

Ruffer Total Return International

Positive returns with low volatility

There was a growing sense through September that a combination of US economic resilience and higher oil prices would force the US Fed to keep interest rates higher for longer. The latest ‘dot plot’ of Federal Open Markets Committee board members’ expectations for interest rates over the coming few years, which the Fed uses to influence the market’s expectations of the level and path of future interest rates, seemed to confirm as much – suggesting for the first time that rates would stay above 5% for all of 2024. A persistently strong economy with a persistent inflation problem demands persistently high interest rates. Equity and bond markets had already started to roll over in anticipation, but the release of the dot plot on 20 September encouraged them both lower into month end.

That the fund largely sidestepped these falls was thanks to the large allocation to very short-dated UK and US government bonds, which carried positively even as longer-term interest rates rose. The fund’s position in oil and energy and related equities also made a positive contribution, benefitting from supply-side discipline from both OPEC and marginal US producers. It is our view recession risks are building, and oil will not be immune once the market downgrades demand expectations, so we took some profits.

On the other side of the ledger, the fund’s longer dated bond holdings, in US (TIPS) and UK inflation-linked bonds, were the biggest detractors from performance. Towards the end of the month, we decided to take advantage of these falls to add to US TIPS, allocating 5% of the fund’s capital to ten year bonds offering real yields of nearly 2.3%. This was partly funded by a sale of the small remainder of the fund’s gold bullion exposure. The latter has remained remarkably resilient in the face of persistently high US real rates, giving us an opportunity to switch the exposure into TIPS at what we deem very good relative value.

We also took advantage of the spurt of US dollar strength in September to reduce US dollar exposure in favour of further bolstering our yen position, which now makes up c20% of the fund. We continue to expect the yen to be one of the assets at the epicentre of an unwind of trades that have proved popular this year but that we deem unsustainable.

On the flip side of US dollar strength was sterling weakness, which also allowed us to exit the position in Australian government bonds on favourable terms. We remain cautious on sterling, but it has fallen hard and fast over the last couple of months and we don’t want a temporary reversal to hold back performance.

A darkening economic reality, combined with tight monetary policy in the UK and US and incrementally restrictive policy from the Bank of Japan, we think will ultimately cause a great, and quite possibly sudden, reversal of the market moves over the first eight months of 2023. When it comes, this should benefit the fund’s biggest positions, in UK and US inflation-linked bonds, and the yen. We may well look back on September 2023 as a turning point.

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



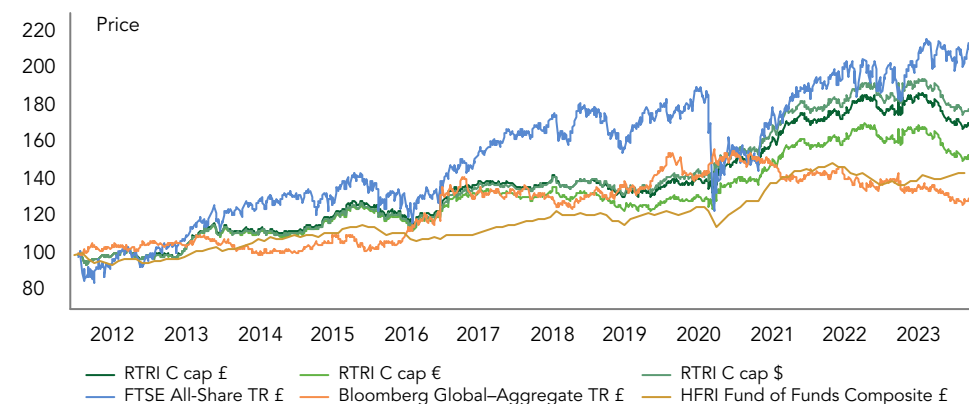
C class September 2023 Issue 147

Investment objective

The investment objective of the Ruffer Total Return International (‘the fund’) is to achieve low volatility, positive returns from an actively managed portfolio. The fund may have exposure to the following asset classes: cash, debt, securities of any type (including government and corporate debt), equities and equity related securities and commodities (including precious metals). Overriding this objective is a fundamental philosophy of capital preservation. Investors should note that there can be no assurance that the investment objective will be achieved.

Performance since fund launch on 14 July 2011

Past performance does not predict future returns

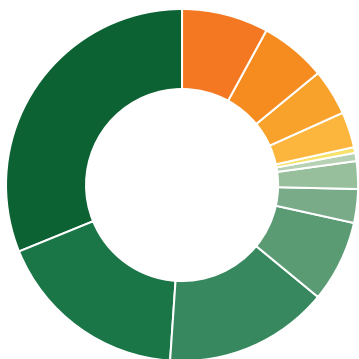


Performance C cap shares %	GBP	EUR	USD	Share price as at 30 September 2023					
September 2023	-0.5	-0.7	-0.5	C CHF capitalisation	1.4265				
Year to date	-8.8	-9.9	-8.4	C EUR capitalisation	1.5142				
1 year	-8.4	-9.9	-7.8	C EUR distribution	1.4884				
3 years	11.9	8.1	13.3	C GBP capitalisation	1.6914				
5 years	21.9	15.0	26.8	C GBP distribution	1.6473				
10 years	50.4	36.3	58.5	C GBP income	1.5351				
				C USD capitalisation	1.7713				
				C USD distribution	1.7436				
12 month performance to September %				2019	2020	2021	2022	2023	
				RTRI C cap £	0.2	8.7	14.4	6.8	-8.4
				RTRI C cap €	-1.2	7.8	13.7	5.5	-9.9
				RTRI C cap \$	1.8	9.9	14.8	7.1	-7.8
				FTSE All-Share TR £	2.7	-16.6	27.9	-4.0	13.8
				Bloomberg Global-Aggregate TR £	13.9	1.3	-5.0	-3.9	-6.5
				HFRI Fund of Funds Composite £	5.8	0.8	9.6	12.9	-4.2

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

Ruffer Total Return International as at 30 Sep 2023

Asset allocation



Asset allocation	%
Short-dated bonds	31.2
Non-UK index-linked	17.7
Cash	15.2
Long-dated index-linked gilts	7.5
Gold exposure and gold equities	3.0
Illiquid strategies and options	2.6
Index-linked gilts	0.8
UK/Europe equities	8.7
Commodity exposure	6.1
North America equities	3.4
Asia ex-Japan equities	3.3
Other equities	0.5

10 largest equity holdings*

Stock	% of fund
iShares MSCI China A UCITS ETF	1.8
Alibaba Group Holding	1.0
BP	0.9
Ryanair	0.7
Taiwan Semiconductor Manufacturing Co	0.5
Bayer AG	0.5
Ambev SA	0.5
Glencore	0.4
Amazon	0.4
Vallourec	0.3

5 largest bond holdings

Stock	% of fund
US Treasury 0.625% TIPS 2024	6.4
US Treasury FRN 31 Oct 2024	5.5
US Treasury FRN 31 Jan 2025	4.0
US Treasury 0.125% TIPS 2052	3.1
US Treasury FRN 31 Jan 2024	2.8

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

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Fund size £5,336.5m €6,152m

Fund information

Ongoing Charges Figure	1.21
Maximum annual management fee (C class)	1.2
Annual management fee	1.1
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	€10,000,000
Record date	Third Monday of November
Ex dividend dates	Next NAV following the record date
Payment	Within five business days after ex dividend date
Dealing	Weekly, every Wednesday (if not a business day, on the following business day) Plus on the last business day of each month
Cut off	4pm Luxembourg time on the day before valuation day (so typically Tuesday and the penultimate business day of the month)

ISIN and SEDOL	CHF C cap	EUR C cap	EUR C dis	EUR CR cap	GBP C cap	GBP C dis	GBP C inc	USD C cap	USD C dis
	LU0638557743	LU0638557669	LU0779208544	LU2559919811	LU0638557586	LU0638558048	LU1220904186	LU0638557826	LU0779208890
	B45L1M4	B4MRCS8	B8BHY14	BP5JDT6	B4XQ109	B4X19Y4	BWXC1G9	B4WPBZ2	B8BHY81

Structure Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Investment manager Ruffer LLP

Depository bank Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

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Fund Managers

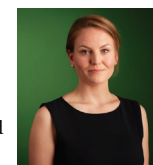
Alex Lennard

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



Fiona Ker

INVESTMENT MANAGER
Joined Ruffer in 2017 from Ernst & Young. She manages portfolios for institutions with a focus on international clients and is a member of the CISI and the Institute of Chartered Accountants for England & Wales.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2023, assets managed by the Ruffer Group exceeded £24.2bn.

Enquiries

Ruffer LLP +44 (0)20 7963 8218
80 Victoria Street rif@ruffer.co.uk
London SW1E 5JL ruffer.co.uk

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