

Ruffer Total Return International

Positive returns with low volatility

Higher global yields and fears about slowing economic growth in Europe and China saw the major bond and equity markets decline in August. The fund retreated, too, as market declines were not sharp or deep enough to trigger our potent derivative protections.

No single factor drove global yields higher. Instead, a smorgasbord of drivers included: 'higher for longer' interest rate policies amidst persistent inflation; heavy planned US Treasury issuance; robust US economic data; and Fitch's US government credit rating downgrade, which highlighted the scale of the Federal deficit – already a whopping 6.5%, with full employment! The fund's long-dated UK and US inflation-protected bonds suffered from the rise in yields. These should rally in the event of recession.

In Europe, flash PMIs (economic outlook indicators) pointed to a sharp contraction. Meanwhile, China's re-opening is spluttering. Its c \$60tn property market is reeling after years of regulatory pressure, deteriorating demography, shaken household confidence and a broken Ponzi-esque funding model. Piecemeal stimulus measures from Beijing have so far failed to reassure investors, but there's little in the price for good news. We believe fatter market tail risks from China's economy – and politics – will remain with us for years to come. Expect surprises.

China stocks aside, equity markets' August retreat was relatively orderly. An uneventful earnings season plus a lack of policy or inflation shocks has kept volatility ('vol') in markets low. That has kept the vol-targeting machine-led investment strategies – so powerful in today's markets – invested. The fund's small equity allocation retreated with indices but, given the steady nature of the market decline, our derivatives have yet to kick in, so were a small performance drag. The same goes for our c 16% position in the yen, which declined modestly despite the Bank of Japan's relaxation of yield curve control in July. Just like the derivatives, a significant market shock could see dramatic yen appreciation. Our c 8% oil position was the primary positive contributor, helped by continued OPEC supply-side discipline.

Markets still believe in a 'soft landing' – inflation dissipates without a recession. Yet we stick to our increasingly unfashionable belief that record monetary tightening's full impact has yet to be felt. Locked-in low rates and faster nominal GDP growth have likely deferred – but not de-fanged – the biting point. Even America's remarkably robust economy is displaying cracks. Covid-era excess savings have been spent; consumer confidence is slowing; Q2 GDP growth and recent payrolls were revised lower; US department stores are reporting rising credit card delinquencies.

Central banks could soon find themselves in a much trickier situation as inflation 'base effects' and (now rising) energy prices switch from being disinflationary tailwinds to inflationary ones. If economies continue to slow, this could raise recession risk by forcing central banks to stay inappropriately tight. But if economies reaccelerate – especially in the US – it raises the spectre of a second inflationary wave, with further rate hikes. From our derivatives to dollars, yen to bonds, the fund remains well-positioned for the reassertion of gravity in financial markets, and the opportunities that will lie beyond.

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.



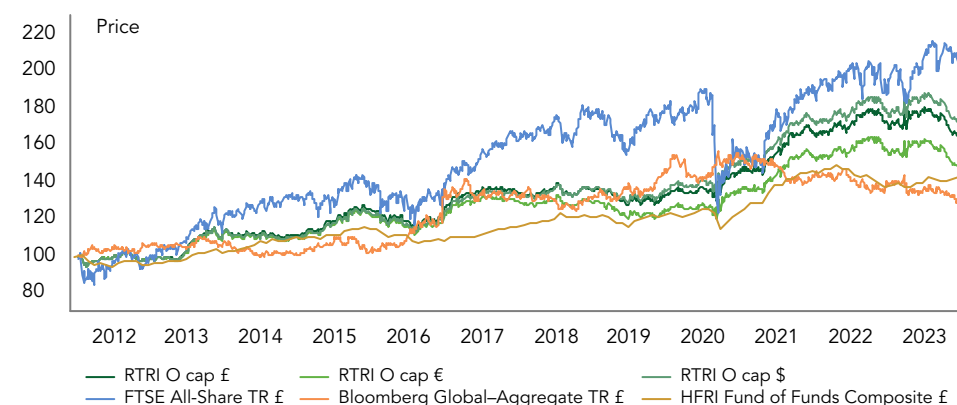
O and OI classes August 2023 Issue 146

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 August 2023					
August 2023	-1.4	-1.5	-1.4	O CHF capitalisation 1.3835					
Year to date	-8.5	-9.5	-8.1	OI EUR capitalisation 1.4674					
1 year	-5.7	-7.3	-5.0	O EUR capitalisation 1.4659					
3 years	11.5	7.7	13.0	O GBP capitalisation 1.6352					
5 years	20.9	14.1	25.9	O USD capitalisation 1.7125					
10 years	46.3	32.6	54.1	OI USD capitalisation 1.7139					
12 month performance to June %				2019	2020	2021	2022	2023	
RTRI O cap £				-3.1	10.2	14.9	2.8	-3.9	
RTRI O cap €				-4.4	9.1	14.1	1.9	-5.5	
RTRI O cap \$				-1.5	11.7	15.3	3.0	-3.1	
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 31 Aug 2023

Asset allocation



Asset allocation	%
● Short-dated bonds	37.4
● Non-UK index-linked	13.2
● Cash	9.6
● Long-dated index-linked gilts	8.7
● Gold exposure and gold equities	5.4
● Illiquid strategies and options	2.0
● Index-linked gilts	0.8
● Commodity exposure	8.4
● UK/Europe equities	7.5
● North America equities	4.0
● Asia ex-Japan equities	2.5
● Other equities	0.5

10 largest equity holdings*

Stock	% of fund
iShares MSCI China A UCITS ETF	1.2
BP	0.9
Alibaba Group Holding	0.8
Ryanair	0.7
Taiwan Semiconductor Manufacturing Co	0.5
Bayer AG	0.5
Ambev SA	0.5
Amazon	0.4
Glencore	0.4
GlaxoSmithKline	0.3

5 largest bond holdings

Stock	% of fund
US Treasury FRN 31 Jan 2024	6.6
US Treasury 0.625% TIPS 2024	6.1
US Treasury FRN 31 Oct 2024	5.8
US Treasury FRN 31 Jan 2025	3.8
Australian govt bonds 2.75% 2024	3.5

*Excludes holdings in Ruffer funds

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

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Fund size £5,361.5m €6,259.6m

Fund information

Ongoing Charges Figure	1.55
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.

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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 July 2023, assets managed by the Ruffer Group exceeded £24.7bn.

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