

# Ruffer Total Return International

## Positive returns with low volatility

During March, the fund price rose by 1.5%. This compared with a rise of 1.3% in the FTSE All-Share Index and a fall of 2.1% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

Operation Stable Door began in earnest during March as the Federal Reserve raised interest rates for the first time in four years to try to contain inflation running at a near-half century high of 7.9%. Government bond yields moved abruptly to price in the most aggressive interest rate hiking cycle since 1994. Global bonds have just endured their worst quarter ever despite war, pestilence (covid disruption in China) and growing fears of a recession. So much for conventional bonds acting as a 'safe haven'. This should not come as a surprise to regular readers of this report, as we have written about the vulnerability of conventional bonds for some time.

What was the impact on the fund? We made positive returns in each of the first three months of this year as both equities and bonds ended up in negative territory. During March long-dated inflation-linked bonds ('linkers') fell in value as yields rose faster than inflation expectations, but our interest rate options – which profit from rising yields – more than offset this fall in value. Active duration management via derivatives continues to be essential to the fund's resilience in a rising yield environment. Long linkers remain a key holding for the world we are heading into and so this balance will be maintained.

While fixed income volatility hasn't been this high since the global financial crisis, equity markets look increasingly complacent, with many recovering all losses since the start of the Ukraine war. We trimmed equity exposure to 35% reflecting greater uncertainty and profit taking in some equity derivative protections. Overall, equities were a positive contributor for the month, with energy stocks once again leading the charge.

Commodity markets continued to perform well with higher prices helping the Australian dollar, where we now have exposure of around 5%. In World war II, America was famously dubbed the 'great arsenal of democracy'. In the era ahead, Australia looks set to be the 'great arsenal of commodities' for western democratic states. On top of this, Australian pension funds may soon start to close their net short position in their domestic currency, adding a further kicker to the Aussie dollar. The allocation was funded from the US dollar.

Finally, we added 2% to bullion exposure. Gold exposure and gold mining equities were the largest positive performance driver during the month. Total gold exposure now stands at close to 10%.

Near-term the path ahead remains highly uncertain – as ever, we aim to be resilient whatever happens. Longer-term, covid and the Russia-Ukraine war mark successive great accelerations towards the more inflation-prone and volatile era ahead. We believe we have the right asset mix to deal with the challenges and capture the opportunities in this new regime.

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.

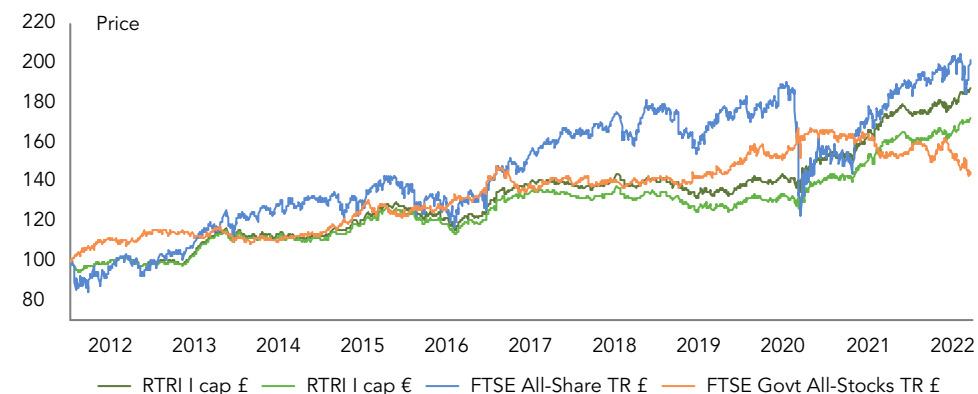


## Investment objective

The investment objective of 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

Past performance does not predict future returns



| I GBP capitalisation shares | Performance % | Share price as at 31 March 2022 |
|-----------------------------|---------------|---------------------------------|
| March 2022                  | 1.5           | I EUR Capitalisation 173.16     |
| Year to date                | 5.8           | I CHF Capitalisation 165.71     |
| 1 year                      | 8.9           | I USD Capitalisation 195.85     |
| 3 years                     | 38.8          | I GBP Distribution 183.19       |
| 5 years                     | 34.6          | I SEK Capitalisation 176.30     |
| 10 years                    | 85.2          | I USD Distribution 191.24       |
|                             |               | I CAD Capitalisation 157.97     |
|                             |               | I SGD Capitalisation 158.34     |
|                             |               | I GBP Capitalisation 188.65     |

| 12 month performance to March % | 2018 | 2019 | 2020  | 2021 | 2022 |
|---------------------------------|------|------|-------|------|------|
| RTRI I cap £                    | -1.4 | -1.6 | 3.8   | 22.8 | 8.9  |
| RTRI I cap €                    | -2.4 | -2.9 | 2.5   | 22.1 | 8.1  |
| FTSE All-Share TR £             | 1.2  | 6.4  | -18.5 | 26.7 | 13.0 |
| FTSE Govt All-Stocks TR £       | 0.5  | 3.7  | 9.9   | -5.5 | -5.1 |

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# Ruffer Total Return International as at 31 Mar 2022

## Asset allocation



### Asset allocation %

|                                   |      |
|-----------------------------------|------|
| ● Index-linked gilts              | 14.3 |
| ● Gold exposure and gold equities | 10.4 |
| ● Short-dated bonds               | 10.1 |
| ● Long-dated index-linked gilts   | 9.4  |
| ● Non-UK index-linked             | 7.7  |
| ● Cash                            | 6.7  |
| ● Illiquid strategies and options | 6.1  |

|                          |      |
|--------------------------|------|
| ● UK/Europe equities     | 21.3 |
| ● North America equities | 6.1  |
| ● Japan equities         | 5.6  |
| ● Other equities         | 2.3  |

### Currency allocation %

|                     |      |
|---------------------|------|
| ● Sterling          | 62.0 |
| ● US dollar         | 13.6 |
| ● Yen               | 7.8  |
| ● Australian dollar | 5.5  |
| ● Euro              | 0.7  |
| ● Other             | 10.4 |

## Currency allocation



## 10 largest equity holdings\*

| Stock                          | % of fund |
|--------------------------------|-----------|
| BP                             | 3.2       |
| Shell                          | 2.2       |
| Bayer                          | 1.6       |
| Ambev SA                       | 1.6       |
| GlaxoSmithKline                | 1.2       |
| Banco Santander                | 1.1       |
| Cigna                          | 1.0       |
| Mitsubishi UFJ Financial Group | 1.0       |
| ORIX Corporation               | 1.0       |
| Vodafone Group                 | 1.0       |

## 5 largest bond holdings

| Stock                                | % of fund |
|--------------------------------------|-----------|
| UK Treasury index-linked 1.875% 2022 | 7.8       |
| US Treasury 0.625% TIPS 2023         | 5.7       |
| UK Treasury index-linked 2.5% 2024   | 4.9       |
| UK Treasury index-linked 0.125% 2068 | 3.5       |
| UK Treasury index-linked 0.125% 2065 | 2.8       |

\*Excludes holdings in pooled funds

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

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.

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Fund size £4,921.7m

## Fund information

|  |  |
|--|--|
| Ongoing Charges Figure                               | 0.94   |
| Maximum annual management fee (I class)              | 1.0  |
| Annual management fee                                | 0.9  |
| 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 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 | EUR I cap | CHF I cap    | USD I cap | GBP I dis    | SEK I cap | USD I dis    | CAD I cap | SGD I cap    | GBP I cap |
|----------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| LU0638558394   | B4LVH08   | LU0638558477 | B4QLM86   | LU0638558550 | B4L04N7   | LU0779209195 | B8BHYH0   | LU0923103534 | B94R6P6   |
| LU0955560437   | BCDYZK7   | LU1296766634 | BYSW6J6   | LU1400661093 | BD2YGL3   | LU0638558121 | B4WP6Q8   |              |           |

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 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 28 February 2022, assets managed by the Ruffer Group exceeded £25.3bn.

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