

Ruffer Total Return International

Positive returns with low volatility

During December the fund was up +0.6%.

A new year, a new beginning. Many investors may find themselves limping into 2023 with a growing sense of crisis fatigue from the last few years. Contrastingly, we find ourselves rather energised as events are broadly sweeping in the direction we have spent years preparing for.

At the moment, a benign market outcome in 2023 depends on an almost impossible trinity: a short and shallow recession, a rapid decline in inflation and an aggressive Fed pivot. Not impossible, but would you bet on it? Why would inflationary pressures, so broad-based as we enter 2023, suddenly dissipate? And even if they do, won't that be because a recession has driven unemployment up? How quickly can a Fed, so concerned about letting the inflation genie out of the bottle, realistically reverse course? If the real economy is deteriorating fast enough that inflation will drop like a stone, then why wouldn't investors also price in significant downside to corporate earnings? We don't have reasonable answers to these questions, but we do have a plan.

In the near term, we are somewhat positioned for a disinflationary lurch on the inflationary journey, bond yields coming down and a bumpy recessionary landing. We are waiting for the opportune moment to pivot towards a portfolio positioned for higher nominal growth alongside inflation and financial repression – but it's not yet. So there is a degree of what appears to be cognitive dissonance in our portfolio construction, because the portfolio we believe you want for the coming six to nine months is almost entirely different from the strategic portfolio you might want to navigate the coming decade. The risk is we are trying too hard; the danger is, by not trying to navigate through choppy markets, investors could get hurt.

We go into the year prepared for an uncomfortable ride. The first half of the year could instead be about an unusually durable US economy, sticky inflation, and a higher peak in interest rates. Alternatively, the market may be saved from further hawkishness but only because the recession happens earlier, and at greater speed. Neither has a happy ending for investors.

The setup points to significant volatility as market participants grapple with narrative swings and shifting financial conditions. We recognise we will need to trade actively to preserve capital in these choppy waters and are ready to change our views as circumstances change. For now, equities remain at their lowest level in our history – 12% gross and around zero net of option protection – though in December we added a 3% position to oil futures via an ETC and have rebuilt gold exposure towards 5%.

These periods are processes, not events. Asset markets are down, investors are impatient to buy the dip and return to money-making. These things take time: there were six months between Northern Rock and Bear Stearns and a further six months before Lehman Brothers. Patience and preparation are our watchwords and, in the meantime, for the first time in 14 years, you are starting to be paid a decent return to wait.

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.

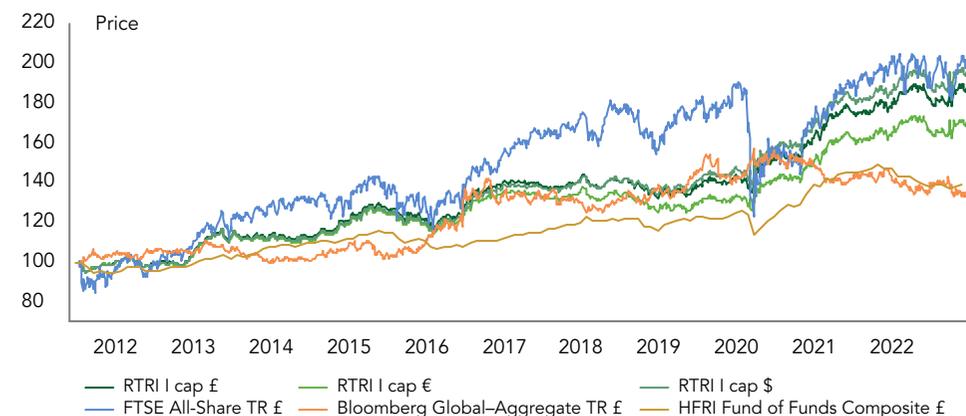


Investment objective

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 I cap shares %	GBP	EUR	USD	Share price as at 31 December 2022	
December 2022	0.6	0.4	0.7	I EUR Capitalisation	1.7170
Year to date	6.2	4.6	6.7	I CHF Capitalisation	1.6399
1 year	6.2	4.6	6.7	I USD Capitalisation	1.9765
3 years	32.1	28.3	34.1	I GBP Distribution	1.8383
5 years	34.1	27.0	40.3	I SEK Capitalisation	1.7547
10 years	83.0	66.9	91.4	I USD Distribution	1.9245
				I CAD Capitalisation	1.5960
				I SGD Capitalisation	1.5971
				I GBP Capitalisation	1.8948

12 month performance to December %	2018	2019	2020	2021	2022
RTRI I cap £	-6.3	8.3	13.3	9.7	6.2
RTRI I cap €	-7.4	6.8	12.5	9.0	4.6
RTRI I cap \$	-5.0	10.1	14.3	9.9	6.7
FTSE All-Share TR £	-9.5	19.2	-9.8	18.3	0.3
Bloomberg Global-Aggregate TR £	4.9	2.7	5.8	-3.8	-5.7
HFRI Fund of Funds Composite £	1.9	4.2	7.5	7.2	0.0

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 31 Dec 2022

Asset allocation



Asset allocation	%
Short-dated bonds	32.3
Index-linked gilts	15.5
Cash	11.1
Non-UK index-linked	9.4
Long-dated index-linked gilts	5.5
Gold exposure and gold equities	5.0
Illiquid strategies and options	4.7
UK/Europe equities	8.1
Oil exposure	3.1
North America equities	3.0
Japan equities	1.6
Other equities	0.5

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

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10 largest equity holdings*

Stock	% of fund
BP	1.9
Ryanair	0.6
Glencore	0.6
Ambev SA	0.5
ArcelorMittal	0.5
Yara International	0.4
Hoya	0.4
Unilever	0.4
NEC	0.4
Synchrony Financial	0.3

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	7.6
UK Treasury index-linked 0.125% 2024	6.6
US Treasury 0.625% TIPS 2023	6.1
US Treasury FRN 31 Oct 2024	5.4
US Treasury FRN 31 Jul 2024	4.0

*Excludes holdings in pooled funds

Fund size £5,663.6m €6,383.5m

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	Currency	Cap	ISIN	ISIN
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	
GBP	I cap	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 the University of Oxford.



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 30 November 2022, assets managed by the Ruffer Group exceeded £26.1bn.

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