



investment architecture

TM Ruffer Portfolio Fund

Annual Sustainability Disclosure Report

For the year ended 31 December 2025

Fund Details

Authorised Corporate Director: Thesis Unit Trust Management Limited

Investment Manager: Ruffer LLP

FCA Product Reference Number: 963927

TCFD Report Link: <https://www.tutman.co.uk/wp-content/uploads/Ruffer-Portfolio-TCFD-Dec-2025.pdf>

Sustainability Label: Sustainable investment labels help investors find products that have a specific goal. This product does not have a UK sustainable investment label. Whilst the Investment Manager considers sustainability factors, it does not have a specific sustainability objective.

Sustainability Objective:

The fund does not have any specific Sustainability objectives but the investment manager does use an ESG screening process.

Sustainability Approach:

Sustainability factors are a source of both opportunity and risk and are thus potential contributors to investment performance. The Investment Manager identifies, manages and monitors sustainability opportunities and risk as part of its investment process.

Sustainability is an important consideration in equity and bond issuer analysis but also in macroeconomic analysis. Therefore, issues such as, but not limited to, resource utilisation, energy transition and climate change may be considered when determining the sustainability characteristics of the Fund's assets, and these are monitored at least annually by the Investment Manager.

The Investment Manager identifies and monitors sustainability risk using the following methods:

- Initial stock idea generation and associated due diligence;
- Periodic reviews of individual assets;
- Review of company results, stock performance and external presentations;
- Use of internally developed framework to assess sustainability of sovereign bond holdings based on a series of country level factors and indicators;

- Use of third-party specialists and data providers;
- Regular sector and stock market thematic analysis; and
- Active stewardship.

Further details on the above methods are detailed in the Investment Manager's Responsible Investment Policy and can be accessed on the website of the Investment Manager (see the link in "Further Information" section below). The Investment Manager considers a range of metrics to identify, manage and monitor sustainability risk, focusing on those most pertinent to the assessment of risk-adjusted returns. These are outlined in the Investment Manager's Entity level TCFD report which can be accessed on the website of the Investment Manager (Link in the "Further Information" section below).

Adherence to Sustainability Approach:

During the reporting period, the Investment Manager has actively monitored potential and current investee holdings by producing a standardised ESG summary of risks and recent controversies. The Investment Manager reads company statements, reports and third-party reports, has met with advisers and sell-side analysts, engaged with company boards and senior management directly, attended annual general meetings (AGMs), and conducted ad hoc reviews based on both specific and sectoral analysis.

Where the ESG Summary of risks and controversies identifies sustainability risks in the Fund's holdings, the Investment Manager has employed its Stewardship Approach to address the concerns identified. The Investment Manager has engaged with 42 of the Fund's investee companies over the reporting period to reduce the sustainability related risks of the Fund's assets. Engagement over the reporting period has consisted of:

- >Encouraging companies to increase their GHG emissions and ESG related disclosures,
- >Tabled letters at AGMs where companies are unlikely to meet their carbon targets,
- >Querying Health and Safety Policies and circumstances under in which injuries and fatalities have occurred
- >Voting against re-election of senior management where ESG related targets have been abandoned

The Investment Manager has remained a signatory to the Principle for Responsible Investment (PRI) Climate Action 100+, Transition Pathway Initiative, IIGCC, Race to Zero and the UK Stewardship Code. The Investment Manager's Stewardship Report which details how it has remained a signatory of the UK Stewardship Code can be found here <https://www.ruffer.co.uk/-/media/ruffer-website/files/downloads/esg/stewardship/2024-ruffer-stewardship-report.pdf>

Portfolio activity as a results of sustainability concerns:

Alpha Metallurgical Resources (NYSE: AMR) is a Tennessee-based mining company with operations across Virginia and West Virginia. Ruffer invested in FMC as part of a systematic equity basket targeting free cash flow yield. We later sold the position in a basket rebalance, because its ranking on key fundamental criteria had declined and we were disappointed with their approach/response to our engagement asking them to expand their disclosure beyond the brief qualitative commentary provided on its website.

Our initial engagement covered their plans to enhance disclosure and their strategy for marrying economic profit with resource productivity through their value chain.

After the sale of our position, we formulated a plan to try and speak to the Chair of the relevant board committee (initially the Chair of the Safety, Health and Environmental Committee) to seek better understanding of their approach. Following a series of email discussions, we have concerns

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around the depth and strength of the board regarding its sustainability-related expertise layered in among all the financial expertise. As such the stock remains on our blacklist awaiting signs of improvement before we consider it eligible for purchase again.

Sustainability Metrics:

The Investment Manager considers a range of metrics to identify, manage and monitor sustainability risk, focusing on those most relevant to the assessment of risk-adjusted returns. This balances the need to be able to act quickly in markets against the long-term sustainability risk within a portfolio.

The Investment Manager monitors a range of metrics relating to its commitment to the Net Zero Asset Managers Initiative, in particular those tracking progress on its key targets: for example, the percentage of assets in scope that are considered to have a transition plan aligned with the demands of a 1.5°C scenario; the percentage of financed emissions in material sectors that are the subject of engagement actions, and the percentage reduction in emission intensity through time relative to a baseline adjusted for shifts in asset allocation.

The climate-related metrics the Investment Manager currently measures and monitors are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the FCA's Environmental, Social and Governance (ESG) rules. The following are key examples of scenarios that the Investment Manager considers without any defined limitations or thresholds:

1. The possible impact on the equity portfolio of several climate scenarios:
2. The carbon footprint and carbon exposure metrics of the Fund's listed equity and sovereign bond portfolio, using a set of TCFD-aligned metrics to analyse portfolio carbon footprint.
3. A variety of country-level factors that may impact a sovereign bond issuer's credit quality.

As part of the Investment Manager's equity analysis, it conducts, as a minimum, annual assessments of its underlying investments. This due diligence analysis is both proactive as the Investment Manager develops its thinking and analysis capabilities as well as reactive as the universe it operates in evolves. As data coverage and quality improve, the Investment Manager layers additional factors into its risk/opportunities analysis engine and covers a range of fields currently including but not limited to the likes of; sector quartile rankings, emissions data, MSCI ratings, biodiversity measure such as land use controversies and score and social factors such as UN Global Compact alignment and labour rights and Board compositions.

Integrating ESG presents greater challenges with fixed income, particularly sovereign bonds, than with equities. The Investment Manager considers both the issuer (for example, the United Kingdom) and, where relevant, the issuance (the actual bond, its purpose and its characteristics, such as coupon, tenor and ratings). The Investment Manager's views, and the role bonds play in the portfolio, allows it to consider ESG at the issuer level.

Adherence to Sustainability Metrics:

As of 31 December 2025, 3.26% of the portfolio is specifically not aligning with the transition plan linked to a 1.5-degree scenario. Assets which are not covered by the Science Based Target Initiative (SBTi) are not in-scope and are therefore excluded from this calculation.

92.95% of the portfolio (equity) is in material sectors (as defined by NACE codes), of which 71.22% of these holdings (based on financed emissions) the Investment Manager has engaged with.

Over the reporting period the fund's carbon intensity fell from 69.7 to 52.7 (relative to a baseline level of 100 on 31 Dec 2021).

Climate-related scenarios are drawn from a third party.

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- For equity holdings, Ruffer has selected the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Regional Model of Investment and Development Model of Agricultural Production and its Impacts on the Environment (REMIND-MAGPIE) model, developed by the Potsdam Institute for Climate Impact Research.

- Inputs are sourced from MSCI ESG Research and Bloomberg, with calculations completed internally based upon Partnership for Carbon Accounting Financials (PCAF) methodology.

The dynamic nature of the portfolio – coupled with limitations on data availability (and carbon metrics) across sovereign bonds, commodities and derivatives, and the uncertainty over how climate change will play out in the long run (2035 and beyond) – presents a challenge when modelling climate scenarios. The investment manager models 3°C (hothouse world), 2°C (disorderly and orderly) and 1.5°C (orderly) temperature pathways for the equity portfolio (using MSCI ESG Research data, NGFS scenarios and proprietary software). That gives them some insight into how the equity component of the portfolio might behave. The investment manager does not have the benefit of confidence limits around these estimates, so they cannot assign a probability to any possible outcome.

The primary risk management technique is scenario analysis. The investment managers are students of economic history, with a database extending back to the beginning of the 20th century. This allows them to identify historical market shocks such as oil price spikes, inflationary periods or other events which led to significant market losses. They apply these scenarios to the current portfolio and economic conditions, giving an indication of how the portfolio might behave were those prior conditions repeated. They use a similar approach to test the portfolio against a number of prospective market scenarios, principally their view of potential threats to which the portfolio is exposed. They test the portfolio against changes in correlations between and within the asset classes they use to build a portfolio of offsetting assets. The different scenarios can be either actual historical events or stress tests designed by their Macro and Risk teams. Scenarios may or may not be climate-related – they will reflect the Macro team’s observation of the market cycle and over-the-horizon or nearer-term risks.

Ruffer supplements its scenario analysis with climate and energy transition analysis of selected equity securities, generally those considered energy intensive or operating in hard to abate sectors (that is, where it is difficult to reduce emissions). This analysis focuses on disclosure in annual financial and sustainability reports. It considers financial metrics, such as gearing, margins, capital allocation, hurdle rates, research and development spending and, where relevant, proven reserves. It also looks at non-financial metrics, such as human capital, business strategy, published carbon emissions targets and climate transition plans.

Where the annual due diligence has identified sustainability risks, the Investment Manager has employed its stewardship strategy to help address the sustainability related concerns identified. Over the reporting period there was one holding where Due Diligence scores continued to decline, and the Fund therefore subsequently divested from the security. Mentioned in portfolio activity section above.

The Investment Manager runs a proprietary model on an annual basis to consider the sustainability of sovereign bond holdings by assessing their exposure to ESG factors at the country level. No issues were identified during the reporting period.

Further information

Further information relating to this fund can be found through the following routes:

General fund information: www.ruffer.co.uk

Other regulatory documentation, which should be read in conjunction with and form part of this Annual SDR Report, including the Prospectus, Consumer Facing Document, Key Investor Information Document, the Taskforce for Climate-related Financial Disclosures report and the Assessment of Value: www.tutman.co.uk.

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This report is for information purposes only and does not constitute an offer or an invitation to invest in the Fund.

Metrics contained within this report are supplied by the Investment Manager, these may differ from other reported numbers due to differing systems and calculation methods used.

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