

# Ruffer Total Return International

Positive returns with low volatility



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During September, the fund price fell by 0.6%. This compared with a rise of 3.0% in the FTSE All-Share Index and an increase of 0.5% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

September's moves unwound much of the damage done in August's market move. The fund finished the first nine months of 2019 with an appreciation of 6.5% – a reasonable outcome when viewed in the context of a portfolio which is positioned defensively and has carried protective assets through a benign period for markets.

Everywhere politicians, policymakers and actors on the global stage may be pushing things too far. Peggy Noonan in the Wall Street Journal suggested that 'everyone now making decisions grew up in the past sixty years, a time of historic wealth creation, human growth and relative stability... they think this is normal... in this cynical age they've grown too trusting of good fortune.'

This blind faith that, no matter what the risks, everything will work out alright is prevalent in many places. It is in Trump's insouciance, in parts of the Brexit debate and in the Hong Kong and gilet jaune protests where, after initial success, the protesters have been emboldened to push for more.

In the investment sphere examples abound of things being taken too far. We have opined before about the dangers lurking in the venture capital unicorns. Some of these businesses will change the world, most will not. New era thinking cannot obfuscate the numbers indefinitely. WeWork's IPO flop was an example of corporate governance, jargon and a valuation which went beyond the pale.

The future is an uncertain place and yet there is a central thread to these diffuse stories: none of these protagonists has allowed any room for doubt. Each is playing a winner-takes-all strategy.

Due to the binary nature of many of these issues: Brexit, deal or no deal, China, trading partner or strategic adversary, US elections, free marketeer or an anti-capitalist; it is plausible that markets are struggling to discount or weigh events accurately. This makes the current situation brittle with markets likely to respond sharply up or down when events break one way or the other. We only need to look at the Argentine stockmarket's one day fall of 37% for an extreme example of this path dependency. One day everything was fine, the next it wasn't.

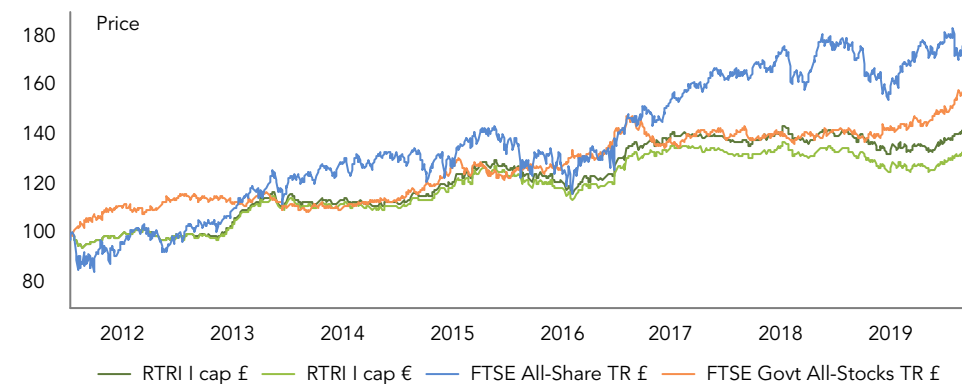
By nature we have an ardour for ambiguity. Our portfolio construction hinges around accepting that we do not possess a crystal ball and we deliberately build a collection of offsetting assets which will be robust, and hopefully thrive, under the full range of potential outcomes.

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## 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 %	September 2019	Year to date	1 year	3 years	5 years
I GBP capitalisation shares	-0.6	6.5	0.4	4.1	21.6

Percentage growth (I GBP cap)	%	Share price as at 30 September 2019
30 Sep 2018 – 30 Sep 2019	0.4	I EUR capitalisation 132.06
30 Sep 2017 – 30 Sep 2018	2.4	I CHF capitalisation 127.04
30 Sep 2016 – 30 Sep 2017	1.3	I USD capitalisation 144.47
30 Sep 2015 – 30 Sep 2016	11.5	I GBP distribution 137.97
30 Sep 2014 – 30 Sep 2015	4.8	I SEK capitalisation 133.72
		I USD distribution 142.23
		I CAD capitalisation 117.50
		I SGD capitalisation 117.37

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 30 Sep 2019

## Asset allocation



## Currency allocation



### Asset allocation %

Long-dated index-linked gilts	15.0
Non-UK index-linked	15.0
Illiquid strategies and options	8.3
Gold and gold equities	7.1
Short-dated bonds	6.5
Cash	5.9
Index-linked gilts	1.6

North America equities	13.6
Japan equities	9.9
UK equities	9.8
Europe equities	5.4
Asia ex-Japan equities	2.0

### Currency allocation %

Sterling	80.6
Gold	7.1
Yen	6.6
Euro	2.9
Other	2.8

## 10 largest of 50 equity holdings\*

Stock	% of fund
Celgene Corporation	3.1
Walt Disney Company	2.5
Tesco	1.5
Cigna Corporation	1.4
Fujitsu	1.3
ORIX	1.3
National Oilwell Group	1.2
Activision Blizzard	1.1
Hoya	1.0
BP	1.0

## 5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.375% 2062	7.6
UK Treasury index-linked 0.125% 2068	7.5
US Treasury 0.125% TIPS 2021	3.8
US Treasury 0.625% TIPS 2021	3.6
US Treasury 0.125% TIPS 2022	2.5

\*Excludes holdings in pooled funds

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

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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.

Fund size **£1,919.8m**

## 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)	£25m
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	Currency	Cap	ISIN	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.

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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 31 August 2019, assets managed by the Ruffer Group exceeded £20.7bn.

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