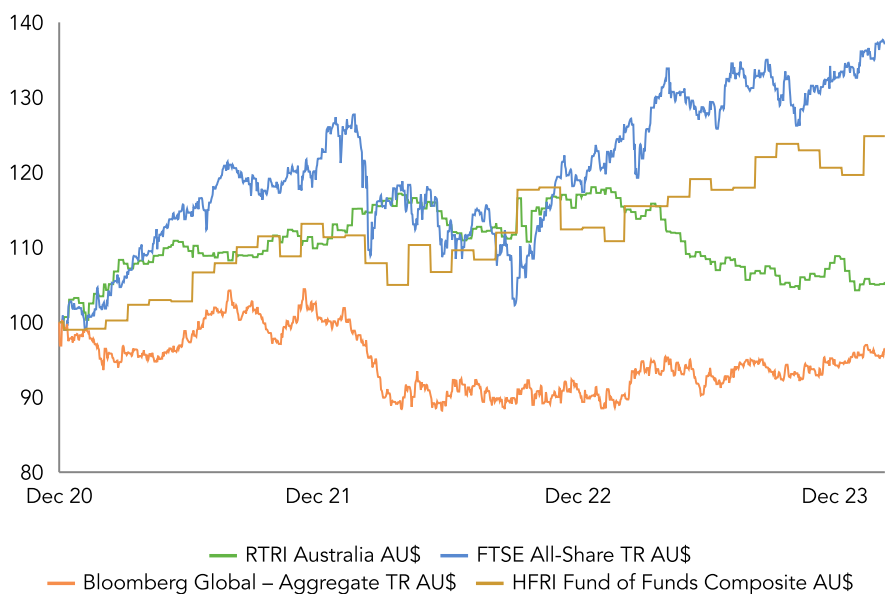


# Ruffer Total Return International – Australia Fund

## SHARE PRICE PERFORMANCE SINCE LAUNCH ON 24 DECEMBER 2020

Past performance does not predict future returns



February saw a continuation of the AI-fuelled rally with both the S&P and Nasdaq indices ending the month at new all-time highs. The equity market exuberance was given a shot in the arm by Nvidia's earnings announcement mid-month, following which the stock rallied more than 16% in a day. Nvidia's market value gain on that day alone was greater than the total value of US gold mining companies. The market jitters evident around a single company's earnings release hints to us of an unstable trend that could just as easily surprise to the downside. This observation makes the derivative protections we hold especially attractive, albeit they were a drag on performance during the month.

Equities were a key driver of performance during February despite our low weight. Notably, Chinese equity markets rebounded. This turnaround followed an announcement by the Chinese securities regulator at the end of January banning stock lending. We believe sentiment and positioning in Chinese equities has reached extreme lows and this is reflected in attractive valuations. Furthermore, the incremental support being provided to asset markets by the Chinese authorities gives us comfort they are pushing in our direction. This stands in stark contrast to the setup for US equity markets where, needless to say, we remain cautious of both valuations and momentum.

Meanwhile bond yields continued to rise in February, as expectations for the number of interest rate cuts in 2024 fell, increasing the divergence between bond and equity market performance so far this year. Despite this, long-dated UK inflation-linked bonds were a positive contributor to performance as the oversold dynamics of January were reversed. However, our other interest rate sensitive holdings such as gold mining equities and the yen suffered as yields rose.

Having entered 2024 believing markets were priced for perfection (aka a soft landing), we are now watching closely as growth and inflation risks start to be re-priced. Expectations of a US recession in the next six months are falling fast, and the pace of disinflation has abated. Looking ahead, we expect persistent inflation to remain an issue as policy makers have shown a willingness to deliver a swift and deep-pocketed response to any economic pain and the most realistic long term solution to bulging government deficits is inflation. We continue to position the fund to benefit from this structural theme, through exposure to gold, inflation-linked bonds and commodities.

However, our focus in the immediate future remains on liquidity risks, as central bankers continue to shrink the size of their balance sheets. Any meaningful fiscal or monetary support for markets is, in our view, likely only to arrive after asset prices have been hit. In such an environment, we find confidence in a portfolio that leans heavily on the attractive real return available in cash and short dated bonds whilst holding additional protection to benefit from falling markets.

## FEBRUARY 2024

Performance cap %	AUD
February	-0.1
Year to date	-2.8
1 year	-8.1
3 years pa	0.3
5 years pa	-
10 years pa	-
Since inception pa	1.6

### Share price

AUD cap	1.0536
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	Net	Gross
Duration (years)	3.0	3.2
Equity exposure %	16.8	19.7

Z cap AUD	Volatility %	Sharpe	Sortino
3 years	5.6	-0.4	-0.4
5 years	-	-	-
10 years	-	-	-
Since inception	5.8	-0.1	-0.1

### 12 month performance to 31 December 2023

%	2019	2020	2021	2022	2023
RTRI AUD	-	-	9.6	6.0	-7.3
FTSE All-Share TR AU\$	-	-	24.0	-4.4	13.7
B'berg Gbl-Agg TR AU\$	-	-	0.9	-10.7	5.8
HFRI FOF Comp AU\$	-	-	12.5	1.2	6.2

One to twelve month performance figures are cumulative, all others are annualised. Source: RTRI-AU, FTSE International, Bloomberg, HFRI. The comparator benchmarks shown are those of the underlying fund, hedged in AUD which were chosen because they represent the investible universe of the strategy, both in terms of instruments and geographies. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to achieve positive returns 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. Investors should note that there can be no assurance that the investment objective will be achieved. Returns are not guaranteed.

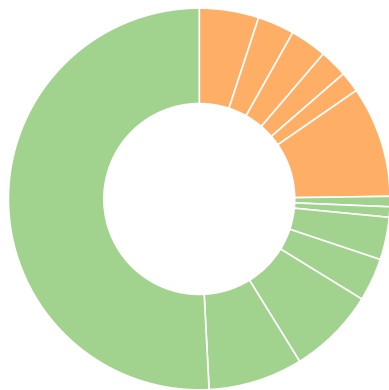
## TARGET MARKET SUMMARY

This product is likely to be appropriate for a consumer seeking capital growth to be used as a major, core, minor or satellite component within a portfolio where the consumer has a minimum five year investment timeframe, medium to high risk/return profile and needs monthly access to capital. Investors should refer to the TMD for further information.

# Ruffer Total Return International – Australia Fund

29 Feb 24

## ASSET ALLOCATION



Asset allocation	%	Currency allocation	%
Short-dated bonds	50.8	Sterling	77.7
Long-dated index-linked gilts	8.0	Yen	15.7
Cash	7.4	US dollar	2.5
Gold exposure and gold equities	3.6	Euro	1.2
Non-UK index-linked	3.6	Other	2.9
Index-linked gilts	0.9	<b>Geographical equity allocation</b>	<b>%</b>
Credit and derivative strategies	0.9	UK equities	6.1
Commodity exposure	5.0	Asia ex-Japan equities	5.5
Consumer discretionary equities	3.1	North America equities	4.1
Financials equities	3.1	Europe equities	3.7
Energy equities	2.4	Other equities	0.3
Consumer staples equities	1.8		
Other equities	9.4		

## 5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	2.8
BP	1.6
Alibaba Group	1.0
TSMC ADR	0.8
Prosus	0.7

Asset allocation is shown for the underlying fund, Ruffer Total Return International. Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

## RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 January 2024, assets managed by the Ruffer Group exceeded A\$44.1bn.



## FUND SIZE A\$291.7M

## FUND INFORMATION

Management costs	1.02% per annum of net asset value of fund comprising: a management fee 0.77% administration costs 0.10% indirect costs 0.15%	
Minimum initial investment	AU\$20,000	
Cut offs	Redemptions and subscriptions weekly, typically 2.00pm Friday	
Dealing frequency	Weekly, typically a Thursday	
Distribution	Annual, although not expected. Year end is 30 June	
Settlement dates	Redemptions and subscriptions T+5, typically a Thursday	
Investment manager	Ruffer LLP	
Administrator	Apex Fund Services Pty Ltd	
Custodian	Apex Fund Services Pty Ltd	
Responsible entity	The Trust Company (RE Services) Limited	
Auditors	Ernst & Young	
Fund regulator	Australian Securities and Investments Commission (ASIC)	
Structure	Managed Investment Scheme	
APIR	PIM1038AU	
ARSN	643 278 693	
Asset class	Multi-Asset	
Buy/sell spread	0%	
Share class	ISIN	Ticker
AUD cap	AU60PIM10382	PIM1038 AU

## ENQUIRIES

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## FUND TEAM



**Alex Lennard**  
FUND MANAGER

Joined Ruffer in 2006 after graduating from Exeter University with an honours degree in economics and finance. He is a member of the CISI. He is comanager of two of Ruffer's flagship funds.



**Fiona Ker**  
FUND MANAGER

Joined Ruffer in 2017 from Ernst & Young. She manages portfolios for institutions with a focus on international clients and is a member of the CISI and the Institute of Chartered Accountants for England & Wales.

## GLOSSARY

**Volatility** measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

**Duration** measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

**Sharpe ratio** measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

**Sortino ratio** measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

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