

Ruffer Total Return International

Positive returns with low volatility

During August, the fund price rose by 0.5%. This compared with a rise of 2.7% in the FTSE All-Share Index, and a fall of 0.8% in the FTSE Govt All Stocks Index (all figures are total returns in sterling).

In reviewing the month just gone there has been no predominant driver for our performance. Equities have provided a small positive return with the beneficiaries of reflation (and economic recovery) making back some of their losses from earlier in the summer. Inflation-linked bonds were broadly flat for the month after a last day fall of some 5% in the longest dated bonds in the UK. The fall was catalysed by comments from the European Central Bank reminding us that emergency policy may not be around forever. While this does not undermine the longer-term case for inflation-linked bonds (and they have performed very strongly in the last few months), it illustrates the short term dangers that we need to guard against.

There have been two competing forces at play in August. In simple terms this is the path of liquidity in financial markets versus the fundamentals of the real economy. It will likely be the interplay between these two forces that will dictate the path of markets for the remainder of the year.

Taking liquidity first. Financial conditions have remained plentiful, something most clearly illustrated by the fact that monthly inflows into equity funds in August exceeded the annual inflows for 13 out of the last 20 years - and this is during a month that is usually characterised by outflows. The market appears to have taken comfort from Jay Powell's comments at the Jackson Hole symposium that tapering will be gradual and that rates will remain nailed to the floor for some time. We agree that liquidity conditions will remain supportive, but we need to be cognisant of the risks of rising yields once the perennial buyer (central banks) steps away even marginally. For that reason, we have used the strong performance in bond markets in recent months to reduce the Fund's duration to close to zero. Any rise in bond yields has the potential to be disruptive, therefore having a full allocation to swaptions (as we did throughout the first quarter) will likely be helpful for the remainder of the year. Although bond yields may not rise substantially, the extent to which the market is assuming they will not rise at all presents a risk - it is the certainty that is currently priced in which causes us concern.

The path of economic fundamentals has most obviously been influenced by the path of the delta variant. The data in Europe and the UK remains more encouraging than the US, but in both geographies we would argue that fears are likely overdone and the political appetite for widespread lockdowns is low. In that context the economic impulse through the remainder of the year could be very powerful. It is for this reason that we reinforced exposure to cyclical equities (primarily through energy companies) during the month.

Finally, when looking at the make-up of our equities healthcare remains a large allocation; the third largest after financials and energy. This sector looked undervalued during the presidential election when there were fears that a Democratic president would push for significant reform. With Biden's approval rating now dropping below that of Donald Trump at the end of his presidency, wide-ranging reform looks even less likely and these companies could re-rate and perform well.

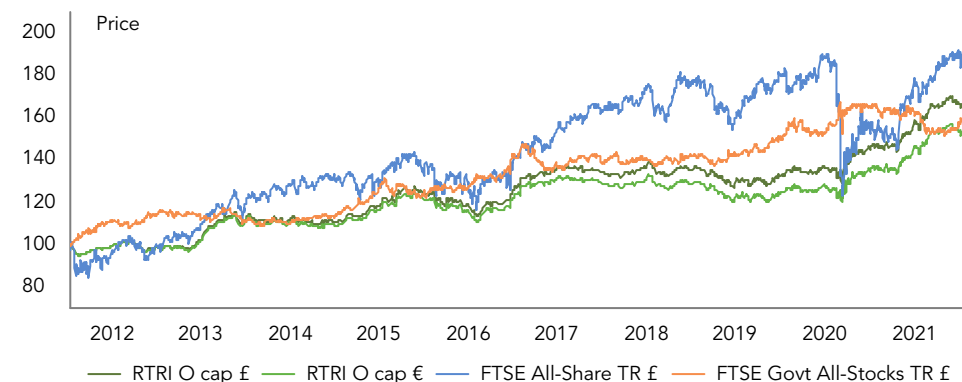
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



Investment objective

The investment objective of Ruffer Total Return International ('the fund') is to achieve positive returns with low volatility from an actively managed portfolio. The fund may have exposure to the following asset classes: cash, debt securities of any type (including government and corporate debt), equities and equity related securities and commodities (including precious metals). Pervading this objective is a fundamental philosophy of capital preservation.

Performance since fund launch on 14 July 2011



○ GBP capitalisation shares	Performance %	Share price as at 31 August 2021
August 2021	0.5	○ CHF Capitalisation 147.19
Year to date	7.5	○ EUR Capitalisation 153.73
1 year	13.6	○ EUR Capitalisation 153.70
3 years	23.2	○ GBP Capitalisation 166.64
5 years	25.2	○ USD Capitalisation 172.92
10 years	73.9	

12 month performance to June %	2017	2018	2019	2020	2021
RTRI O cap £	8.1	1.0	-3.1	10.2	14.9
RTRI O cap €	6.9	-0.1	-4.4	9.1	14.1
FTSE All-Share TR £	18.1	9.0	0.6	-13.0	21.5
FTSE Govt All-Stocks TR £	-0.9	1.9	4.9	11.2	-6.2

Source: Ruffer LLP, FTSE International (FTSE) © FTSE 2021. FTSE® is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Ruffer Total Return International as at 31 Aug 2021

Asset allocation



Asset allocation	%
Index-linked gilts	14.8
Long-dated index-linked gilts	12.1
Non-UK index-linked	8.5
Cash	6.5
Gold and gold equities	5.8
Illiquid strategies and options	5.0
Short-dated bonds	4.8
UK/Europe equities	26.1
Japan equities	7.0
North America equities	6.5
Asia ex-Japan equities	0.4
Other equities	2.5

Currency allocation	%
Sterling	79.9
Yen	7.3
Gold	5.9
Euro	1.7
US dollar	1.0
Other	4.3

Currency allocation



10 largest equity holdings*

Stock	% of fund
Royal Dutch Shell	2.5
BP	2.4
Lloyds Banking Group	2.0
NatWest Group	1.9
Ambev SA	1.8
GlaxoSmithKline	1.7
iShares Physical Gold	1.5
Equinor	1.5
Barclays	1.2
AstraZeneca	1.2

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	9.1
US Treasury 0.625% TIPS 2023	7.0
UK Treasury index-linked 0.125% 2068	5.4
UK Treasury index-linked 0.125% 2065	4.6
UK Treasury 0.125% 2023	3.4

*Excludes holdings in pooled funds

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding. The base currency of the fund is GBP. Share classes denominated in other currencies are hedged to reduce the impact on your investment of movements in the exchange rate between the base currency of the fund (GBP) and the currency of the share class.

The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts. Please note that Ruffer SICAV is a Luxembourg UCITS and subject to Luxembourg law. Ruffer SICAV is authorised by and subject to the supervisory authority in Luxembourg, the CSSF, and is a scheme recognised by the UK's Financial Conduct Authority (FCA). Ruffer Total Return International (RTRI) is not registered for distribution in any country other than Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Italy (qualified investors only), Luxembourg, the Netherlands, Norway, Portugal, Singapore (institutional and accredited investors only), Spain, Sweden, Switzerland (qualified investors only) and the UK. The fund's prospectus is provided in English and French; Key Investor Information Documents are provided in a variety of languages and are available, along with the Prospectus (in English and French), on request or from ruffer.co.uk. Ruffer LLP is not able to market RTRI in other countries, except under certain exemptions. In line with the Prospectus, it is possible that at any one time Ruffer Total Return International may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities.

Fund size £3,523.1m

Fund information

Ongoing Charges Figure	1.44
Maximum annual management fee (O class)	1.5
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	£1,000
O share classes	Capitalisation only (equivalent to accumulation)
Dealing	Weekly, every Wednesday (if not a business day, on the following business day) Plus on the last calendar day of each month
Cut off	4pm Luxembourg time on the day before valuation day (so typically Tuesday and the penultimate business day of the month)
ISIN and SEDOL	CHF O cap LU0638558808 B4R1SD2 EUR OI cap LU2252564898 BMYP2W0 EUR O cap LU0638558717 B42NV78 GBP O cap LU0638558634 B41Y053 USD O cap LU0638558980 B449LX0
Structure	Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV
Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent	FundPartner Solutions (Europe) S.A.
Investment manager	Ruffer LLP
Depository bank	Pictet & Cie (Europe) S.A.
Auditors	Ernst & Young S.A.

The views expressed in this marketing communication are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser. Ruffer LLP or FundPartner Solutions (Europe) S.A. may terminate arrangement for marketing of the fund under new Cross-border Distribution Directive denotification process.

Fund Managers

Jacques Hirsch

INVESTMENT DIRECTOR

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



Alex Lennard

INVESTMENT DIRECTOR

Joined Ruffer in 2006 after graduating from Exeter University with an honours degree in economics and finance; he is a member of the Chartered Institute for Securities & Investment.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 July 2021, assets managed by the Ruffer Group exceeded £22.7bn.

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London SW1E 5JL www.ruffer.co.uk

Notice for Investors in Switzerland: Ruffer SICAV has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA). Any offering materials relating to Ruffer SICAV may be made available in Switzerland solely to Qualified Investors as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. Ruffer SICAV's prospectus, KIIDs, articles of association and the annual and semi-annual reports are available free of charge at the office of the Swiss representative: FundPartner Solutions (Suisse) S.A., Route des Acacias 60 CH – 1211 Geneva 73. Ruffer SICAV's paying agent in Switzerland is Banque Pictet & Cie S.A. of the same address. Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2021