

Ruffer Total Return International

Positive returns with low volatility

January was an extremely strong month for almost all asset classes – the best start to the year for US and European equity markets since 2019 and 2015 respectively. Bonds rallied strongly as well. Indeed, the only major asset that did not rise in January was oil.

What drove such a strong month? The answer lies in the market's expectations of future events and how they have changed since October. Three factors matter most: firstly, a more emollient tone from the Federal Reserve in the US. As inflation and economic data has softened, and the Federal Reserve has reflected this by slowing the pace of interest rate hikes, the market has moved quickly to rule out the possibility of the US being driven into a significant recession.

Secondly, the warm winter in Europe has allowed energy prices to fall dramatically (European gas prices have now fallen 85% from their peak in August) and thus eliminate the concerns over European stagflation. And finally, the chaotic and rapid Chinese reopening has driven up market expectations of global economic growth in 2023, particularly in those spots where it was weakest such as European manufacturing and Chinese real estate.

All this contributed to a rapid reduction in fears of possible 'bad outcomes' for the market, and this has been reflected in a massive 50% decline in equity volatility and a 40% decline in bond volatility since October, accelerating in January and supporting a huge increase in risk-taking in the financial system. All the assets which performed worst last year have performed best so far this year, from cryptocurrencies to the 60/40 balanced portfolio.

The fund's risk assets have participated in this rally, but the protection assets have almost entirely cancelled that out. Ultimately, we don't think the major asset classes have repriced sufficiently to reflect a (US) risk-free rate of 4.5% or higher, meaning that we see few good risk-reward opportunities. The market is salivating at the prospect of Federal Reserve interest rate cuts beginning in the summer; it might be right, but the rally means that it will now be painful if the cuts aren't delivered. We remain defensively positioned and think it prudent to watch proceedings from the sidelines: our focus is on balancing the portfolio to make sure it retains its ability to protect capital in the drawdown that we expect will be visible later in the year. Better to live to fight another day!

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.



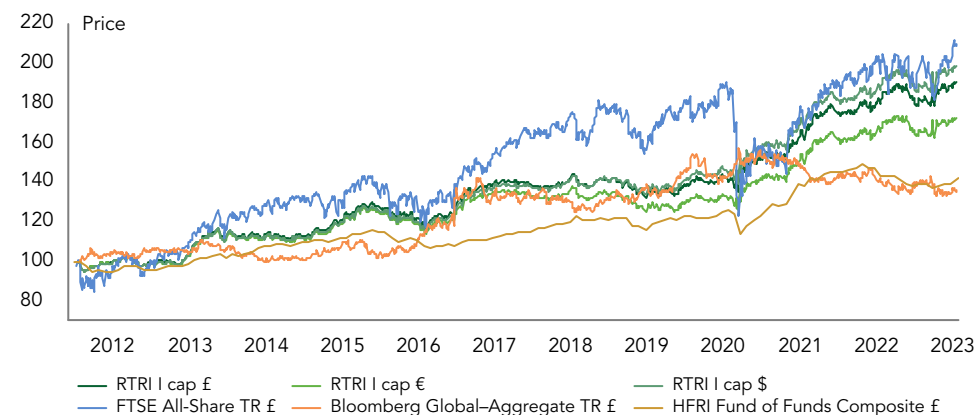
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Investment objective

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 I cap shares %	GBP	EUR	USD	Share price as at 31 January 2023	
January 2023	0.2	0.0	0.3	I EUR Capitalisation	1.7176
Year to date	0.2	0.0	0.3	I CHF Capitalisation	1.6385
1 year	4.8	3.1	5.4	I USD Capitalisation	1.9817
3 years	35.0	31.1	37.0	I GBP Distribution	1.8416
5 years	34.6	27.4	40.8	I SEK Capitalisation	1.7561
10 years	74.0	58.6	82.2	I USD Distribution	1.9296
				I CAD Capitalisation	1.5968
				I SGD Capitalisation	1.6002
				I GBP Capitalisation	1.8983

12 month performance to December %	2018	2019	2020	2021	2022
RTRI I cap £	-6.3	8.3	13.3	9.7	6.2
RTRI I cap €	-7.4	6.8	12.5	9.0	4.6
RTRI I cap \$	-5.0	10.1	14.3	9.9	6.7
FTSE All-Share TR £	-9.5	19.2	-9.8	18.3	0.3
Bloomberg Global-Aggregate TR £	4.9	2.7	5.8	-3.8	-5.7
HFRI Fund of Funds Composite £	1.9	4.2	7.5	7.2	6.6

Source: Ruffer LLP, FTSE International, Bloomberg, Hedge Fund Research Inc. The comparator benchmarks shown in this document is as stated in the fund's prospectus.

Ruffer Total Return International as at 31 Jan 2023

Asset allocation



Asset allocation	%
● Short-dated bonds	27.2
● Index-linked gilts	15.1
● Cash	9.6
● Non-UK index-linked	9.3
● Long-dated index-linked gilts	6.7
● Gold exposure and gold equities	5.4
● Illiquid strategies and options	2.5
● Global funds	0.5
● UK/Europe equities	10.1
● Commodity exposure	5.8
● North America equities	4.4
● Japan equities	2.3
● Asia ex-Japan equities	0.6
● Other equities	0.5

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	2.2
Ryanair	0.8
ArcelorMittal	0.6
Glencore	0.6
Synchrony Financial	0.6
ORIX	0.6
Ambev SA	0.5
Bayer	0.5
Hoya	0.5
Yara International	0.4

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	7.4
UK Treasury index-linked 0.125% 2024	6.4
US Treasury 0.625% TIPS 2023	5.9
US Treasury FRN 31 Oct 2024	5.2
US Treasury FRN 31 Jul 2024	3.9

*Excludes holdings in pooled funds

Fund size £5,752.3m €6,520.6m

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	

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.

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Fund Managers

Jacques Hirsch

RESEARCH 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 the University of Oxford.



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 CISI. 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 31 December 2022, assets managed by the Ruffer Group exceeded £26.3bn.

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