

# Ruffer Total Return International

Positive returns with low volatility

During November, the fund price rose by 4.9%. This compared with a rise of 12.7% in the FTSE All-Share Index and a decrease of 0.5% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

The arrival of Pfizer's efficacy figures for its vaccine on 9 November saw what Jon Dye, our Head of Research, memorably referred to as an "up-crash" in markets and indeed it was one of the most extraordinary days in stock index history. The momentum factor, a popular algorithmic trading strategy that buys the best-performing stocks, whilst going short of the worst-performing stocks, fell by 24% – an eight standard deviation event. Over the month as a whole, the MSCI World equity index (like many others) saw its strongest return (+12.2%) since 1987; for the storied Dow Jones index in the US it was the fourth best month since the Great Depression era (+11.8%).

The fund's average equity position performed similarly strongly rising over 15%, reflecting our ongoing tilt towards recovery-sensitive value stocks. Our equities overall contributed 6.3% to the monthly performance. On the other side of the ledger were those protective assets that performed so strongly in the down-crash of March: options (-0.4%) and gold (-0.8%). The damage here has been limited by profit-taking in recent months.

Conspicuous by its absence from these statistics is the bond market. Bond yields hardly reacted in November. Their progress from here is of enormous importance for asset prices. Equity markets are racing to assert that the vaccine allows the investor a line of sight to strong economic growth in 2021. If bond markets come to share this view, then yields could rise steeply. This would undermine the central foundation of high asset prices. Gold, growth stocks and credit would all suffer. Few assets would benefit with value stocks, especially energy and financial stocks being the exception. These are well represented in the portfolio. If, instead, the US Federal Reserve succeeds in capping bond yields, while taking a relaxed stance on rising inflation, then initially all asset classes may benefit, with the notable exception of the US dollar. Commodities and inflation-linked bonds will likely be at the forefront.

So where now for markets and the fund? Conscious of the economic reality on the ground, the portfolio is protected against a deflationary default cycle with the credit protection strategies that performed so well in March. Our greater conviction, however, is that governments will continue to rely on the now trusted 'More Money Today' strategy of fiscal and monetary stimulus, making today's lockdowns yesterday's concern. The vaccines allow equity markets to see a bridge to a brighter world, just over the horizon. If this is right, then value stocks will have their day in the sun, before the hangover of dealing with the financial cost of the pandemic is truly addressed through financial repression. Our equity exposure is designed to benefit from this interlude and the index-linked bonds are there for the aftermath.

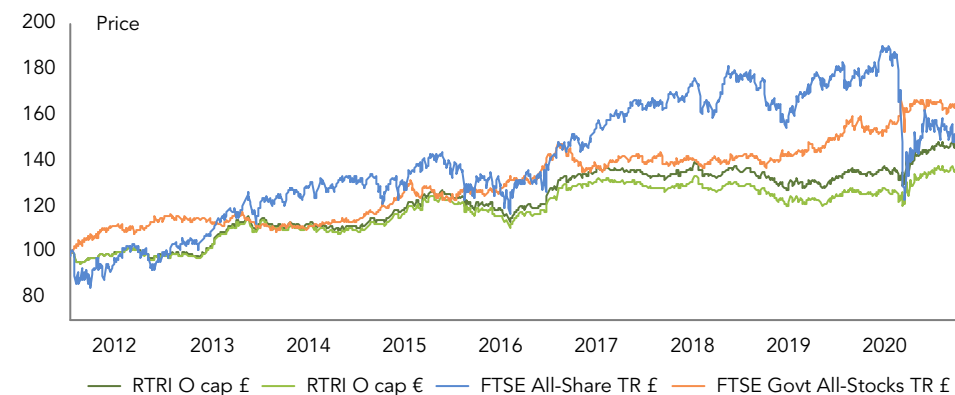
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



O GBP capitalisation shares	Performance %	Share price as at 30 November 2020
November 2020	4.9	O CHF capitalisation 134.74
Year to date	10.3	O EUR capitalisation 140.46
1 year	12.4	O GBP capitalisation 151.60
3 years	12.1	O USD capitalisation 156.89
5 years	25.3	

12 month performance to September 2020 %	2016	2017	2018	2019	2020
RTRI O cap £	11.0	0.7	1.9	-0.1	8.4
RTRI O cap €	28.9	1.6	1.8	-2.2	10.1
FTSE All-Share TR £	16.8	11.9	5.9	2.7	-16.6
FTSE Govt All-Stocks TR £	12.6	-3.6	0.6	13.4	3.4

Source: Ruffer LLP, FTSE International (FTSE) †

# Ruffer Total Return International as at 30 Nov 2020

## Asset allocation



### Asset allocation %

● Non-UK index-linked	22.2
● Long-dated index-linked gilts	9.4
● Illiquid strategies and options	8.5
● Index-linked gilts	7.0
● Gold and gold equities	6.8
● Cash	2.3
● Short-dated bonds	1.4

## Currency allocation



### Currency allocation %

● Sterling	79.7
● Gold	6.9
● US dollar	6.8
● Yen	3.1
● Euro	0.6
● Other	2.9

## 10 largest equity holdings\*

Stock	% of fund
Lloyds Banking Group	2.7
iShares Physical Gold	2.3
Charles Schwab	1.5
NatWest Group	1.5
Vinci	1.4
Barclays	1.3
ArcelorMittal	1.2
Royal Dutch Shell	1.2
ORIX Corporation	1.2
Fujitsu	1.2

## 5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	7.0
UK Treasury index-linked 0.125% 2068	5.9
US Treasury 0.625% TIPS 2021	3.4
UK Treasury index-linked 0.375% 2062	3.4
US Treasury 0.25% TIPS 2050	3.2

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

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Fund size £2,111.3m

## 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.

## 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 31 October 2020, assets managed by the Ruffer Group exceeded £19.6bn.

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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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