

# Ruffer Total Return International

Positive returns with low volatility

The fund was down marginally during the month.

Financial markets were calmer in October compared to the volatility of recent months. Surveys suggest investors entered the fourth quarter with a sense of dread, indicating they were as bearish as they had been for some time and simply hoping the year would end! Given this starting position, it is perhaps unsurprising financial assets generally rallied in the absence of further bad news. This rally was not universal, and although the Dow Jones enjoyed its best month since 1976, up 14%, the much-vaunted tech sector suffered substantial falls.

There was growing hope central banks would begin to slow their path of interest rate rises, and potentially even begin to hint at pivoting towards future cuts. At the same time, a relatively warmer autumn helped European gas prices fall, removing some shorter-term inflationary pressures. In the UK, the end of Liz Truss's brief term as prime minister, and the junking of her economic plans saw calm return to the gilt markets, which had been the epicentre of market volatility. All these things helped to boost market sentiment. Against this backdrop, the fund's performance was broadly flat. Despite their low weighting, the fund's equity positions were a positive contributor (+1.2%) to returns, while the main headwinds were the unconventional protections (-0.8%). The resurgence in sterling also saw the positions in the US dollar and the yen contribute negatively.

Last month we described a move into long dated US inflation-linked and conventional bonds. We continued this move throughout October. We entered 2022 with our duration position almost entirely hedged, we now have around eight years of duration in the fund. We have also taken some profits in the UK inflation-linked gilts bought at extremely attractive prices at the nadir of the post 'mini-budget' crisis.

Our structural view remains that we have moved into a new regime, characterised by higher and more volatile inflation. Structurally higher inflation means we remain in a bear market for both bonds and equities. Inflation will also be more volatile and there will be periods when it might decline meaningfully. During these phases of falling inflation, we will need to participate in potentially powerful bond rallies. This is unequivocally not a reversion to the regime of the last four decades, but an acknowledgment that the path to the new regime is unlikely to be linear. Active management, including the use of cash, will continue to be key to driving returns.

By the time we publish, the Federal Reserve will have announced the results of its 2 November meeting. There is much hope they will pivot in response to growing fears of a global recession. They will not be enthusiastic to see equity markets rally. Given the continued focus on financial conditions and inflation, we suspect any such rally might only be short lived.

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.



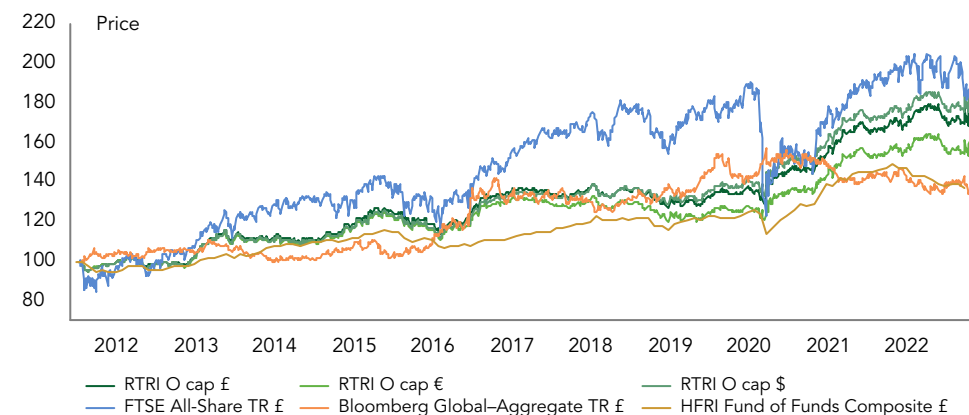
O and OI classes October 2022 Issue 136

## Investment objective

The investment objective of the Ruffer Total Return International ('the fund') is to achieve low volatility, positive returns 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). Overriding this objective is a fundamental philosophy of capital preservation. Investors should note that there can be no assurance that the investment objective will be achieved.

## 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 October 2022	
October 2022	-1.8	-2.0	-1.8	O CHF Capitalisation	1.52
Year to date	3.4	2.1	3.7	OI EUR Capitalisation	1.59
1 year	2.9	1.5	3.2	O EUR Capitalisation	1.59
3 years	30.1	26.5	32.1	O GBP Capitalisation	1.75
5 years	30.1	23.3	36.2	O USD Capitalisation	1.82
10 years	76.9	61.6	84.8	OI USD Capitalisation	1.82

12 month performance to September %	2018	2019	2020	2021	2022
RTRI O cap £	1.9	-0.1	8.4	14.1	6.4
RTRI O cap €	0.7	-1.5	7.4	13.4	5.1
RTRI O cap \$	3.2	1.6	9.5	14.5	6.8
FTSE All-Share TR £	5.9	2.7	-16.6	27.9	-4.0
Bloomberg Global-Aggregate TR £	1.5	13.9	1.3	-5.0	-3.9
HFRI Fund of Funds Composite £	6.0	5.8	0.8	9.6	12.8

Source: Ruffer LLP, FTSE International, Bloomberg, Hedge Fund Research Inc

# Ruffer Total Return International as at 31 Oct 2022

## Asset allocation



Asset allocation	%
● Index-linked gilts	21.0
● Short-dated bonds	14.1
● Long-dated bonds	13.3
● Long-dated index-linked gilts	10.9
● Non-UK index-linked	10.4
● Cash	8.4
● Illiquid strategies and options	5.1
● Gold exposure and gold equities	1.8
● UK/Europe equities	9.2
● North America equities	3.4
● Japan equities	1.6
● Other equities	1.0

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

The fund data displayed is designed only to provide summary information. This marketing communication 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, Denmark, Finland, France, Germany, Iceland, Ireland, Italy (qualified investors only), Luxembourg, the Netherlands, Norway, Portugal, Singapore (institutional and accredited investors only), Spain, Sweden, Switzerland 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, with the Prospectus (in English and French), on request or from [ruffer.co.uk](http://ruffer.co.uk). A Summary of Investor Rights is available in English from [group.pictet/asset-services/fundpartner-solutions](http://group.pictet/asset-services/fundpartner-solutions). Ruffer LLP is not able to market RTRI in other countries, except under certain exemptions. In line with the Prospectus, it is possible at any one time RTRI 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. This investment concerns the acquisition of units in a fund, and not in a given underlying asset such as shares of a company, as these are only the underlying assets owned by the fund. This marketing communication is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2022

## 10 largest equity holdings\*

Stock	% of fund
BP	2.1
Ambev SA	1.0
Ryanair	0.8
Unilever	0.6
Yara International	0.5
Glencore	0.5
Hoya	0.5
ArcelorMittal	0.5
NEC	0.4
NatWest Group	0.4

## 5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	8.3
UK Treasury index-linked 0.125% 2024	7.1
US Treasury 0.625% TIPS 2023	5.8
UK Treasury index-linked 1.875% 2022	4.2
US government 0.125% 2051	4.1

\*Excludes holdings in pooled funds

Fund size £5,228.3m €6,090.6m

## 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
Depositary 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

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2022, assets managed by the Ruffer Group exceeded £26.5bn.

## Enquiries

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