

Ruffer Total Return International – Australia Fund

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.

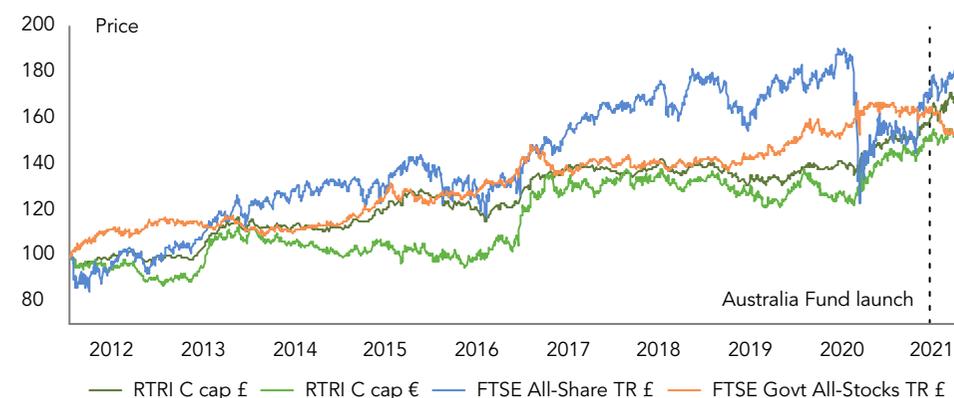
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



Investment objective

The investment objective of Ruffer Total Return International - Australia 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). Overriding this objective is a fundamental philosophy of capital preservation.

Performance since sub-fund launch on 24 December 2020



Unit price	Performance %	As at 31 May 2021	AUD
May 2021	2.1	Unit price	1.1030

Source: Ruffer LLP, RTRI – Australia Fund. Past performance is not an indicator of future performance. Current UK regulations require any information provided on past performance must be based on, and show complete 12 month periods, starting after the first complete calendar quarter. Therefore the performance charts and other relevant performance data will be provided after 31 December 2021. As such, the performance chart is that of the Underlying Fund, Ruffer Total Return International, whereas the unit price laid out above is of Ruffer Total Return International – Australia Fund.

12 month performance to March %	2017	2018	2019	2020	2021
RTRI C cap £	13.5	-1.6	-1.8	3.6	22.6
RTRI C cap €	12.1	-2.6	-3.1	2.3	21.9
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)† All figures refer to simulated past performance based on the Ruffer Total Return International fund to 31 December 2020 and include reinvested income. Ruffer performance is shown in GBP after deduction of all fees and management charges, and on the basis of income being reinvested. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter.

Ruffer Total Return International – Australia Fund as at 31 May 2021

Asset allocation – underlying fund (RTRI)



Asset allocation	%
● Index-linked gilts	10.6
● Long-dated index-linked gilts	10.5
● Cash	9.1
● Short-dated bonds	8.8
● Protection strategies	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

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.

The views expressed in this marketing communication are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL No. 235150 (Responsible Entity) is the responsible entity of Ruffer Total Return International – Australia Fund ARSN 643 278 693 (Fund) and has prepared this document based on information provided by Ruffer LLP (FRN #229135) (Ruffer or the Investment Manager). Any advice provided is general advice only and does not take into account your objectives, financial situation or needs. You should consider the PDS available from ruffer.co.uk/rtri-au and before making a decision to buy or continue to hold interests in the Fund. The Responsible Entity has appointed Ruffer to provide investment and other services to the Fund, pursuant to an investment management agreement entered into between the Responsible Entity and Ruffer. Ruffer LLP is licensed by ASIC as an Australian Financial Services Licensee, to manage portfolios for wholesale clients, with AFSL number licence number 526358. However, Ruffer is not authorised to provide financial product advice to retail clients in Australia. The Fund invests into Ruffer SICAV and RTRI is a sub-fund of Ruffer SICAV. Past performance information shown is of Ruffer Total Return International (RTRI or Underlying Fund) and not the Fund. Past performance of the RTRI is not a reliable indicator of the future performance of the market or the Fund. The performance shown is that of the Underlying Fund and not the Fund. The Responsible Entity intends, shortly following the first 12 months of trading by the Fund, to provide performance information for the Fund. The Fund invests in the Underlying Fund which in turn invests in a wide range of strategies seeking to achieve its investment objective in all market conditions.

Fund size **AUD\$1.4m**

Fund information

Asset class	Multi-Asset	
Fund inception date	24 December 2020	
Fund base currency	AUD	
Fund structure	Managed Investment Scheme	
Fund regulator	The Australian Securities and Investments Commission (ASIC)	
Distribution	Annual, although not expected. The year end is 30 June	
APIR	ISIN	ARSN
PIM1038AU	AU60PIM10382	643 278 693
Bloomberg	TBC	
Buy/sell spread	0%	
Minimum initial investment	AUD\$20,000	
Management costs	1.24% per annum of the net asset value of the Fund comprising: Fund level fees and costs of 1.07% Indirect costs of 0.17%	
Dealing Day	Weekly, typically a Thursday*	
Subscription and redemption cut-off	Weekly, typically 2pm Friday*	
Subscription and redemption settlement dates	T+5, typically a Thursday*	
Investment Manager	Ruffer LLP	
Responsible Entity	The Trust Company (RE Services) Limited	
Custodian and Administrator	Mainstream Fund Services Pty Ltd	
Auditors	Ernst & Young	

*The Fund's Dealing Day, subscription and redemption cut-off will be impacted by public holidays in Luxembourg, the UK and/or Australia. A list of the impacted dates is available from ruffer.co.uk/rtri-au

© FTSE 2021. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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.

Enquiries

Ruffer LLP
80 Victoria Street
London SW1E 5JL
australiafund@ruffer.co.uk
ruffer.co.uk/rtri-au

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL
Ruffer LLP is authorised and regulated by the United Kingdom Financial Conduct Authority, and is currently exempt from the requirement to hold an Australian Financial Services Licence (AFSL) under the Corporations Act 2001 (Cth) (Corporations Act) in respect of the financial services it provides to Wholesale Clients in Australia. © Ruffer LLP 2021

