

Ruffer Total Return International

Positive returns with low volatility

During May the fund price rose by 2.1%. This compares with a rise of 1.1% in the FTSE All-Share Index and a rise of 0.4% in the FTSE Govt All Stocks Index (all figures are total returns in sterling).

It was a month where the market dynamics were driven by inflation. The US saw the largest monthly jump in core CPI since 1981 and this pushed up inflation expectations. The result was a fall in the dollar and rising prices in many financial assets especially commodities such as copper and gold.

The portfolio was a beneficiary of this, with gold the largest contributor to returns (+0.8%). Bank shares were also a significant contributor (+0.7%), including a new holding in UniCredit (more detail below). May saw the unusual situation of both falling bond yields (so rising bond prices) and rising share prices of financials. This is an odd dynamic that likely reflects both a secular drive by investors to top up underweight positions in financials and a tempering of the strong rise in bond yields seen in the first quarter of 2021.

On the negative side of the ledger were the protective options (-0.4%), which declined as rates fell back and equity markets pushed on. The most spectacular fall in market prices was seen in the cryptocurrency ecosystem, with bitcoin falling by around 35%. The fund's exposure to bitcoin, bought in November, was sold down entirely in early April before the sell-off.

The bitcoin exposure was put into the fund as a defensive investment, to add diversification to our inflation hedges. Its strong rise thereafter reflected increased institutional and retail interest, and as it hit all-time highs in April we judged its asymmetry to be much lower (and importantly the threat to gold to be lower too). With more attractive risk-adjusted positions elsewhere in the market we sold the remaining exposure.

We have been adding to European equities. We believe Europe will soon receive the torch in the global economic growth relay that began with China powering ahead last year. The US is currently the fastest runner, something reflected in US equity outperformance, but as lockdowns end Europe is very much on the move and will soon take the torch from the US. This spurt of growth should see eurozone bond yields rise, a stronger euro and weaker dollar and strong performance from European financials. On top of this, the arrival of the fiscal cavalry in the shape of the European Recovery Fund should disproportionately benefit Italy. UniCredit is our preferred expression of this, with the tailwind of domestic banking consolidation an additional spur.

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.

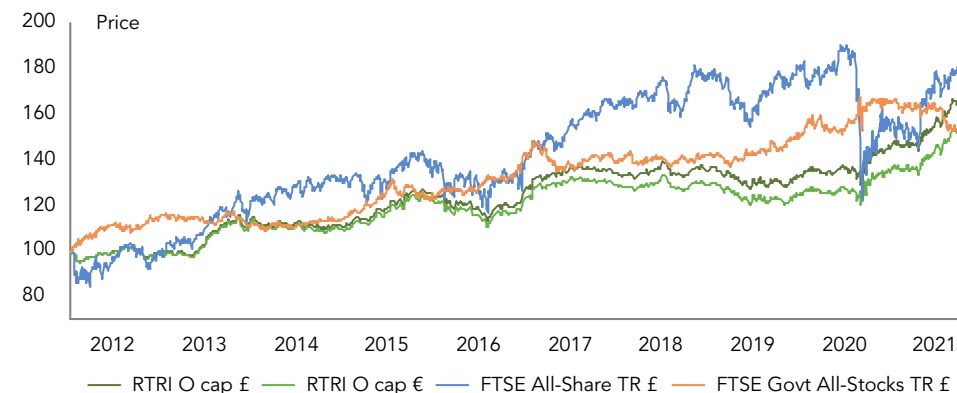


O class May 2021 Issue 119

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 31 May 2021
May 2021	2.1	CHF Capitalisation 150.14
Year to date	9.5	EUR Capitalisation 156.71
1 year	17.1	EUR Capitalisation 156.69
3 years	23.7	GBP Capitalisation 169.65
5 years	41.1	USD Capitalisation 175.93

12 month performance to March %	2017	2018	2019	2020	2021
RTRI O cap £	13.1	-1.9	-2.1	3.2	22.2
RTRI O cap €	11.7	-2.9	-3.4	2.0	21.5
FTSE All-Share TR £	22.0	1.2	6.4	-18.5	26.7
FTSE Govt All-Stocks TR £	6.6	0.5	3.7	9.9	-5.5

Source: Ruffer LLP, FTSE International (FTSE) †

Ruffer Total Return International as at 31 May 2021

Asset allocation



Asset allocation %

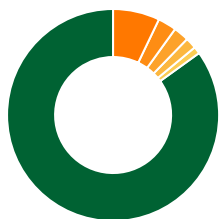
● Index-linked gilts	10.6
● Long-dated index-linked gilts	10.5
● Cash	9.1
● Short-dated bonds	8.8
● Illiquid strategies and options	8.0
● Gold and gold equities	7.3
● Non-UK index-linked	5.2

● UK equities	17.0
● North America equities	9.5
● Japan equities	7.0
● Europe equities	5.8
● Asia ex-Japan equities	1.2

Currency allocation %

● Sterling	85.1
● Gold	7.3
● US dollar	2.3
● Euro	1.8
● Yen	0.9
● Other	2.6

Currency allocation



10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.4
iShares Physical Gold	2.3
NatWest Group	1.9
Alexion Pharmaceuticals	1.8
Barclays	1.7
BP	1.7
Ambev SA	1.6
BT	1.3
Royal Dutch Shell	1.3
Centene	1.3

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	9.1
UK Treasury 0.125% 2023	6.2
UK Treasury index-linked 0.125% 2068	4.6
UK Treasury index-linked 0.375% 2062	2.8
US Treasury 0.625% TIPS 2021	2.7

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

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Fund size £3,219.6m

Fund information

Ongoing Charges Figure	1.44
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 LU2252564898 BMYP2W0 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 30 April 2021, assets managed by the Ruffer Group exceeded £22.4bn.

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