

Ruffer Total Return International

Positive returns with low volatility



I class June 2020 Issue 108

During June, the fund price rose by 0.4%. This compared with a rise of 1.5% in the FTSE All-Share Index and a fall of 0.6% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

As we reach the halfway point in this tumultuous year it is worth taking stock of what has happened so far, and how we were able both to preserve capital through the initial market crisis and also benefit from the more recent rally. After a positive start to 2020, stock markets plunged in March on escalating fears of the global impact of Covid 19, with credit markets exhibiting a similar panic. In the fastest decline in stock market history, equity markets fell by a third in just 22 days, hitting their lows on 23 March, the very day the UK officially went into lockdown.

Stock markets rallied in the second quarter as central banks, led by the US, swung into their now habitual role of supporting asset prices. The size of the monetary and fiscal intervention is unprecedented in peacetime and we wait to see whether it is sufficient to keep businesses and employment afloat, but for now at least, it has been a big enough bazooka to reassure investors. In April and May equity markets recorded one of their fastest recoveries. The Federal reserve pumped money into the system, buying junk (high yield) bonds and everything was back to normal, except of course it isn't.

Whilst we in no way foresaw the Coronavirus pandemic, with our core focus on capital preservation, if we are doing our job properly we would hope to navigate such crises in relatively good shape. We always hold protection in our portfolio against difficult times and have been particularly nervous of markets in recent years. Accordingly, we take only limited credit for emerging from the first quarter virtually unscathed and posting a positive return in March as risk assets tumbled and our investments in 'fear' really did their job.

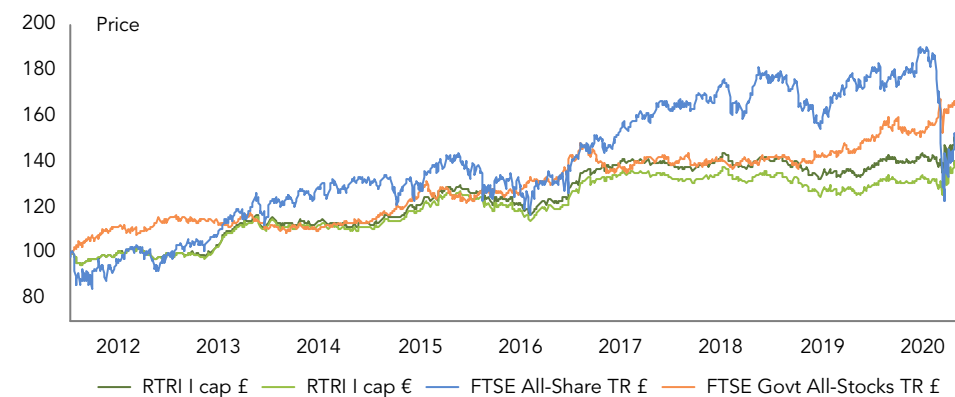
Since then stock markets have rallied, though whether this is based on a sober assessment of the true impact of the virus, or a sugar rush from central bank liquidity, is open to question. Having protected capital in the dark times, it is a cause for some satisfaction that we were able to make money from that stable base in the recovery. With no increase in risk (we retain a low but potent exposure to equities and still hold significant credit protections) we made decent returns as markets recovered, especially in April and May. A gain of 7.8% in the second quarter leaves us in positive territory year to date. Looking forward, our equities are biased towards recovery and value, and so did well as hope returned to markets and should flourish if this continues. However inflation-linked bonds and gold have driven recent performance just as much as, if not more than, equities.

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, Finland, France, Germany, Ireland, Italy (qualified investors only), Luxembourg, the Netherlands, Portugal, Singapore (institutional and accredited investors only), Spain, Sweden, Switzerland (qualified investors only) and the UK. The fund's prospectus is provided in English and French; Key Investor Information Documents are provided in Dutch, English, French, German, Italian, Portuguese, Spanish and Swedish and are available on request or from ruffer.co.uk. Ruffer LLP is not able to market RTRI in other countries, except under certain exemptions. In line with the Prospectus, it is possible that at any one time Ruffer Total Return International 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.

Investment objective

The investment objective of Ruffer Total Return International ('the 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). Pervading this objective is a fundamental philosophy of capital preservation.

Performance since fund launch on 14 July 2011



Performance %	June 2020	Year to date	1 year	3 years	5 years
I GBP capitalisation shares	0.4	6.1	10.8	9.5	19.0

Percentage growth (I GBP cap)	%	Share price as at 30 June 2020
30 Jun 2019 – 30 Jun 2020	10.8	I EUR capitalisation 141.41
30 Jun 2018 – 30 Jun 2019	-2.6	I CHF capitalisation 135.72
30 Jun 2017 – 30 Jun 2018	1.5	I USD capitalisation 157.33
30 Jun 2016 – 30 Jun 2017	8.6	I GBP distribution 148.38
30 Jun 2015 – 30 Jun 2016	0.0	I SEK capitalisation 143.31
		I USD distribution 154.22
		I CAD capitalisation 127.45
		I SGD capitalisation 127.24

Source: Ruffer LLP, FTSE International (FTSE) †

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.

Ruffer Total Return International as at 30 Jun 2020

Asset allocation



Currency allocation



Asset allocation %

● Non-UK index-linked	25.6
● Short-dated bonds	10.5
● Gold and gold equities	10.4
● Long-dated index-linked gilts	9.9
● Illiquid strategies and options	9.6
● Index-linked gilts	3.4
● Cash	1.9

● UK equities	8.1
● Japan equities	7.5
● North America equities	6.3
● Europe equities	5.5
● Asia ex-Japan equities	1.3

Currency allocation %

● Sterling	71.0
● Yen	10.5
● Gold	10.5
● Euro	3.8
● US dollar	1.7
● Other	2.5

10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.3
iShares Physical Gold	2.2
Fujitsu	1.4
ArcelorMittal	1.4
Royal Bank of Scotland	1.3
Hennes & Mauritz	1.1
Kinross Gold	1.1
ORIX Corporation	1.0
Cigna Corporation	1.0
Wheaton Precious Metals	1.0

5 largest bond holdings

Stock	% of fund
UK Treasury 1.5% 2021	8.6
UK Treasury index-linked 0.125% 2068	6.2
US Treasury 0.25% TIPS 2050	4.0
US Treasury 0.625% TIPS 2026	4.0
UK Treasury index-linked 0.375% 2062	3.7

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

Fund size **£1,945.3m**

Fund information

Ongoing Charges Figure	0.93
Maximum annual management fee (I class)	1.0
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	£25m
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 first 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	EUR I cap LU0638558394 B4LVH08 CHF I cap LU0638558477 B4QLM86 USD I cap LU0638558550 B4L04N7 GBP I dis LU0779209195 B8BHYH0 SEK I cap LU0923103534 B94R6P6 USD I dis LU0955560437 BCDYZK7 CAD I cap LU1296766634 BYSW6J6 SGD I cap LU1400661093 BD2YGL3 AUD I cap LU1534125882 BDRKVG6

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.

The base currency of the fund is GBP. Share classes denominated in other currencies are hedged to reduce the impact on your investment of movements in the exchange rate between the base currency of the fund (GBP) and the currency of the share class.

† © FTSE 2020. '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.

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.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2020, assets managed by the Ruffer Group exceeded £19.5bn.

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London SW1E 5JL www.ruffer.co.uk

Notice for Investors in Switzerland: Ruffer SICAV has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). Any offering materials relating to Ruffer SICAV may be made available in Switzerland solely to Qualified Investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. Ruffer SICAV's prospectus, KIIDs, articles of association and the annual and semi-annual reports are available free of charge at the office of the Swiss representative: FundPartner Solutions (Suisse) S.A., Route des Acacias 60 CH – 1211 Geneva 73. Ruffer SICAV's paying agent in Switzerland is Banque Pictet & Cie S.A. of the same address. Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2020

The views expressed in this marketing communication are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

The fund data displayed is designed only to provide summary information and the report 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.