

Ruffer Total Return International

Positive returns with low volatility



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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.

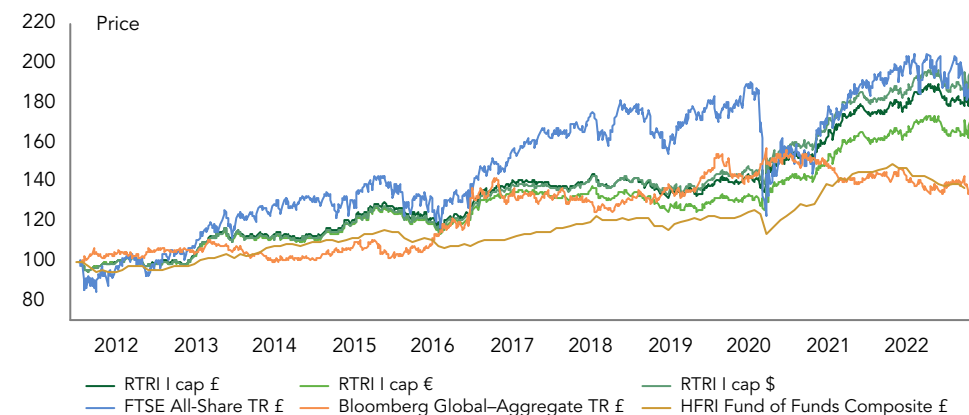
By the time we publish, the Federal Reserve will have announced the results of its 2 November meeting. There is much hope they will pivot in response to growing fears of a global recession. They will not be enthusiastic to see equity markets rally. Given the continued focus on financial conditions and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

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 cap shares %	GBP	EUR	USD	Share price as at 31 October 2022	
October 2022	-1.8	-2.0	-1.7	I EUR	Capitalisation 1.68
Year to date	3.8	2.6	4.2	I CHF	Capitalisation 1.61
1 year	3.4	2.0	3.8	I USD	Capitalisation 1.93
3 years	32.1	28.5	34.2	I GBP	Distribution 1.80
5 years	33.4	26.5	39.7	I SEK	Capitalisation 1.72
10 years	86.1	70.1	94.4	I USD	Distribution 1.88
				I CAD	Capitalisation 1.56
				I SGD	Capitalisation 1.56
				I GBP	Capitalisation 1.85

12 month performance to September %	2018	2019	2020	2021	2022
RTRI I cap £	2.4	0.4	8.9	14.6	7.0
RTRI I cap €	1.3	-1.0	8.0	14.0	5.7
RTRI I cap \$	3.8	2.0	10.1	15.0	7.3
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

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.

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

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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	0.94
Maximum annual management fee (I class)	1.0
Annual management fee	0.9
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 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	Currency	Cap	ISIN	ISIN
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	
GBP	I cap	LU0638558121	B4WP6Q8	

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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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