

Ruffer Total Return International

Positive returns with low volatility

January was an extremely strong month for almost all asset classes – the best start to the year for US and European equity markets since 2019 and 2015 respectively. Bonds rallied strongly as well. Indeed, the only major asset that did not rise in January was oil.

What drove such a strong month? The answer lies in the market’s expectations of future events and how they have changed since October. Three factors matter most: firstly, a more emollient tone from the Federal Reserve in the US. As inflation and economic data has softened, and the Federal Reserve has reflected this by slowing the pace of interest rate hikes, the market has moved quickly to rule out the possibility of the US being driven into a significant recession.

Secondly, the warm winter in Europe has allowed energy prices to fall dramatically (European gas prices have now fallen 85% from their peak in August) and thus eliminate the concerns over European stagflation. And finally, the chaotic and rapid Chinese reopening has driven up market expectations of global economic growth in 2023, particularly in those spots where it was weakest such as European manufacturing and Chinese real estate.

All this contributed to a rapid reduction in fears of possible ‘bad outcomes’ for the market, and this has been reflected in a massive 50% decline in equity volatility and a 40% decline in bond volatility since October, accelerating in January and supporting a huge increase in risk-taking in the financial system. All the assets which performed worst last year have performed best so far this year, from cryptocurrencies to the 60/40 balanced portfolio.

The fund’s risk assets have participated in this rally, but the protection assets have almost entirely cancelled that out. Ultimately, we don’t think the major asset classes have repriced sufficiently to reflect a (US) risk-free rate of 4.5% or higher, meaning that we see few good risk-reward opportunities. The market is salivating at the prospect of Federal Reserve interest rate cuts beginning in the summer; it might be right, but the rally means that it will now be painful if the cuts aren’t delivered. We remain defensively positioned and think it prudent to watch proceedings from the sidelines: our focus is on balancing the portfolio to make sure it retains its ability to protect capital in the drawdown that we expect will be visible later in the year. Better to live to fight another day!

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.

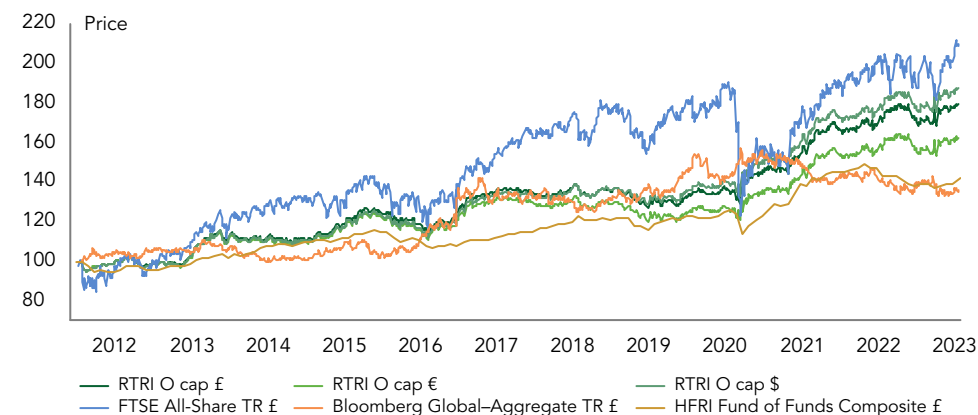


Investment objective

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 O cap shares %	GBP	EUR	USD	Share price as at 31 January 2023				
January 2023	0.1	0.0	0.2	O CHF Capitalisation	1.5449			
Year to date	0.1	0.0	0.2	OI EUR Capitalisation	1.6207			
1 year	4.2	2.6	4.8	O EUR Capitalisation	1.6194			
3 years	32.9	29.0	34.9	O GBP Capitalisation	1.7899			
5 years	31.2	24.2	37.3	O USD Capitalisation	1.8685			
10 years	65.3	50.7	73.2	OI USD Capitalisation	1.8696			
12 month performance to December %				2018	2019	2020	2021	2022
RTRI O cap £				-6.7	7.8	12.7	9.2	5.7
RTRI O cap €				-7.8	6.3	11.9	8.5	4.0
RTRI O cap \$				-5.4	9.6	13.6	9.4	6.2
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	6.6

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 Jan 2023

Asset allocation



Asset allocation	%
● Short-dated bonds	27.2
● Index-linked gilts	15.1
● Cash	9.6
● Non-UK index-linked	9.3
● Long-dated index-linked gilts	6.7
● Gold exposure and gold equities	5.4
● Illiquid strategies and options	2.5
● Global funds	0.5
● UK/Europe equities	10.1
● Commodity exposure	5.8
● North America equities	4.4
● Japan equities	2.3
● Asia ex-Japan equities	0.6
● 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. A Summary of Investor Rights is available in English from 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
BP	2.2
Ryanair	0.8
ArcelorMittal	0.6
Glencore	0.6
Synchrony Financial	0.6
ORIX	0.6
Ambev SA	0.5
Bayer	0.5
Hoya	0.5
Yara International	0.4

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	7.4
UK Treasury index-linked 0.125% 2024	6.4
US Treasury 0.625% TIPS 2023	5.9
US Treasury FRN 31 Oct 2024	5.2
US Treasury FRN 31 Jul 2024	3.9

*Excludes holdings in pooled funds

Fund size £5,752.3m €6,520.6m

Fund information

					%
Ongoing Charges Figure					1.45
Maximum annual management fee (O class)					1.5
Annual management fee					1.4
Maximum subscription fee					5.0
Minimum investment (or equivalent in other currency)					£1,000
O share classes				Capitalisation only (equivalent to accumulation)	
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 O cap	LU0638558808	B4R1SD2		
	EUR OI cap	LU2252564898	BMYP2W0		
	EUR O cap	LU0638558717	B42NV78		
	GBP O cap	LU0638558634	B41Y053		
	USD O cap	LU0638558980	B449LX0		
	USD OI cap	LU2252564971	BMYP2X1		
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 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. Ruffer LLP or FundPartner Solutions (Europe) S.A. may terminate arrangement for marketing of the fund under new Cross-border Distribution Directive denotification process.

Fund Managers

Jacques Hirsch

RESEARCH 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 31 December 2022, assets managed by the Ruffer Group exceeded £26.3bn.

Enquiries

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

FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data and no party may rely on any FTSE indices, ratings and/or underlying data contained in this communication. No further distribution of FTSE Data is permitted without FTSE's express written consent. FTSE does not promote, sponsor or endorse the content of this communication. The HFRI Fund of Funds Composite Index is being used under license from Hedge Fund Research, Inc., which does not approve of or endorse the content of this communication.

Notice for Investors in Switzerland: 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.