

Ruffer Total Return International

Positive returns with low volatility

During July, the fund price declined by 0.7%. This compared with a rise of 0.5% in the FTSE All-Share Index, and a rise of 2.8% in the FTSE Govt All Stocks Index (all figures are total returns in sterling).

Bond yields fell throughout July as investors shrugged-off yet another blowout US inflation print: June CPI came in at 5.4%, well above expectations once again. Real (inflation-adjusted) yields moved further into negative territory, boosting the fund's inflation-protected bonds and adding 1.5% to performance. Together with a pause in US dollar appreciation, deeper negative real yields gave a lift to gold. By contrast, falling yields proved a headwind for our swaption book, which is held to protect against the opposite scenario. This interest rate protection detracted from performance (-0.7%). However, it remains an important part of the investment mix, which we think will be needed later this year and we have been topping up this position.

Investors cannot seem to agree on the reasons for the bond rally. Technical factors contributed (quantitative easing buying exceeding new issuance), as did anxiety over the slowing speed of economic recovery and the spread of the Delta variant of covid-19. There is also a growing perception that monetary and fiscal policy will tighten from here. As a result, July saw investors fretting about 'peak everything'. Equity investors tilted away from so-called 'reflation' trades – assets which do better in periods of faster economic expansion. Our equities – predominantly economically-sensitive value and cyclical stocks – were held back as a result, costing the fund 1.1%. A challenge to the reflation narrative was always likely in the second half of this year. The blistering rates of growth seen in the recovery from the sharpest post-war recession were bound to slow, whilst further waves of covid-19 and uneven global vaccination progress threaten both confidence and re-opening. However, despite the angst and a mid-month sell-off, global equities ended July just shy of yet another all-time high. Perhaps 'bad news is good news' again on the basis it keeps the punchbowl of central bank liquidity at the party for longer.

We expect a further leg of the 'reflation' trade and have added to our cyclical equities. Although the US Federal Reserve is now talking about tapering, central banks remain extremely accommodative. The European Central Bank has re-committed itself to stimulus as far as the eye can see. Even the more orthodox Chinese central bank signalled an end to tightening. At the same time, corporate earnings season has seen significant positive surprises which should support a strong capex cycle. Crucially, the UK's re-opening experience suggests vaccines decisively degrade the link between infections, hospitalisations and deaths, putting economic normality within reach of vaccinated states.

But risks to markets remain elevated, notably from China. On top of fresh covid-19 outbreaks and perennial debt issues, Beijing offered foreign investors re-education in political risk this month as the ongoing regulatory crackdown moved from tech to tuition stocks before rattling Chinese stocks more broadly. Under-priced political risk is one reason we have historically avoided large allocations to Chinese equities. This will not be the last barrage in the burgeoning capital markets war, nor the last nasty surprise for financial markets, out of the Middle Kingdom.

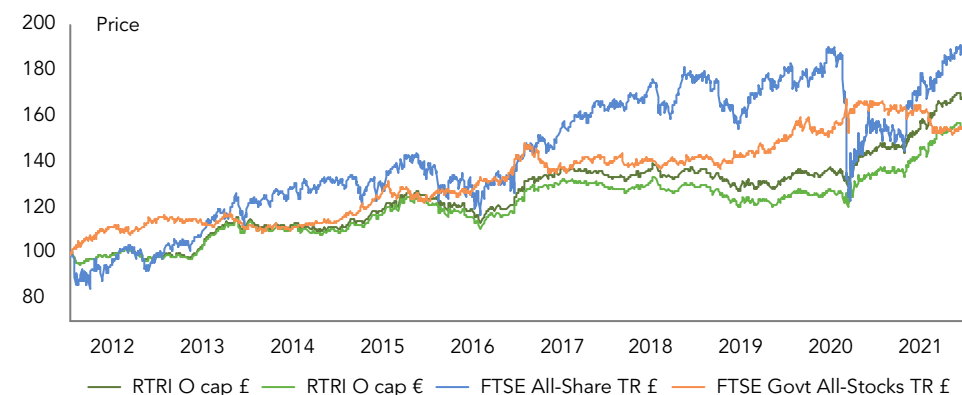
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



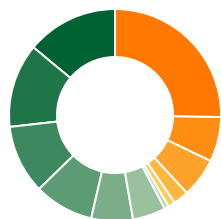
○ GBP capitalisation shares	Performance %	Share price as at 31 July 2021	
July 2021	-0.7	○ CHF Capitalisation	146.57
Year to date	7.0	○ EUR Capitalisation	153.07
1 year	13.2	○ EUR Capitalisation	153.04
3 years	21.1	○ GBP Capitalisation	165.85
5 years	28.6	○ USD Capitalisation	172.08
10 years	67.1		

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

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Ruffer Total Return International as at 31 Jul 2021

Asset allocation



Asset allocation	%
Long-dated index-linked gilts	13.9
Index-linked gilts	12.9
Short-dated bonds	10.6
Non-UK index-linked	8.9
Gold and gold equities	6.3
Illiquid strategies and options	5.1
Cash	0.7
UK/Europe equities	25.4
North America equities	6.7
Japan equities	6.0
Other equities	2.3
Asia ex-Japan equities	1.1
Currency allocation	%
Sterling	80.1
Gold	6.3
US dollar	6.0
Euro	1.8
Yen	1.5
Other	4.3

Currency allocation



10 largest equity holdings*

Stock	% of fund
Royal Dutch Shell	2.5
BP	2.3
Lloyds Banking Group	2.2
NatWest Group	1.8
iShares Physical Gold	1.8
GlaxoSmithKline	1.7
Ambev SA	1.6
Equinor	1.3
Bristol-Myers Squibb	1.2
Barclays	1.2

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	9.6
UK Treasury 0.125% 2023	9.2
US Treasury 0.625% TIPS 2023	7.4
UK Treasury index-linked 0.125% 2068	5.8
UK Treasury index-linked 0.125% 2065	4.8

*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.

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. 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 a variety of languages and are available, along with the Prospectus (in English and French), 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.

Fund size £3,279m

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 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.

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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 Jun 2021, assets managed by the Ruffer Group exceeded £23.0bn.

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