

# Ruffer Total Return International

Positive returns with low volatility



I class March 2019 Issue 93

During March, the fund price rose by 1.7%. This compared with a rise of 2.6% in the FTSE All-Share Index and an increase of 3.2% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

The defining feature in March has been the sharp falls in bond yields (prices up) across developed markets. Early in the month, the European Central Bank downgraded their forecasts for economic growth, which immediately sent German bunds towards zero for the first time since 2016. This move was further catalysed by the Federal Reserve, who completed their volte-face on interest rates in definitive fashion. As recently as September the Fed had forecast as many as four interest rate rises in 2019, but at their most recent meeting they implied they do not expect to raise rates again until 2020, while financial markets are now assuming the most likely next move is for rates to be cut. This shift is as close to confirmation that the words from Chairman Jerome Powell in the fourth quarter amounted to a significant error in communication, one requiring substantial efforts to correct. This backdrop of soothing actions and words from policy makers has given comfort to equity markets, which ended the month at the highs for the year. We continue to have just under 40% of the fund invested in equities, enabling us to capture a reasonable share of the returns, whilst continuing to hold protection should the market lose faith in the powers of central bankers.

We have long-described a world where financial markets are too weak to tolerate higher interest rates. The events of 2018, and the most recent pronouncements from the Fed, have confirmed to all market participants this is correct. The patient continues to be reliant on the drugs, and the doctors are reluctant to see if they can cope without. The greater the market belief in policy makers the harder it is to control. Consider what will happen the next time the Fed seems cornered, facing a buoyant market with loose financial conditions and incipient inflationary pressure. The market, sensing the Fed may wish to tighten financial conditions, may well pre-empt Fed action and tighten financial conditions endogenously, ie equity and credit markets will fall sharply. The new additional risk is that if markets have been justified in their recessionary fears, then the Fed will have to act in dramatic fashion, they cannot risk a nine foot jump over a ten foot gap, they need a twelve foot jump. The threshold for this is substantial.

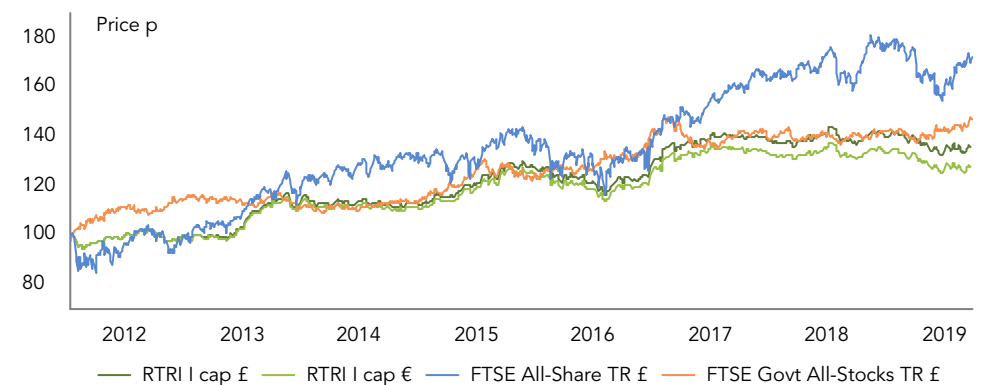
We have absolute conviction in our view that markets remain structurally fragile, for which we hold protection, whilst if the Fed have postponed the reckoning we have sufficient equities in the fund to enjoy the remaining sunshine.

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; Key Investor Information Documents are provided in Dutch, English, French, German, Italian, Portuguese, Spanish and Swedish and are available on request or from [www.ruffer.co.uk](http://www.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.

## 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



Performance %	March 2019	Year to date	1 year	3 years	5 years
I GBP capitalisation shares	1.7	2.6	-1.6	10.3	20.3

Percentage growth (I GBP cap)	%	Share price as at 31 March 2019	p
31 Mar 2018 – 31 Mar 2019	-1.6	I EUR capitalisation	128.03
31 Mar 2017 – 31 Mar 2018	-1.4	I CHF capitalisation	123.46
31 Mar 2016 – 31 Mar 2017	13.7	I USD capitalisation	137.99
31 Mar 2015 – 31 Mar 2016	-2.8	I GBP distribution	132.86
31 Mar 2014 – 31 Mar 2015	12.2	I SEK capitalisation	129.47
		I USD distribution	135.85
		I CAD capitalisation	112.70
		I SGD capitalisation	112.46

Source: Ruffer LLP, FTSE International (FTSE) †

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.

# Ruffer Total Return International as at 31 Mar 2019

## Asset allocation



## Currency allocation



### Asset allocation %

● Long-dated index-linked gilts	14.3
● Non-UK index-linked	14.0
● Illiquid strategies and options	8.3
● Short-dated bonds	8.0
● Gold and gold equities	7.8
● Cash	6.2
● Index-linked gilts	1.6

● North America equities	12.0
● UK equities	10.0
● Japan equities	9.8
● Europe equities	4.9
● Asia ex-Japan equities	3.1

### Currency allocation %

● Sterling	73.9
● Gold	8.2
● US dollar	6.0
● Yen	5.0
● Euro	3.8
● Other	3.2

## 10 largest of 50 equity holdings\*

Stock	% of fund
Walt Disney Company	3.0
Tesco	2.0
ArcelorMittal	1.5
Whitbread	1.5
Mitsubishi UFJ Financial	1.5
Cigna Corporation	1.4
Barrick Gold	1.4
Celgene Corporation	1.4
DowDuPont	1.2
ORIX	1.2

## 5 largest of 16 bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2068	8.3
UK Treasury index-linked 0.375% 2062	6.0
US Treasury 0.125% TIPS 2021	3.5
US Treasury 0.625% TIPS 2021	3.3
US Treasury 0.125% TIPS 2022	2.3

\*Excludes holdings in pooled funds  
Source: Ruffer LLP.  
Pie chart totals may not equal 100 due to rounding.

Fund size **£1,987.1m**

## Fund information

Ongoing Charges Figure	0.93
Maximum annual management fee (I class)	1.0
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	£30m
Record date	Third Monday of November
Ex dividend dates	Next NAV following the record date
Payment	Within five business days after ex dividend date

Dealing	Weekly, every Wednesday (if not a business day, on the following business day) Plus on the first 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	EUR	I cap	LU0638558394	B4LVH08
	CHF	I cap	LU0638558477	B4QLM86
	USD	I cap	LU0638558550	B4L04N7
	GBP	I dis	LU0779209195	B8BHYH0
	SEK	I cap	LU0923103534	B94R6P6
	USD	I dis	LU0955560437	BCDYZK7
	CAD	I cap	LU1296766634	BYSW6J6
	SGD	I cap	LU1400661093	BD2YGL3
	AUD	I cap	LU1534125882	BDRKVG6

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.

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.

† © FTSE 2019. '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 28 February 2019, assets managed by the Ruffer Group exceeded £21.0bn.

## Enquiries

Ruffer LLP +44 (0)20 7963 8254  
80 Victoria Street rif@ruffer.co.uk  
London SW1E 5JL www.ruffer.co.uk

Notice for Investors in Switzerland: Ruffer SICAV has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). Any offering materials relating to Ruffer SICAV may be made available in Switzerland solely to Qualified Investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. Ruffer SICAV's prospectus, KIIDs, articles of association and the annual and semi-annual reports are available free of charge at the office of the Swiss representative: FundPartner Solutions (Suisse) S.A., Route des Acacias 60 CH - 1211 Geneva 73. Ruffer SICAV's paying agent in Switzerland is Banque Pictet & Cie S.A. of the same address.  
Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL  
Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2019

The views expressed in this report 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 information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

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.