

Ruffer Total Return International – Australia Fund

Positive returns with low volatility

Might discretion be the better part of valour? So far this year it seems not. Taking a cautious view on markets for the first five months of 2023 has proved a painful experience. The fund, with its focus on protection assets, is down by about 7% this year, giving back broadly what we made last year as markets tumbled.

Losing money for clients is always painful, but we have been here before. For more than a quarter of a century now, Ruffer has protected investors from every major market crisis.* In order to achieve this, however, we have at times delivered dull or disappointing short-term performance. Losing money in 1999 in the tech bubble, flatlining in the easy markets of 2006-2007 and struggling in the run up to the covid crisis. Strikingly, each of our disappointing periods has come before a sharp decline in stock markets, as we focused portfolios more on protection than growth, albeit often seemingly too early. We have been willing to sit on the sidelines as we wait for the problems we have identified to manifest themselves, even if that means suffering the costs of holding protection with progressively less on the growth side of the ledger as an offset.

We are where we are for a reason. With a 5.25% risk free return available in US money market funds, cash has only been such an attractive alternative to equities twice this century: in 2000, during the tech bubble and in 2007, just before the financial crisis. Neither period ended well for investors, and we fear a similar outcome could be lying in wait for markets now. Even more worrying is what happened after these crises. In both 2000 and 2008 markets were immediately ‘medicated’ by dramatic interest rate cuts. Today, a similar rescue may be difficult. With inflation more persistent than promised, central bankers would have to choose between monetary stability (fighting inflation) or financial stability (supporting markets). Add into this worrying picture a TMT-like boom concentrated in just a few US stocks (year to date the unweighted S&P 500 is actually down in price terms).

All of this points to an emphasis on protection rather than growth, though as ever we aim for an appropriate balance of ‘fear’ and ‘greed’ so as to make time our friend. We are confident our protection assets will more than prove their worth and whilst timing is always difficult, we would always choose being too early over being too late. This year, however, it has more been our focus on commodities for our growth exposure that has failed to offset the costs of holding protection.

For us, this certainly looks like a situation where ‘discretion’ should still prove to be the better part of ‘valour’. Taking a cautious view so far this year has been painful, but we think the evidence suggests caution may win out.

*Past performance is not indicative of future performance.

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. This financial promotion is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the UK Financial Conduct Authority © Ruffer LLP 2023



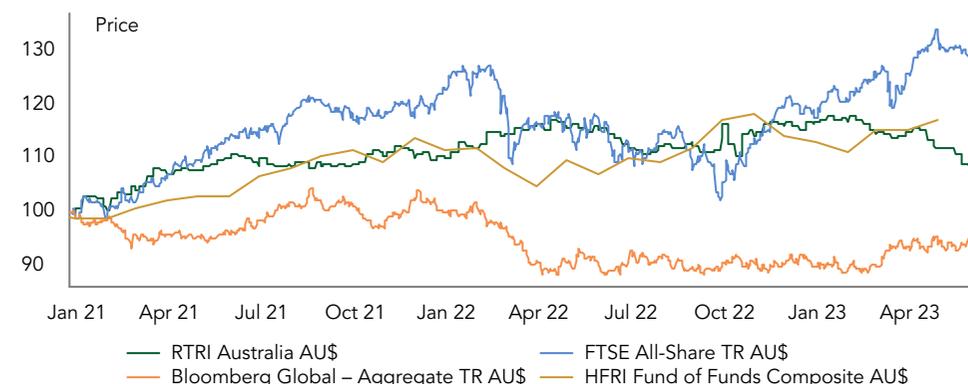
Investment objective

The investment objective of 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. Returns are not guaranteed.

Target Market Summary

This product is likely to be appropriate for a consumer seeking capital growth and capital preservation to be used as a core or satellite component within a portfolio where the consumer has a minimum five year investment timeframe, medium to high risk/ return profile and needs weekly access to capital.

Performance since sub-fund launch on 24 December 2020



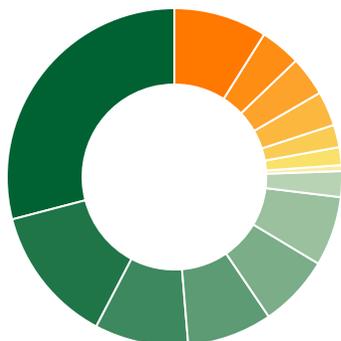
RTRI Australia capitalisation shares	Performance %	As at 31 May 2023	AUD
May 2023	-3.0	Unit price	1.0870
Year to date	-7.1	Source: Ruffer LLP, RTRI – Australia Fund.	
1 year	-5.9	Past performance is not an indicator of future performance.	
Since Inception	8.7		

12 month performance to March %	2022	2023
RTRI Australia AU\$	8.7	-1.3
FTSE All-Share TR AU\$	9.4	8.4
Bloomberg Global – Aggregate TR AU\$	-5.1	3.1
HFRI Fund of Funds Composite AU\$	2.6	10.0

Source: Ruffer LLP, FTSE International, Bloomberg, HFRI. Ruffer performance is shown in AUD after deduction of all fees and management charges, and on the basis of income being reinvested. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter. The comparator benchmarks shown are those of the underlying fund, hedged in AUD, which were chosen because they represent the investible universe of the strategy, both in terms of instruments and geographies.

Ruffer Total Return International – Australia Fund as at 31 May 2023

Asset allocation – underlying fund (RTRI)



Asset allocation	%
● Short-dated bonds	29.0
● Non-UK index-linked	13.3
● Index-linked gilts	9.0
● Cash	8.3
● Long-dated index-linked gilts	6.9
● Gold exposure and gold equities	6.7
● Protection strategies	2.4
● Commodity exposure	8.9
● UK equities	4.0
● North America equities	3.7
● Europe equities	3.4
● Asia ex-Japan equities	2.1
● Japan equities	1.8
● Other equities	0.6

10 largest equity holdings*

Stock	% of fund
iShares MSCI China A UCITS ETF	0.9
Ryanair	0.8
Bayer AG	0.7
Hoya	0.6
Ambev SA	0.6
Alibaba Group Holding	0.6
Taiwan Semiconductor Manufacturing Co	0.6
Glencore	0.4
BP	0.3
Amazon	0.3

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	6.6
US Treasury 0.625% TIPS 2024	6.0
UK Treasury 0.125% 2024	5.2
US Treasury FRN 31 Oct 2024	4.5
US Treasury 0.125% TIPS 2052	3.6

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

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Fund size **AUD\$268.1m**

Fund information

	%
Asset class	Multi-Asset
Fund inception date	24 December 2020
Fund base currency	AUD
Fund structure	Managed Investment Scheme
Fund regulator	The Australian Securities and Investments Commission (ASIC)
Distribution	Annual, although not expected. The year end is 30 June

APIR	ISIN	ARSN
PIM1038AU	AU60PIM10382	643 278 693

Bloomberg	PIM1038 AU
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Buy/sell spread	0%
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Minimum initial investment	AUD\$20,000
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Management costs	1.07% per annum of the net asset value of the Fund comprising: Fund level fees and costs of 0.9% Indirect costs of 0.17%
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Dealing Day	Weekly, typically a Thursday*
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Subscription and redemption cut-off	Weekly, typically 2pm Friday*
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Subscription and redemption settlement dates	T+5, typically a Thursday*
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Investment Manager	Ruffer LLP
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Responsible Entity	The Trust Company (RE Services) Limited
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Custodian and Administrator	Apex Fund Services Pty Ltd
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Auditors	Ernst & Young
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*The Fund's Dealing Day, subscription and redemption cut-off will be impacted by public holidays in Luxembourg, the UK and/or Australia. Impacted dates are available from ruffer.co.uk/rtri-au



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 30 April 2023, assets managed by the Ruffer Group exceeded A\$49.4bn.

Enquiries

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