



# Ruffer Total Return International – Australia Fund

ARSN 643 278 693

## Product Disclosure Statement (PDS)

Dated 6 December 2023

**Ruffer LLP (AFSL No. 526358)**

**Responsible Entity**

The Trust Company (RE Services) Limited  
(ABN 45 003 278 831) (AFSL No. 235150)  
18/123 Pitt Street Sydney NSW 2000

**Investment Manager**

Ruffer LLP (AFSL No. 526358)  
80 Victoria Street  
London SW1E 5JL  
United Kingdom

# 1 Important information

Please read this Product Disclosure Statement (PDS) carefully and in its entirety prior to making an investment decision with respect to the financial products to be issued.

## 1.1 Responsible Entity

The Trust Company (RE Services) Limited ABN 45 003 278 831; AFSL No. 235150 (**Perpetual, Responsible Entity, RE, we or us**) is the responsible entity of Ruffer Total Return International – Australia Fund ARSN 643 278 693 (the **Fund**) and issuer of this PDS.

## 1.2 Investment Manager

The Responsible Entity has appointed Ruffer LLP (UK FRN #229135; AFSL No. 526358) (**Ruffer or the Investment Manager**) to provide investment and other services to the Fund, pursuant to an Investment Management Agreement (**IMA**) entered into between the Responsible Entity and Ruffer.

Ruffer holds an appropriate Australian Financial Services Licence (**AFSL**) under the Corporations Act 2001 (Cth) (**Corporations Act**) in respect of the financial services it provides to Wholesale Clients in Australia. Ruffer is not authorised to provide financial product advice to retail clients in Australia.

## 1.3 The Fund and the Underlying Fund

The Fund is an Australian registered managed investment scheme. Units in the Fund (**Units**) are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. By becoming an investor in the Fund you agree to be bound by this PDS. The information provided in this PDS is general information only.

The Fund currently intends only to invest in Ruffer Total Return International, a sub fund of Ruffer SICAV (**Underlying Fund**), and in cash.

Ruffer SICAV is a Luxembourg open-ended investment company (SICAV) and all investment and trading activity is undertaken at the Underlying Fund level. Ruffer is the appointed

investment manager of the Fund and the Underlying Fund.

References in this PDS to investment activity by the Fund refer to the investment activity by the Underlying Fund which the Fund has exposure to, unless otherwise expressly stated.

The Responsible Entity reserves the right to change the terms and conditions of this PDS.

## 1.4 PDS

This PDS is dated 6 December 2023. A copy of the current PDS and Target Market Determination (TMD) is available to be downloaded from the Fund's website: [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au)

If you make this PDS available to another person, you must give them the entire PDS and TMD, including the application form.

The Offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). This PDS is not an offer or invitation in relation to the Fund in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation.

ASIC takes no responsibility for the contents of this PDS or the merits of the investment to which the PDS relates.

Persons who access the electronic version of this PDS should ensure that they download and read the entire PDS. If unsure about the completeness of this PDS received electronically, or a print out of it, you should contact the Responsible Entity.

A paper copy of this PDS will be available for Australian investors free of charge by contacting the Responsible Entity on +612 9229 9000.

## 1.5 Updated Information

This PDS may be updated with changes that are not materially adverse via disclosure on the

Investment Manager's Fund's website, at [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au). Upon request, a paper copy of this information will be made available without charge by contacting the Investment Manager or Responsible Entity. For investors investing through an IDPS, updated information may also be obtained from the operator of your IDPS. Investors investing through a financial advisor may also obtain updated information from their financial advisor. The Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary or updated disclosures made in conjunction with this PDS prior to making any investment decision. Any replacement or supplementary PDS is available from the website above, or you can obtain a paper copy on request.

### 1.6 Notice to Investors

This PDS has been prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of the Fund having regard to your objectives, financial situation and needs. You should read the entire PDS, including the risk factors referred to in section 6 and speak to a financial adviser, before making a decision to acquire Units in the Fund.

Neither the Responsible Entity nor any person or party in connection with the Offer promises that you will earn any return on your investment, or that your investment will gain or retain its value. No company other than the Responsible Entity, the Investment Manager or any other person or party in connection with the Offer makes any statement or representation in this PDS.

### 1.7 Your cooling-off rights

If you are a Retail Client (as defined in the Corporations Act) a 14 day cooling off period applies, during which you may change your mind about investing in the Fund and where you have not exercised any rights conferred by the investment during this period. The 14 day cooling off period commences on the earlier of

– confirmation of the application received or

– the fifth Business Day after the day when the Units were issued.

If you exercise your cooling-off rights, we will return your money less any market movements or reasonable costs that may be deducted in accordance with law.

Cooling off rights do not apply to Wholesale Clients or where Units are issued to investors as a result of distribution reinvestments. Further, if you are investing indirectly through an IDPS, no cooling off rights apply in respect of any investment in the Fund acquired by your IDPS operator on your behalf. For information about any cooling off rights that may apply to you in respect of the IDPS that you invest through, please contact your IDPS operator directly or refer to their offer document.

### 1.8 Forward-looking Statements

This PDS contains forward-looking statements that, despite being based on the Responsible Entity's and the Investment Manager's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Responsible Entity and the Investment Manager. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this PDS. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this PDS. Forward-looking statements include those statements containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions that are predictions of or indicate future events and future trends.

The Responsible Entity and the Investment Manager do not make any representation, express or implied, in relation to forward-looking statements other than required by law and potential investors are cautioned not to place undue reliance on these statements. The Responsible Entity and the Investment Manager do not intend to update or revise forward-looking

statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this PDS, except where required by law.

### 1.9 Interpretation

Capitalised terms used in this PDS have the meaning given to them in the Glossary.

Unless otherwise stated, all references to \$ or amounts are to Australian dollars.

### 1.10 Target Market Determination

The TMD for the Fund is available free of charge on the Fund's website: [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au). It can also be obtained by calling the Responsible Entity on +612 9229 9000 or by emailing the Investment Manager at [australiafund@ruffer.co.uk](mailto:australiafund@ruffer.co.uk). The TMD is prepared under Part 7.8A of the Corporations

Act and, among other things, describes the type of investor that comprises the target market for the Fund. Potential investors may wish to refer to the TMD to assist in deciding whether to apply for, or acquire, an interest in the Fund.

### 1.11 Miscellaneous

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Fund.

All data contained in charts, graphs and tables within this PDS are based on information available as at the date of this PDS unless otherwise stated.

All references to time in this PDS refer to Sydney time unless otherwise stated.

## What's in this PDS?

The Responsible Entity hopes you find this PDS easy to use. The Responsible Entity encourages you to read it all before you make any investment decision.

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## 2 Investment overview

The information set out in this Section 2 is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. In deciding whether to apply for Units under the Offer, you should read this PDS carefully and in its entirety.

### 2.1 About the Fund

Topic	Answer	More information
What is the fund?	<p>Ruffer Total Return International - Australia Fund is a managed investment scheme registered with ASIC.</p> <p>The Fund intends to invest in Ruffer Total Return International, a sub fund of Ruffer SICAV (Underlying Fund), and in cash.</p> <p>Ruffer SICAV is a Luxembourg open-ended investment company (SICAV).</p> <p>As the Fund will hold and deal in shares of the Underlying Fund, all investment and trading activity is undertaken at the Underlying Fund level, to seek to achieve the Fund's investment objective.</p> <p>Ruffer is the appointed investment manager of the Fund and the Underlying Fund.</p>	Section 3
Who is the investment manager of the fund?	Ruffer LLP (UK FRN #229135; AFSL No. 526358)	Section 2.6
Who is the responsible entity of the fund?	The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL No. 235150)	Section 2.5
What is the investment objective?	The investment objective of the Fund is to achieve 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. Returns are not guaranteed.	Not applicable
What is the investment strategy?	<p>In order to achieve its investment objective, the Fund will invest in Australian dollar denominated class 'Z' shares in the Underlying Fund.</p> <p>The Underlying Fund applies a strategy of investing directly in cash, debt securities of any type (including government and corporate debt) and equities and equity related securities and in the share capital of listed companies whose business is related to these asset classes and/or in undertakings for collective investment (UCIs) including other sub-funds of the Underlying Fund (within a limit of 10% in UCIs) and/or in any Transferable Securities (such as structured products) linked (or offering an exposure) to the performance of the above- mentioned securities/asset classes. Investments in asset backed securities and mortgage backed securities will be limited to 10% of the Underlying Fund's net assets.</p> <p>The Investment Manager will follow an investment policy for the Fund as summarised in this PDS.</p>	Section 3.2

Topic	Answer	More information
What is the typical investor profile and what is the suggested investment period?	<p>The Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. It may be suitable for investors wishing to achieve the defined investment objectives.</p> <p>This financial product is likely to be appropriate for an investor seeking capital growth and capital preservation where the investor has a minimum five year investment timeframe, medium to high risk/return profile and needs weekly access to capital. Please consider the TMD for further information and before making an investment decision.</p> <p>If investors are uncertain whether this product is suitable for them, they should contact a professional adviser.</p>	Not applicable
Net Asset Value	The Responsible Entity will calculate and publish the Fund's Net Asset Value (NAV) per Unit as at each Dealing Day.	Section 9.9
Are distributions paid?	<p>The Responsible Entity intends to distribute the taxable income of the Fund on an annual basis. The Fund's investment into the Underlying Fund will be by way of subscription for a capitalisation share class which does not intend to make regular distributions. There may still be income to distribute based on taxable amounts arising to the Fund as a result of the redemption or buy back of shares in the Underlying Fund. However, there is no guarantee that the Fund will receive any income nor make any distribution to investors.</p>	Section 4.4
What are the material contracts?	<p>Investment Management Agreement</p> <p>Administration Agreement</p> <p>Unit Registry Agreement</p> <p>Custody Agreement</p> <p>The material contracts of the Underlying Fund are an investment management agreement between the Underlying Fund and the Investment Manager, and agreements relating to depositary bank and central administration agent arrangements.</p>	Section 9.8
What are the benefits with investing in the fund?	<p>Significant benefits of investing in the Fund include</p> <ul style="list-style-type: none"> <li>– global diversification of equity and currency exposures</li> <li>– the potential to generate capital growth over the medium to longer term as well as income from its investment in globally listed stocks</li> <li>– access to the investment and risk management expertise of Ruffer</li> <li>– access to a proprietary approach to fundamental research</li> </ul>	Section 4

What are the key risks with investing in the fund?

Before making an investment decision, it is important to understand the risks that can affect the value of your investment. Some of the key risks in relation to an investment in the Fund are summarised below. Please refer to section 6 for a more comprehensive summary of potential risks. Key risks specific to an investment in the Fund include –

Section 6

#### **Fund risk**

Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses.

As the Fund holds shares in the Underlying Fund, the fund risks inherent in the structure and operations of the Underlying Fund may also impact the Fund's unit price, performance or the ability of investors to make applications or withdrawals in the Fund.

#### **Liquidity risks**

The Underlying Fund may invest part of its assets in less liquid securities. Those are securities that cannot easily be sold or exchanged for cash without a substantial loss in value. Those securities also cannot be sold quickly because of a lack of ready and willing investors or speculators to purchase the asset in certain market conditions.

The directors of Ruffer SICAV may decide

- not to accept instructions to redeem on any one valuation day more than 10% of the total value of shares in issue in the Underlying Fund, in which case any outstanding redemption requests shall be deferred until the next valuation day
- to extend the period of payment of redemption proceeds to such period, not exceeding 30 business days in Luxembourg in the event of impediments due to exchange controls or other market constraints causing a delay in realising investments held by the Underlying Fund
- to suspend or defer temporarily in certain circumstances the redemption of shares in the Underlying Fund.

#### **Counterparty risks**

The Underlying Fund can conclude various transactions with contractual partners. If a contractual partner becomes insolvent, it can no longer or can only partly settle unpaid debts owed to the Underlying Fund.

#### **Credit risks**

The Underlying Fund can invest a portion of its assets in debt securities. Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

#### **Risks from the use of derivatives**

The Underlying Fund may invest in derivatives. A relatively small movement in the value of the derivative's underlying investment may have a much larger impact, positive or negative, on the value of the Underlying Fund than if the Underlying Fund were to hold the underlying investment itself. Derivatives are also used to reduce risk by hedging against movement in the value of investments held in the Underlying Fund.

Topic	Answer	More information
	<p><b>Operational risks</b></p> <p>The Underlying Fund may fall victim to fraud or criminal acts. It may suffer losses as a result of misunderstandings or mistakes by employees of the management company of the Underlying Fund or by external third parties or may be damaged by external events, such as natural disasters.</p> <p><b>Currency risk</b></p> <p>As the Underlying Fund invests in overseas securities, movements in exchange rates may, when not hedged, cause the value of investments to increase or decrease.</p>	
<p>What are the fees and costs? <sup>1</sup></p>	<p><b>Management Fees and Costs</b></p> <p>The management fees and costs will be 1.02% per annum, comprised of</p> <ul style="list-style-type: none"> <li>– Investment Manager fees of 0.77% per annum</li> <li>– administration expenses of 0.10% per annum. This includes the Responsible Entity fees, custody fees, administration fees and audit fees</li> <li>– indirect costs from investing in the Underlying Fund of 0.15% per annum.</li> </ul> <p><b>Transaction Costs</b></p> <p>Transaction costs will be 0.34% per annum. Transaction costs include the costs associated with buying and selling assets such as brokerage, clearing costs, settlement costs, stamp duties, custody transaction costs and the costs associated with OTC derivative instruments entered into for the primary purpose of hedging, in relation to the Fund and the Underlying Fund.</p>	<p>See Section 7 for a full description of the fees and costs</p>
<p>Withdrawals</p>	<p>Investors in the Fund can generally withdraw their investment by completing a written request to withdraw to the Responsible Entity.</p> <p>The minimum withdrawal amount is \$5,000. Following acceptance of a correctly completed withdrawal request by the Responsible Entity, the proceeds of any withdrawal will generally be available within 9 to 12 Business Days from the day on which an investor's withdrawal request was processed and will be paid to such investor's nominated bank account.</p> <p>Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.</p> <p>The Fund will be deemed liquid if at least 80% of its assets are liquid assets (generally cash and marketable securities). In addition, the Responsible Entity may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors for us to do so, due to circumstances outside our control (such as NAV calculation or dealings in the Underlying Fund being suspended).</p>	<p>Section 5.4</p>

<sup>1</sup> This is determined on the basis of these fees and costs for the financial year which ended 30 June 2023, please refer to section 7.5 'Additional explanation of fees and costs'. Percentages in this section are expressed as a percentage of the Net Asset Value of the Fund.

## 2.2 About the offer

Topic	Answer	More information
What do applicants pay when applying under this PDS?	All Applicants pay an Application Price per Unit in accordance with the Constitution. The Application Price is, in general terms, equal to the Net Asset Value of the Fund divided by the number of Units on issue and adjusted for transaction costs.  The Fund's Units are denominated in Australian dollars.	Section 5.1
Who can apply?	The Fund is open to investors who have a registered address in Australia.	Section 5.1
How do I apply for units?	The process for applying for Units in the Fund is set out in sections 5.1, 5.2 and 5.3.	Sections 5.1, 5.2 and 5.3
Is there a minimum amount investment which applicant's must apply for?	The Minimum Application Amount is \$20,000. Subsequent applications require a minimum investment of \$5,000.	Section 5.1
Is there a cooling off period?	Retail Clients (as defined in the Corporations Act) are entitled to exercise cooling off rights.	See Section 1
Complaints	A complaints handling process has been established and if an investor has a complaint, they can contact the Responsible Entity during business hours.	Section 9.2
How can I obtain further information?	If you would like more information or have any questions relating to the Offer, you can contact the Investment Manager by email on <a href="mailto:australiafund@ruffer.co.uk">australiafund@ruffer.co.uk</a>  If you are uncertain as to whether an investment in the Fund is suitable for you, please contact your financial or other professional adviser.	Section 9.2

## 2.3 Disclosure benchmarks

Benchmark	Details	More information
<b>Benchmark 1</b> <b>Valuation of assets</b> This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	The Fund meets this benchmark.  The Responsible Entity has appointed Apex Fund Services Pty Ltd ('Apex') to be its Administrator to provide independent valuation, unit pricing and fund accounting services.  FundPartner Solutions (Europe) S.A. currently acts as the Underlying Fund's administrator, and performs accounting and net asset value calculation services in respect of the Underlying Fund.  Apex will rely on the share price determined for the Underlying Fund in determining the Fund's unit price.	Sections 2.4, 3.3, and 9.8
<b>Benchmark 2</b> <b>Periodic reporting</b> This benchmark addresses whether the Responsible Entity will provide periodic disclosure of certain key information on an	The Fund meets this benchmark.  The following information will be provided to investors as at 30 June each year (and where required such information will be provided inclusive of information with respect to the Underlying Fund)  – the actual allocation to each asset type held by the Fund – the liquidity profile of the Fund's assets – the maturity profile of the Fund's liabilities	Section 4.5

Benchmark	Details	More information
annual or monthly basis.	<ul style="list-style-type: none"> <li>– the leverage ratio of the Fund</li> <li>– derivative counterparties engaged, if any</li> <li>– annual investment returns and</li> <li>– any change to key service providers and their related party status.</li> </ul> <p>The following information will be made available to investors on a monthly basis (where required, such information will be provided inclusive of information with respect to the Underlying Fund) on the Fund’s website: <a href="http://ruffer.co.uk/rtri-au">ruffer.co.uk/rtri-au</a></p> <ul style="list-style-type: none"> <li>– the current NAV of the Fund and the redemption value of a Unit of the fund as at the date on which the total NAV was calculated</li> <li>– any change to key service providers and their related party status</li> <li>– the net return on the Fund’s assets after fees, costs and taxes</li> <li>– any material change in the Fund’s risk profile</li> <li>– any material change in the Fund’s strategy and</li> <li>– any change in the individuals playing a key role in investment decisions for the Fund.</li> </ul>	

## 2.4 Disclosure principles

Disclosure principles	Details	More information
<p><b>Disclosure Principle 1</b></p> <p><b>Investment Strategy</b></p>	<p>The investment objective of the Fund is to achieve positive returns from an actively managed portfolio.</p> <p>The investment objective of the Underlying Fund is the same as that of the Fund.</p> <p>The Fund currently intends only to invest in the Underlying Fund and in cash.</p> <p>The Underlying 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). The choice of investment strategy is not limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.</p> <p>The Underlying Fund may use leverage and derivatives as part of its investment strategy. The risks of this investment strategy should always be considered. Refer to sections 3.2, 3.5 and 6.2 for further details.</p> <p>The Underlying Fund engages in hedging activities (i.e. hedging and leverage) which means that the investment strategy carries risks. See section 6 for a further discussion of risks.</p> <p>Diversification guidelines and investment restrictions are set out in section 3.2.</p> <p>The Fund’s ability to produce investment returns is primarily dependent upon the Investment Manager’s ability to deliver positive returns in all market conditions.</p>	Section 3.2

Disclosure principles	Details	More information
	<p>The Australian dollar currency hedging implemented for the Underlying Fund is designed to reduce, but not eliminate, currency risk and is a passive, not speculative, strategy.</p> <p>The investment strategy of the Fund and Underlying Fund is unlikely to change but if a material change occurs, notification will be provided to investors.</p> <p>The Fund only invests into a single class of shares in the Underlying Fund. In this regard, investors in the Fund do not access different investment strategies through this investment.</p> <p>See section 3.2 for more information regarding the investment strategy.</p>	
<p><b>Disclosure Principle 2</b> <b>Investment Manager</b></p>	<p>The Investment Manager is the manager of the Fund and the Responsible Entity delegates management duties in connection with the Fund to the Investment Manager. Ruffer is also the investment manager of the Underlying Fund. There have been no significant adverse regulatory findings made against the Investment Manager in its capacity as Investment Manager of the Fund or manager of the Underlying Fund. Please refer to section 2.6 for more details on the investment team.</p> <p>The Investment Management Agreement with the Fund will continue until terminated by the Responsible Entity or the Investment Manager. The Responsible Entity may terminate the Investment Management Agreement for cause or must terminate if a special resolution terminating the appointment of the Investment Manager is passed by Unitholders. The Investment Manager may terminate the Investment Management Agreement without cause at any time, subject to providing six months' notice.</p> <p>Please refer to Section 9.8 for a summary of the Investment Management Agreement under which the Investment Manager will be appointed, including termination rights of each of the Investment Manager and the Responsible Entity. If the Investment Manager is terminated as manager of the Fund, it may continue to provide investment management services to the Underlying Fund in accordance with its agreement with the Underlying Fund.</p> <p>Please also refer to Section 7 for a summary of the fees and costs that may be payable to the Investment Manager.</p>	<p>Section 9.8 Section 7</p>
<p><b>Disclosure Principle 3</b> <b>Fund Structure</b></p>	<p>The Fund is a registered managed investment scheme (ARSN 643 278 693).</p> <p>The Fund is a feeder fund which shall invest into the Australian dollar denominated capitalisation class 'Z' shares in Ruffer Total Return International, a sub fund of Ruffer SICAV (Underlying Fund), and in cash.</p> <p>The Investment Manager of the Fund is Ruffer LLP. Ruffer SICAV is commonly referred to as an 'umbrella fund' enabling investors to choose between one or more investment objectives by investing in one or more sub-funds.</p> <p>Ruffer SICAV is domiciled in Luxembourg. FundPartner Solutions (Europe) S.A. has been appointed as the Management Company of Ruffer SICAV and under a tripartite agreement, the Management Company delegates management responsibilities in relation to the Underlying Fund to Ruffer LLP as investment manager.</p>	<p>Sections 3, 6 and 9.8</p>

	<p>For a diagram depicting the structure of the Fund see Section 3. Also see Section 3 for an overview of the jurisdictions of the entities involved in the structure of the Fund.</p> <p>The Responsible Entity of the Fund has appointed Ruffer as the Fund's Investment Manager</p> <ul style="list-style-type: none"> <li>– Apex as the Fund's Custodian and Administrator, with responsibility for providing custody, unit application, redemption, transfer, scheme valuation and unit pricing services</li> <li>– Ernst &amp; Young as the Fund's tax agent and auditor.</li> </ul> <p>FundPartner Solutions (Europe) S.A. is the administrative agent, registrar and transfer agent, paying agent and domiciliary agent of the Underlying Fund. Bank Pictet &amp; Cie (Europe) A.G. Succursale de Luxembourg has been appointed as custodian of the Underlying Fund. Ernst &amp; Young has been appointed as the auditor of the Underlying Fund.</p> <p>The Responsible Entity has entered into agreements with and has procedures in place to monitor key service providers of the Fund to ensure compliance with their obligations.</p> <p>The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may invest in the Fund or provide services to the Fund.</p> <p>The risks associated with the Fund's structure are described in Section 6.</p> <p>The fees and costs of the Fund are set out in section 7.</p> <p>The related party relationships within the structure and the management of conflicts of interest are described in Section 9.10.</p>	
<p><b>Disclosure Principle 4</b> Valuation, location and custody of assets</p>	<p>The Fund holds shares in the Underlying Fund and cash.</p> <p>The Fund, through the Underlying Fund, invests in asset classes such as cash, debt securities of any type (including government and corporate debt), equities and equity related securities and in other listed companies with business related to these asset classes (eg precious metals). The Fund may also invest through the Underlying Fund in transferrable securities (such as structured products) linked (or offering exposure) to the performance of the Underlying Fund's securities / asset classes. The choice of investments in the Underlying Fund is not limited by geographical area, economic sector or currencies in which investments will be denominated.</p> <p>The value of the Fund's investment in shares of the Underlying Fund is calculated by the Fund's Administrator, Apex, which rely on the share price and net asset value of the Underlying Fund calculated by FundPartner Solutions (Europe) S.A. (Underlying Fund Administrator), being the administrative agent, registrar and transfer agent, paying agent and domiciliary agent of the Underlying Fund.</p> <p>The value of the Fund's Units is calculated weekly, as at each Dealing Day, on the basis of the Fund's NAV, – see sections 3.3 and 9.9 for further details. The Fund's NAV equals the gross value of its assets, primarily the value of its investment in the Underlying Fund plus any cash on hand, less the value of the Fund's liabilities, such as accrued investment management fees, service provider fees, tax liabilities, duties and other operational charges.</p>	<p>Section 3.3 and Section 9.9</p>

Disclosure principles	Details	More information
	<p>Generally, the value of any of the Underlying Fund’s investments is the mid price as at the close of business or the last closing price on the prior business day, or for which a price is able to be determined by the Management Company and implemented by the administrator of the Underlying Fund.</p> <p>Bank Pictet &amp; Cie (Europe) A.G. Succursale de Luxembourg (referred to as Underlying Fund Custodian in this PDS) has been appointed as depositary of the Underlying Fund.</p> <p>The assets of the Fund are held by an external custodian, Apex Fund Services Pty Ltd. The Custodian has responsibility for the custody of the assets of the Fund, although it may appoint sub-custodians from time to time.</p> <p>The Fund’s Units are denominated in Australian dollars.</p>	
<p><b>Disclosure Principle 5</b> <b>Liquidity</b></p>	<p>The liquidity of the Fund is predominately determined by the liquidity of the Underlying Fund.</p> <p>There may be times when the assets of the Underlying Fund may not be readily sold. This is more likely in the case of investments which are not listed on a recognised securities exchange, or are not traded frequently and are therefore less liquid.</p> <p>The Management Company of the Underlying Fund has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Underlying Fund and to ensure the liquidity profile of the investments will facilitate compliance with the Underlying Fund’s underlying obligations. The Management Company’s liquidity policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Underlying Fund. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the fund.</p> <p>Please refer to the liquidity risk in section 6.2 for further details on the Management Company’s liquidity risk policy. Please refer to section 5.4 for further details on withdrawals and circumstances in which withdrawals may be suspended.</p>	<p>Section 6</p>
<p><b>Disclosure Principle 6</b> <b>Leverage</b></p>	<p>The Underlying Fund may borrow and may use leverage to increase exposure to underlying investments.</p> <p>The Underlying Fund uses the absolute value-at-risk approach for risk management purposes. The expected level of leverage of the Underlying Fund is 250%. The level of leverage may be subject to variation. The use of leverage should not be considered as illustrative of the Underlying Fund’s investment strategy. The strategy of the Underlying Fund is to achieve positive returns from an actively managed portfolio.</p> <p>Please refer to the Section 3.5 regarding the Underlying Fund’s leverage policy.</p>	<p>Section 3.5</p>
<p><b>Disclosure Principle 7</b> <b>Derivatives</b></p>	<p>The Fund, through the Underlying Fund, uses derivatives for hedging and for any investment purposes, within the limits in line with the Underlying Fund’s investment restrictions. The Underlying Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided they are contracted with leading financial</p>	<p>Section 3.2 and Section 6</p>

Disclosure principles	Details	More information
	<p>institutions specialised in these types of transactions. In particular, the Underlying Fund may take exposure through any financial derivative instrument such as, but not limited to, warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference and credit default swaps) and forwards.</p> <p>As at the date of the PDS, the Underlying Fund has not entered into (i) repurchase or reverse repurchase agreements or (ii) securities lending agreements.</p> <p>The Underlying Fund may deploy leverage in relation to financial derivative instruments used for hedging purposes.</p>	
<p><b>Disclosure Principle 8</b> Short selling</p>	<p>The Fund does not use short selling and short selling is not permitted under the Underlying Fund’s investment strategy.</p>	
<p><b>Disclosure Principle 9</b> Withdrawals</p>	<p>The Fund has appointed Apex Fund Services Pty Ltd as the Administrative Agent. The Fund’s Dealing Day is weekly, typically a Thursday, and the application time and withdrawal time is typically 2pm (Sydney time) on the preceding Friday. The Fund’s Dealing Day, application time and withdrawal time will be impacted by public holidays in Luxembourg, the United Kingdom and/or Australia. If you wish to see a list of days on which public holidays impact the usual dealing and cut-off cycle, please see the Fund’s website: <a href="http://ruffer.co.uk/rtri-au">ruffer.co.uk/rtri-au</a></p> <p>Typically, if the Administrative Agent receives a correctly completed withdrawal request before 2 pm (Sydney time) four Business Days prior to the relevant Dealing Day, the request will be processed using the Withdrawal Price calculated for that Dealing Day. Where the Administrative Agent receives such information after 2 pm (Sydney time) four Business Days prior to a Dealing Day, the request will be processed using the Withdrawal Price determined for the following Dealing Day.</p> <p>The Responsible Entity may designate additional days as Dealing Days and may deem that a day is not a Dealing Day if the net asset value per share of the Underlying Fund has not been made available to the Responsible Entity on or before the day prior to the relevant Dealing Day.</p> <p>Under the Constitution, the Responsible Entity will generally pay a withdrawal request within 9 to 12 Business Days from the day on which an investor’s withdrawal request was processed but may take longer in some circumstances.</p> <p>Refer to section 5.4 for more information on withdrawals.</p>	<p>Section 5.4</p>

## 2.5 About the Responsible Entity

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL No. 235150) is the responsible entity of the Fund.

The Responsible Entity is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 and a part of Perpetual Group which has been in operation for over 135 years. Perpetual Limited is an Australian public company that has been

listed on the ASX for over 55 years. The Responsible Entity holds Australian Financial Services Licence number 235150 issued by ASIC, which authorises it to operate the Fund and performs its function through Perpetual Corporate Trust, a division of Perpetual Limited. The Responsible Entity does not directly employ staff.

The role of the Responsible Entity is to oversee the operation and management of the Fund. It is required to act in the best interest of Unitholders.

The Responsible Entity is bound by the Constitution and the Corporations Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Corporations Act.

The Responsible Entity has the power to delegate certain aspects of its duties. The Responsible Entity has appointed the Investment Manager as investment manager of the Fund. There are no unusual or materially onerous terms in the agreement under which the Investment Manager has been appointed. The Responsible Entity is able to terminate the Investment Manager's appointment under the Investment Management Agreement at any time in circumstances, including but not limited to

- fraud, misconduct, dishonesty or gross negligence on the part of the Investment Manager
- where the Investment Manager enters into receivership, liquidation, ceases to conduct business sells the business or is legally unable to operate as an Investment Manager or
- where the Investment Manager is in breach of any representations or warranties to the Responsible Entity.

Termination in these circumstances is without payment of any penalty.

The Responsible Entity also has an ongoing review framework in place to review the investment process that the Investment Manager has in place for the Fund. This is explained further in the Investment Management Agreement summary in section 9.8 of this PDS.

The Responsible Entity has appointed Apex Fund Services Pty Ltd as the custodian, administrator and provider of unit registry services to the Fund.

The material agreements of the Fund (including material agreements of the Underlying Fund) are set out in section 9.8.

## 2.6 About the Investment Manager

### Overview

Ruffer LLP (UK FRN #229135; AFSL No. 526358) is the Investment Manager.

The Investment Manager was authorised by the UK regulator (currently the Financial Conduct Authority) on 2 April 2004, incorporated as a limited liability partnership. Its registered office is at 80, Victoria Street, London, SW1E 5JL, United Kingdom. The Investment Manager is led by Chris Bacon as its Chief Executive Officer. The Co-Chief Investment Officers of the Investment Manager are Henry Maxey and Neil McLeish. The Investment Manager blends its talented and experienced team of individuals with a combination of global business insights and investment philosophy.

Ruffer's aim is to deliver positive returns, regardless of how the financial markets perform.

Ruffer are multi-asset absolute-return investors, with two investment objectives

- not to lose money in any rolling 12 month period
- to grow funds at a higher rate than would be achieved by depositing them in cash

The investment philosophy and approach of Ruffer have been unchanged since the firm started in 1994. Their success in delivering on these investment objectives is evident from their long-term track record over more than a quarter of a century.

### The Investment Management Team

There are several key investment personnel who currently have day to day responsibility for the running of the Fund, they are supported by an in-house macro-economic research team and twenty plus bottom up stock analysts.

#### Jonathan Ruffer – Chairman, Ruffer LLP

Trained as a stockbroker and barrister before moving into private client investment management in 1980, with Dunbar Fund Managers. Formerly Chief Investment Officer of Rathbone Bros plc. He established Ruffer

Investment Management Limited in 1994, which transferred its investment business to Ruffer LLP in 2004.

**Henry Maxey – Co-Chief Investment Officer, Ruffer LLP**

Joined Ruffer in 1998 after graduating from Oxford University with a first class honours degree in economics and management. He became a CFA charterholder in 2003. He managed the LF Ruffer Total Return Fund and LF Ruffer Equity & General Fund between 2001 and 2006. He joined the Executive Committee in 2006 and became Chief Investment Officer in 2010. Between 2012 and 2017 he combined this role with that of Chief Executive. Following the company's growth, he relinquished the CEO role in April 2017 to focus on leading Ruffer's investment strategy.

**Neil McLeish – Co-Chief Investment Officer, Ruffer LLP**

Joined Ruffer in 2022 after nearly 30 years at Morgan Stanley where he held roles in Research and Trading, latterly as Global Head of Macro Research. In 2021, he undertook the Sloan Fellowship at London Business School, graduating with Distinction. He became Co-Chief Investment Officer in 2023.

**Jon Dye – Head of Research, Ruffer LLP**

Prior to joining Ruffer in 2010, undertook accounting-based pan-European equity research at CFRA/Risk Metrics. Previous roles included

Investment Analyst at Dye Asset Management and Newton Asset Management. He has a first class honours degree in government and economics from the London School of Economics and is a CFA charterholder.

**Alex Lennard – Investment Director, Ruffer LLP**

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 initially worked as assistant to Jonathan Ruffer and now manages investment portfolios, concentrating on family offices and corporate pension schemes. He is co-manager of Ruffer Total Return International.

**Matt Smith – Investment Director, Ruffer LLP**

Joined Ruffer in 2011 after graduating from Edinburgh University with a first class honours degree in history and German. He spent 2015 seconded to Ruffer's Hong Kong office as an equity analyst, and is a fellow of the Chartered Institute for Securities & Investment, having achieved a distinction in the Financial Derivatives paper. He primarily manages portfolios for pension schemes and institutions and co-manages the LF Ruffer Total Return Fund.

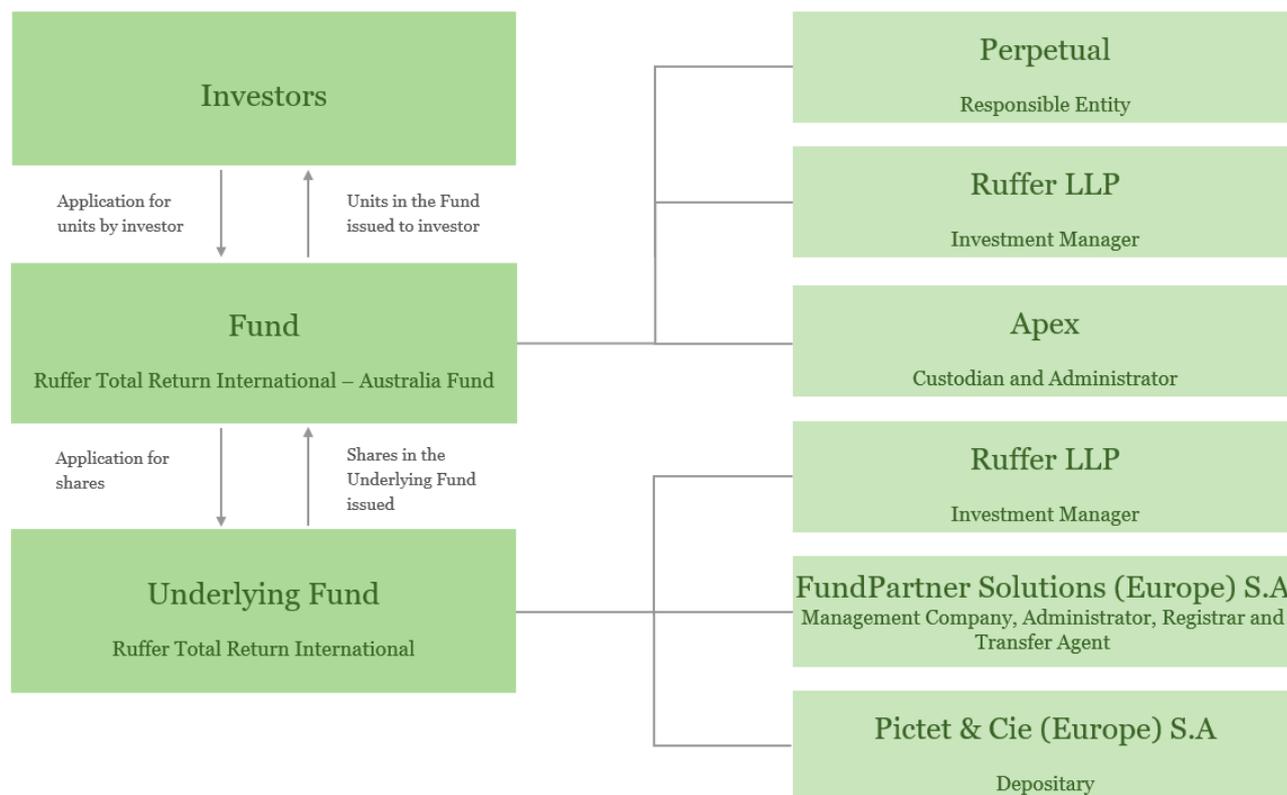
Further information about the investment personnel can be found on the Fund's website at [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au)

### 3 Overview of the Fund

The Fund is an Australian registered managed investment scheme and unit trust, where each investor’s money is pooled with other investors’ funds. The rights of Unitholders are set out in the Constitution.

When you invest in the Fund your money is pooled with other investors’ funds and invested in assets. The Responsible Entity has appointed Ruffer to manage the Fund as the Investment Manager. The Fund currently intends only to invest in the Underlying Fund and cash and aims to provide positive returns from an actively managed portfolio over five years. The investment objective of the Underlying Fund mirrors the investment objective of the Fund.

The following diagram depicts the structure of the Fund.



The Underlying Fund is administered by Fund Partner Solutions (Europe) S.A. (Underlying Fund Administrator). Ruffer SICAV and the Underlying Fund Administrator delegate investment management duties in relation to the Underlying Fund to the Investment Manager, Ruffer.

The Underlying Fund is a sub-fund of Ruffer SICAV, an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a ‘société d’investissement à capital variable’ under the form of a ‘société anonyme’. Ruffer SICAV is governed by Luxembourg law and is registered with the

Luxembourg Commercial and Companies’ Register under number B 161.817.

Ruffer SICAV has been incorporated for an unlimited period. The registered office of Ruffer SICAV (the ‘Registered Office’) is established at 15, Avenue J.F. Kennedy, L-1855 Luxembourg.

#### 3.1 Units

The Fund is a ‘unit trust’. This means your interests in the Fund are represented by ‘Units’. Certain rights (such as a right to any income and a right to vote) attach to your Units. You may also have obligations in respect of your Units. Please

see section 5.5 for further information if you invest through an IDPS.

### 3.2 Investment strategy

The Fund invests only in the Underlying Fund and may also hold cash.

The Underlying Fund invests

- in cash, debt securities of any type (including government and corporate debt) and equities and equity related securities and in the share capital of listed companies whose business is related to these asset classes and/or
  - in undertakings for collective investment (UCIs) including other sub-funds of Ruffer SICAV (within the below limit of 10% in UCIs) and/or
  - in any Transferable Securities (such as structured products) linked (or offering an exposure) to the performance of the above-mentioned securities/asset classes.
- Investments in asset backed securities and mortgage backed securities will be limited to 10% of the Underlying Fund's net assets.

#### The investment strategy explained

The choice of investments in the Underlying Fund is neither limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments are denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

Furthermore, there is no particular or predetermined weight placed on any of the aforementioned types of asset classes; asset allocation follows a strategic approach and is determined on the basis of the outlook for global financial markets.

Notwithstanding the above, it has been determined that the Underlying Fund shall have no more than 10% of its assets in the aggregate be invested in UCIs (UCITS and other UCIs).

Structured products can be instruments, such as but not limited to notes, certificates or any other Transferable Securities whose returns are correlated with changes in, among others, a financial index selected in accordance with article 9 of the grand-ducal regulation of Luxembourg dated 8th February 2008 (the 'Grand-Ducal Regulation') (including eligible financial indices on volatility, commodities, precious metals, etc), currencies, exchange rates, Transferable Securities or a basket of Transferable Securities or a UCI, at all times in compliance with the Grand-Ducal Regulation.

In compliance with the Grand-Ducal Regulation, the Underlying Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

For hedging and for any investment purposes the Underlying Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC), provided they are contracted with leading financial institutions specialised in these types of transactions. In particular, the Underlying Fund may take exposure through any financial derivative instrument such as, but not limited to, warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference and credit default swaps) and forwards on any underlying in line with the Law of 2010 relating to undertakings for collective investment as well as the investment policy of the Underlying Fund, including but not limited to currencies (including non-deliverable forwards), interest rates, Transferable Securities, baskets of Transferable Securities, eligible financial indices and UCIs.

At this time, the Underlying Fund has not entered into (i) repurchase or reverse repurchase agreements, or (ii) securities lending agreements.

If the Investment Manager considers this to be in the best interest of the investors, the Underlying Fund may also hold up to 100% of its net assets in cash deposits, money market funds (within the

above mentioned 10% limit relating to UCIs) and money market instruments.

There can be no assurance that the investment objective will be achieved.

### Key dependency or assumptions

The Underlying Fund's ability to produce investment returns is primarily dependent upon the Investment Manager's ability to deliver positive returns in all market conditions. The Underlying Fund will be materially exposed to the general movements of overall global equity and debt markets.

### Investment restrictions

The Underlying Fund must comply with various investment restrictions prescribed under the UCITS Regulations which include, but are not limited to, the following

- the Underlying Fund may only invest in recently issued transferable securities or money market instruments where the terms of issue include an undertaking that application will be made for admission to official listing on a regulated market under European Union law or such other markets as European Union law prescribes and that such admission is secured within one year of issue
- no more than 10% of the assets of the Underlying Fund may in the aggregate be invested in collective investment vehicles, and such collective investment vehicles must also be UCITS or equivalent in terms of regulatory supervision and unitholder protection to UCITS and
- deposits may only be made with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, and provided that the credit institution has its registered office in the European Union or is subject to prudential rules equivalent to those in European Union law.

As Investment Manager of the Underlying Fund, Ruffer, is required to monitor the investment portfolio of the Underlying Fund to ensure that it

complies with the investment restrictions applicable to the Underlying Fund. Ruffer is required to take appropriate action (in its capacity as the investment manager of the Underlying Fund) to bring the portfolio of the Underlying Fund back within these limits as soon as practicable.

### Diversification and position limits

The Fund currently intends only to invest in the Underlying Fund and in cash, and will not otherwise diversify its investments.

The Underlying Fund has established a broadly diversified spread of investments across a range of global asset classes and markets to aim to achieve positive returns regardless of market conditions.

The Underlying Fund is subject to the risk diversification rules prescribed under the UCITS Regulations. These include (but are not limited to) rules which prescribe that

- except in the case of certain EU registered institutions, generally not more than 10% of the Underlying Fund's net assets may be invested in transferable securities or money market instruments of a single issuer, and multiple investments each being more than 5% of the Underlying Fund's net assets in a single issuer, may not in total make up more than 40% of the Underlying Fund's whole portfolio and
- the limit of 10% described above rises to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

The investment strategy, and the other limits set out in this PDS, should be viewed as objectives only and not absolute limits. Should they be exceeded for any reason, for example due to market movements or cash flows, the Investment Manager will endeavour to effect such adjustments as is necessary to meet the limits set out in this PDS. If the investment strategy of the Fund changes significantly, the Investment

Manager will give all Unitholders at least 30 days' notice where practicable.

## Derivatives

Derivatives may be used in the management of the Underlying Fund for purposes including the following

- managing investment risk and volatility
- managing actual and anticipated interest rate risk and credit exposure
- managing currency risk and adjusting currency exposure
- achieving asset exposures without buying or selling the underlying securities or
- managing strategic and tactical asset allocation strategies.

Over the counter derivatives may be used by the Underlying Fund to hedge currency risk.

Exchange traded derivatives, including listed put options, may be employed on certain market events to manage downside risks.

The Underlying Fund only invests in derivatives listed on an exchange or where the derivatives counterparty is an institution whose financial stability has been subject to standard counterparty identification and due diligence.

## Risks

Please refer to section 6 for details about the risks of investing in the Fund.

## Risk Management Strategy

The Investment Manager controls market risk through building an unbenchmarked portfolio of offsetting growth and protective assets. This process involves rigorous assessment of the interdependence of holdings. It also reduces exposure to market-timing risks. Ruffer manages the portfolio of the Underlying Fund within the following parameters –

- asset allocation risk: assessed through stress tests of the portfolio of the Underlying Fund across a significant number of historic and forward-looking scenarios to assess potential loss and analyse vulnerabilities

- stock selection risk: controlled by all portfolio holdings being assessed and recommended by the Research Team through the stock selection process, through the use of risk-weightings according to our conviction in the opportunity, and specific risk factors, such as volatility or liquidity
- currency risk: controlled through active currency management. Ruffer invests globally, but foreign currency exposure is a risk for an investor and Ruffer takes that risk only when it actively wishes to hold that currency, otherwise hedging currency exposure back to the portfolio's base currency

## 3.3 Labour Standards and Environmental, Social and Governance (ESG) Considerations

When managing the Fund, the Investment Manager may take into account certain labour standards and certain ESG considerations (which includes ethical considerations) for the purpose of selecting, retaining or realising the investments of the Fund where those considerations are determined to be a factor that may impact the current or future financial performance of the investment.

However, regardless of the financial performance impact, the Investment Manager will not invest directly in any company that develops, manufactures, or sells cluster munitions or anti-personnel mines. There may be circumstances where a fund has indirect exposure, for example, via an instrument that gives exposure to an index such as an ETF. The Investment Manager works with an independent third-party research provider to identify companies that breach this policy. All investments are checked prior to investment and monthly thereafter. If a company is found to breach this policy, the Investment Manager will not invest, or divest the Fund's position in the company in an orderly manner having regard to the best interest of investors and intends to do so within one month.

Other than this, the Investment Manager has no predetermined view or methodology about what or how far labour standards or ESG considerations will be taken into account. The

Investment Manager will determine, on a case-by-case basis, when to vary an interest in an investment based on labour standards or ESG considerations.

As the Responsible Entity has delegated its investment management decisions relating to the Fund to the Investment Manager, the Responsibility Entity does not take into account labour standards or ESG considerations.

### 3.4 Valuation, location and custody of assets

The value of the Fund's Units is calculated as at each Dealing Day. The Fund's Dealing Day is weekly, typically a Thursday, and the application time and withdrawal time is typically 2pm (Sydney time) on the preceding Friday. The Fund's Dealing Day, application time and withdrawal time will be impacted by public holidays in Luxembourg, the United Kingdom and/or Australia. If you wish to see a list of days on which public holidays impact the usual dealing and cut-off cycle, please see the Fund's website: [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au)

The valuation methods applied by the Responsible Entity to value the Fund's assets and liabilities are consistent with the range of ordinary commercial practice for valuing them and represent its assessment of current market value. The valuation of shares in the Underlying Fund held by the Fund will be the redemption price of the shares as last quoted by the management company, investment manager or other operator of the Underlying Fund plus any income entitlements accrued at that date as last advised by such person.

The Underlying Fund invests in assets globally and does not have set geographical exposures.

The assets of the Underlying Fund will be held in custody by the Underlying Fund Custodian and sub-custodians located globally. As is standard practice for global investment dealings, the Underlying Fund Custodian may engage sub-custodians around the world to transact and hold assets in the relevant jurisdiction of the asset. Please see section 9.8 for more information.

### 3.5 Leverage

The Underlying Fund uses the absolute value-at-risk approach for risk management purposes. The expected level of leverage of the Underlying Fund is 250%. This figure is computed as the sum of the notionals of the financial derivative instruments, whereby a large part of these financial derivative instruments are used for hedging purposes. When using the sum of the notionals approach there may be circumstances when the leverage level on the Underlying Fund is temporarily inflated and the expected level exceeded. For example, the Underlying Fund makes use of foreign exchange forward contracts as part of its investment policy, and may in certain circumstances (such as when the Underlying Fund experiences a large redemption) temporarily have a higher than expected exposure to these contracts. The Underlying Fund may also buy options, and when these move into the money the leverage level may temporarily and significantly exceed the expected leverage level shown.

Investors should note that the level of leverage above does not necessarily provide any reasonable illustration of the overall risk profile of the Underlying Fund, and the Fund.

As stated in the investment objective and policy of the Fund, the Investment Manager seeks to achieve positive returns from an actively managed portfolio. Overriding this objective is a fundamental philosophy of capital preservation which the Investment Manager has sought to achieve through investment in the Underlying Fund via a diversified portfolio construction using both traditional assets such as equities and bonds and other assets including investment in structured products and other investment vehicles.

The reason for the Investment Manager engaging in financial derivative instruments use is to protect the portfolio against tail risk scenarios (which are however unlikely to occur). Typically, the financial derivative instruments used (like interest rate swaptions and options) will have a negative correlation with the Underlying Fund's underlying holdings. Financial derivative

instruments may carry significant levels of leverage, which could be desirable when implementing protection strategies.

Additionally, the 'sum of notionals' methodology used to calculate leverage, as prescribed by the European Securities and Markets Authority, simply aggregates the absolute sum of all long and short financial derivative instrument positions, even if they are for hedging purposes, and further uses just notional values rather than measures that calculate the overall contributions to risk, which will often explain why the leverage levels under this method appear high. The effect of the features of this methodology can be illustrated by the lower figures produced when calculating leverage using the 'commitment approach', under which netting and hedging is incorporated within the calculation methodology.

## 4 What are the benefits of investing in the fund?

### 4.1 Significant benefits

There are many benefits of investing in the Fund. Some of the significant benefits include

- global diversification of equity and currency exposures
- the potential to generate capital growth over the longer term as well as income from its investment in globally listed stocks
- access to the investment and risk management expertise of Ruffer
- access to a proprietary approach to fundamental research
- access to bespoke investment opportunities and overseas markets
- access to Ruffer’s investment process which uses conventional and unconventional assets in a different way to most managers. It aims to protect capital and deliver cash-plus returns in all market conditions, as well as generate a genuinely uncorrelated return stream.

Ruffer’s long track record of broadly achieving investment objectives over the past quarter of a century, delivering consistent returns<sup>2</sup>.

With a commitment to remain an independent and private business, Ruffer suffers no pressure from external owners to change the investment philosophy. Instead Ruffer can remain entirely focused on delivering investment outcomes for its clients and investors.

### 4.2 Access to Ruffer’s investment process

Through the Fund, you access Ruffer’s distinctive investment process.

Ruffer’s starting point when investing is always to consider the prevailing risks and opportunities that it sees in financial markets. Ruffer’s approach is therefore forward-looking and active. Ruffer operates without pre-determined benchmarks and is not influenced by market indices.

There are two principles that Ruffer believes are central to successful absolute return investing

- do not be dependent on the direction of markets
- remove market timing from the portfolio.

#### Market direction

To avoid being dependent on the direction of markets, Ruffer seeks to create a balance of offsetting investments within the portfolio of the Underlying Fund. Ruffer therefore holds ‘growth’ and ‘protective’ assets alongside each other, varying the allocation to each over time.

The investments in growth are principally equities; the investments in protection are usually a combination of conventional and inflation-linked bonds, currencies, commodities and derivatives.

The aim is that the protective assets perform well in a downturn and defend the capital value; and that the growth assets deliver good returns in favourable market conditions.

#### Market timing

In an ideal world, a portfolio would be switched from growth to protection at the top of the market, then reversed again at its trough. In the real world, however, nobody can determine exactly when this point will be. Ruffer’s strong long-term returns and its multi-asset investment approach are grounded on avoiding or limiting drawdowns, which Ruffer defines through the aspiration of not losing money in any rolling 12 month period. By seeking to avoid large losses, investors can capture the power of compounding – if one avoids a drawdown of say 20%, then the next 25% of returns are not simply recovering losses, but are instead compounding and moving the investor forwards.

For this reason, Ruffer always holds protective assets in the portfolio alongside growth assets.

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<sup>2</sup> Past performance is not a reliable indicator of future performance.

Some equity investors and even multi-asset managers believe that they can protect investors by running to cash at difficult points in markets. Ruffer believes that such ‘market timing’ is extremely difficult.

#### Where does Ruffer fit?

It is Ruffer’s belief that the distinctive Ruffer approach to investing fits well in two different parts of an investor portfolio.

The first is in the ‘growth alternatives’ part of a portfolio. Ruffer has been running its single investment approach since the firm launched in 1994; this approach is aligned to the investment objectives of the Fund. Over 20 years the annualised returns of this investment approach have been in excess of the Australian CPI + 5%, combined with an annualised volatility<sup>3</sup> of 7%.<sup>4</sup> This means that Ruffer is well-placed to deliver on inflation-plus or cash-plus return objectives in a low-risk manner. These returns have been delivered with a low correlation to global equities, adding a return that is uncorrelated during normal markets but negatively correlated during market sell-offs.

Ruffer believes the Ruffer approach also sits well as a component of a more beta-heavy core portfolio. Ruffer’s track record of protecting investors’ capital through times of crisis (such as the dot-com bust and the global financial crisis) means that it provides a useful offset to more conventional equities and bonds, delivering a return that is uncorrelated during normal markets but negatively correlated during market sell-offs. Ruffer’s willingness and ability to look beyond conventional beta assets whilst still focusing on delivering overall positive returns makes them a more effective portfolio allocation than pure tail-risk strategies.

#### Investment strategy and asset allocation

The investment strategy and asset allocation is set by Henry Maxey (Co-Chief Investment Officer), Neil McLeish (Co-Chief Investment Officer), Jonathan Ruffer (Chairman) and Jon Dye (Head of Research), with input from senior portfolio managers and their independent in-house research team. When setting Ruffer’s asset allocation, the starting point is always the prevailing risks and opportunities they see in the financial markets, rather than any pre-determined benchmark or asset class ranges.

Ruffer translates the risks into investment opportunities by identifying those asset classes that should benefit from an occurrence of the risk events. These are the protective assets.

Ruffer’s investments in growth follow the same approach. They constitute what Ruffer believes to be the best opportunities available globally. The allocations may be geographic, thematic or special situations.

When constructing portfolios each allocation is considered holistically as to what role it plays in the portfolio. Ruffer is looking for assets that offer asymmetric return profiles, combining them to build a portfolio that will make relentless progress irrespective of market conditions.

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<sup>3</sup> Volatility refers to the amount of uncertainty or risk related to the size of changes in a security’s value. A higher volatility means that a security’s value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security’s value does not fluctuate dramatically, and tends to be more steady.

<sup>4</sup> Past performance is not a reliable indicator of future performance of the Fund. The performance of the Fund could be significantly different to past performance. As the Underlying Fund was formed in

July 2011, this is aggregated past performance information of LF Ruffer Total Return Fund, an open-ended investment company in the United Kingdom whose returns are 90%+ correlated (monthly returns) to those of the Underlying Fund, for the period 29 September 2000 to when the Underlying Fund received its first investment on July 2011 and past performance information of the Underlying Fund after that. The rate is shown (a) net of fees and costs that would be payable in relation to the Fund, (b) based on the reinvestment of distributions back into the relevant funds and (c) before tax.

## Security selection

Ruffer's research team are responsible for security selection.

The team are tasked with finding the best investment opportunities globally and are not constrained by narrow sector or country boundaries. While many of their ideas flow from the asset allocation, others are stock-specific, where they identify valuation anomalies, unrecognised growth situations, or businesses being restructured.

All stock selections are the result of in-depth fundamental analysis. Ruffer's analysts meet with the executive management of a company or investment vehicle, to understand their business and strategy. They also undertake extensive research trips, including factory and site visits.

Ruffer's analysts have an average of 15 years investment experience. Their considerable expertise, combined with a brief to focus on the most interesting areas, gives Ruffer a quality of coverage usually associated with a much larger organisation.

Ruffer does not perform 'maintenance' research, tying analysts to researching certain sectors for the sake of it. Instead, Ruffer's analysts focus on finding the best ideas to implement its investment strategy.

## Risk management

Ruffer controls market risk through building an unbenchmarked portfolio of offsetting growth and protective assets. This process involves rigorous assessment of the inter-dependence of holdings. It also reduces exposure to market-timing risks. Ruffer manages portfolios within the following parameters

- asset allocation risk is assessed through stress tests of all portfolios across a significant number of historic and forward-looking scenarios to assess potential loss and analyse vulnerabilities
- stock selection risk is controlled by all portfolio holdings being assessed and recommended by the Research Team through the stock selection process, through the use of risk-weightings according to Ruffer's conviction in the opportunity, and specific risk factors, such as volatility or liquidity
- currency risk is controlled through active currency management. Ruffer invests globally, but foreign currency exposure is a risk for an investor and Ruffer takes that risk only when it actively wishes to hold that currency, otherwise hedging currency exposure back to the portfolio's base currency.

## Scenario analysis at Ruffer

Ruffer centres its approach to risk on analysis of historic scenarios and prospective scenarios. Ruffer uses historic scenarios to assess the performance of today's portfolio over a hundred years of market history to identify and consider periods where Ruffer would have likely failed their objective of capital preservation over rolling twelve month periods.

Ruffer also seeks to challenge its thinking about the key risk to a portfolio managed by Ruffer – the risk that the forward looking offsets it relies on to protect the portfolio may not work. In order to capture the dynamic nature of these relationships, which can shift considerably through time, Ruffer also considers the uncertainty in its performance estimate should today's relationships shift to more (or less) favourable regimes than those that have prevailed in the past 25 years.

While no approach can be flawless since Ruffer has to deal with inherent uncertainty and complexity and not with statistical probabilities, the key benefit of Ruffer's approach to risk management is that it drives Ruffer to debate and better understand the contexts which could lead to a breach of its investment objectives. These scenarios evolve over time based on its internal observations and research.

## Interaction between Ruffer's risk, research and fund management teams

Risk management is central to the thinking of the whole investment team. The risk team provides a quantitative overlay through the lenses of diversification, offsets, valuation and prospective correlation. Ruffer believes this is more resilient and innovative than the conventional approach – which involves identifying a portfolio of assets with high expected returns, and then subsequently applying formal risk management techniques to limit risk. For Ruffer, portfolio construction and risk management are two sides of the same coin. Ruffer's proprietary approach is continually being refined by analysing the state of the world and comparing it to past events which exhibit similar characteristics so as to understand and protect themselves from future risks.

### 4.3 Access to diversification

Unitholders may also benefit from Ruffer's holistic approach to portfolio management, which is based around reducing the overall risk of the portfolio and Ruffer's overall assessment of the risks in markets. The choice of investments in the Underlying Fund is neither limited by geographical area (including emerging markets), economic sector nor in terms of currencies in which investments are denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency and/or in a single economic sector.

### 4.4 Distribution policy

The Responsible Entity intends to distribute the taxable income of the Fund on an annual basis. The Fund's investment into the Underlying Fund will be by way of subscription for a capitalisation share class which does not intend to make regular distributions. There may still be income to distribute based on taxable income arising to the Fund as a result of the redemption or buy back of shares in the Underlying Fund. However, there is no guarantee that the Fund will receive any income nor make any distribution to investors.

Distributions are generally paid annually and can be reinvested in full or paid out entirely.

Distribution payments are typically made within 20 business days after the end of the distribution period. Where investors have opted for distributions not to be reinvested, distributions will be paid directly into investors' Australian dollar bank accounts (as applicable), as nominated on their initial application form. Investors may also provide bank details by submitting a form which is available from the Unit Registry. Distributions will not be paid by cheque.

The Responsible Entity will generally calculate income distributions based on the Fund's taxable income at the end of the distribution period divided by the number of Units on issue. The Responsible Entity intends to distribute all taxable income to Unitholders each year, including any taxable capital gains. Distributions may also carry imputation or other tax credits.

The default option is for distributions to be reinvested.

### 4.5 Regular reporting to unitholders

Ruffer publishes the Fund's price regularly, along with other investor related materials, on its website at [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au). The Responsible Entity follows ASIC's good practice guidance for continuous disclosure by publishing copies of continuous disclosure notices on the Fund's website. Unitholders are encouraged to check this website regularly for such information. If this practice ceases, the Responsible Entity will notify Unitholders.

A Unitholder can obtain the following documents from the Responsible Entity free of charge on request

- the annual report most recently lodged with ASIC in respect of the Fund
- any half year financial report lodged with ASIC in respect of the Fund and
- any continuous disclosure notices lodged with ASIC in respect of the Fund.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained from ASIC through ASIC's website.

You have the right to elect whether to receive notices of meetings, other meeting-related documents, annual financial reports and other Fund related information ('Communications') in electronic or physical form and the right to elect not to receive annual financial reports at all. You also have the right to elect to receive a single specified Communication on an ad hoc basis, in an electronic or physical form. Where we have your email address, the Responsible Entity will send these communications electronically. If you wish to receive physical copies, please notify the Responsible Entity of this election.

## 5 How to invest in the Fund

### 5.1 Applying for units

You can acquire Units by completing the Application Form that accompanies this PDS. The minimum initial investment amount is \$20,000 or such lower amount as determined by the Responsible Entity. Subsequent investments must be at least \$5,000.

The Offer under this PDS is open to investors who have a registered address in Australia.

Completed Application Forms should be sent along with your identification documents (if applicable) to –

Apex Fund Services Pty Limited  
GPO Box 4968, Sydney NSW 2001  
T 1300 133 451  
E registry@apexgroup.com  
F (02) 9251 3525

Please note that cash cannot be accepted.

The Responsible Entity reserves the right to accept or reject applications in whole or in part at its discretion. The Responsible Entity has the discretion to delay processing applications where the Responsible Entity believes this to be in the best interests of the Fund's investors.

The Application Price at which Units are acquired is determined in accordance with the Constitution. The Application Price on a Business Day is, in general terms, equal to the Net Asset Value of the Fund divided by the number of Units on issue and adjusted for transaction costs ('Buy Spread'). As at the date of this PDS, the Buy Spread is zero.

The Application Price will vary as the market value of assets in the Fund rises or fall.

### 5.2 Making payments

Applications Amounts for paper application forms may be paid by direct debit or by cheque to the Fund's Application Account. Cheques must be

- in Australian currency
- drawn on an Australian branch of a financial institution

- crossed ‘Not Negotiable’ and
- made payable to ‘Apex Fund Services Pty Limited as custodian for Ruffer Total Return International – Australia Fund Application Account’.

Applicants should ensure that sufficient funds are held in their account to cover their cheque or your Application may be rejected.

### 5.3 Making additional investments

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed additional application request form. The minimum additional investment into the Fund is \$5,000.

### 5.4 Withdrawal rights

#### Access to your money

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw.

Apex Fund Services Pty Limited  
GPO Box 4968, Sydney NSW 2001  
E registry@apexgroup.com  
F (02) 9251 3525

We accept scanned or faxed withdrawal requests on the following conditions

- all instructions must be legible
- instructions must bear your investor number and signature and
- withdrawal proceeds will only be transferred to the financial institution account previously nominated on the application form.

To use this service you will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liabilities arising from us acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim against us in relation to a payment made or action

taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving withdrawal instructions.

The Responsible Entity reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$20,000 as a result of processing your withdrawal request.

In certain circumstances, for example, when there is a freeze on withdrawals, where accepting a withdrawal is not in the best interests of investors in the Fund including due to one or more circumstances outside its control or where the Fund is not liquid (as defined in the Corporations Act), the Responsible Entity can deny or suspend a withdrawal request and you may not be able to withdraw your funds in the usual processing times or at all.

When the Fund is not liquid, an investor can only withdraw when the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act.

The Responsible Entity is not obliged to make such offers.

The Responsible Entity may compulsorily redeem Units held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Responsible Entity might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered.

Additionally, the Responsible Entity may compulsorily redeem Units held by any Unitholder if the Responsible Entity determines that any of the representations given by the Unitholder were not true and accurate or have ceased to be true and accurate or that the continuing ownership of Units by the Unitholder would cause an undue risk of adverse tax consequences to the Fund or any of its Unitholders.

The Fund may also redeem Units held by a Unitholder if it determines that the continuing ownership of Units by such Unitholder may be prejudicial to the Fund or any of its Unitholders.

### Unit pricing

The Responsible Entity has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating Unit prices (including determining the value of the assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available free of charge on request.

The price at which Units are withdrawn is determined in accordance with the Constitution ('Withdrawal Price'). The Withdrawal Price on a Dealing Day is, in general terms, equal to the Net Asset Value, divided by the number of Units in issue of the Fund and adjusted for transaction costs ('Sell Spread'). At the date of this PDS, the Sell Spread is zero.

In addition, once the Withdrawal Price in relation to the withdrawal of Units by a Unitholder as at any Dealing Day has been calculated, in the event of the termination or winding up of the Fund the Responsible Entity may impose a dilution adjustment of the amount to be received in relation to the withdrawal of Units as at such Dealing Day determined by the Responsible Entity having regard to the estimated costs of termination or winding up of the Fund.

The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.

### Withdrawal cut-off times

Typically

- if the Administrative Agent receives a correctly completed withdrawal request before 2pm (Sydney time) on the Friday preceding a Dealing Day, the request will be processed using the Withdrawal Price calculated for close of business on the Dealing Day.
- where the Administrative Agent receives such information after 2pm (Sydney time) on the

Friday preceding a Dealing Day, the request will be processed using the Withdrawal Price determined for close of business on the following Dealing Day.

The timetables for withdrawals will be impacted by public holidays in Luxembourg, the United Kingdom and/or Australia. If you wish to see a list of days on which public holidays impact the usual dealing and cut-off cycle, please see the Fund's website: [ruffer.co.uk/rtri-dealing-cycle](http://ruffer.co.uk/rtri-dealing-cycle)

### Processing of withdrawal requests

Once the Responsible Entity receives your correctly completed withdrawal request, the Responsible Entity may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

The Responsible Entity may contact you to check your details before processing your withdrawal request but is not obliged to. This may cause a delay in finalising payment of your withdrawal money. No interest is payable for any delay in finalising payment of your withdrawal money.

The Responsible Entity is not responsible or liable if you do not receive, or are late in receiving, any withdrawal money that is paid according to your instructions.

When you are withdrawing, you should take note of the following

- withdrawals will only be paid to the investor
- the Responsible Entity reserves the right to fully redeem your investment if, as a result of processing your request, your investment balance in the Fund falls below the minimum balance set out in this PDS
- if the Responsible Entity cannot satisfactorily identify you as the withdrawing investor, the Responsible Entity may reject your withdrawal request or payment of your withdrawal proceeds will be delayed. The Responsible Entity is not responsible for any loss you consequently suffer

- as an investor who is withdrawing, you agree that any payment made according to instructions received by post, courier or fax, shall be a complete satisfaction of our obligations, despite any fact or circumstances such as the payment being made without your knowledge or authority
- you agree that if the payment is made according to these terms, you, and any person claiming on your behalf, shall have no claim against us with regards to such payment.

### Restrictions on withdrawal

Under the Corporations Act, you do not have a right to withdraw from the Fund if the Fund is illiquid. In such circumstances, you will only be able to withdraw your investment if the Responsible Entity makes a withdrawal offer in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.

Given that the only investments in the Fund are shares in the Underlying Fund, the Fund will be deemed liquid if at least 80% of the assets of the Underlying Fund are liquid assets (generally cash and marketable securities).

In addition, the Responsible Entity may at any time suspend consideration of withdrawal requests or defer our obligation to pay withdrawal proceeds if it is not possible, or not in the best interests of investors for us to do so, due to circumstances outside our control (such as NAV calculation or dealings in the Underlying Fund being suspended).

There are other circumstances in which withdrawals from the Fund may be suspended and Unitholders may have to wait a period of time before they can make a withdrawal. Withdrawals from the Fund may be suspended in certain circumstances, including if

- it is impracticable for the Responsible Entity to calculate the NAV of the Fund, including because the net asset value of the Underlying Fund is not available
- Redemptions from the Underlying Fund are temporarily deferred or suspended, or the

payment of redemption proceeds from the Underlying Fund is extended

- there are insufficient cash reserves available to satisfy the Redemption Requests and pay the operating expenses of the Fund
- the Responsible Entity reasonably considers that it is in the best interest of Unitholders taken as a whole
- a redemption would cause the Responsible Entity to breach any law, regulation or obligation under which it operates or
- it is allowed to do so by any form of ASIC relief or otherwise permitted by law. No Units may be issued or withdrawn during such periods of suspension.

### 5.5 Investing via an investor directed portfolio service

You may be able to invest indirectly in the Fund via an Investor Directed Portfolio Service (IDPS) by directing the operator of the IDPS to acquire Units on your behalf.

If you do so, you will need to complete the relevant forms provided by the operator of the IDPS and not the Application Form accompanying the PDS. This will mean that you are an indirect investor in the Fund and not a registered Unitholder of the Fund.

Indirect investors do not acquire the rights of a Unitholder as such rights are acquired by the operator of the IDPS who may exercise, or decline to exercise, these rights on your behalf.

Indirect investors do not receive reports or statements from the Responsible Entity and the operator of the IDPS's application and withdrawal conditions determine when you can direct the operator of the IDPS to apply or redeem.

Your rights as an indirect investor should be set out in an IDPS guide or other disclosure document issued by the operator of the IDPS.

### 5.6 Overseas distribution

This PDS does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to qualify the Units or the Offer, or to otherwise permit a public offering of the Units in any jurisdiction outside Australia.

The distribution of this PDS (including in electronic form) in a jurisdiction other than Australia may be restricted by law, and persons who come into possession of this PDS should seek advice on, and observe, any such restrictions.

Any failure to comply with these restrictions may constitute a violation of securities laws.

### 5.7 United States residents

The Units being offered pursuant to this PDS have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws.

## 6 What are the significant risks?

All investments carry risk. Before making an investment decision it is important to assess the risks and your own financial position to determine whether an investment in the Fund is suitable for you.

When investing in the Fund, it is important to note that the Fund's returns will vary over time. No return is guaranteed and no guarantee can be given that the Fund's investment objectives will be met. Past returns may not be representative of future returns and investors may lose some or all of their money invested.

Additionally, laws (including tax laws) that affect the Fund may change in the future, which may have an adverse effect on the returns of the Fund.

The significant risks associated with investing in the Fund are explained below. Any of these risks could cause the Fund or the Underlying Fund to lose money, to perform less well than similar investments, to experience high volatility (ups and downs in Net Asset Value), or to fail to meet their objectives over any given period of time. Any of these risks may be present in normal market conditions. Unusual market conditions or large unpredictable events can amplify the risks of ordinary market conditions. In addition, certain risks may change in nature and in relative importance during unusual market conditions, as indicated in the descriptions of these risks.

Your financial adviser can assist you in determining if an investment in the Fund is suited to your financial needs.

### 6.1 General risks

All investments carry an inherent level of risk. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy. Assets with the highest expected returns may also carry the highest level of expected risk as defined by the variability of fund returns. The value of your investment in the Fund will fluctuate and there

can be no guarantee against capital loss, nor can there be any assurance that the Fund's or the Underlying Fund's investment objective will be attained. Neither the liquidity of the Fund's investments, nor the ability to redeem your investment from the Fund within the timeframes specified in this PDS are guaranteed. Past performance is not a guide to future returns and should not be relied on in making an investment in the Fund.

## 6.2 Investment strategy risks

### Fund risk

Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. Perpetual, as the Responsible Entity, may terminate the Fund by notice to investors. Perpetual aims to manage these risks by monitoring the Fund and acting in the investors' best interests.

There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of trading of Units by other Unitholders.

As the Fund holds shares in the Underlying Fund, the fund risks inherent in the structure and operations of the Underlying Fund may in turn also impact the Fund's unit price, performance or the ability of investors to make applications or withdrawals in the Fund.

### Conflict of interest risk

The Investment Manager is the investment manager of other funds and mandates not described in this PDS and entities within the Perpetual Group may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Investment Manager and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid the conflict as described in Section 9.10.

In addition the Perpetual Group, including the Responsible Entity, have in place governance frameworks, group policies and divisional

procedures to ensure conflicts are identified and managed appropriately. These conflict policies are aimed at ensuring that conflicts involving individuals or related entities in the Perpetual Group are identified, reported, assessed and managed in a timely and appropriate manner in order to uphold the best interests of clients, members and shareholders. This ensures that Perpetual and its related entities are adopting and promoting a culture of awareness and effective management of conflicts of interests when carrying out its operations. As part of the management of conflicts, Perpetual maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and service provider to multiple entities, and how these conflicts are to be managed. When such a conflict is identified, the register provides for certain controls to be utilised in order to manage this conflict. Examples of controls include engaging on 'arm's length' or third party terms, use of information barriers and compliance plans.

### Market and credit risks

Market risk is the risk that the net asset value of the Underlying Fund will vary as a result of fluctuations or changes in the market prices of the securities held by the Underlying Fund and the financial markets as a whole.

Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment, the causes of which may include changes in governments or government policies, political unrest, wars, terrorism, pandemics and natural, nuclear and environmental disasters. The duration and potential impacts of such events can be highly unpredictable, which may give rise to increased and/or prolonged market volatility.

The return of the Fund may be adversely impacted by the performance of individual companies or securities held within the Underlying Fund, industry-wide events and overall market risk. The effects of market risk can be immediate or

gradual, short-term or long-term, narrow or broad.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

### **Collateral risk**

If the Underlying Fund enters into a derivatives arrangement that requires it to deliver collateral or other credit support to the counterparty, the Underlying Fund will be exposed to additional risks in respect of that collateral.

The key risk for the Underlying Fund in depositing collateral is the insolvency risk of the exchange or broker through which an exchange traded position may be required to be established, or of an OTC counterparty. This risk is mitigated in practice by the regulated status of the exchanges and brokers through which the Underlying Fund invests (and supervision by their regulator), and by the Underlying Fund conducting thorough due diligence of all other derivatives counterparties.

### **Interest rate risk**

This is the risk that capital value or income of a security may be adversely affected when interest rates rise or fall. The value of debt securities will change in response to fluctuations in interest rates and currency exchange rates. The performance of investments in debt securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency.

### **Derivatives risk**

The Underlying Fund may use derivative instruments. The use of derivative instruments involves a variety of material risks including the high degree of leverage often embedded in such instruments. Other risks include the possibility that a derivative position is difficult or costly to close out, there is an adverse movement in the asset or the index underlying a derivative, and the

risk that the counterparty to a derivative contract fails to perform its obligations under the contract.

Derivative risks include

- derivative valuations may not move in line with the underlying asset
- potential illiquidity of the derivative and
- counterparties not meeting their obligations.

Although not all of these risks can be eliminated, the Investment Manager manages these risks as far as practicable by

- monitoring the Underlying Fund's derivative exposures
- investing in exchange-traded derivatives that the Investment Manager considers have adequate market depth (although over the counter derivatives are permitted to be used to hedge currency risk)
- receiving collateral from all non-centrally cleared instruments on a daily basis and
- using reputable intermediaries.

### **Currency risk**

Changes in currency exchange rates could reduce investment gains or increase investment losses. Exchange rates can change rapidly and unpredictably.

Assets in which the Underlying Fund invests that are denominated in currencies other than the base currency of the Underlying Fund (Sterling) may lead to a depreciation of value due to changes in the exchange rates. Foreign exchange hedges at the Underlying Fund level may seek to mitigate these effects by using financial instruments (for example, by using FX forward contracts), but these hedges may not be completely effective or even possible or desirable in all circumstances. The use of foreign exchange hedging may also limit potential gains that might be realised should the value of a hedged currency increase.

The Australian dollar currency hedging implemented for the Underlying Fund is designed to reduce, but not eliminate, the currency risk between the base currency of the Underlying Fund (sterling) and share class in which the Fund invests (Australian dollars), with the aim being

that changes in the sterling/Australian dollar exchange rate after the time of any investment in the Underlying Fund do not by themselves have a material impact on the initial Australian dollar value of that investment.

### Leverage risk

As the Underlying Fund uses leverage (invests in a way that magnifies the gain or loss it would normally receive from a given investment or group of investments), its net asset value is likely to be more volatile and the risk of large losses is greater.

The Investment Manager does not make active use of bank leverage at the Fund level.

### Liquidity risk

Any type of security that is not publicly traded may be hard to value, and may be hard to sell at a desired time and price, especially in any volume. This also applies to securities that are publicly traded, but represent a small issue, trade infrequently, or trade on markets that are comparatively small or that have long settlement times. In addition to creating investment losses, liquidity problems could lead to a delay in the processing of requests to redeem investments in the Underlying Fund and the Fund.

An additional risk of unusual market conditions is that any security could become hard to value or sell at a desired time and price.

On an ongoing basis, the Investment Manager ensures alignment between the investment strategy, liquidity profile of its investments and its redemption policies. The Investment Manager manages liquidity risk by monitoring the following

- the liquidity of the underlying investments including specifically the proportion of the Fund's holdings in cash and illiquid assets
- the behaviours and concentrations of the Fund's investors and
- the Fund's ability to meet its liabilities.

The directors of the Underlying Fund have discretion to decide

- not to accept instructions to redeem on any one valuation day more than 10% of the total

value of shares in issue in the Underlying Fund, in which case any outstanding redemption requests shall be deferred until the next valuation day

- to extend the period of payment of redemption proceeds to such period, not exceeding 30 business days in Luxembourg in the event of impediments due to exchange controls or other market constraints causing a delay in realising investments held by the Underlying Fund
- to suspend or defer temporarily in certain circumstances the redemption of shares in the Underlying Fund.

If the directors of the Underlying Fund determine to take these actions, it will delay redemptions by the Fund of holdings in the Underlying Fund.

### Counterparty risk

The Fund or Underlying Fund could lose money if an entity with which it does business becomes unwilling or unable to meet its obligations to the Fund or Underlying Fund (as applicable).

If a counterparty fails to meet its obligations, the Fund or Underlying Fund (as applicable) may have the right to try to recover any losses by using any collateral associated with the obligation. However, the value of collateral may be worth less than the cash or securities owed to the fund, whether because of market action, inaccurate pricing, deteriorating issuer credit or market liquidity problems.

If a counterparty is late in honouring its obligations, it could affect the ability of the Fund or the Underlying Fund to meet its own obligations to other counterparties and could cause a delay in the processing of redemptions. Making a lending commitment involving a long term or large sum could lead to similar problems.

Fees and charges imposed on the Underlying Fund and the Fund by its counterparties may increase in the future, impacting their respective returns.

Additionally, OTC markets are not guaranteed by an exchange or clearing corporation. To the extent that a fund has unrealised gains in such

instruments that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations.

The Underlying Fund seeks to minimise counterparty risk by entering into transactions with counterparties which, in the opinion of the Investment Manager, are reputable and well regulated, have sound financial backing, and where transactions are collateralised wherever possible and documented under industry standard documentation such as the International Swaps and Derivatives Association Master Agreement (ISDA).

### Fund structure risk

Investing in any type of collective investment involves certain risks an investor would not face if investing in markets directly. Investors in the Fund and the Underlying Fund could experience the following risks

- the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of Fund or Underlying Fund and cause the net asset value of the relevant fund to fall
- the investor cannot direct or influence how money is invested while it is in the Fund and Underlying Fund
- the buying and selling of investments by the Fund and Underlying Fund may not be optimal for the tax efficiency of any given investor
- the Fund and the Underlying Fund are subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance
- because Units in the Fund and shares in the Underlying Fund are not publicly traded, the only option for liquidation is generally redemption, which could be subject to delays and any other redemption policies set
- investment management techniques used by the Investment Manager, whether novel or associated with a particular level of

performance in the past, could fail to yield the desired results.

In addition, there are risks associated with the structure of the Fund, Underlying Fund and the business interests of Ruffer and its subsidiaries.

These include

- the fact that any investment in other UCITS or similar investment vehicles is likely to mean that investors will be paying investment and/or management fees to the Fund, the Underlying Fund or similar investment vehicle, and that these combined fees could be higher than the investor might pay to invest directly in a similar type of investment to the Underlying Fund
- the Management Company, the Investment Manager (acting as investment manager of the Fund and the Underlying Fund) or their designees may at times find their obligations to the Underlying Fund or the Fund (as applicable) to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably)
- under certain circumstances, such as if there is a pending dispute or tax audit at the time, the Underlying Fund or the Fund may withhold a portion of redemption proceeds as a reserve against possible adjustments or claims arising from the dispute or audit.

The risks of the Fund's structure, as opposed to the investment risks of the Fund's underlying investment objectives and strategy, include the following risks

- the risk that Perpetual breaches its AFSL or discontinues its business of acting as Responsible Entity of Australian managed investment schemes or for some other reason is forced to resign as Responsible Entity of the Fund in circumstances where a suitable replacement cannot be found, requiring the Fund to be wound up
- the risk that Ruffer breaches the conditions of its AFSL or discontinues its business of acting as Investment Manager of Australian managed investment schemes or for some

other reason is forced to resign as Investment Manager of the Fund in circumstances where a suitable replacement cannot be found, requiring the Fund to be wound up and

- the risk that Ruffer SICAV breaches the conditions of its regulated status in Luxembourg or suffers a tax event, reputational event, or one of its service providers suffers a catastrophic interruption to their business which causes Ruffer SICAV to cease its business and compulsorily redeem investment in the Underlying Fund.

There are also risks with holding assets overseas and with investing in funds overseas.

### **Money market instruments**

When short-term interest rates fall, the yield on money market instruments generally falls. Over time, yields on money market investments may not keep pace with inflation, meaning that an investment in the Fund buys less than it did at the time of investment.

### **Operational risk**

The Fund or Underlying Fund could suffer from losses through people, process and system failures.

Operational risk is principally addressed through the Responsible Entity's risk management framework, which includes internal controls to mitigate the risk that relevant systems and procedures are not followed. The Responsible Entity oversees the risk management framework.

### **Cyber risk**

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or Underlying Fund or to investors' personal information as a result of a threat or failure to protect the information or personal data stored

within the IT systems and networks of the Responsible Entity or other service providers.

### **6.3 Regulatory risk**

Changes in applicable laws and policies (including taxation policies, regulations and laws affecting managed investment schemes, or changes in generally accepted accounting policies or valuation methods) in Australia or in any jurisdiction in which the Underlying Fund invests may adversely affect the Fund. Changes in political situations and changes to foreign and domestic tax positions can also impact on the Fund.

The Australian taxation consequences of an investment in the Fund, detailed in section 8 have been based on taxation legislation as at the date of this PDS. Future changes in Australian tax legislation or in the interpretation of that legislation may adversely affect the tax treatment of the Fund or of the Unitholders or the tax treatment of a specific investment of the Fund. Future changes in non-Australian tax legislation may affect the tax treatment of the Fund, its investments and the distributions of profits. Such changes may have an impact on the value of the Fund.

Further, the Underlying Fund trades in markets located in many jurisdictions around the world with different tax regimes some of which may subject the Fund to withholding or other taxation, which may impact the Fund's returns. Although not currently under review, it is possible that the taxing authorities of certain jurisdictions, including Australia, will not agree with the tax positions taken by the Fund and will successfully assert a tax liability (plus interest and possibly penalties) against the Fund.

## 7 Fees and costs

### 7.1 Consumer advisory warning

#### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your financial return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees where applicable.

Ask the fund or your financial adviser.

#### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 7.2 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.<sup>5</sup>

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

### 7.3 Fees and costs summary

#### Ruffer Total Return International – Australia Fund

Type of fee or cost	Amount <sup>5</sup>	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b>	1.02% <sup>1</sup>	The management fees and costs are expressed as a percentage of the NAV of the Fund and is comprised of
The fees and costs for managing your investment <sup>2</sup>	per annum	1. a management fee of 0.77% per annum <sup>3</sup> 2. administration related expenses of 0.10% per annum 3. indirect costs of 0.15% per annum
		1. The management fee is calculated and accrued weekly and is payable within 30 days of the end of the month in which it was incurred. This fee is deducted from the Fund's assets and reflected in its Unit Price.

<sup>5</sup> See section 8 of this document

You may be able to negotiate the management fees component<sup>3</sup> with the Investment Manager.

2. Administration expenses are deducted from the Fund's assets as they are incurred and reflected in the Unit Price.

3. Indirect costs are deducted from the Underlying Fund's assets as they are incurred and reflected in the Unit Price.

See a further description in the 'Additional explanation of fees and costs' in section 7 below.

<b>Performance fees</b>	Nil	Not applicable
Amounts deducted from your investment in relation to the performance of the product		
<b>Transaction costs</b>	0.34% per annum	The transaction costs, which are expressed as a percentage of the NAV of the Fund, are variable and are paid out of the assets of the Underlying Fund. Transaction costs are accrued in the unit price of the Underlying Fund which is ultimately reflected in the Unit Price of the Fund.  The transaction costs are disclosed net of amounts recovered by the buy-sell spread charged on investor initiated transactions.
The costs incurred by the scheme when buying or selling assets		
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)<sup>4</sup></b>		
<b>Establishment fee</b>	Nil	Not applicable
The fee to open your investment		
<b>Contribution fee<sup>2</sup></b>	Nil	Not applicable
The fee on each amount contributed to your investment		
<b>Buy-sell spread</b>	Buy 0% Sell 0%	These costs are an additional cost to the investor when an investor buys or sells units in the Fund but they are incorporated into, respectively, the Fund's entry and exit unit prices and are not separately charged to the investor.
An amount deducted from your investment representing the costs incurred in transactions by the scheme		
<b>Withdrawal fee<sup>2</sup></b>	Nil	Not applicable
The fee on each amount you take out of your investment		
<b>Exit fee<sup>2</sup></b>	Nil	Not applicable
The fee to close your investment		
<b>Switching fee</b>	Not applicable	Not applicable
The fee for changing investment options		

1 This excludes any abnormal or extraordinary expenses. See the information on management fees and costs in the 'Additional explanation of fees and costs' below.

2 This fee includes an amount payable to an adviser (if any). See also the section 'adviser remuneration' in the 'Additional explanation of fees and costs' section below.

3 The management fees component is negotiable for certain investors, see the 'Additional explanation of fees and costs' below.

4 Additional fees may be charged by your financial adviser and, if you are an indirect investor, by your service operator, for investing in the Fund. See the information on management fees and costs in the 'Additional explanation of fees and costs' below.

5 Unless otherwise stated, all fees and costs are inclusive of GST and net of any ITCs and RITCs available to the Fund. The prescribed rate of RITCs is currently at either 55% or 75% (depending on the nature of the fee or expense).

## 7.4 Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

### Example: Ruffer Total Return

#### International – Australia Fund

Balance of \$50,000\* with a contribution of \$5,000 during the year

Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees <sup>†</sup> and costs	1.02% per annum	And, for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$510 each year
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.34% per annum	And, you will be charged or have deducted from your investment \$170 in transaction costs
<b>EQUALS</b> Cost of Ruffer Total Return International – Australia Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$680 <sup>†</sup>

What it costs you will depend on the fees you negotiate<sup>‡</sup>

\* The additional management costs will be on a pro-rata basis and will vary depending on when you have made the additional investment during the year. This example is prescribed by the *Corporations Act 2001* (Cth), and is based on an assumption that the additional \$5,000 is invested at the end of the year (and therefore, the management costs are calculated using the \$50,000 balance only). This example also assumes that the value of your investment remains the same during the year.

<sup>†</sup> Additional fees may apply, such as the buy-sell spread which is not expressed in this example but this buy-sell spread is currently 0% upon entry and 0% upon exit. The dollar value of these buy-sell spread costs based on an application or a withdrawal of \$50,000 is currently \$0 for each individual transaction. Additional fees may be payable to third parties including financial advisers (if you have consulted one) and if you are an indirect investor, additional fees may be charged by your financial adviser or service operator (as applicable) for investing in the Fund. Please refer to the relevant Statement of Advice or service operator disclosure document in which details of the relevant fees should be set out. The management fees and costs and transaction costs are based on the financial year which ended on 30 June 2023 and the example assumes no abnormal expenses are incurred (see also the 'Additional explanation of fees and costs' below). As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

<sup>‡</sup> The management fees are negotiable for certain investors, see the 'Additional explanation of fees and costs' below.

ASIC provides a fees calculator at [moneysmart.gov.au](http://moneysmart.gov.au), which you may use to calculate the effects of fees and costs on your investment in the Fund.

## 7.5 Additional explanation of fees and costs

### Management fees and costs

Management fees and costs comprise the additional fees or costs that a Unitholder incurs by investing in the Fund rather than by investing directly in the assets. These are described in further detail below. Management fees and costs do not

include transaction costs (i.e. costs associated with investing the underlying assets) or the Buy-Sell Spread (as defined below).

The management fees and costs per annum are comprised of

- the Investment Manager's management fees of 0.77% of the Net Asset Value of the Fund

- administration expenses of 0.10% of the Net Asset Value of the Fund, including Responsible Entity fees, custodian fees, administration fees, audit fees and costs, and certain other ordinary expenses of operating the Fund
- indirect costs of 0.15% of the Net Asset Value of the Fund. This includes the indirect costs at the Underlying Fund level which include certain fees and expenses that will directly or indirectly reduce the return on a product, certain other fees and expenses incurred by the Underlying Fund (and certain underlying funds it invests in) and certain over-the-counter (OTC) derivative instruments entered into by the Underlying Fund other than for the primary purpose of hedging

The Responsible Entity can also receive fees for administration services entered on arm's length terms. As at the date of this PDS, the Responsible Entity does not expect there to be any such fees in the foreseeable future.

The actual management fees and costs may vary from time to time. The amount shown above is determined on the basis of such fees and costs in the financial year which ended on 30 June 2023.

The management fees and costs shown above do not include abnormal or extraordinary expenses that may be incurred in the future (such as litigation costs, the costs of convening Unitholder meetings and termination and wind up costs). Such expenses are not included in the above but are expected to occur infrequently and are recoverable from the Fund as long as they are properly incurred in operating the Fund.

#### **Transaction costs**

Transaction Costs include the costs associated with buying and selling assets such as brokerage, clearing costs, settlement costs, stamp duties, custody transaction costs and the costs associated with over-the-counter (or OTC) derivative instruments entered into for the primary purpose of hedging.

The net Transaction Costs of the Fund are 0.34% of the Net Asset Value of the Fund. This is

determined based on the transaction costs incurred in the financial year which ended on 30 June 2023. Actual transaction costs may vary from year to year without notice to investors.

The transaction costs shown in the Fees and Costs section are shown net of any amount recovered by the Buy-Sell Spread (see below). As no Buy Spread or Sell Spread is charged at the date of this PDS, the gross transactions costs are also 0.34%.

Transaction costs for the Fund are paid out of the assets of the Underlying Fund as and when incurred and are not fees paid to the Investment Manager.

Transaction costs do not include borrowing costs, property operating costs and do not generally include implicit transaction costs or market impact costs such as the difference between the bid and ask price of assets traded by the Fund.

#### **Buy-Sell Spread**

When you invest or withdraw from the Fund, you will transact at either the buy or sell unit price. Within the determination of these unit prices we can in the future include an allowance to cover our estimate of transaction costs associated with your cash flow (**Buy-Sell Spread**).

This allowance would be retained by the Fund and used to offset the costs associated with the purchase (or sale) of the Fund's assets in connection with the purchase or withdrawal of units. We would charge such a Buy-Sell spread when an investor invests or withdraws from the Fund, based on a reasonable estimate of the costs associated with the buying or selling of Fund's assets required to process the purchase or withdrawal of units. The monetary value of the spread would stay in the Fund to cover the transaction costs and is not a fee paid to us. A Buy-Sell Spread would only be incurred when you buy or sell units in the Fund, and it will only be applied to the amount of your transaction.

If we decide to charge a Buy-Sell Spread, this is an additional cost to you when investing in or withdrawing from the Fund, but it is incorporated into the unit price and arises when investing application monies and funding withdrawals from

the Fund and is not separately charged to the investor. The buy spread is paid into the Fund as part of an application and the sell spread is left in the Fund as part of a redemption and not paid to us.

Currently, the Fund charges 0% of the amount you invest (Buy Spread) and 0% of the amount you withdraw (Sell Spread). These percentages may change if, for example, the related transaction costs change.

#### **Can the fees change or be updated?**

Yes, all fees can change. Reasons might include changing economic conditions and changes in regulation.

However, the Responsible Entity will give you 30 days' prior written notice of any increase to fees or as otherwise required by law. The Constitution sets the maximum amount the Responsible Entity can charge for all fees. Within the limits of the Constitution, we can change these fees without a member's consent. If the Responsible Entity wished to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need the approval of Unitholders.

The maximum fee that can be charged under the Constitution (exclusive of GST) is 3% per annum of Net Asset Value.

All fees and costs in this section 7 are based on information available as at the date of this PDS. Please refer to the Fund's website: [ruffer.co.uk/rtri-au](http://ruffer.co.uk/rtri-au) from time to time for any updates which are not materially adverse to the members.

#### **Adviser remuneration**

We do not pay any commissions to your financial adviser or advisory firms.

The Investment Manager may make product access payments (generally, flat dollar amounts) to the service operators of master trusts and wrap accounts (see below) who distribute the Fund on their investment menu.

The Responsible Entity may also provide certain non-monetary benefits to dealer groups and other

financial services licensees to the extent it is permitted under law.

All payments and non-monetary benefits referred to herein are funded by the Investment Manager out of its own resources, and are not an additional cost to investors.

#### **Advice fees**

Additional fees and costs may also be paid by you to a financial adviser if you consulted a financial. The details of these fees and costs should be set out in the statement of advice provided by your adviser if you are a retail client.

#### **Fees for indirect investors**

For investors who access a Fund through an Investor Directed Portfolio Service (IDPS), IDPS-like scheme or a nominee or custody service (collectively referred to as 'master trusts' or 'wrap accounts'), additional fees and costs may apply. These fees and costs are stated in the offer document provided by your master trust or wrap service operator. These fees are not paid to the Investment Manager or Responsible Entity.

#### **Negotiating fees**

The Investment Manager may negotiate a rebate of all or part of the Investment Manager's management fee with Wholesale Clients pursuant to the Corporations Act. The payment and terms of rebates are negotiated with Wholesale Clients but are ultimately at the Investment Manager's discretion, subject to the Corporations Act and any relevant ASIC policies. The differential management fee arrangement does not adversely affect the fees paid or to be paid by any investor who is not entitled to participate in any differential management fee arrangement.

Other than where fees are negotiated with Wholesale Clients, any differential fee arrangement will be applied without discrimination to all investors who satisfy the criteria necessary to receive the benefit of the arrangement.

In accordance with the Corporations Act, individual fee arrangements cannot be negotiated with retail investors.

Please contact the Investment Manager for more information. Contact details for the Investment Manager can be found in the 'How can I obtain further information?' paragraph in section 2.2 of this PDS.

### **Taxation**

Unless otherwise stated, all fees and costs are inclusive of GST and net of any ITCs and RITCs available to the Fund. The GST recovery by the Fund based on its entitlement to ITCs and RITCs may change the total level of costs incurred as stated in the PDS.

Government taxes may apply to your account as appropriate. In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply. Some of these charges may include additional GST and will apply to your investments as appropriate. Further information in relation to taxation implications is set out in section 8 of this PDS.

## **8 What are the taxation implications?**

### **What are the taxation implications?**

The summary below is general in nature and is intended as a guide only. As the tax rules in Australia are complex and are subject to change, it is recommended that you obtain specific tax advice regarding your own circumstances prior to investing in the Fund.

The summary below concerns Australian taxation laws and not foreign tax laws and applies only to Australian resident investors who hold their investments in the Fund on capital account. Different tax implications may arise for different investors depending on their particular circumstances. The summary does not address the position of non-resident investors who may be subject to Australian withholding taxes on their investment and may also need to take into account their position under foreign tax laws and any relevant tax treaty.

Accordingly, all investors should obtain independent professional advice concerning the potential tax implications of investing in the Fund.

### **How the Fund is taxed**

The Fund is a unit trust and, in general terms, it is expected that the income and realised gains of the Fund will 'flow-through' to the Unitholders and be subject to income tax at the Unitholder level, rather than be subject to income tax at the level of the Fund.

### **Attribution Managed Investment Trust (AMIT) regime**

An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust where the Trustee or Responsible Entity of the MIT has made an irrevocable election to apply the AMIT regime.

The Responsible Entity has previously elected for the Fund to be subject to the AMIT regime.

The AMIT regime impacts the taxation treatment of the Fund and investors in the Fund.

The key features of the AMIT regime include

- an attribution model for determining member/investor tax liabilities, which also allows amounts to retain their character as they flow through the trust to its members/investors
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements
- deemed fixed trust treatment under the income tax law and
- upwards (and downwards) cost base adjustments to members/investors units in certain circumstances

Where the Fund is subject to the AMIT regime for an income year, investors will be subject to tax on the taxable income of the Fund that is attributed to them by the Responsible Entity on a fair and reasonable basis in accordance with the Fund's constitution.

Investors will be required to include in their assessable income the taxable income of the Fund (including any net capital gains generated by the Fund), that is attributed to them under the AMIT regime. The Fund may attribute a number of different types of income which reflect the income derived by the Fund. These components could include, for example, Australian interest, foreign income and capital gains.

Investors will receive a tax statement after the end of each financial year (referred to as an AMIT Member Annual Statement) that will provide them with details of the amounts that have been attributed to them by the Fund to assist them in the preparation of their tax return.

The AMIT Member Annual Statement will also contain a reasonable estimate of any cost base adjustments required to the investor's Units.

The Fund may reinvest part or all of an investor's distribution and/or accumulate part or all of the Fund's income, in which case the taxable income of the Fund that is attributed to an investor (and which must be included in the investor's income

tax return) may be more than the total distribution the investor receives.

### **Foreign income**

The Fund will derive foreign income, i.e. income from sources outside Australia.

The foreign income of the Fund will include income derived from its investment in shares it owns in the Underlying Fund. It is expected that the income derived by the Fund will include dividends paid on the shares, and amounts treated as dividends on redemption or buyback of shares in the Underlying Fund. It is anticipated that where shares in the Underlying Fund are redeemed or bought back for a sum in excess of their subscription price, the excess will represent profits of the Underlying Fund rather than a return of share capital subscribed for the shares and will thus have the character of foreign dividend income on derivation by the Fund.

In general, investors will include their share of the foreign income and foreign tax (if any) paid by the Fund on that income in their assessable income and may be entitled to claim a foreign income tax offset for the foreign tax (if any) paid by the Fund. Investors may not be eligible for foreign income tax offsets in respect of all foreign taxes paid.

### **Controlled Foreign Company (CFC) regime**

The Fund will invest in shares issued by the Underlying Fund, which is a foreign corporation. At a high level, the Underlying Fund could become a CFC in relation to the Fund if: (1) five or fewer Australian entities (each holding at least a 1% interest) together with their associates hold 50% or more (directly or indirectly) of the voting rights, rights to distributions while a going concern, or rights to distributions on a winding up, in respect of the Underlying Fund; or (2) a single Australian entity who, together with its associates, holds (directly or indirectly) 40% or more of any such rights, and no other party or group controls the Underlying Fund; or (3) the Underlying Fund is controlled by a group of five or fewer Australian entities either alone or together with associates (whether or not any associate is also an Australian entity). If the CFC rules apply,

the taxable income of the Fund may include the Fund's attribution percentage of the Underlying Fund's attributable income (generally passive income) for the income year on an accruals basis, even though the income has not been distributed by the Underlying Fund.

At the date of this PDS it is not anticipated that the Underlying Fund will be a CFC, although the position will depend on the particular facts and circumstances of the Fund and the Underlying Fund's investors from year to year. The Responsible Entity will monitor the position to determine if any income attribution under the CFC rules is required.

#### **Capital gains tax (CGT) position of the Fund**

If the Fund qualifies as a MIT, the Fund may also make an irrevocable election (the CGT election) to apply deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts). Where the CGT election is made, the Fund is taken to hold its eligible investments on capital account and gains (or losses) from the disposal of eligible investments are treated as capital gains (or losses) for CGT purposes. Capital gains arising on the disposal of eligible investments held for at least 12 months may be eligible to be treated as discounted capital gains if the relevant requirements are met. Where the CGT election is not made and the Fund qualifies as a MIT, the Fund will hold its eligible investments on revenue account and gains (or losses) from the disposal of eligible investments should be treated as revenue gains (or losses).

The Fund has previously made the CGT election.

The Fund will invest in shares in the Underlying Fund, and at the date of this PDS it is anticipated that the shares will be eligible investments for the purposes of the CGT election. However, it is also anticipated that the Fund may dispose of its shares in the Underlying Fund by way of share redemptions or buybacks, and that amounts received from the Underlying Fund on redemption or buyback in excess of the subscription price paid for the shares may have the character of foreign

dividend income rather than capital gains (see discussion above). These amounts may 'flow-through' to investors as income rather than capital gains.

#### **Taxation of Financial Arrangements (TOFA) regime**

If the Fund's assets are \$100 million or more, the Fund will be subject to the TOFA rules which provide rules in relation to the method for calculating gains and losses from certain 'financial arrangements' held by the Fund and the time at which these gains and losses are brought to account for tax purposes (the default recognition of gains and losses would be an accruals or realisation basis but there are certain elections that the Responsible Entity may make for alternative timing recognition). In broad terms, in calculating the taxable income of the Fund, returns on certain financial arrangements under the TOFA regime will be recognised on revenue account rather than on capital account.

#### **Franking credits**

Any franking credits attaching to franked dividends derived by the Fund should generally be available to investors in the Fund, subject to certain conditions. However, the Fund will invest in shares in the Underlying Fund which is a foreign corporation, and hence it is not anticipated that distributions from the Underlying Fund, or amounts received on redemption or buyback of shares in the Underlying Fund, will give rise to franked dividends or franking credits.

#### **Trust losses**

Tax losses or capital losses incurred by the Fund cannot be distributed to investors. Instead, they can be carried forward and offset against future income or capital gains of the Fund, subject to satisfying the relevant loss recoupment rules. Capital losses can only be offset against capital gains.

#### **Disposal of Units**

Investors who hold their Units on capital account may crystallise a capital gain or capital loss on

disposal or redemption of their Units in the Fund. Certain investors may be eligible to discount realised capital gains by the applicable capital gains tax discount where the Units disposed of or redeemed have been held for at least 12 months. The capital gains tax discount varies depending on whether the investor is an individual, trust or complying superannuation fund. Corporate investors are not eligible for the CGT discount.

However, as noted above, the Fund will invest in shares in the Underlying Fund, and at the date of this PDS it is anticipated that the Fund may dispose of its shares by way of share redemptions or buybacks. Where the shares are disposed of by way of redemption or buyback at a gain, it is anticipated that amounts received by the Fund in excess of the subscription price paid for the shares may have the character of foreign dividend income rather than capital gains. Where such amounts are in turn used to fund part of the redemption price for Units in the Fund, proceeds from Unit withdrawals or redemptions may contain a component of taxable income as determined by the Responsible Entity.

#### **Position if Fund not eligible for AMIT regime**

Where the Fund does not satisfy the requirements to be an AMIT for the income year, the general taxation rules for trusts will apply.

Broadly, the Fund should still be a 'flow-through' entity and should not be liable to pay income tax if investors are made presently entitled to all of the income of the Fund. It is the intention of the Responsible Entity to ensure this is the case.

In general terms, investors will be presently entitled to the income of the Fund if they are entitled to receive distributions of the income from the Fund under the terms of the Fund's constitution.

Where investors are presently entitled to, and are distributed, all of the income of the Fund each year they will be assessed on their proportionate share of the taxable income of the Fund each year.

Proceeds from Unit withdrawals or redemptions may also contain a component of taxable income as determined by the Responsible Entity.

Investors will be provided with a taxation statement each year outlining the various components of the distributions they receive. For example, the components of a distribution may include dividends, capital gains and tax deferred income. The taxation statement will also include details of any taxes withheld or franking credits attached to franked dividends distributed by the Fund.

Where the cash distribution that an investor receives exceeds their share of the taxable income of the Fund, the excess is a 'tax deferred distribution'. Typically, a tax deferred distribution will reduce the cost base of the investor's Units for the purposes of determining any CGT liability on subsequent disposal or redemption of the Units. Where the tax deferred distributions for an income year exceed the investor's cost base in those Units, a capital gain may arise for the investor. Each investor should confirm the treatment of tax deferred distributions as it will depend on their individual circumstances. Certain investors (i.e. individuals, trustees or complying superannuation entities) who have held the relevant Units for at least 12 months may be eligible for a CGT discount where the relevant requirements are satisfied.

#### **Tax File Number (TFN) or Australian Business Number (ABN)**

Australian resident investors who have not provided a TFN, an ABN or details as to why the investor is exempt from being required to have a TFN or ABN, may have tax deducted from their distributions at the highest marginal tax rate plus any levies (such as the Medicare Levy) which may apply from time to time.

#### **Goods and Services Tax (GST)**

GST is not imposed on the acquisition or redemption of Units in the Fund. However, the services for which any fees are payable under section 7 of the PDS, may be subject to GST. The Fund may not be entitled to claim full ITCs for any GST amounts included in the fees and other costs payable by it. However, the Fund may be entitled to claim RITCs for the GST payable in respect of

certain expenses. Any unclaimable GST will be an additional cost to the Fund, which may affect the taxable income of the Fund and the distributions (if any) made by the Fund to investors.

### **Stamp Duty**

Australia has complex stamp duty rules which vary between Australian States and Territories and whether duty applies and the rate of duty will depend on the location and nature of the underlying assets of the Fund held directly or indirectly via interposed entities. Neither the acquisition nor redemption of Units in the Fund should attract Australian stamp duty for the investors provided the Fund and the Underlying Fund are not directly or indirectly entitled to any Australian landholdings or dutiable assets in Queensland.

### **US tax withholding and reporting under FATCA**

The United States of America applies rules (known as FATCA) which are intended to prevent US persons from avoiding tax. As a result of the signing of an intergovernmental agreement between Australia and the United States, the FATCA regime has been given effect under Australian law and applies to Australian funds. Broadly, the rules may require the Fund to report certain information (such as certifications and documentations regarding your identification and jurisdiction of tax residency) to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service. If you do not provide this information, we will not be able to process your application.

To comply with these obligations, Perpetual will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Fund. If you do not provide this information, the Responsible Entity will not be able to process your application.

### **Common Reporting Standards (CRS)**

The Australian government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (CRS) from 1 July 2017. CRS, like the FATCA regime, will require banks and other financial institutions (such as Australian managed funds) to collect and report to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a 'Financial Institution' under the CRS and intends to comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For the Fund to comply with their obligations, we will request that you provide certain information and certifications regarding your identification and jurisdiction of tax residency to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the 'CRS Competent Authority Agreement', the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

**You should consult with your tax, financial or legal advisor on how the FATCA and CRS reporting regimes may affect you.**

## 9 Additional information

### 9.1 Anti-money laundering and counter-terrorism financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In order to comply with the AML Requirements, the Responsible Entity is required to, amongst other things:

- verify a prospective Unitholder’s identity and the source of their application monies before providing services to them, and to re-identify them if it considers it necessary to do so and
- where a prospective Unitholder supplies documentation relating to the verification of their identity, keep a record of this documentation.

The Responsible Entity and any agent acting on its behalf reserves the right to request such information as is necessary to verify the identity of a prospective Unitholder and the source of the payment. In the event of delay or failure by the prospective Unitholder to produce this information, the Responsible Entity may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with the AML Requirements applicable to it. Neither the Responsible Entity nor its agents shall be liable to the Unitholder for any loss suffered by the Unitholder as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Responsible Entity has implemented several measures and controls to ensure it complies with its obligations under the AML Requirements, including carefully identifying and monitoring

Unitholders. As a result of the implementation of these measures and controls

- transactions may be delayed, blocked, frozen or refused where the Responsible Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements
- where transactions are delayed, blocked, frozen or refused, the Responsible Entity and its agents are not liable for any loss Unitholders suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of the Responsible Entity’s compliance with the AML Requirements as they apply to the Fund and
- the Responsible Entity and any agents acting on its behalf may from time to time require additional information from Unitholders to assist it in this process.

The Responsible Entity has certain reporting obligations under the AML Requirements and is prevented from informing Unitholders that any such reporting has taken place. Where required by law, the Responsible Entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. Neither the Responsible Entity nor its agents are liable for any loss a Unitholder may suffer as a result of the Responsible Entity’s compliance with the AML Requirements.

### 9.2 Complaints

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity during business hours, using the contact details provided in this PDS.

We will aim to acknowledge receipt of your complaint within 24 hours of receiving it or as soon as practicable after that.

We will endeavour to resolve your complaint fairly and as quickly as we can. We will respond to your complaint within the maximum response timeframe of 30 days. If we are unable to formally respond

within the maximum response time because we have not had a reasonable opportunity to do so, we will write to you to let you know of the delay.

All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via an IDPS) can access the Responsible Entity's complaints procedures outlined above. If investing via an IDPS and your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.

If an investor is not satisfied with the final complaint outcome proposed, any aspect of the complaints handling process or a delay in responding within the maximum response time, the Australian Financial Complaints Authority (AFCA) may be able to assist. AFCA operates the external complaints resolution scheme of which the Responsible Entity is a member. If you seek assistance from AFCA, their services are provided at no cost to you.

You can contact AFCA on 1800 931 678, or by writing to

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
[info@afca.org.au](mailto:info@afca.org.au)  
[afca.org.au](http://afca.org.au)

All investors (regardless of whether you hold Units in the Fund directly or hold Units indirectly via a platform) can access the Responsible Entity's complaints procedures outlined above. If investing via a platform and your complaint concerns the operation of the platform then you should contact the service operator directly.

### 9.3 Summary of the constitution

The operation of the Fund is governed by the Corporations Act, other applicable laws and the Constitution.

A summary of the key provisions of the Constitution is set out below. The Constitution is lengthy and complex, and the summary below is not exhaustive and does not constitute a definitive statement of its terms or of the rights and liabilities of Unitholders. Unitholders in the Fund will be taken to agree to be bound by the terms of

the Constitution as well as this PDS and any Application Form. Prospective applicants are encouraged to consider the Constitution before making an investment in the Fund.

The Constitution governs (amongst other things) Perpetual's powers as Responsible Entity (which are very broad), Unitholder meetings and Unit issue, pricing and transfers, as well as what happens if the Fund terminates.

The Constitution limits the Responsible Entity's need to compensate you if things go wrong. Generally, The Responsible Entity is not liable in equity, contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund.

A copy of the Constitution can be provided free of charge by the Responsible Entity on request by calling the Responsible Entity on (02) 9229 9000 or from the Investment Manager.

### Units

The beneficial interest in the Fund is divided into Units. Each Unit confers on its Unitholder an undivided absolute, vested and inalienable beneficial interest in the Fund as a whole, subject to the Fund's liabilities, not in parts of or single assets. A Unit does not confer any rights over the management of the Fund. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit.

Applicants will be issued with Units under the Offer.

### Liability of Unitholders

The Constitution states that a Unitholder's liability is limited to the amount the Unitholder subscribed or agreed to subscribe for their Units, but Applicants should be aware that the courts are yet to determine the effectiveness of provisions of this kind.

### The Responsible Entity's powers and duties

The Responsible Entity has all the power in respect of the Fund that is legally possible for a natural person, corporation or trustee to have as if it were the absolute and beneficial owner of the

Fund's assets. The Responsible Entity may invest in, dispose of or otherwise deal with assets, borrow or raise money, incur liabilities and obligations of any kind, grant a security interest over the Fund's assets, enter into underwriting arrangements, and mix and mingle the Fund's assets with other Unitholders. The Responsible Entity may also delegate its powers to another person, including a related party or an Associate.

#### **The Responsible Entity's remuneration and expenses**

The Constitution provides that the Responsible Entity is entitled to charge certain fees and costs to the Fund as summarised in section 7 of this PDS. All costs, charges, expenses and outgoings reasonably and properly incurred by the Responsible Entity in the proper performance of its duties may be payable or reimbursable out of the Fund's assets.

#### **The Responsible Entity's indemnity**

Where the Responsible Entity acts without fraud, negligence or breach of trust, the Responsible Entity is indemnified out of the Fund's assets for any liability (including tax liability) properly incurred by it or through an agent, manager, adviser or delegate in relation to the Fund. This indemnity is in addition to any indemnity under law.

#### **Removal and retirement of the Responsible Entity**

Unitholders do not have a right to remove the Responsible Entity as the responsible entity of the Fund other than the right granted by the Corporations Act. The Responsible Entity must retire when required under the Corporations Act.

#### **Duration of the Fund**

The Fund commences when the first Unitholder or Unitholders are issued Units and will continue until terminated, subject to the Corporations Act

- as required by the operation of law, or
- by the Responsible Entity on a date specified in a notice given to Unitholders.

On termination of the Fund, the Responsible Entity must distribute the net proceeds from the realisation of the Fund's assets among the Unitholders in proportion to the number of Units they hold on the termination date. Any proper expenses of termination and winding up will be deducted from the net proceeds of realisation before being distributed to Unitholders.

#### **Amendments to Constitution**

The Responsible Entity may alter the Constitution if it reasonably considers the amendments will not adversely affect Unitholders' rights. Otherwise, the Responsible Entity must obtain Unitholders' approval to a special resolution at a meeting of Unitholders. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

#### **Unitholder meetings and voting**

Unitholder meetings are to be held in accordance with the Constitution and the Corporations Act. The Responsible Entity may convene and conduct a meeting at any time and must do so if required under the Corporations Act. Unitholders' rights to requisition a meeting are contained in the Corporations Act. Votes are by show of hands, unless a poll is validly demanded or required under the Corporations Act.

#### **9.4 Australian Fund structure**

Under the Corporations Act and the Fund documents, Unitholders are provided with several layers of oversight providing a robust and appropriate corporate governance structure. The Fund structure provides additional Unitholder safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated by a Responsible Entity who holds an appropriate Australian Financial Services Licence (AFSL). The Responsible Entity to the Fund is Perpetual. The Responsible Entity has appointed Apex Fund Services Pty Ltd as the Fund Custodian to hold the assets of the Fund (being shares in the Underlying Fund and cash held by the Fund). The Responsible Entity has appointed

Ruffer as Investment Manager and Apex Fund Services Pty Ltd as Administrator and provider of Unit Registry services to the Fund.

Like most Australian managed investment schemes, the Fund is a unit trust. In exchange for your invested money you are issued Units. Certain rights (such as a right to any income and a right to vote) attach to your Units.

The Responsible Entity has the responsibility of ensuring the Fund is properly managed so as to protect and enhance Unitholders' interests in a manner that is consistent with the Fund's responsibility to meet its obligations to all parties with which it interacts. To this end, the Responsible Entity has adopted what it believes to be appropriate corporate governance practices having regard to its size and the nature of activities.

### 9.5 Compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan sets out how the Responsible Entity will ensure compliance with the Corporations Act and the Constitution when operating the Fund.

### 9.6 Consents

Each of the persons listed in the table below

Name	Role
Ruffer LLP (AFSL No. 526358)	Investment Manager of Fund and Underlying Fund
FundPartner Solutions (Europe) S.A.	Underlying Fund Administrator (management company, administrative agent, registrar and transfer agent, paying agent and domiciliary agent of the Underlying Fund)
Bank Pictet & Cie (Europe) A.G. Succursale de Luxembourg	Underlying Fund Custodian (depository bank and custodian of the Underlying Fund)
Apex Fund Services Pty Ltd	Fund Administrator and Unit Registry
Apex Fund Services Pty Ltd	Custodian of Fund

- has consented in writing to (and has not, before the date of lodgement of this PDS with ASIC, withdrawn its consent to) be named in this PDS in the form and context in which it is named and (in the case of the Investment Manager) to the extent that the PDS contains statements by the Investment Manager or includes statements based on any statement of or information provided by the Investment Manager, each such statement being included in this PDS in the form and context in which it appears
- has not caused or authorised the issue of this PDS
- has not made any statement in this PDS or any statement on which a statement in this PDS is based (except, in the case of the Investment Manager, to the extent of the statements included in this PDS with the Investment Manager's consent as described above) and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this PDS, other than references to their name (and, in the case of the Investment Manager, the statements included in this PDS with the Investment Manager's consent as described above).

## 9.7 Privacy

The Responsible Entity may collect personal information from you when you contact the Responsible Entity, in the Application Form and any other relevant forms and in the course of managing the Fund, to be able to process your application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, the Responsible Entity will not be able to do so. In some circumstances the Responsible Entity may disclose your personal information to the Responsible Entity's related entities or service providers that perform a range of services on our behalf and which may be located overseas.

Privacy laws apply to our handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters

- the kinds of personal information the Responsible Entity collects and holds
- how the Responsible Entity collects and holds personal information
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information
- the types of entities the Responsible Entity usually disclose personal information to and the countries where they are likely to be located if it is practicable for us to specify those countries
- how you may access personal information that the Responsible Entity holds about you and seeks correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how the Responsible Entity will deal with such a complaint.

The Responsible Entity's privacy policy is publicly available at [perpetual.com.au](http://perpetual.com.au) or you can obtain a

copy free of charge by contacting the Responsible Entity.

The Investment Manager may also collect, use and disclose investors' personal information, including personal information provided to the Investment Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Investment Manager's privacy policy is publicly available at [ruffer.co.uk/privacy](http://ruffer.co.uk/privacy)

If you are investing indirectly through a platform, the Responsible Entity does not collect or hold your personal information in connection with your investment in the Fund. Please contact your platform operator for more information about their privacy policy.

## 9.8 Service providers

The Responsible Entity has appointed service providers to provide specific services to the Fund.

The Responsible Entity monitors the performance of each service provider and their compliance with contractual obligations, and may remove a service provider and appoint a replacement. The Responsible Entity may also appoint a new service provider to provide additional services. Changes to a material service provider will be disclosed to investors in the Fund's periodic disclosures.

The service providers are not responsible for the preparation of this PDS, and accept no responsibility for any information contained in it. They do not participate in the investment decision making process other than the Investment Manager.

The following material service providers have been appointed –

### **Investment Management Agreement (Fund)**

Ruffer has been appointed to provide investment management services for the Fund under an Investment Management Agreement. The Investment Management Agreement sets out the services provided by Ruffer, as the Investment Manager, on an ongoing basis together with the service standards. The role of the Investment Manager is to actively manage the investments

and assets of the Fund, in accordance the Fund's strategic investment policies and objects as set out in this PDS and in any other policy issued by the Responsible Entity. The Investment Manager also ensures that the Fund's investments are consistent with and comply with the Responsible Entity's obligations under the Corporations Act and ASIC policies. Contact details for the Investment Manager can be found in the 'How can I obtain further information?' paragraph in section 2.2 of this PDS.

The Investment Management Agreement provides for termination of the Investment Manager in a number of circumstances including insolvency, where the Responsible Entity considers it reasonably necessary to ensure compliance with its duties and obligations under the applicable law or if required by applicable law, breach by Ruffer of its duties or obligations under the Investment Management Agreement, and if Ruffer ceases to carry on business as an investment manager. Otherwise, the Responsible Entity does not have the right to terminate the appointment of Ruffer as the Investment Manager unless Ruffer consents, and a related body corporate of Ruffer is appointed to be the new investment manager.

The Investment Management Agreement with the Fund will continue until terminated by the Responsible Entity or the Investment Manager. The Responsible Entity may terminate the Investment Management Agreement for cause, or must terminate if a special resolution is passed by Unitholders directing the Responsible Entity to do so. The Investment Manager may terminate the Investment Management Agreement without cause at any time, subject to providing six months' notice.

In addition, consistent with good corporate governance practices, the Investment Management Agreement for the Fund requires the Investment Manager to issue a quarterly compliance attestation to the Responsible Entity, confirming, amongst other things, that the Investment Manager is not aware of any non-compliance with the terms of the Investment Management Agreement (including, where

relevant, the Investment Manager's conflicts of interest policies).

#### **Investment Management Agreement (Underlying Fund)**

Ruffer LLP is also appointed as manager to the Underlying Fund under an Investment Management Agreement with the Underlying Fund.

The agreement may be terminated by the Underlying Fund Administrator, the Underlying Fund or the Investment Manager on giving 90 days' prior written notice.

#### **Administration Agreement (Fund)**

The Responsible Entity has appointed Apex Fund Services Pty Ltd as administrator for the Fund. Apex Fund Services Pty Ltd provides back office support to the Fund as well as fund administration services including client reporting, trade settlement notification, reconciliations, valuations, corporate actions and proxy voting, fund accounting, Net Asset Value per Unit and net tangible assets calculations, distributable income calculations, Fund audit assistance and statutory reporting on behalf of the Fund.

#### **Unit Registry Agreement**

Apex Fund Services Pty Ltd has been appointed as the Unit Registry of the Fund under a Registry Services Agreement. The Registry Services Agreement sets out the services provided by the Unit Registry on an ongoing basis together with the service standards. As for any quoted security, the role of the Unit Registry is to keep a record of investors in the Fund. This includes information such as the quantity of Units held, TFNs (if provided) and bank account details.

#### **Custody Agreement (Fund)**

The Responsible Entity has appointed Apex Fund Services Pty Ltd as custodian for the Fund. The agreement provides for Apex Fund Services Pty to hold the assets of the Fund and sets out requirements relating to the provision of proper instructions, conducting reconciliations and the provision of reports.

### **Administrative arrangements relating to Underlying Fund (referred to in this PDS as Underlying Fund Administrator)**

The administration function of the Underlying Fund is undertaken by FundPartner Solutions (Europe) S.A., appointed as the management company, administrative agent, registrar and transfer agent, paying agent and domiciliary agent of the Underlying Fund (Underlying Fund Administrator).

Pursuant to the Management Company Services Agreement, the Underlying Fund Administrator provides the Underlying Fund with the services of Transfer Agent, Administrative Agent, Paying Agent and Domiciliary Agent.

As keeper of the register and transfer agent, the Underlying Fund Administrator is primarily responsible for ensuring the issue, conversion and redemption of shares and maintaining the register of Shareholders of the Underlying Fund.

As administrative agent and paying agent, the Underlying Fund Administrator is responsible for calculating and publishing the net asset value of the shares of the Underlying Fund pursuant to applicable law and the Articles of the Underlying Fund and for performing administrative and accounting services for the Underlying Fund as necessary.

As domiciliary agent, the Underlying Fund Administrator is primarily responsible for receiving and keeping safely any notices, correspondence, telephonic advice or other representations and communications received for the account of the Underlying Fund, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Underlying Fund.

### **The Depository Bank of the Underlying Fund (referred to in this PDS as Underlying Fund Custodian)**

Bank Pictet & Cie (Europe) A.G. Succursale de Luxembourg has been appointed by the Underlying Fund as the Depository Bank for (i) the safekeeping of the assets of the Underlying Fund, (ii) the cash monitoring, (iii) the oversight

functions and (iv) such other services as are agreed from time to time and reflected in the Depository Agreement dated 17 January 2017 and amended by an amendment agreement dated 1st March 2017.

The Depository Bank is a credit institution established in Luxembourg, whose registered office is situated at 15A, avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 32060. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

### **Duties of the Depository Bank**

The Depository Bank is entrusted with the safekeeping of the Underlying Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depository Bank or they can also be held by any third-party delegate for which the Depository Bank must ensure that they provide, in principle, the same guarantees as the Depository Bank itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depository Bank also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Underlying Fund has been booked in the cash account in the name of (i) the Underlying Fund, (ii) the Underlying Fund Administrator on behalf of the Underlying Fund or (iii) the Depository Bank on behalf of the Underlying Fund.

In addition, the Depository Bank shall also ensure

- that the sale, issue, repurchase, redemption and cancellation of the Shares of the Underlying Fund are carried out in accordance with Luxembourg law and the Articles

- that the value of the Shares of the Underlying Fund is calculated in accordance with Luxembourg law and the Articles
- to carry out the instructions of the Underlying Fund Administrator, unless they conflict with Luxembourg law or the Articles
- that in transactions involving the Underlying Fund's assets any consideration is remitted to the Underlying Fund within the usual time limits
- that the Underlying Fund's incomes are applied in accordance with Luxembourg law and the Articles.

The Depositary Bank regularly provides the Underlying Fund and the Underlying Fund Administrator with a complete inventory of all assets of the Underlying Fund.

#### **Delegation of functions**

Pursuant to the provisions of the UCITS Directive and of the Depositary Agreement, the Depositary Bank, subject to certain conditions and in order to effectively conduct its duties, may delegate part or all of its safekeeping duties over the Underlying Fund's assets set out in the UCITS Directive, to one or more third-party delegates appointed by the Depositary Bank from time to time and which may include, for the avoidance of any doubt, any of the Depositary Bank's affiliates.

The Depositary Bank shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary Bank shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The liability of the Depositary Bank shall not be affected by the fact that it has entrusted all or some of the Underlying Fund's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depositary Bank shall return a

financial instrument of an identical type or the corresponding amount to the Underlying Fund without undue delay, except if such loss results from an external event beyond the Depositary Bank's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary Bank and is available at [group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians](http://group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians)

Pursuant to the UCITS Directive, the Depositary Bank and the Underlying Fund will ensure that, where (i) the law of a third country requires that certain financial instruments of the Underlying Fund be held in custody by a local entity and there are no local entities in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision and (ii) the Underlying Fund instructs the Depositary Bank to delegate the safekeeping of these financial instruments to such a local entity, the Shareholders shall be duly informed, prior to their investment, of the fact that such delegation is required due to the legal constraints of the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation.

#### **Conflicts of interests**

In carrying out its functions, the Depositary Bank shall act honestly, fairly, professionally, independently and solely in the interest of the Underlying Fund and the Shareholders. Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary Bank and/or its delegates of other services to the Underlying Fund, the Underlying Fund Administrator and/or other parties. As indicated above, the Depositary Bank's affiliates are also appointed as delegates of the Depositary Bank. Potential conflicts of interest which have been identified between the Depositary Bank and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid reputational damage), legal recourse risk

(reluctance or avoidance to take legal steps against the delegates), selection bias (the choice of the delegates not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the delegates' solvency) or single group exposure risk (intragroup investments).

The Depositary Bank (or any of its delegates) may in the course of its business have interests which conflict or which may potentially conflict with those of the Underlying Fund and/or other funds for which the Depositary Bank (or any of its delegates) acts.

The Depositary Bank has pre-defined all kinds of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Underlying Fund either by the Depositary Bank itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. This list of potential conflicts of interest is available free of charge from the registered office of the Depositary Bank and on the following website [group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians](http://group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians)

On a regular basis, the Depositary Bank re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary Bank will have regard to its obligations to the Underlying Fund and will treat the Underlying Fund and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Underlying Fund and the Shareholders. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary Bank's depositary functions from its other potentially

conflicting tasks and by the Depositary Bank adhering to its own conflicts of interest policy.

The Depositary Bank or the Underlying Fund may terminate the Depositary Agreement at any time upon 3 months written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any of them) provided that the Depositary Agreement shall not terminate until a replacement depositary is appointed.

Up-to-date information regarding the description of the Depositary Bank's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary Bank, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary Bank's registered office.

### 9.9 Unit pricing (NAV per unit)

The calculation of Unit prices is set out in the Fund's Constitution and is performed by Apex.

Since the Fund will only invest in shares in the Underlying Fund and cash, its Net Asset Value will equal the value of those shares and any cash on hand, less any fund expenses including investment management fees.

The NAV per Unit is published weekly as at each Dealing Day.

### Valuation policy

The Responsible Entity's Unit Pricing and Valuation Policy provides further information about how it calculated NAV per Unit. The policy complies with ASIC requirements, and the Responsible Entity will observe this policy in relation to the calculation of the NAV per Unit. The Responsible Entity will record the exercise of any discretion outside the scope of the policy.

Investors can request a copy of Responsible Entity's Unit Pricing and Valuation Policy free of charge by calling the Responsible Entity.

The valuation methods utilised by the Responsible Entity are consistent with permitted industry standards.

### 9.10 Related party transactions and conflicts of interest

Other than as set out in this PDS, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Responsible Entity was, or is to be, a participant, and in which any related party of the Responsible Entity had or will have a direct or indirect material interest.

The Responsible Entity and the Investment Manager may be subject to conflicts of interest when performing their duties in relation to the Fund. Both the Responsible Entity and the Investment Manager have conflicts of interest policies and procedures in place that are designed to appropriately manage these conflicts of interest that arise in relation to managing the Fund.

The Investment Management Agreement has been entered into on arm's length terms between the Responsible Entity and the Investment Manager. The Investment Manager will manage the portfolio of a number of funds and clients, including the Fund. While the Investment Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible that the Investment Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and Unitholders.

These conflicts could include the Investment Manager having to decide which clients and funds it allocates investment opportunities to. In order to manage this conflict, the Investment Manager has a policy of allocating opportunities between

those funds and clients for which the opportunity is considered appropriate and among such clients and funds proportional to their available capital for that opportunity.

These conflicts could also arise where the Underlying Fund's invests in other sub-funds managed by the Investment Manager. The investment strategy of the Underlying Fund involves investing in undertakings for collective investment (UCIs) (that is, collective investment vehicles) including other sub-funds managed by the Investment Manager (within the overall limit of 10% in UCIs).

It should be noted that the Investment Manager is the investment manager both of the Fund and the Underlying Fund.

### 9.11 Investor considerations

Before making a decision to invest, you should consider whether the Units to be issued are a suitable investment for you. There are general risks associated with any investment in the financial markets. The value of Units may rise or fall depending on a range of factors beyond the control of the Fund.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, financial adviser, solicitor, accountant or other professional adviser.

If you have questions about the Fund, speak to your financial adviser or contact the Responsible Entity by telephone on +61 9229 9000 or by emailing the Investment Manager at [australiafund@ruffer.co.uk](mailto:australiafund@ruffer.co.uk).

## 10 Glossary

AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
AMIT	Attribution Managed Investment Trust
AML Requirements	Anti-money laundering and counter-terrorism laws, regulations, rules and policies which apply to the Responsible Entity
Applicant	A person who submits a valid Application Form and required. Application Amount pursuant to this PDS
Application	An application for Units under this PDS
Application Amount	Money submitted by Applicants under this PDS
Application Form	The application form accompanying or provided with this PDS for Applicants to apply for Units under the Offer
Application Price	The price at which Units are acquired is determined in accordance with the Constitution. The Application Price on a Dealing Day is, in general terms, equal to the Net Asset Value of the Fund divided by the number of Units on issue and adjusted for transaction costs ('Buy Spread')
ASIC	The Australian Securities and Investments Commission
AUSTRAC	Australian Transaction Reports and Analysis Centre
Business Day	A day on which banks are generally open for business in Sydney
Constitution	The constitution of the Fund
Corporations Act	The Corporations Act 2001 (Cth)
CRS	Common Reporting Standards
Dealing Day	The day (or days) of the week or month prescribed by the Responsible Entity from time to time as the day (or days) as at which the Net Asset Value is determined for the purposes of calculating the Application Price and the Withdrawal Price
FATCA	Foreign Account Transaction Compliance Act
Fund	Ruffer Total Return International – Australia Fund
Fund Custodian	Apex Fund Services Pty Ltd
IDPS	An Investor Directed Portfolio Service or like service offered through a registered managed investment scheme or a nominee or custodial service
ITC	Input tax credit
Investment Manager	Ruffer, which is the person appointed by the Responsible Entity to be investment manager of the Fund. Ruffer is also the investment manager of the Underlying Fund
Investment Objective	The investment objective of the Fund as described in section 2
Investment Strategy	The investment strategy of the Fund as described in section 2
Management Company	FundPartner Solutions (Europe) SA
Minimum Application Amount	The minimum application amount as set out in section 2
MIT	Managed investment trust

NAV per Unit	The Net Asset Value per Unit
Net Asset Value or NAV	The net asset value of the Fund equals the total assets less liabilities and accrued expenses of the Fund
Offer	The invitation made under this PDS
PDS	This product disclosure statement
Perpetual or the Responsible Entity	The Trust Company (RE Services) Limited (ABN 45 003 278 831 AFSL No 235150)
Perpetual Group	Perpetual Limited and its subsidiaries, including the Responsible Entity
Registry Services Agreement	Means the agreement in respect of the register between the Responsible Entity and the Unit Registry
RITC	Reduced input tax credits
Ruffer	Ruffer LLP (AFSL No. 526358), the investment manager of the Fund
Ruffer SICAV	Ruffer Société d'Investissement à Capital Variable
Swaption	An option to enter into a swap
TFN	Tax File Number
Transferable Securities	Means any of the following <ul style="list-style-type: none"> <li>– shares and other securities equivalent to shares</li> <li>– bonds and other debt instruments</li> <li>– any other negotiable securities which carry the right to acquire any such transferable securities by subscription</li> </ul>
UCITS	Undertaking for the Collective Investment in Transferable Securities, a collective investment scheme falling under a European regulatory framework that creates a harmonized regime across the European Union for the management and sale of collective investment schemes
Underlying Fund	Ruffer Total Return International a sub fund of Ruffer SICAV
Underlying Fund Administrator	FundPartner Solutions (Europe) SA, which act as management company, administrative agent, registrar and transfer agent, paying agent and domiciliary agent of the Underlying Fund
Underlying Fund Custodian	Bank Pictet & Cie (Europe) A.G. Succursale de Luxembourg, which acts as depositary bank and custodian of the assets of the Underlying Fund
Unit	A unit in the Fund
Unitholder	A registered holder of a Unit
Unit Registry	Apex Fund Services Pty Ltd being the entity that operates the registry for the Units
Wholesale Client	Has the meaning given under section 761G of the Corporations Act
Withdrawal Price	The withdrawal price as described in section 5.4