

Ruffer Total Return International

Positive returns with low volatility

During December, the fund price rose by 2.2%. This compared with a rise of 3.9% in the FTSE All-Share and an increase of 1.6% in the FTSE Govt All Stocks Index (all figures total returns in sterling). This brought the return for 2020 to +13.1%, which was a good result relative to the fund's objectives, both in terms of the absolute performance and also in the all-weather nature of the positive returns made in rising and falling markets.

Christmas may have been cancelled for millions but, for markets, December continued to proffer gifts: equities, bonds and gold all rose. November's historic vaccine-induced recovery of value stocks may have waned as the second wave broke, but this weakness gave us the chance to add to favoured names. So, too, did the back and forth of political pantomimes. In America, Congress played chicken over additional fiscal stimulus, agreeing a deal at the eleventh hour. In the UK, Brexit's 'Deal or No Deal?' festive special ran to the wire, but the resulting deal should be enough to remove the uncertainties that have made UK stocks anomalously cheap. Profit-taking elsewhere kept the fund's equity allocation largely unchanged at around 40%. Equities accounted for over 2% of performance in December.

Gold exposure added a further 0.4% and it remains a key protection against accelerating paper currency debasement, alongside the inflation-protected bonds (c 35%) which did little this month. In December, as for 2020 as a whole, the tsunami of crisis stimulus helped lift most financial asset prices whose returns disguise the underlying human and economic tragedies of the pandemic. Gold rose 25% (in USD) over the year and mining stocks held in the fund did better still, making them one of the biggest performance contributors for 2020. But new redoubts against currency compromise may also be emerging. As Brexit talks entered their unpredictable final stretch, we increased exposure to the US dollar (from around 7% to 17%). The greenback could still prove a powerful protection in a world starved of conventional offsets if volatility erupts again. With the pound rising into the Brexit deal, dollar exposure was a small headwind.

What of the road ahead? Froth is clearly building in some corners of the market as evidenced by booming IPOs and the use of blank-cheque SPACs (Special Purpose Acquisition Companies). But market consensus expects that the combination of ongoing fiscal and monetary support, pent-up demand and vaccine-induced economic re-opening will drive another positive year for stocks and a rotation of 'growth' to 'value' sectors. If so, the portfolio's bias to economically sensitive equities should power returns. Yet 2020's lived experience surely underlines the need to prepare for the unexpected. It also suggests investors should focus more on what Michele Wucker described as 'gray rhinos': big risks hiding in plain sight which are ignored. Ballooning debt, inflation risk, currency compromise and political instability are clear examples. 2020 has acted as a 'great acceleration' of existing trends, fattening these 'gray rhinos' and making a world of higher volatility and deeper financial repression more likely. It will pay to be prepared. As always, we retain a balance of assets to protect and grow your investment whatever the weather.

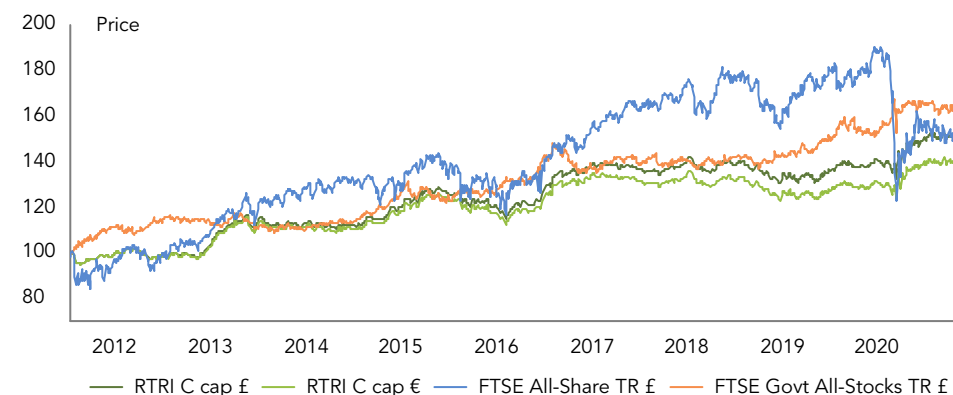
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.



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



C GBP capitalisation shares	Performance %	Share price as at 31 December 2020
December 2020	2.2	C CHF capitalisation 141.82
Year to date	13.1	C EUR capitalisation 147.91
1 year	13.1	C EUR distribution 145.86
3 years	14.4	C GBP capitalisation 159.73
5 years	32.0	C GBP distribution 156.09
		C GBP income 148.78
		C USD capitalisation 165.46
		C USD distribution 163.28

12 month performance to December 2020 %	2016	2017	2018	2019	2020
RTRI C cap £	14.3	1.0	-6.5	8.1	13.1
RTRI C cap €	30.8	4.0	-6.5	0.7	18.6
FTSE All-Share TR £	16.8	13.1	-9.5	19.2	-9.8
FTSE Govt All-Stocks TR £	10.1	1.8	0.6	6.9	8.3

Source: Ruffer LLP, FTSE International (FTSE) †

Ruffer Total Return International as at 31 Dec 2020

Asset allocation



Asset allocation	%
● Non-UK index-linked	21.2
● Long-dated index-linked gilts	8.5
● Illiquid strategies and options	7.8
● Index-linked gilts	6.9
● Gold and gold equities	6.9
● Short-dated bonds	3.6
● Cash	2.5
● UK equities	14.7
● North America equities	9.7
● Japan equities	9.3
● Europe equities	6.7
● Asia ex-Japan equities	2.2
Currency allocation	%
● Sterling	71.2
● US dollar	15.5
● Gold	6.9
● Yen	2.5
● Euro	0.7
● Other	3.2

Currency allocation



10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.4
iShares Physical Gold	2.2
Barclays	1.6
NatWest Group	1.4
Charles Schwab	1.3
Vinci	1.3
Ambev SA	1.2
Fujitsu	1.2
ORIX Corporation	1.2
Rohm	1.1

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	6.9
UK Treasury index-linked 0.125% 2068	5.5
UK Treasury 1.5% 2021	3.6
US Treasury 0.625% TIPS 2021	3.4
US Treasury 0.25% TIPS 2050	3.1

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

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Fund size £2,377m

Fund information

Ongoing Charges Figure	1.12
Maximum annual management fee (C class)	1.2
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	£10,000,000
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 calendar 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 C cap	EUR C cap	EUR C dis	GBP C cap	GBP C dis	USD C cap	USD C dis	
	LU0638557743	B45L1M4	LU0638557669	B4MRCS8	LU0779208544	B8BH14	LU0638557586	B4XQ109
					LU0638558048	B4X19Y4	LU1220904186	BWXC1G9
							LU0638557826	B4WPB22
							LU0779208890	B8BH14

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 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.

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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.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2020, assets managed by the Ruffer Group exceeded £20.3bn.

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