

# Ruffer Total Return International

Positive returns with low volatility

June recorded a further positive month for global equities, and a frustrating one for the portfolio, marking what has been a disappointing six month period in the context of our focus on capital preservation.

Markets have increasingly tried to consign 2022 to history. A bad dream, but no more. The prospect of a recession has led to a belief that rates might come down as quickly as they have risen. Supported by plentiful liquidity, stability has dominated. We have been more worried about the potential for instability. Suffering pain in our protective investments is not new, but we would usually hope that this would be offset by good performance from our growth assets. The path for stability described above, in our opinion, would necessitate continued strength in the real economy. We felt this would largely be predicated on continued recovery from China, supported by both stimulus and a powerful re-opening. This led us to focus our growth assets on both commodities, and equities more geared to the real economy. So far, this has not been the case, commodities have created a further headwind. Equally, whilst our equities have contributed positively, this has not been sufficient to offset the cost of protection.

Currently markets are increasingly certain policy makers will successfully be able to bring inflation back to target and will do so without creating any financial instability. The much-fabled soft landing will play out. Meanwhile, with interest rates moving higher than expected, and likely to stay high for longer, the impacts of tighter monetary policy are starting to be felt. This is already having consequences. This will inevitably, and intentionally, slow the economy. Despite this obvious risk, markets remain certain the risks will be contained. Investors are now willing to buy into equities (and indeed corporate credit) despite the fact they now offer a lower return (and higher risk) than cash! We are increasingly taking the other side of this perceived certainty.

The protections in the portfolio are threefold: structural protection against a new regime which is likely to be characterised by rising and more volatile levels of inflation; shorter-term (and powerful) protection against the potential financial instability caused by tighter liquidity and higher interest rates; and protection against the likely recession that will follow. For the moment, investors seem to be growing in confidence that policy makers will be able to successfully navigate the narrow tightrope of stability. Tightening policy sufficiently to maintain monetary (or inflation) stability, without creating financial instability. We are less convinced. Taking a cautious view can be painful, but history tells us that not long after these periods the risks emerge, leading to significant drawdowns in markets.

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. Future performance is subject to taxation which depends on each investor's personal situation, and may be subject to change in the future.



## Investment objective

The investment objective of the Ruffer Total Return International ('the fund') is to achieve low volatility, 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.

## Performance since fund launch on 14 July 2011

Past performance does not predict future returns



Performance C cap shares %	GBP	EUR	USD	Share price as at 30 June 2023				
June 2023	-0.6	-0.7	-0.5	C CHF Capitalisation	1.4616			
Year to date	-7.5	-8.2	-7.1	C EUR Capitalisation	1.5434			
1 year	-3.6	-5.2	-2.7	C EUR Distribution	1.5171			
3 years	14.7	11.0	16.2	C GBP Capitalisation	1.7163			
5 years	23.3	16.5	28.7	C GBP Distribution	1.6716			
10 years	52.8	38.9	60.8	C GBP Income	1.5577			
				C USD Capitalisation	1.7969			
				C USD Distribution	1.7687			
<b>12 month performance to June %</b>				<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
RTRI C cap £				-2.8	10.6	15.2	3.2	-3.6
RTRI C cap €				-4.1	9.4	14.5	2.2	-5.2
RTRI C cap \$				-1.2	12.1	15.6	3.3	-2.7
FTSE All-Share TR £				0.6	-13.0	21.5	1.6	7.9
Bloomberg Global-Aggregate TR £				9.8	7.4	-8.2	-3.6	-5.7
HFRI Fund of Funds Composite £				4.9	3.5	5.8	7.5	-1.0

Source: Ruffer LLP, FTSE International, Bloomberg, Hedge Fund Research Inc. The comparator benchmarks shown in this document is as stated in the fund's prospectus.

# Ruffer Total Return International as at 30 Jun 2023

## Asset allocation



Asset allocation	%
● Short-dated bonds	26.9
● Non-UK index-linked	14.4
● Cash	10.2
● Index-linked gilts	9.2
● Long-dated index-linked gilts	8.7
● Gold exposure and gold equities	5.4
● Illiquid strategies and options	2.0
● Commodity exposure	8.3
● UK/Europe equities	7.6
● North America equities	3.5
● Asia ex-Japan equities	2.3
● Japan equities	0.9
● Other equities	0.5

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

The fund data displayed is designed only to provide summary information. This marketing communication does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts. Please note that Ruffer SICAV is a Luxembourg UCITS and subject to Luxembourg law. Ruffer SICAV is authorised by and subject to the supervisory authority in Luxembourg, the CSSF, and is a scheme recognised by the UK's Financial Conduct Authority (FCA). Ruffer Total Return International (RTRI) is not registered for distribution in any country other than Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy (qualified investors only), Luxembourg, the Netherlands, Norway, Portugal, Singapore (institutional and accredited investors only), Spain, Sweden, Switzerland and the UK. The fund's prospectus is provided in English and French; Key Investor Information Documents are provided in a variety of languages and are available, with the Prospectus (in English and French), on request or from [ruffer.co.uk](http://ruffer.co.uk). A Summary of Investor Rights is available in English from [group.pictet/asset-services/fundpartner-solutions](http://group.pictet/asset-services/fundpartner-solutions). Ruffer LLP is not able to market RTRI in other countries, except under certain exemptions. In line with the Prospectus, it is possible at any one time RTRI may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities. This investment concerns the acquisition of units in a fund, and not in a given underlying asset such as shares of a company, as these are only the underlying assets owned by the fund. This marketing communication is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2023

## 10 largest equity holdings\*

Stock	% of fund
iShares MSCI China A UCITS ETF	1.0
Ryanair	0.8
Alibaba Group Holding	0.7
Taiwan Semiconductor Manufacturing Co	0.6
BP	0.6
Bayer AG	0.5
Ambev SA	0.5
Glencore	0.4
Cigna	0.3
Amazon	0.3

## 5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	6.9
US Treasury 0.625% TIPS 2024	6.1
US Treasury FRN 31 Oct 2024	4.5
US Treasury 0.125% TIPS 2052	4.1
Australian govt bonds 2.75% 2024	3.6

\*Excludes holdings in Ruffer funds

Fund size £5,320.1m €6,199.5m

## Fund information

Ongoing Charges Figure	1.21
Maximum annual management fee (C class)	1.2
Annual management fee	1.1
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	€10,000,000
Record date	Third Monday of November
Ex dividend dates	Next NAV following the record date
Payment	Within five business days after ex dividend date
Dealing	Weekly, every Wednesday (if not a business day, on the following business day) Plus on the last business day of each month
Cut off	4pm Luxembourg time on the day before valuation day (so typically Tuesday and the penultimate business day of the month)

ISIN and SEDOL	CHF C cap	EUR C cap	EUR C dis	EUR CR cap	GBP C cap	GBP C dis	GBP C inc	USD C cap	USD C dis
	LU0638557743	LU0638557669	LU0779208544	LU2559919811	LU0638557586	LU0638558048	LU1220904186	LU0638557826	LU0779208890
	B45L1M4	B4MRCS8	B8BHY14	BP5JDT6	B4XQ109	B4X19Y4	BWXC1G9	B4WPBZ2	B8BHY81

Structure	Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV
Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent	FundPartner Solutions (Europe) S.A.
Investment manager	Ruffer LLP
Depository bank	Pictet & Cie (Europe) S.A.
Auditors	Ernst & Young S.A.

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## Fund Manager

### 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 CISI. 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 May 2023, assets managed by the Ruffer Group exceeded £25.2bn.

## Enquiries

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