymakers to pull off the magic trick of raising interest rates aggressively without derailing the economy, but we see an obvious vulnerability should events deviate from this narrow route. Policy changes feed through with a lag and the initial signs of a possible soft landing are eerily similar to those pre-empting something more severe. The portfolio is designed to deliver positive returns in both benign conditions such as we saw this month, but also in those which are likely to be more challenging ahead.

I CLASS NOVEMBER 2023

Performance I acc %	GBP
November	1.6
Year to date	-7.1
1 year	-6.4
3 years pa	-
5 years pa	-
10 years pa	-
Since inception pa	-0.2

Share price, p	
I GBP acc	99.51
I GBP inc	96.63
Dividend yield	1.9

	Net	Gross
Duration (years)	3.0	4.1
Equity exposure %	15.2	15.3

12 month performance to 30 September 2023

%	2019	2020	2021	2022	2023
RDRF I acc	-	-	-	3.6	-4.8
UK Bank Rate	-	-	-	0.8	4.1

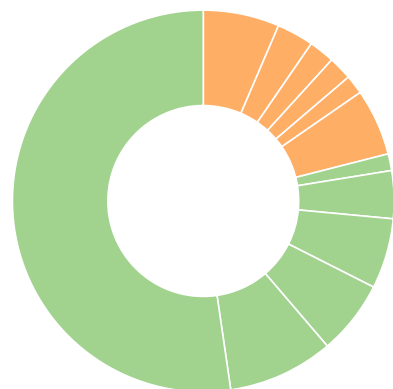
One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of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

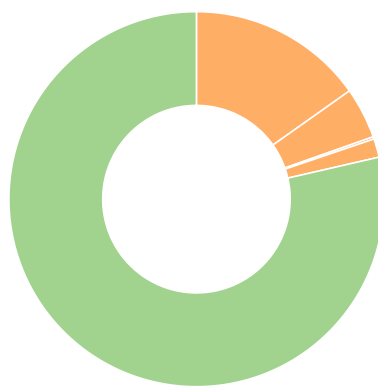
WS Ruffer Diversified Return Fund 30 Nov 23

ASSET ALLOCATION



Asset allocation	%
Short-dated bonds	52.0
Cash	8.9
Long-dated index-linked gilts	6.3
Non-UK index-linked	5.9
Gold exposure and gold equities	4.0
Index-linked gilts	1.4
Credit and derivative strategies	-1.3
Commodity exposure	6.4
Consumer discretionary equities	3.1
Financials equities	2.2
Energy equities	2.0
Healthcare equities	1.6
Other equities	6.9

CURRENCY ALLOCATION



Currency allocation	%
Sterling	78.6
Yen	15.2
US dollar	4.4
Euro	0.2
Other	1.6

Geographical equity allocation	%
North America equities	5.3
UK equities	4.0
Asia ex-Japan equities	3.9
Europe equities	2.7
Other equities	0.5

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
BP	1.5
iShares MSCI China A UCITS ETF	1.4
Alibaba Group ADR	1.0
Agnico Eagle Mines	0.7
iShares MSCI EM Asia UCITS ETF	0.7

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 31 October 2023, assets managed by the Ruffer Group exceeded £23.4bn.



FUND SIZE £1,928.8M

FUND INFORMATION

Annual management charge %	0.9	
Minimum investment (or equivalent in other currency)	£50m	
Ongoing Charges Figure %	capped 0.92	
Dealing frequency	Daily	
Valuation point	12:00	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
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
I GBP acc	GB00BMWLQW82	BMWLQW8
I GBP inc	GB00BMWLQV75	BMWLQV7

ENQUIRIES

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FUND TEAM



Duncan MacInnes

FUND MANAGER

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

FUND MANAGER

Joined Ruffer in 2012, after graduating from the University of Bath with an honours degree in economics. He is a CFA charterholder and co-manager of three of Ruffer's flagship funds.



Jasmine Yeo

FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.



Gemma Cairns Smith

FUND SPECIALIST

Joined Ruffer in 2020 as part of the graduate programme. She holds a first class degree in land economy from the University of Cambridge.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

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