

Ruffer Total Return International

Positive returns with low volatility

During July, the fund price rose by 0.3%. This compared to the FTSE All-Share TR which rose by 4.4% and a rise of 2.6% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

In June almost all asset classes posted a negative return in the face of a surprise increase in the US inflation rate (US CPI rose from 8.3% to 8.6%) and the prospect of increased monetary tightening by the US Federal Reserve. In July, risk appetite roared back even as inflation increased again, from 8.6% to 9.1%, and the US Federal Reserve increased interest rates by 75bps for the second month in a row. The fund was broadly flat on the month, its defensive positioning articulated in last month's factsheet holding it back. Underneath the surface, performance contributions from the fund's equity exposure (+1.5%) and UK long-dated index-linked bonds (+1.3%) were offset by the unconventional protections (-1.6%) and gold exposure (-0.3%).

What explains the positive market outturns in a month which, according to Deutsche Bank, saw one of the steepest quarter-on-quarter declines in underlying company earnings in the last decade? We are back in the territory of bad news being good news for equity and bond markets. Over the last few months, investor expectations have shifted from stagflation risk to recession risk and are now starting to re-price the re-establishment of a Fed 'put' – the moment when the US Federal Reserve will abandon its monetary tightening and focus on growth stabilisation which will either directly or indirectly support equity markets. Interest rate futures now price that the central bank will be cutting interest rates by early next year.

How likely is this outcome? Possible, but not likely. We have been through numerous 'unprecedented' events in the last few years. 'Unprecedented' amounts of peace-time fiscal stimulus in 2020 and 2021, combined with 'unprecedented' monetary policy; but it would be truly unprecedented to slow the economy sufficiently to bring down the highest inflation rate for 40 years with an after-inflation policy rate that never goes positive. It would require a much deeper economic slowdown than is implied in 2023 earnings estimates, which have barely budged.

This bear market is not over, and we believe that we are entering its most dangerous phase. Liquidity is being drained from the financial system. Jamie Dannhauser, Ruffer's Economist, covered this in detail in the latest [Green Line](#). The interest rate on US dollar short-dated bonds is now providing a genuine alternative to taking risk. One of the pushbacks to the view that a move lower in equity markets was likely, was the already extremely bearish investor sentiment and positioning. A low-liquidity summer rally, sucking in those who can't afford relative underperformance, should see this box ticked. We have used the last month's moves to reduce direct equity exposure further to try and ensure the portfolio is robust to the risks we see. Capital preservation is at the forefront of our minds.

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. Future performance is subject to taxation which depends on each investor's personal situation, and may be subject to change in the future.



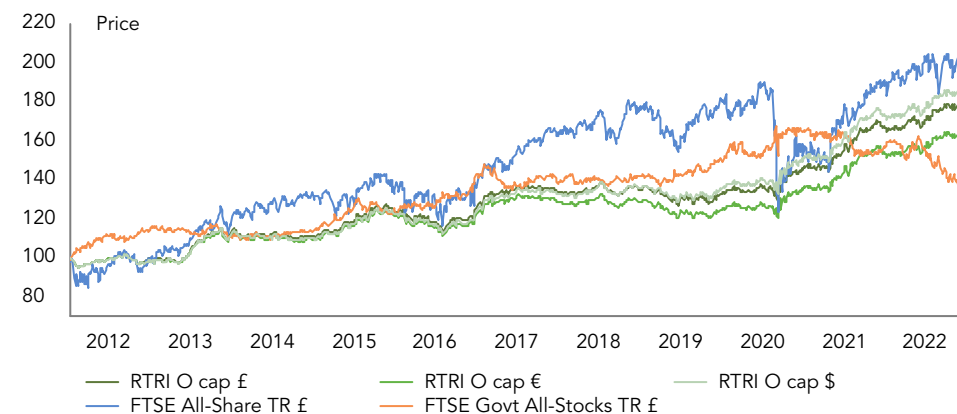
O and OI classes July 2022 **Issue 133**

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

Past performance does not predict future returns



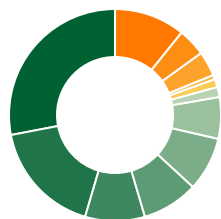
Performance O cap shares %	GBP	EUR	USD	Share price as at 31 July 2022	
July 2022	0.3	0.2	0.4	O CHF Capitalisation	150.70
Year to date	1.9	1.1	2.0	OI EUR Capitalisation	157.46
1 year	3.9	2.8	4.0	O EUR Capitalisation	157.36
3 years	27.9	24.5	30.1	O GBP Capitalisation	172.33
5 years	29.4	22.9	35.6	O USD Capitalisation	179.06
10 years	74.1	59.5	81.4	OI USD Capitalisation	179.13

12 month performance to June %	2018	2019	2020	2021	2022
RTRI O cap £	1.0	-3.1	10.2	14.9	2.8
RTRI O cap €	-0.1	-4.4	9.1	14.1	1.9
RTRI O cap \$	2.2	-1.5	11.7	15.3	3.0
FTSE All-Share TR £	9.0	0.6	-13.0	21.5	1.6
FTSE Govt All-Stocks TR £	1.9	4.9	11.2	-6.2	-13.6

Source: Ruffer LLP, FTSE International

Ruffer Total Return International as at 31 Jul 2022

Asset allocation



Currency allocation



Asset allocation

	%
Short-dated bonds	27.9
Index-linked gilts	17.5
Non-UK index-linked	9.1
Cash	8.6
Long-dated index-linked gilts	8.4
Illiquid strategies and options	6.2
Gold exposure and gold equities	1.7

UK/Europe equities	10.8
North America equities	4.4
Japan equities	3.8
Asia ex-Japan equities	0.6
Other equities	1.0

Currency allocation

	%
Sterling	66.9
US dollar	12.7
Yen	10.1
Australian dollar	7.1
Euro	2.1
Other	1.1

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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10 largest equity holdings*

Stock	% of fund
BP	1.5
Ambev SA	1.0
Mitsubishi UFJ Financial Group	1.0
Unilever	0.8
ORIX	0.7
Hertz	0.7
Cigna	0.7
Alibaba Group ADR	0.6
Shell	0.6
NatWest Group	0.5

5 largest bond holdings

Stock	% of fund
UK Treasury 0.125% 2023	9.7
UK Treasury index-linked 2.5% 2024	8.5
US Treasury 0.625% TIPS 2023	7.9
UK Treasury index-linked 1.875% 2022	7.5
US Treasury FRN 2023	5.4

*Excludes holdings in pooled funds

Fund size £5,130.3m €6,122.8m

Fund information

Ongoing Charges Figure	1.45
Maximum annual management fee (O class)	1.5
Annual management fee	1.4
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 business 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 Olcap LU2252564898 BMYP2W0 EUR O cap LU0638558717 B42NV78 GBP O cap LU0638558634 B41Y053 USD O cap LU0638558980 B449LX0 USD Olcap LU2252564971 BMYP2X1
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. He is co-manager of two of Ruffer's flagship funds.



Ruffer LLP

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