

Ruffer Total Return International

Positive returns with low volatility

The fund's O cap GBP shares were flat over the month. This compares with a decrease of 0.4% in the FTSE All-Share Total Return Index and a rise of 0.2% in the FTSE Govt-All Stocks Total Return Index.

April saw a shock for the UK political commentariat: against expectations and with no prior leak, Prime Minister Theresa May announced a snap UK general election for 8 June. Sterling, which has been the lightning conductor for sentiment towards the UK since last year's EU vote, rallied on the news as investors moved to price in the possibility of some form of transitional arrangement after the UK's exit. The fund continues to have substantial exposure to sterling: as well as considering the UK's currency undervalued, we also continue to find few attractive protective qualities in other currencies that would justify holding them.

Across the English Channel there was an almost equal surprise: the first round of voting for the French presidential election actually produced an outcome in line with the pollsters. If that phenomenon repeats itself, then at the time of writing the centrist candidate, M. Macron, should defeat Mme. Le Pen from the Front National in the run off. While eurozone equity markets surged in relief following the first round results, it remains unclear whether the political novelty of M. Macron will overcome the likelihood that the French parliamentary elections next month produce an outcome that results in a period of impasse.

Away from political developments what seems clear is that while economies may not be growing at the rates desired by politicians and electorates, they continue in general to heal. The US economy, while experiencing its now seemingly customary first quarter softness continues to chug along, eurozone indicators are at a six-year high, and while the Chinese economy might have long-term structural issues, it presently continues to defy talk of an abrupt cyclical slowdown. The exception to this might be the UK, where the return of inflation appears to be dulling consumers' enthusiasm via stagnant real earnings. Taken together these factors encourage us to keep the faith in terms of our equity selection, favouring financial and cyclical exposure over 'bond-like' equities, even admitting that such a view has not been rewarded this year, as investors' hopes for economic recovery have waned.

Where that scepticism around growth is clearly most rife concerns the US. Fading hopes for imminent tax cuts, coupled with resounding silence on possible infrastructure spending, have prompted a rethink as to whether the arrival of President Trump genuinely represents a major change. We continue to believe that the next chapter of the post-crisis narrative will see greater involvement by government, with all the inflation risk inherent in a growing role for fiscal policy. In the meantime inflation indicators in most jurisdictions are coming in higher than forecast, sharpening policy dilemmas for central banks. All of this speaks to a risk of higher volatility in markets, as well as cementing our view that inflation-linked bonds must sit at the core of our asset allocation for the foreseeable future.

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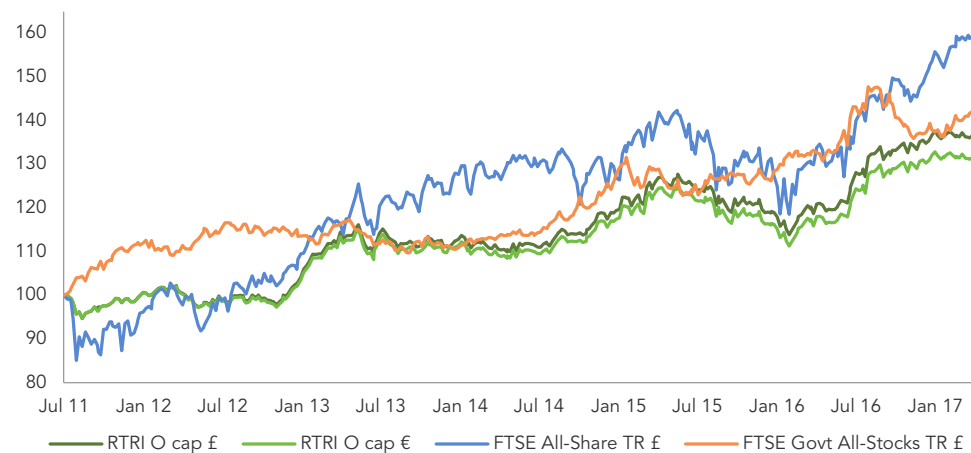


O class April 2017 Issue 70

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 launch on 14 July 2011 – O class shares



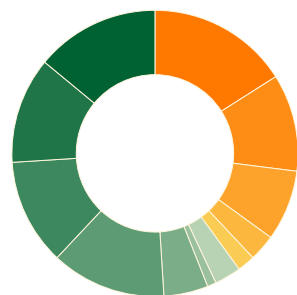
Performance %	April 2017	Year to date	1 year	3 years	5 years	10 years
O GBP capitalisation shares	0.0	0.2	13.0	23.7	36.8	na
Percentage growth (O GBP cap)		%				
31 Mar 2016 – 31 Mar 2017		13.1				
31 Mar 2015 – 31 Mar 2016		-3.3				
31 Mar 2014 – 31 Mar 2015		11.6				
31 Mar 2013 – 31 Mar 2014		-0.7				
31 Mar 2012 – 31 Mar 2013		10.6				

Source: Ruffer LLP, FTSE International (FTSE)†

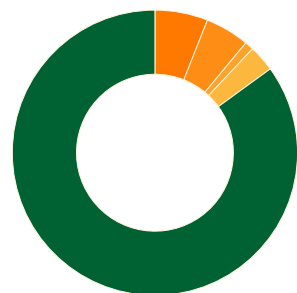
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

Ruffer Total Return International as at 30 April 2017

Portfolio structure



Asset allocation	%		%
● Long-dated index-linked gilts	14	● Japan equities	16
● Index-linked gilts	12	● UK equities	11
● Non-UK index-linked	12	● North America equities	8
● Cash	13	● Europe equities	3
● Gold and gold equities	5	● Asia ex-Japan equities	2
● Options	1		
● Illiquid strategies	3		



Currency allocation	%
● Sterling	85
● Yen	6
● Gold	5
● US dollar	1
● Other	3

5 largest of 10 bond holdings

Stock	% of fund	Stock	% of fund
UK Treasury index-linked 0.125% 2068	7.6	Dai-ichi Life Insurance	2.8
UK Treasury index-linked 1.875% 2022	6.5	Lloyds Banking	2.7
UK Treasury index-linked 0.375% 2062	6.4	Sony	2.2
US TIPS 1.25% 2020	5.5	ORIX	1.9
UK Treasury index-linked 0.125% 2019	4.9	Mitsubishi UFJ Financial	1.5

Source: Ruffer LLP

5 largest of 62 equity holdings*

Stock	% of fund
Dai-ichi Life Insurance	2.8
Lloyds Banking	2.7
Sony	2.2
ORIX	1.9
Mitsubishi UFJ Financial	1.5

* Excludes holdings in pooled funds

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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.

Fund size £2,082.9m

Fund information

Ongoing Charges Figure*	1.44	%
Maximum annual management fee (O class)	1.5	
Maximum subscription fee	5.0	
Minimum investment (or equivalent in other currency)	£1,000	
O share classes	Capitalisation only (equivalent to accumulation)	
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	CHF O cap LU0638558808 B4R1SD2 EUR O cap LU0638558717 B42NV78 GBP O cap LU0638558634 B41Y053 USD O cap LU0638558980 B449LX0	
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	
Custodian	Pictet & Cie (Europe) S.A.	
Auditors	Ernst & Young S.A.	

* As at 31 Dec 2016. Specific share classes available on request

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 30 April 2017, assets managed by the Ruffer Group exceeded £21.1bn, of which over £11.9bn was managed in open-ended Ruffer funds.

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