

**WS Ruffer Equity & General Fund (the “Fund”)****Authorised Corporate Director** Waystone Management (UK) Limited**Investment Manager** Ruffer LLP**Identifier** Product Reference Number: 638308

Sustainable investment labels help investors find funds that have a specific sustainability goal. The Fund does not have a UK sustainable investment label because, whilst it considers sustainability factors, the Fund does not have a specific sustainability objective.

**Sustainability approach**

Sustainability factors are a source of both opportunity and risk and can impact 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 and therefore issues such as, but not limited to, resource utilisation, energy transition, climate change may be considered and 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.

Active stewardship is employed to help mitigate sustainability risk post-investment for relevant assets. The Investment Manager employs a stewardship activity plan in relation to equities, based on a materiality framework to identify and prioritise key topics. These plans address issues or concerns relating to identified sustainability risks which may impact the asset. The stewardship plan may include defined targets and objectives that aim to reduce the level of sustainability risks associated with an investment. By engaging with a company to achieve specific goals, the Investment Manager can improve its understanding of the material sustainability risks it faces, challenging its behaviour in relation to sustainability factors and in turn increasing the company’s awareness of regulatory and societal changes. Over time, the Investment Manager considers this is likely to reduce the level of sustainability risk in portfolios that it manages. The Investment Manager’s approach to active stewardship is detailed in its Responsible Investment Policy.

The Investment Manager is a signatory and supporter of several responsible investment initiatives which provide detailed guidance, support and development updates enabling them to more actively manage and monitor sustainability risks.

## 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. The initial assessment will take place before or after an investment is made. This balances the need to be able to act quickly in markets against the long-term sustainability risk within a portfolio.

The Investment Manager recognises climate as a source of risk and opportunities over both the long and the short term. The Investment Manager's investment process seeks to allocate capital across asset classes to withstand shocks that may come from either known or unknown market-wide factors, whilst generating returns in line with the Fund's investment objectives.

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, CDP scores, 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.

## Further details

Further information on the key sustainability characteristics of the Fund can be found in the prospectus of WS Ruffer Investment Funds available on the ACD's website <https://www.fundsolutions.net/uk/ruffer-llp/ws-ruffer-investment-funds/>

Further details of the Investment Manager's process are set out in the Investment Manager's Responsible Investment Policy available on the Investment Manager's website at [www.ruffer.com](http://www.ruffer.com).

Other non-sustainability related information, for example, costs and charges that are associated with the Fund, are also available on the ACD's website <https://www.fundsolutions.net/uk/ruffer-llp/ws-ruffer-investment-funds/>

The ACD's TCFD and SDR Entity Reports are available on the ACD's website <https://www.fundsolutions.net/tcfd-sdr-reporting/>

The Fund's TCFD Product Report is available on the ACD's website <https://www.fundsolutions.net/uk/ruffer-llp/ws-ruffer-investment-funds/ws-ruffer-equity-and-general-fund/>