

Ruffer Total Return International

Positive returns with low volatility



O class May 2020 Issue 107

During May, the fund price rose by 1.4%. This compared with a rise of 3.4% in the FTSE All-Share Index and no change in the FTSE Govt All Stocks Index (all figures total returns in sterling).

Stock markets continued to try and put the events of March down as a bad dream, with equities again moving higher. The slowdown in the level of cases in the developed world combined with some easing of lockdown restrictions has given hope that the global economy will recover and in reasonably short order. The anaesthetic of central banks stimulus has once again been sufficient to postpone all ills. As was the case in April, gold mining equities were the largest contributor to returns. The gold price only rose by 2.6% during the month, but mining equities rose in some cases by more than 10%.

Looking at the surface one might assume that not much has changed, but within equity markets there were signs of a shift in tone. The NASDAQ, with its tilt towards technology companies, remained one of the better performing equity markets globally. The fund holds its own expressions of the technology world via the likes of Ocado (+71% for the year to date) and eHealth (+36%), as well as an allocation to US healthcare, a relative outperformer. Most of our equity exposure, however, remains in more unfashionable areas. These companies tend to be more geared into the real economy and this has been an uncomfortable place to be, but the tail end of the month hinted at a possible shift in market favour.

The late month rotation into more cyclical equities was apparently catalysed by the announcement of an EU recovery plan. Whilst there will inevitably be further infighting within the eurozone, and objections from those that trumpet austerity, the market regards the plan as a step toward fiscal co-ordination. This seeming breakthrough led to the euro strengthening, and importantly allowed the US dollar to weaken, taking the pressure off some of the more vulnerable economies within emerging markets. If this rotation is 'for real' the equity exposure in the fund will perform handsomely. If this turns out to be another false start, we should continue to see benefits from the inflation-linked bonds and gold.

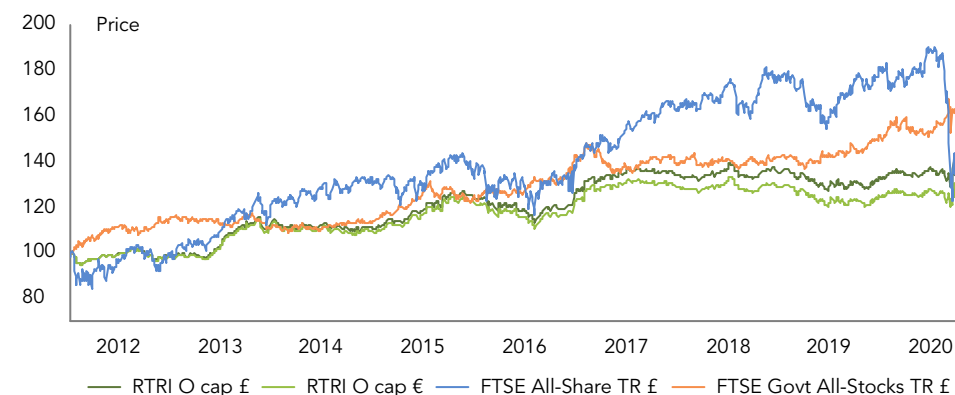
The last two months have provided credence to the view that central banks will forever be able to control the path of asset prices. We would argue differently: in the last three months governments have adopted a wartime response of huge, debt-funded fiscal spending, aided by central bank liquidity, and in the process are dismantling the anti-inflation bias constructed after the 1970s. This means we could quite quickly see the inflationary consequences of deep financial repression. Such a change could lead to a very different (and potentially more dangerous) market environment for investors.

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, Finland, France, Germany, Ireland, Italy (qualified investors only), Luxembourg, the Netherlands, Portugal, Singapore (institutional and accredited investors only), Spain, Sweden, Switzerland (qualified investors only) and the UK. The fund's prospectus is provided in English and French; Key Investor Information Documents are provided in Dutch, English, French, German, Italian, Portuguese, Spanish and Swedish and are available on request or from ruffer.co.uk. Ruffer LLP is not able to market RTRI in other countries, except under certain exemptions. In line with the Prospectus, it is possible that at any one time Ruffer Total Return International 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.

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 %	May 2020	Year to date	1 year	3 years	5 years
O GBP capitalisation shares	1.4	5.4	12.0	6.7	13.4

Percentage growth (O GBP cap)	%	Share price as at 31 May 2020
31 Mar 2019 – 31 Mar 2020	3.2	O CHF capitalisation 129.25
31 Mar 2018 – 31 Mar 2019	-2.1	O EUR capitalisation 134.62
31 Mar 2017 – 31 Mar 2018	-1.9	O GBP capitalisation 144.83
31 Mar 2016 – 31 Mar 2017	13.1	O USD capitalisation 149.68
31 Mar 2015 – 31 Mar 2016	-3.3	

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 May 2020

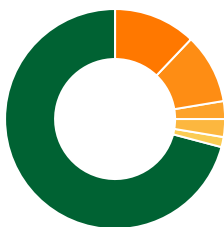
Asset allocation



Asset allocation %

Non-UK index-linked	23.6
Illiquid strategies and options	13.0
Gold and gold equities	10.0
Long-dated index-linked gilts	9.9
Short-dated bonds	8.1
Cash	3.9
Index-linked gilts	1.6

Currency allocation



Currency allocation %

Sterling	70.9
Yen	12.2
Gold	10.1
Euro	2.8
US dollar	1.6
Other	2.5

10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.2
Fujitsu	1.4
Cigna Corporation	1.2
Hennes & Mauritz	1.2
Royal Bank of Scotland	1.2
ArcelorMittal	1.2
iShares Physical Gold	1.1
ORIX Corporation	1.1
Synchrony Financial	1.1
Kinross Gold	1.0

5 largest of bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2068	6.2
UK Treasury 1.5% 2021	5.3
US Treasury 0.25% TIPS 2050	4.0
UK Treasury index-linked 0.375% 2062	3.7
US Treasury 0.875% TIPS 2029	3.6

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

The views expressed in this report 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.

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 **£1,916.5m**

Fund information

Ongoing Charges Figure	1.43
Maximum annual management fee (O class)	1.5
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 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 O cap LU0638558808 B4R1SD2 EUR O cap LU0638558717 B42NV78 GBP O cap LU0638558634 B41Y053 USD O cap LU0638558980 B449LX0
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.

† © FTSE 2020. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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 April 2020, assets managed by the Ruffer Group exceeded £19.7bn.

Enquiries

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

Notice for Investors in Switzerland: Ruffer SICAV has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). Any offering materials relating to Ruffer SICAV may be made available in Switzerland solely to Qualified Investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. 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. Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2020