

Ruffer Total Return International

Positive returns with low volatility

During June the fund price declined by 1.5%. This compared with a rise of 0.2% in the FTSE All-Share Index, and a rise of 0.7% in the FTSE Govt All Stocks Index (all figures are total returns in sterling).

The June meeting of the US Federal Reserve was always going to be closely watched. With the US economy continuing to re-open, US employment levels recovering, and inflationary pressures rising, investors were on the lookout for any change from the Fed's hitherto very accommodative stance. Market action in response to the meeting confirmed investors' faith in the omnipotence and omniscience of central banks remains undimmed. The Fed's commentary fully acknowledged recent surging inflation prints, nascent wage growth and increasing bottlenecks. This prompted short-term bond yields to rise, confirming US interest rates might begin to rise slightly sooner than originally thought. The fact long bond yields actually fell after the meeting, suggests markets have totally bought the Fed view the present inflationary pressures will be merely transitory, and only the slightest tap of the brakes should be necessary to bring everything back under control.

These dynamics were undeniably unhelpful for the portfolio in the later part of June. The decline in long bond yields took the wind out of the sails of the portfolio's cyclical and financial equities. The rising US dollar, reflecting the slight change in interest rate expectations, hobbled gold, while the feeling all would be 'right on the inflation night' caused breakevens to fall.

We continue to believe growth expectations in the eurozone are underpriced, and less exuberant growth in the US can thus be compensated elsewhere. We are also sceptical of the view of inflation as transitory. Our reasons for this view have been well rehearsed on prior occasions, but recovering wage growth, eye-watering government spending the world over, fractured supply chains and the fact not all capacity will return post-pandemic are only a few. However we are not bullet-headed. We have always said the road to the inflationary end game would encompass many diversions, and have its bumpy moments when our views might look well offside. To protect against such discomforts, we have increased the portfolio's US dollar exposure on a tactical basis and trimmed the gold bullion position. If there is one indicator the reflation trade is intact it is that the US dollar should be declining. Thus as we watch the economic data in the coming months, a higher exposure to the US currency, even if only on a short-term basis, seems to us an entirely appropriate way of expressing our long-held aspiration to be approximately right rather than exactly wrong.

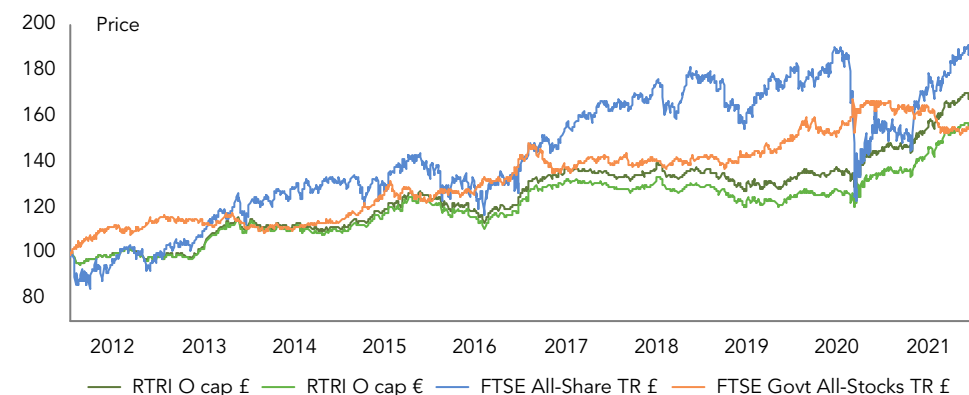


O class June 2021 Issue 120

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 June 2021
June 2021	-1.5	O CHF Capitalisation 147.74
Year to date	7.8	OI EUR Capitalisation 154.26
1 year	14.9	O EUR Capitalisation 154.23
3 years	22.7	O GBP Capitalisation 167.08
5 years	33.9	O USD Capitalisation 173.29
10 years	--	

12 month performance to June %	2017	2018	2019	2020	2021
RTRI O cap £	8.1	1.0	-3.1	10.2	14.9
RTRI O cap €	6.9	-0.1	-4.4	9.1	14.1
FTSE All-Share TR £	18.1	9.0	0.6	-13.0	21.5
FTSE Govt All-Stocks TR £	-0.9	1.9	4.9	11.2	-6.2

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.

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Ruffer Total Return International as at 30 Jun 2021

Asset allocation



Asset allocation %

● Index-linked gilts	13.0
● Long-dated index-linked gilts	12.4
● Short-dated bonds	10.9
● Non-UK index-linked	9.1
● Gold and gold equities	6.1
● Illiquid strategies and options	5.4
● Cash	3.6

● UK/Europe equities	21.2
● North America equities	8.6
● Japan equities	6.3
● Other equities	2.2
● Asia ex-Japan equities	1.2

Currency allocation %

● Sterling	79.1
● US dollar	8.7
● Gold	6.2
● Euro	1.4
● Yen	0.4
● Other	4.2

Currency allocation



10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.3
Alexion Pharmaceuticals	1.9
NatWest Group	1.9
iShares Physical Gold	1.7
BP	1.7
Ambev SA	1.7
Royal Dutch Shell	1.7
GlaxoSmithKline	1.4
Centene	1.3
Cigna	1.2

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	9.7
UK Treasury 0.125% 2023	9.3
UK Treasury index-linked 0.125% 2068	5.1
US Treasury 0.625% TIPS 2023	4.8
UK Treasury index-linked 0.125% 2065	4.4

*Excludes holdings in pooled funds

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding. 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 size **£3,232.1m**

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 OI 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
Depositary 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 May 2021, assets managed by the Ruffer Group exceeded £22.9bn.

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