

# Ruffer Total Return International – Australia Fund

## Positive returns with low volatility

During April, the fund price fell by 0.5%. This compared with a fall of 3.4% in the FTSE All-World Index and a fall of 2.8% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

April turned out not to be the kindest month. After a dismal first quarter, when investors lost money in both bonds and global equities, April gave us more of the same, only worse. Bond yields resumed their upward march as inflation hit new highs, making this year the worst period for benchmark US 10 year treasuries since 1788 - just before George Washington became president! Equity markets also disappointed with the S&P 500 off 8.8% in the month and the Nasdaq dropped 13.3%. The UK equity market outperformed again, holding steady in April. This is due to the sectoral composition – with a heavy bias to energy, miners and value - rather than a vote of confidence in the UK economy. Sterling fell almost 5% against the dollar, although admittedly most other currencies were also weak versus the greenback.

Against this backdrop the fund performed relatively well in April. Looking further back at year-to-date performance, there is some cause for satisfaction – up 5% when almost all asset classes are well into negative territory. This month's gold stars for achievement went once again to the protection assets; interest rate options and credit protections. An honourable mention should go to the fund's equity holdings as energy stocks and what we call 'value defensives' (telecoms, healthcare and pharmaceuticals) made gains. Importantly of course, in any kind of bear market, it is what you don't own that matters more than what you do own. Our avoidance not just of profitless tech, but also of outrageously profitable (but expensive) tech, has allowed our equities in aggregate to make a positive return so far in 2022.

Having predicted the return of inflation for many years, we now doubt the resolution of central banks to raise rates sufficiently far to choke it off. However, there is little doubt that interest rates are set to rise further. This means the key question right now is what will break first, the market or the economy? With unemployment at record lows, it seems most likely to us that stock markets, bonds and credit snap before the economy hits recession, but we cannot be certain of this. There is also the risk that the bursting of over inflated bubbles in one part of the market can drag everything else down. Accordingly, we remain cautiously positioned with 35% in equities and now almost half of that in more defensive stocks. Should a recession be triggered we have positions in credit protection that should benefit the portfolio as corporate defaults rise.

The world has turned out to be more uncertain and more unpleasant than we expected at the start of the year. However, even as we watch what seems like a slow-motion car crash in equities, we remain confident that we can continue to protect investors' capital and make a reasonable return.

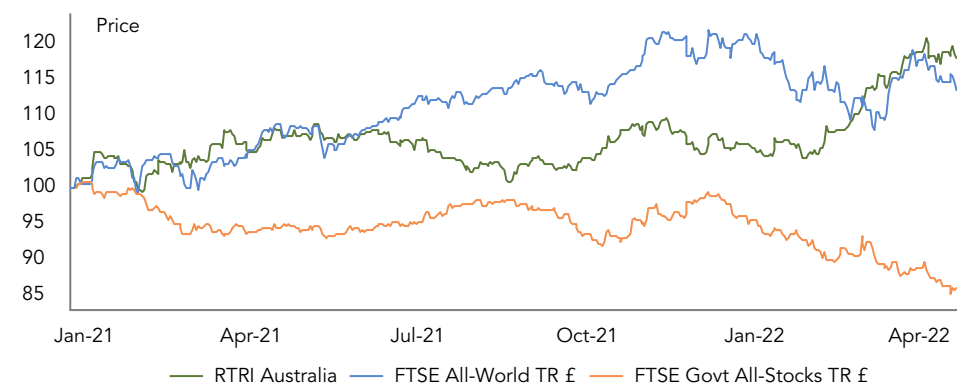
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### Investment objective

The investment objective of Ruffer Total Return International - Australia Fund is to achieve positive returns with low volatility from an actively managed portfolio. The Fund may have exposure to the following asset classes: cash, debt securities of any type (including government and corporate debt), equities and equity related securities and commodities (including precious metals). Overriding this objective is a fundamental philosophy of capital preservation.

### Performance since sub-fund launch on 24 December 2020



RTRI Australia capitalisation shares	Performance %	As at 30 April 2022	AUD
April 2022	-0.5	Unit price	1.16
Year to date	5.1		
1 year	7.3		

Source: Ruffer LLP, RTRI – Australia Fund. Past performance is not an indicator of future performance.

12 month performance to March %	2022
RTRI Australia	8.7
FTSE All-World TR £	12.3
FTSE Govt All-Stocks TR £	-5.1

Source: Ruffer LLP, FTSE International. Ruffer performance is shown in GBP after deduction of all fees and management charges, and on the basis of income being reinvested. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter. © FTSE 2022. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## Ruffer Total Return International – Australia Fund as at 30 Apr 2022

### Asset allocation – underlying fund (RTRI)



Asset allocation	%
● Index-linked gilts	14.0
● Short-dated bonds	10.2
● Gold exposure and gold equities	10.1
● Long-dated index-linked gilts	9.9
● Non-UK index-linked	7.8
● Cash	6.6
● Protection strategies	6.5
● UK equities	13.9
● Europe equities	7.0
● North America equities	5.8
● Japan equities	5.4
● Other equities	1.7
● Asia ex-Japan equities	1.1

### 10 largest equity holdings\*

Stock	% of fund
BP	3.3
Shell	2.4
Bayer	1.6
Ambev SA	1.2
Banco Santander	1.2
Alibaba Group Holding	1.1
Cigna	1.1
Vodafone Group	1.1
Mitsubishi UFJ Financial Group	1.0
GlaxoSmithKline	1.0

### 5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	7.6
US Treasury 0.625% TIPS 2023	5.9
UK Treasury index-linked 2.5% 2024	4.8
UK Treasury index-linked 0.125% 2068	3.7
UK Treasury 0.125% 2023	2.9

\*Excludes holdings in pooled funds  
Source: Ruffer LLP.  
Pie chart totals may not equal 100 due to rounding.

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Fund size **AUD\$97.4m**

### Fund information

Asset class	Multi-Asset	
Fund inception date	24 December 2020	
Fund base currency	AUD	
Fund structure	Managed Investment Scheme	
Fund regulator	The Australian Securities and Investments Commission (ASIC)	
Distribution	Annual, although not expected. The year end is 30 June	
APIR	ISIN	ARSN
PIM1038AU	AU60PIM10382	643 278 693
Bloomberg	PIM1038 AU	
Buy/sell spread	0%	
Minimum initial investment	AUD\$20,000	
Management costs	1.05% per annum of the net asset value of the Fund comprising: Fund level fees and costs of 0.9% Indirect costs of 0.15%	
Dealing Day	Weekly, typically a Thursday*	
Subscription and redemption cut-off	Weekly, typically 2pm Friday*	
Subscription and redemption settlement dates	T+5, typically a Thursday*	
Investment Manager	Ruffer LLP	
Responsible Entity	The Trust Company (RE Services) Limited	
Custodian and Administrator	Mainstream Fund Services Pty Ltd	
Auditors	Ernst & Young	

\*The Fund's Dealing Day, subscription and redemption cut-off will be impacted by public holidays in Luxembourg, the UK and/or Australia. Impacted dates are available from [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au)



### Fund Managers

#### Jacques Hirsch

INVESTMENT DIRECTOR

Joined Ruffer in 2011, previous work included fund management and macro research at Goldman Sachs, GLG Partners and Fulcrum Asset Management. Graduated from École Centrale Paris in 1999, and holds an MSc in Mathematics from Oxford University.



#### Alex Lennard

INVESTMENT DIRECTOR

Joined Ruffer in 2006 after graduating from Exeter University with an honours degree in economics and finance. He is a member of the Chartered Institute for Securities & Investment. He is co-manager of 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 March 2022, assets managed by the Ruffer Group exceeded A\$45.7bn.

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