

Ruffer Total Return International

Positive returns with low volatility



I class December 2019 Issue 102

During December the fund price rose by 1.9%. This compared with a rise of 3.3% in the FTSE All-Share Index and a fall of 1.3% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

One of the notable changes in recent years has been the relentless flow of shocking news events. It is scarcely believable that in a single month we could witness the impeachment of a US president, a decisive political shift in the UK General Election, the announcement of a new head of the Bank of England, the agreement of a trade deal between the world's two largest economies and a possible reinterpretation of the mandate of the world's most influential central bank. And yet all these events occurred in December alone. What is more, investors have become immune to this level of sensational activity to such an extent that markets hardly flinched in either direction. For better or worse, these are truly medicated markets, driven by liquidity flows more than fundamentals.

We had already hedged much of our overseas currency exposure prior to December and this insulated the portfolio from further sterling strength in the run up and aftermath of the Tory election victory. Furthermore, the 35% reduction in the duration of the index-linked book, after a strong run through the summer, has helped. While focus will quickly shift to the mechanics of a UK/EU trade deal, the UK economy looks set to benefit from greater political certainty and forward momentum on Brexit. This will draw in capital, which had been sidelined while global investors waited to see which way the cards would fall in the election. We should expect to see a pick-up in corporate activity and probably rising consumer confidence even if the fiscal boost takes longer to come through. UK assets look cheap in an expensive world even after the post election bounce. In recent months we have been adding to UK equities which now represent the portfolio's largest geographical equity allocation. These holdings contributed strongly to December's performance.

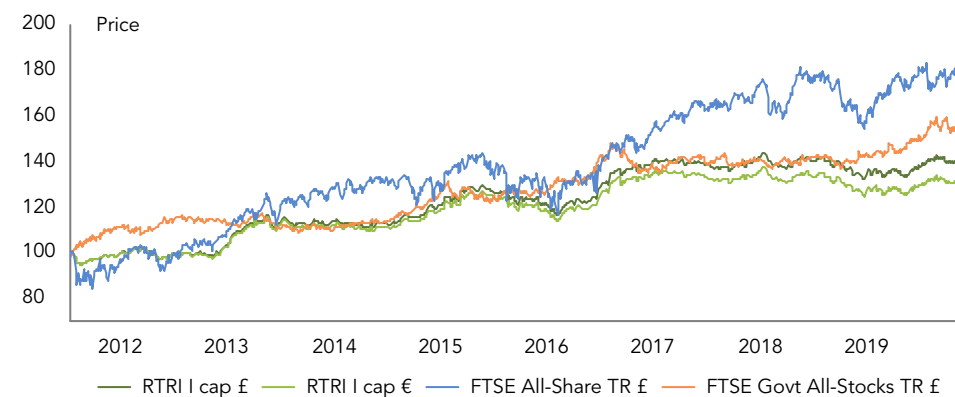
Looking forward, while we see opportunities in equity markets, we worry about the combination of highly indebted corporates and consumers, widespread insouciance on inflation and growing concerns about liquidity mismatches. A year ago no one thought that markets would rise in the coming year and now no one thinks that they can fall. We remain positioned to protect and grow our investors' assets in either outcome.

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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



Performance %	December 2019	Year to date	1 year	3 years	5 years
I GBP capitalisation shares	1.9	8.3	8.3	2.8	18.6

Percentage growth (I GBP cap)	%	Share price as at 31 December 2019
31 Dec 2018 – 31 Dec 2019	8.3	I EUR capitalisation 133.85
31 Dec 2017 – 31 Dec 2018	-6.3	I CHF capitalisation 128.63
31 Dec 2016 – 31 Dec 2017	1.2	I USD capitalisation 147.42
31 Dec 2015 – 31 Dec 2016	14.5	I GBP distribution 139.90
31 Dec 2014 – 31 Dec 2015	0.8	I SEK capitalisation 135.60
		I USD distribution 144.51
		I CAD capitalisation 119.76
		I SGD capitalisation 119.64

Source: Ruffer LLP, FTSE International (FTSE) †

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.

Ruffer Total Return International as at 31 Dec 2019

Asset allocation



Asset allocation %

● Non-UK index-linked	16.5
● Cash	9.2
● Illiquid strategies and options	8.2
● Long-dated index-linked gilts	8.2
● Gold and gold equities	6.8
● Short-dated bonds	6.2
● Index-linked gilts	1.6

● UK equities	15.3
● North America equities	11.8
● Japan equities	9.9
● Europe equities	4.4
● Asia ex-Japan equities	2.0

Currency allocation %

● Sterling	81.1
● Yen	7.9
● Gold	6.8
● Euro	2.1
● Other	2.1

Currency allocation



10 largest of 52 equity holdings*

Stock	% of fund
Bristol-Myers Squibb	2.4
Royal Bank of Scotland	2.1
Lloyds Banking Group	2.1
Walt Disney Company	2.0
Hennes & Mauritz	1.6
Tesco	1.5
Fujitsu	1.5
ORIX Corporation	1.3
National Oilwell Varco	1.3
Whitbread	1.2

5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2068	5.1
US Treasury TIPS 1.25% 2020	3.8
US Treasury 0.125% TIPS 2021	3.7
US Treasury 0.625% TIPS 2021	3.5
UK Treasury index-linked 0.375% 2062	3.1

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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The fund data displayed is designed only to provide summary information and the report 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.

Fund size **£1,857.8m**

Fund information

	%
Ongoing Charges Figure	0.93
Maximum annual management fee (I class)	1.0
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 first 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	SEDOL
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	
AUD	I cap	LU1534125882	BDRKVG6	

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 2019, assets managed by the Ruffer Group exceeded £19.8bn.

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