

LF Ruffer Total Return Fund

Positive absolute returns with low volatility

During March, the fund price rose by 0.7%. This compared with a rise of 1.3% in the FTSE All-Share Index and a fall of 2.1% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

Operation Stable Door began in earnest during March as the Federal Reserve raised interest rates for the first time in four years to try to contain inflation running at a near-half century high of 7.9%. Government bond yields moved abruptly to price in the most aggressive interest rate hiking cycle since 1994. Global bonds have just endured their worst quarter ever despite war, pestilence (covid disruption in China) and growing fears of a recession. So much for conventional bonds acting as a 'safe haven'. This should not come as a surprise to regular readers of this report, as we have written about the vulnerability of conventional bonds for some time.

What was the impact on the fund? We made positive returns in each of the first three months of this year as both equities and bonds ended up in negative territory. During March long-dated inflation-linked bonds ('linkers') fell in value as yields rose faster than inflation expectations, but our interest rate options – which profit from rising yields – more than offset this fall in value. Active duration management via derivatives continues to be essential to the fund's resilience in a rising yield environment. Long linkers remain a key holding for the world we are heading into and so this balance will be maintained.

While fixed income volatility hasn't been this high since the global financial crisis, equity markets look increasingly complacent, with many recovering all losses since the start of the Ukraine war. We trimmed equity exposure to 35% reflecting greater uncertainty and profit taking in some equity derivative protections. Overall, equities were a positive contributor for the month, with energy stocks once again leading the charge.

Commodity markets continued to perform well with higher prices helping the Australian dollar, where we now have exposure of around 5%. In World war II, America was famously dubbed the 'great arsenal of democracy'. In the era ahead, Australia looks set to be the 'great arsenal of commodities' for western democratic states. On top of this, Australian pension funds may soon start to close their net short position in their domestic currency, adding a further kicker to the Aussie dollar. The allocation was funded from the US dollar.

Finally, we added 2% to bullion exposure. Gold exposure and gold mining equities were the largest positive performance driver during the month. Total gold exposure now stands at close to 10%.

Near-term the path ahead remains highly uncertain – as ever, we aim to be resilient whatever happens. Longer-term, covid and the Russia-Ukraine war mark successive great accelerations towards the more inflation-prone and volatile era ahead. We believe we have the right asset mix to deal with the challenges and capture the opportunities in this new regime.

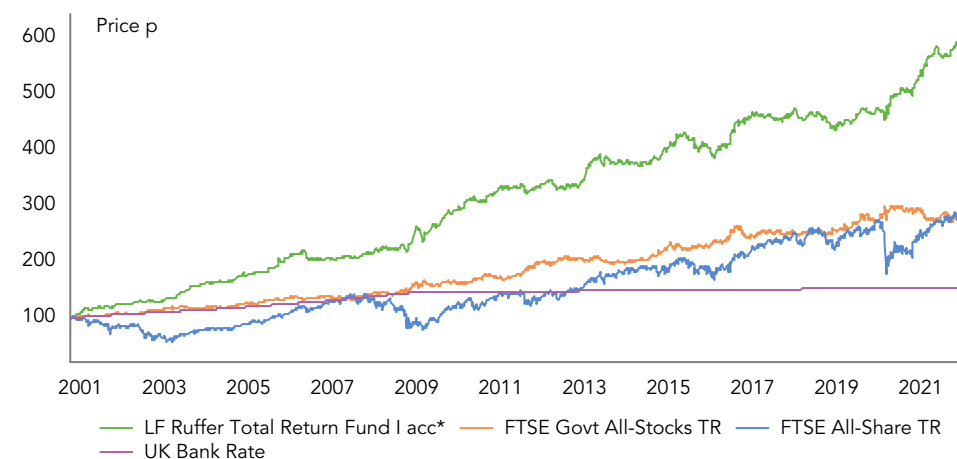
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.



Investment objective

The fund aims to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including equities, bonds and currencies. 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 periods. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions. Pervading this objective is a fundamental philosophy of capital preservation.

Performance since fund launch on 29 September 2000



I accumulation shares	Performance %	Share price as at 31 March 2022	p
March 2022	0.7	I accumulation	607.96
Year to date	4.0	I income	384.96
1 year	6.3	H accumulation	606.05
3 years	33.5	H income	384.86
5 years	31.1		
10 years	74.7		

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
FTSE Govt All-Stocks TR	0.5	3.7	9.9	-5.5	-5.1
FTSE All-Share TR	1.2	6.4	-18.5	26.7	13.0
UK Bank Rate	0.4	0.7	0.7	0.1	0.2

Source: Ruffer LLP, FTSE International (FTSE)†. * This share class has performance data calculated prior to the inception date, 3 Nov 2004. This is based upon a simulated/extended track record, using the track record of LF Ruffer Total Return Fund O acc.

LF Ruffer Total Return Fund as at 31 Mar 2022

Asset allocation



Asset allocation %

Short-dated bonds	22.3
Long-dated index-linked gilts	10.4
Gold exposure and gold equities	10.3
Cash	9.5
Non-UK index-linked	4.5
Index-linked gilts	3.9
Illiquid strategies and options	3.1
UK equities	13.9
Europe equities	8.6
North America equities	6.6
Japan equities	5.6
Asia ex-Japan equities	0.0
Other equities	1.4

Currency allocation

Sterling	63.7
US dollar	13.5
Yen	6.3
Australian dollar	5.0
Euro	2.3
Other	9.2

Currency allocation



10 largest equity holdings*

Stock	% of fund
BP	2.2
Bayer	2.0
Shell	1.5
Banco Santander	1.2
Hertz	1.2
BP plc	1.1
Vodafone Group	1.0
NEC	1.0
Mitsubishi UFJ Financial Group	0.9
Lloyds Banking Group	0.9

5 largest bond holdings

Stock	% of fund
US Treasury FRN 2023	6.3
US Treasury FRN 2023	4.2
US Treasury FRN Jan 2024	4.2
UK Treasury index-linked 0.125% 2068	3.7
UK Treasury index-linked 0.125% 2065	3.7

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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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 Investment Funds is a UK UCITS. The LF Ruffer Total 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 Total 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.

Fund size £3,648m

Fund information

	%
Ongoing Charges Figure	0.99
Annual management charge	1.00
Maximum initial charge	5.0
Yield	1.75
Minimum investment	£25m
Ex dividend dates	15 Mar, 15 Sep
Pay dates	15 May, 15 Nov
Dealing	Weekly forward, every Wednesday where this is a business day Plus the last business day of the month
Cut off	10am on Wednesday (where it is a business day) and the last business day of the month

	Accumulation	Income
ISIN	GB00B03JB001	GB00B03J9Y05
SEDOL	B03JB00	B03J9Y0

Investment adviser	Ruffer LLP
ACD	Link Fund Solutions Limited
Depository	The Bank of New York Mellon (International) Limited
Auditors	Ernst & Young LLP
Structure	Sub-fund of LF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs

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Fund Managers

Steve Russell

INVESTMENT DIRECTOR

Graduated from Oxford in PPE and started work as an equity analyst at Confederation Life in 1987, progressing to Head of Equities. In 1999 he moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in 2003.



Matt Smith

INVESTMENT DIRECTOR

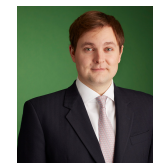
Joined Ruffer in 2011 after graduating from the University of Edinburgh with a first class honours degree in history and German. He spent 2015 seconded to Ruffer's Hong Kong office, and is a fellow of the Chartered Institute for Securities & Investment. He co-manages two of Ruffer's flagship funds.



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.



Ruffer LLP

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