

LF Ruffer Total Return Fund

Positive absolute returns with low volatility

During November the fund was up 2.2% compared to the return on the UK Bank Rate of 0.2%.

Following three consecutive negative quarters across almost all asset classes, the final quarter of 2022 is at last delivering some seasonal cheer for investors. November saw strong gains in both equities and bonds, though obviously not digital assets thanks to the collapse of FTX. This late burst of optimism is founded on the hope that inflation is finally peaking, though by now it clearly no longer warrants either the 'transitory' or 'temporary' labels. Evidence supporting the long-awaited peak in inflation arrived mid-month with US CPI below expectations and crucially lower than previous year on year readings. This sparked a sharp rally in both equities and bonds, as did US Federal Reserve Chair Powell's unexpectedly dovish speech on the very last day of the month. Investors may want to consider, however, whether such short-term volatility (one day gains for US equities of 5% and 3%) really constitutes a sound base for a sustained rally.

We have no argument with the idea that inflation (at least in the US) may have peaked and could fall quite sharply in coming months. Where we disagree with both central bank forecasts and market expectations is in their faith that inflation will return to target anytime soon. We think wage rises will make inflation stickier than predicted and see evidence for this in the strength of both US and UK private sector wage inflation, plus the depressing sight of increasing numbers of strikes here in the UK. This, plus concerns that markets currently underestimate the impact on corporate profits of a likely recession next year, has made us nervous of adding to equities. Instead, we added risk into portfolios through long-duration inflation linked bonds, principally in the US. These holdings performed strongly in the recent market rally.

Ruffer aims to deliver 'all weather' returns whatever happens in financial markets, and we do this by holding a combination of fear (protection) and greed (growth) assets. Over the last 20 years this approach has delivered a positive correlation to stock markets when they are healthy, so we aim to harvest a proportion of equity gains in the good times. However, we have been negatively correlated to equities when times are more difficult, protecting investors in each of the major stock market crises of the last quarter century. This year has been no exception. Ruffer portfolios were negatively correlated to both equities and bonds as they fell sharply earlier in the year. Adjustments to the portfolio meant it was positively correlated to equities in November, as markets staged a recovery. Such 'perfect' shifts in correlation cannot be expected every month, but it is reassuring to see both sides of our investment approach in good working order.

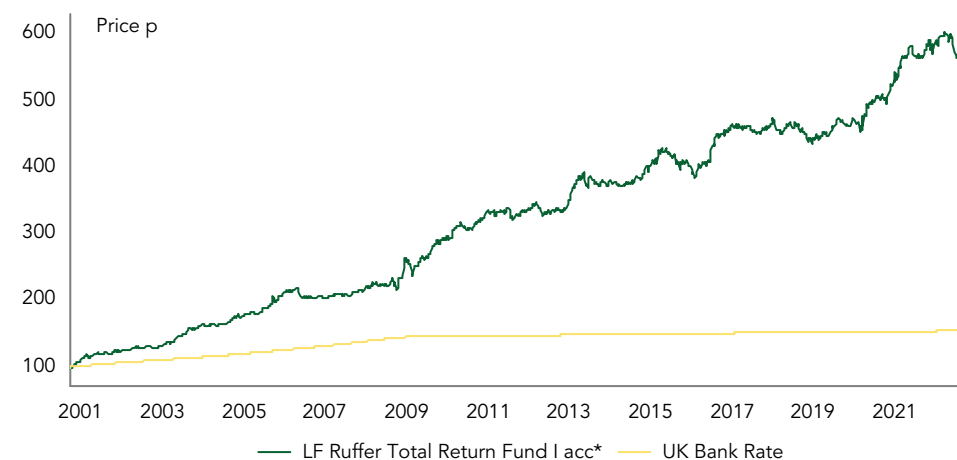
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally 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 twelve-month period.

Performance since fund launch on 29 September 2000



I accumulation shares	Performance %	Share price as at 30 November 2022	p
November 2022	2.2	I accumulation	605.96
Year to date	3.7	I income	377.70
1 year	4.0	H accumulation	603.67
3 years	29.2	H income	377.35
5 years	30.3		
10 years	76.4		

12 month performance to September %	2018	2019	2020	2021	2022
LF Ruffer Total Return Fund I acc*	1.8	1.9	7.5	12.8	1.8
UK Bank Rate	0.5	0.8	0.4	0.1	0.8

Source: Ruffer LLP, Bloomberg. The comparator benchmark shown in this document is as stated in the fund's prospectus. * 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 30 Nov 2022

Asset allocation



Asset allocation	%
Short-dated bonds	34.4
Cash	16.4
Index-linked gilts	8.7
Non-UK index-linked	8.2
Long-dated bonds	6.9
Long-dated index-linked gilts	6.8
Gold exposure and gold equities	3.9
Protection strategies and options	1.5
UK equities	5.9
Europe equities	3.2
North America equities	2.8
Japan equities	1.0
Other equities	0.3
Currency allocation	%
Sterling	65.4
Yen	11.2
US dollar	10.5
Australian dollar	6.0
Euro	3.7
Other	3.2

Currency allocation



10 largest equity holdings*

Stock	% of fund
BP ADR	1.8
Royal Vopak	0.4
Bayer	0.4
Federated Hermes Inc Class B	0.4
EXOR N.V.	0.3
Coty	0.3
Man Group	0.3
BP	0.3
Ambev SA	0.3
Cigna	0.2

5 largest bond holdings

Stock	% of fund
US Treasury FRN 2024	8.5
US Treasury FRN 2024	6.5
US Treasury 0.125% TIPS 2052	5.3
UK Treasury index-linked 2.5% 2024	5.1
US Treasury FRN 2023	4.8

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

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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.

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 £3,552.5m

Fund information

Ongoing Charges Figure	1.02
Annual management charge	1.00
Maximum initial charge	5.0
Yield	2.41
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

Dealing line 0345 601 9610

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Fund Managers

Steve Russell

INVESTMENT DIRECTOR

Graduated from the University of 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. He is co-manager of two of Ruffer's flagship funds.



Matt Smith

INVESTMENT DIRECTOR

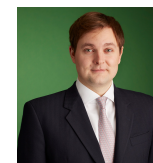
Joined Ruffer in 2011 after graduating from the University of Edinburgh with a first class honours degree in history and German. He spent 2015 seconded to Ruffer's Hong Kong office as an equity analyst, and is a fellow of the CISI. He co-manages two of Ruffer's flagship funds.



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 CISI and co-manages two of Ruffer's flagship funds.



Ruffer LLP

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