

# Ruffer Diversified Return

## Targeted Absolute Return

### Introduction

The fund is multi-asset in composition aiming to achieve low volatility and positive total returns. Assets held can include equities, bonds and currencies. The fund has two overarching investment objectives, firstly not to lose money in any rolling twelve-month period and secondly to grow funds at a higher rate than would be achieved by depositing them in cash. This fund is the daily dealing version of the Ruffer investment strategy which can be accessed via various closed-ended and open-ended vehicles.



[Click here to read the Ruffer approach to ESG investing.](#)

### Why RSMR Rate this Fund

- Experienced managers
- Absolute return focus
- Multi-asset composition
- Modest portfolio turnover
- Active asset allocation

### Fund Process

Ruffer regard cash as the true benchmark; believing that with cash there is no hazarding of capital and no fee to be paid. In contrast, benchmarking against market-weighted indices has the unintended consequence of the market risk moving from the investment manager (where it belongs) to the client. With the key philosophy of the fund being capital preservation, the allocation of assets and stock selection are closely aligned and are not seen as separate functions within the team. The allocation is unconstrained by any index or benchmark weights and is instead based upon a holistic assessment of the risks and opportunities observed in the global economy and markets. The observed risks are translated into investment opportunities by identifying those asset classes that would stand to benefit from an occurrence of the risk events. These are the investments in fear. The investments in greed follow the same holistic approach and constitute what Ruffer regard as the best global opportunities in a favourable environment for growth and equities. The allocations may be geographic, sectoral or thematic, but are unconstrained by any index or benchmark. The fund invests in a broad range of assets including equities, bonds and currencies. The second part of the process is stock selection and is undertaken by the Research Team. The team has a global brief that cuts across sector and country boundaries.

### Evaluation

The investment philosophy and approach are such that cash is the true benchmark and so the portfolio is constructed to meet its objective in all market conditions. That said, the portfolio will typically lag a bull market in equities and bonds whilst outperforming in more bearish financial markets.

### Application

The multi-asset approach, combined with the dual investment objective, means the fund is a useful tool for adding defensive qualities to a portfolio.

### Our Opinion

The fund has an absolute return mentality as a core part of the investment philosophy. This has led it to perform very strongly in both relative and absolute terms over the longer term. The fund is unconstrained and does not operate using any kind of benchmark. They believe they can split investments into those that will benefit from negative events or 'Fear' as they term it and those that will benefit from positive events ('Greed') on a global basis. This split is not intended to lead to an allocation based on timing the market but to one that will allow them to take advantage of investments that other investment managers will not consider. The fund has a very flexible investment approach governed by the one overriding factor that pervades the investment approach which is that of not losing client's money.

### Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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