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Registered Scheme Administrator Limited
Venture Wales
Pentrebach
Merthyr Tydfil
CF48 4DR

Ruffer LLP
80 Victoria Street
London SW1E 5JL
Tel +44 (0)20 7963 8100
Fax +44 (0)20 7963 8175
Direct dial +44 (0)20 7963 8222
Email clynne@ruffer.co.uk

Dear Sirs

Rose-Innes Associates Ltd Exec Pension

You will shortly be receiving the latest valuation of the portfolio as at 30 September 2023. It shows a total of cash and investments of £477,970, a depreciation of £1,023 or 0.2% in the quarter. For the twelve months to date the portfolio shows a depreciation of 5.9%.

The portfolio was slightly down for the quarter as global stock markets started to fall. Share prices defied convention in the first half of the year, marching higher against the headwind of rising interest rates. Last quarter, however, investors' enthusiasm was dampened by concerns that inflation and interest rates would stay higher for longer. We remain defensively positioned in anticipation of this causing significant damage to both markets and economies.

Summary

- Commodity exposure was the biggest contributor, followed by the portfolio's short-dated bonds.
- In contrast to the first half of the year, the growth assets made a positive overall contribution in benign conditions, reasserting the balance that we always seek in the portfolio.
- Inflation-linked bonds were the biggest detractor, followed by the yen exposure. These were driven down by rising interest-rate expectations in the West, something we expect to dramatically reverse in a crisis, offering a powerful source of returns.
- During the quarter we reduced gold which has stayed remarkably resilient to higher interest rates, and took some profits in our commodities position. We added to our US TIPS (inflation-linked bonds) where inflation-adjusted returns are now in significantly positive territory. We also increased exposure to the yen which has become even more attractively priced.

While this remains an uncomfortable period, we are confident that the portfolio is well positioned for the difficult environment we see ahead.

Yours sincerely

A handwritten signature in black ink, appearing to read "Charles Lynne".

Charles Lynne
Investment Director



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