

Ruffer Total Return International – Australia Fund

Positive returns with low volatility

The fund was marginally down during the month.

Financial markets were calmer in October compared to the volatility of recent months. Surveys suggest investors entered the fourth quarter with a sense of dread, indicating they were as bearish as they had been for some time and simply hoping the year would end! Given this starting position, it is perhaps unsurprising financial assets generally rallied in the absence of further bad news. This rally was not universal, and although the Dow Jones enjoyed its best month since 1976, up 14%, the much-vaunted tech sector suffered substantial falls.

There was growing hope central banks would begin to slow their path of interest rate rises, and potentially even begin to hint at pivoting towards future cuts. At the same time, a relatively warmer autumn helped European gas prices fall, removing some shorter-term inflationary pressures. In the UK, the end of Liz Truss's brief term as prime minister, and the junking of her economic plans saw calm return to the gilt markets, which had been the epicentre of market volatility. All these things helped to boost market sentiment. Against this backdrop, the fund's performance was broadly flat. Despite their low weighting, the fund's equity positions were a positive contributor (+1.2%) to returns, while the main headwinds were the unconventional protections (-0.8%). The resurgence in sterling also saw the positions in the US dollar and the yen contribute negatively.

Last month we described a move into long dated US inflation-linked and conventional bonds. We continued this move throughout October. We entered 2022 with our duration position almost entirely hedged, we now have around eight years of duration in the fund. We have also taken some profits in the UK inflation-linked gilts bought at extremely attractive prices at the nadir of the post 'mini-budget' crisis.

Our structural view remains that we have moved into a new regime, characterised by higher and more volatile inflation. Structurally higher inflation means we remain in a bear market for both bonds and equities. Inflation will also be more volatile and there will be periods when it might decline meaningfully. During these phases of falling inflation, we will need to participate in potentially powerful bond rallies. This is unequivocally not a reversion to the regime of the last four decades, but an acknowledgment that the path to the new regime is unlikely to be linear. Active management, including the use of cash, will continue to be key to driving returns.

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

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange. This financial promotion is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the UK Financial Conduct Authority © Ruffer LLP 2022



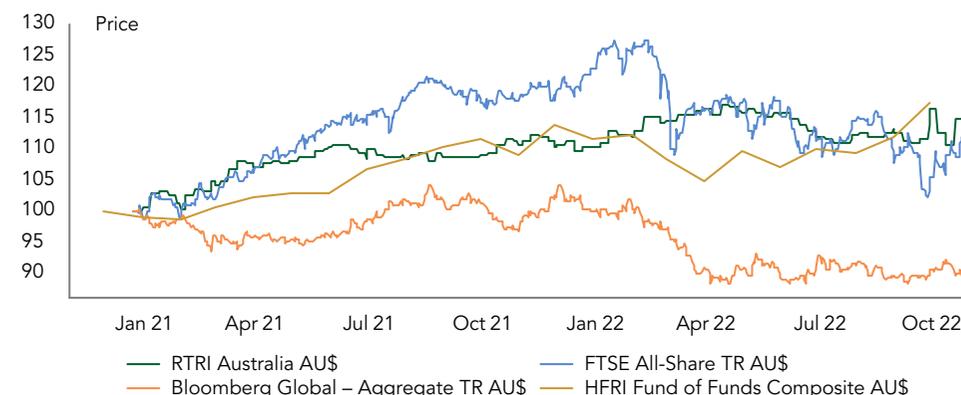
Investment objective

The investment objective of the fund is to achieve low volatility, positive returns from an actively managed portfolio. The fund may have exposure to the following asset classes: cash, debt, securities of any type (including government and corporate debt), equities and equity related securities and commodities (including precious metals). Overriding this objective is a fundamental philosophy of capital preservation. Investors should note that there can be no assurance that the investment objective will be achieved. Returns are not guaranteed.

Target Market Summary

This product is likely to be appropriate for a consumer seeking capital growth and capital preservation to be used as a core or satellite component within a portfolio where the consumer has a minimum five year investment timeframe, medium to high risk/ return profile and needs weekly access to capital.

Performance since sub-fund launch on 24 December 2020



RTRI Australia capitalisation shares	Performance %	As at 31 October 2022	AUD
October 2022	-1.9	Unit price	1.14
Year to date	3.6	Source: Ruffer LLP, RTRI – Australia Fund.	
1 year	3.4	Past performance is not an indicator of future performance.	
Since inception to Oct 2022	14.4		

12 month performance to September %	2022
RTRI Australia AU\$	6.8
FTSE All-Share TR AU\$	-10.7
Bloomberg Global – Aggregate TR AU\$	-10.6
HFRI Fund of Funds Composite AU\$	5.0

Source: Ruffer LLP, FTSE International, HFRI. Ruffer performance is shown in AUD after deduction of all fees and management charges, and on the basis of income being reinvested. Calendar quarter data has been used up to the latest quarter end and monthly data thereafter.

Ruffer Total Return International – Australia Fund as at 31 Oct 2022

Asset allocation – underlying fund (RTRI)



Asset allocation	%
Index-linked gilts	21.0
Short-dated bonds	14.1
Long-dated bonds	13.3
Long-dated index-linked gilts	10.9
Non-UK index-linked	10.4
Cash	8.4
Protection strategies	5.1
Gold exposure and gold equities	1.8
UK equities	6.1
North America equities	3.4
Europe equities	3.1
Japan equities	1.6
Other equities	1.0

10 largest equity holdings*

Stock	% of fund
BP	2.1
Ambev SA	1.0
Ryanair	0.8
Unilever	0.6
Yara International	0.5
Glencore	0.5
Hoya	0.5
ArcelorMittal	0.5
NEC	0.4
NatWest Group	0.4

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 2.5% 2024	8.3
UK Treasury index-linked 0.125% 2024	7.1
US Treasury 0.625% TIPS 2023	5.8
UK Treasury index-linked 1.875% 2022	4.2
US government 0.125% 2051	4.1

*Excludes holdings in pooled funds
Source: Ruffer LLP.
Pie chart totals may not equal 100 due to rounding.

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Fund size **AUD\$138.2m**

Fund information

Asset class	Multi-Asset
Fund inception date	24 December 2020
Fund base currency	AUD
Fund structure	Managed Investment Scheme
Fund regulator	The Australian Securities and Investments Commission (ASIC)
Distribution	Annual, although not expected. The year end is 30 June
APIR	PIM1038AU
ISIN	AU60PIM10382
ARSN	643 278 693
Bloomberg	PIM1038 AU
Buy/sell spread	0%
Minimum initial investment	AUD\$20,000
Management costs ¹	1.07% per annum of the net asset value of the Fund comprising: Fund level fees and costs of 0.9% Indirect costs of 0.17%
Dealing Day	Weekly, typically a Thursday*
Subscription and redemption cut-off	Weekly, typically 2pm Friday*
Subscription and redemption settlement dates	T+5, typically a Thursday*
Investment Manager	Ruffer LLP
Responsible Entity	The Trust Company (RE Services) Limited
Custodian and Administrator	Mainstream Fund Services Pty Ltd
Auditors	Ernst & Young

*The Fund's Dealing Day, subscription and redemption cut-off will be impacted by public holidays in Luxembourg, the UK and/or Australia. Impacted dates are available from ruffer.co.uk/rtri-au
† Management costs published 9 November 2022 (1.05%, 0.9%, 0.15%) have been corrected.



Fund Managers

Jacques Hirsch

INVESTMENT DIRECTOR

Joined Ruffer in 2011, previous work included fund management and macro research at Goldman Sachs, GLG Partners and Fulcrum Asset Management. Graduated from École Centrale Paris in 1999, and holds an MSc in Mathematics from the University of Oxford.



Alex Lennard

INVESTMENT DIRECTOR

Joined Ruffer in 2006 after graduating from Exeter University with an honours degree in economics and finance. He is a member of the CISI. He is co-manager of two of Ruffer's flagship funds.



Ruffer LLP

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Enquiries

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