

# LF Ruffer Total Return Fund

Positive absolute returns with low volatility

June recorded a further positive month for global equities, and a frustrating one for the portfolio, marking what has been a disappointing six month period in the context of our focus on capital preservation.

Markets have increasingly tried to consign 2022 to history. A bad dream, but no more. The prospect of a recession has led to a belief that rates might come down as quickly as they have risen. Supported by plentiful liquidity, stability has dominated. We have been more worried about the potential for instability. Suffering pain in our protective investments is not new, but we would usually hope that this would be offset by good performance from our growth assets. The path for stability described above, in our opinion, would necessitate continued strength in the real economy. We felt this would largely be predicated on continued recovery from China, supported by both stimulus and a powerful re-opening. This led us to focus our growth assets on both commodities, and equities more geared to the real economy. So far, this has not been the case, commodities have created a further headwind. Equally, whilst our equities have contributed positively, this has not been sufficient to offset the cost of protection.

Currently markets are increasingly certain policy makers will successfully be able to bring inflation back to target and will do so without creating any financial instability. The much-fabled soft landing will play out. Meanwhile, with interest rates moving higher than expected, and likely to stay high for longer, the impacts of tighter monetary policy are starting to be felt. This is already having consequences. This will inevitably, and intentionally, slow the economy. Despite this obvious risk, markets remain certain the risks will be contained. Investors are now willing to buy into equities (and indeed corporate credit) despite the fact they now offer a lower return (and higher risk) than cash! We are increasingly taking the other side of this perceived certainty.

The protections in the portfolio are threefold: structural protection against a new regime which is likely to be characterised by rising and more volatile levels of inflation; shorter-term (and powerful) protection against the potential financial instability caused by tighter liquidity and higher interest rates; and protection against the likely recession that will follow. For the moment, investors seem to be growing in confidence that policy makers will be able to successfully navigate the narrow tightrope of stability. Tightening policy sufficiently to maintain monetary (or inflation) stability, without creating financial instability. We are less convinced. Taking a cautious view can be painful, but history tells us that not long after these periods the risks emerge, leading to significant drawdowns in markets.

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.

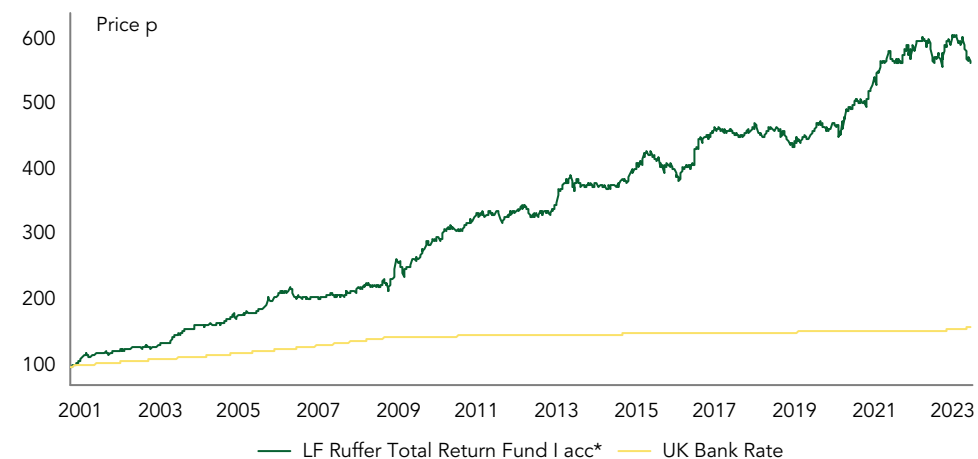


I class June 2023 Issue 246

## 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 June 2023	p
June 2023	-1.1	<b>I accumulation</b>	<b>567.54</b>
Year to date	-7.0	<b>I income</b>	<b>349.13</b>
1 year	-2.0	<b>H accumulation</b>	<b>565.06</b>
3 years	12.5	<b>H income</b>	<b>348.59</b>
5 years	21.2		
10 years	49.3		

12 month performance to June %	2019	2020	2021	2022	2023
LF Ruffer Total Return Fund I acc*	-1.3	9.2	14.0	0.7	-2.0
UK Bank Rate	0.7	0.6	0.1	0.4	3.2

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 Jun 2023

## Asset allocation



Asset allocation	%
Short-dated bonds	34.3
Non-UK index-linked	11.0
Cash	9.3
Index-linked gilts	8.9
Long-dated index-linked gilts	8.8
Gold exposure and gold equities	5.2
Protection strategies and options	-0.8
Commodity exposure	8.2
UK equities	5.2
Europe equities	3.5
North America equities	2.9
Asia ex-Japan equities	1.8
Japan equities	1.1
Other equities	0.3
<b>Currency allocation</b>	
Sterling	63.7
Yen	17.8
US dollar	6.4
Australian dollar	6.3
Other	5.8

## Currency allocation



## 10 largest equity holdings\*

Stock	% of fund
iShares MSCI China A UCITS ETF	0.9
BP	0.5
Bayer AG	0.4
Alibaba Group Holding	0.4
Cigna	0.3
Amazon	0.3
Ambev SA	0.3
Swire Pacific	0.3
Man Group	0.3
Coty	0.3

## 5 largest bond holdings

Stock	% of fund
US Treasury FRN 31 Jan 2025	7.4
US Treasury FRN 31 Jan 2024	5.2
Japanese govt bonds 0.005% 1 Jun 2024	5.0
Japanese govt bonds 0.005% 1 Jul 2024	5.0
Japanese govt bonds 0.005% 1 Apr 2024	5.0

\*Excludes holdings in Ruffer 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](http://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 **£3,057m**

## Fund information

	%
Ongoing Charges Figure	1.02
Annual management charge	1.00
Maximum initial charge	5.0
Yield	2.98
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.

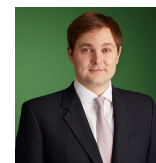


### Alexander Chartres

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

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2023, assets managed by the Ruffer Group exceeded £25.2bn.

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