

TM Ruffer Portfolio

Positive returns with low volatility

We are pleased to announce that the fund launched earlier this month with the first price being calculated on 8 December.

The sharp decline in bond yields seen at the end of November continued into early December, as the discovery of the new Omicron variant threatened the vaccine-led economic recovery globally.

Nonetheless, equities contributed positively to the monthly return (with financials being the largest contributor) as evidence grew that Omicron might be less dangerous than first thought. Our derivative protection was also a positive contributor as the addition and subsequent appreciation of our interest rate swaptions towards the end of the month, more than outweighed the compression in credit spreads.

Inflation-linked bonds detracted from the monthly return as bond yields rose and inflation expectations did not. This is a dynamic that may persist in 2022 as economic strength continues and central banks begin to tighten. As a result, we reduced portfolio duration significantly, to nearly zero by the month end, using the aforementioned interest rate options.

At the same time, we retain our high conviction in both financial and energy equities. For financials, many investors cannot contemplate buying them and this is providing some spectacular prospective return opportunities. UniCredit's decision (and ability) to return 50% of its market cap to shareholders within the next three years shows just how undervalued they are. Rising real yields, which hurt index-linked bonds (which we own) and highly valued growth and tech stocks (which we do not own), should be accompanied by rising earnings for financial stocks. The picture for energy stocks is similar. There is something of a catch-22 in energy markets: energy demand continues to rise even as the world navigates the path to net zero, but there is a lack of investment in reliable supply, even though it is crucial to the net zero solution. This leaves higher energy prices the likely outcome and cheap valuations the entry point. We continue to focus on engaging with these companies to help and encourage them on the energy transition journey.

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.

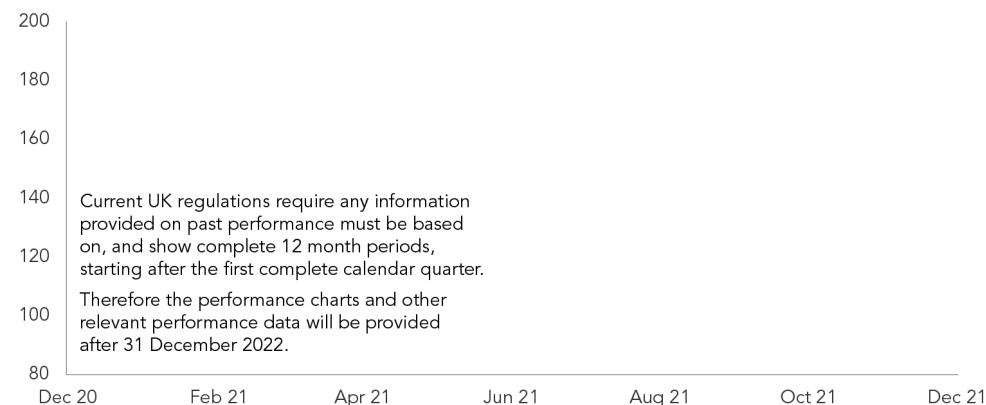


December 2021 Issue 1

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 December 2021	p
C accumulation	98.65

Source: Ruffer LLP

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 Investor Information Document and the latest report and accounts.

TM Ruffer Portfolio as at 31 Dec 2021

Asset allocation



Asset allocation	%
Non-UK index-linked	14.0
Long-dated index-linked gilts	12.7
Gold exposure and gold equities	8.0
Short-dated bonds	7.0
Cash	6.9
Illiquid strategies and options	6.8
Index-linked gilts	1.8
UK equities	15.8
North America equities	10.1
Europe equities	8.3
Japan equities	7.1
Asia ex-Japan equities	0.4
Other equities	1.2
Currency allocation	
Sterling	83.2
Yen	9.2
Euro	1.7
US dollar	0.9
Other	5.0

Currency allocation



10 largest equity holdings*

Stock	% of fund
BP	2.5
Lloyds Banking Group	2.4
NatWest Group	1.6
Royal Dutch Shell	1.5
UniCredit	1.3
Mitsubishi UFJ Financial Group	1.1
Bristol-Myers Squibb	1.1
Cigna	1.0
GlaxoSmithKline	0.9
Volkswagen	0.9

5 largest bond holdings

Stock	% of fund
US Treasury FRN 2023	5.1
UK Treasury index-linked 0.125% 2068	4.5
UK Treasury index-linked 0.125% 2065	4.3
US Treasury 0.125% TIPS 2022	3.9
US Treasury 0.125% TIPS 2023	3.0

*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 für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).

Fund size £655.3m

Fund information

	%
Ongoing Charges Figure (capped)	1.23
Annual management charge	1.20
Yield	NA
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	
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 spending four years at Lehman Brothers, and then Nomura, where he worked in equity financing and delta-one sales.

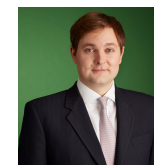


He graduated from the University of Oxford in 2006 with a degree in philosophy, politics and economics and is a member of the Chartered Institute for Securities & Investment.

Alexander Chartres

INVESTMENT DIRECTOR

Joined Ruffer in 2010 after graduating from Newcastle University with a first class honours degree in history and politics. In 2012, he became a member of the Chartered Institute for Securities & Investment. He has co-managed the LF Ruffer Total Return Fund since 2019.



Investment Specialist

Kate Forsyth

INVESTMENT MANAGER

Joined Ruffer in 2016 after graduating with a degree in Spanish and international management from the University of Bath. In 2019, she became 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 30 November 2021, assets managed by the Ruffer Group exceeded £23.7bn.

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