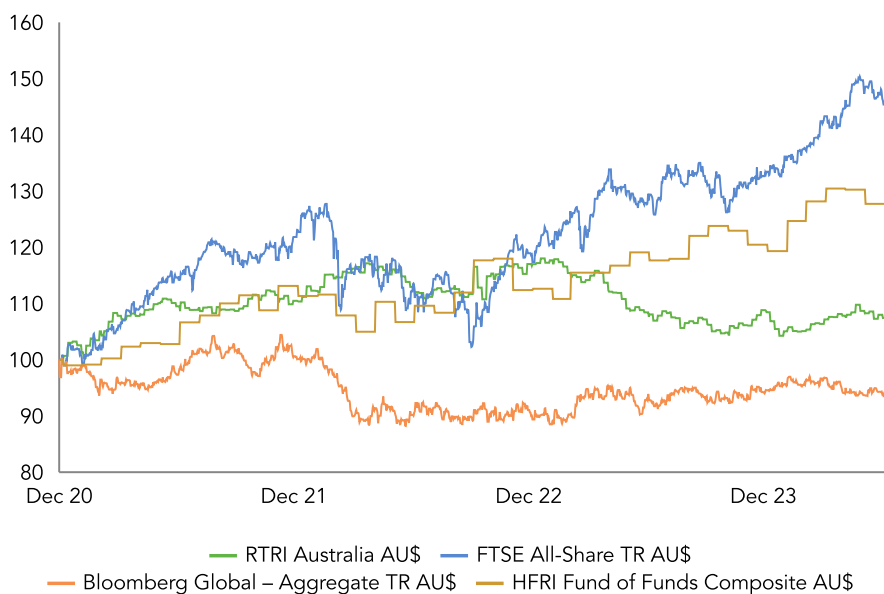


# Ruffer Total Return International – Australia Fund

## SHARE PRICE PERFORMANCE SINCE LAUNCH ON 24 DECEMBER 2020

Past performance does not predict future returns



The fund fell back marginally over the month as equity markets continued to move higher, albeit in increasingly narrow fashion. The S&P 500 was up 4% over the last month, whilst the same index equal-weighted was down by 1%, this is illustrative of a world of fewer winners and more losers. There is an adage that when markets are broad, they are strong, but when they are narrow, they are weak.

Over the past nine months we have managed to maintain a level of protection in portfolios we believe will be essential when market conditions deteriorate. But in contrast to the second quarter of last year, the growth assets have contributed to ensure that the fund isn't retreating in the intervening period. This has been driven by proactive portfolio adjustments. Adding duration in the fourth quarter gave us a positive year end; an increased equity weighting and dynamic management of the portfolio's commodity exposure have supported returns this year.

There is something of a dichotomy at play in markets; many investors express concerns but these are not yet reflected in their positioning. In a recent Bank of America Fund Manager survey 69% of respondents consider the 'Magnificent 7' to be the most crowded trade in markets, meanwhile about half of those respondents expect large-cap US growth stocks (dominated by the same seven names) to lead the market higher. There is no telling how much crossover there was from individual respondents, but it indicates a market displaying both uncertainty and great confidence in a benign outcome, given the level of valuations. This is a potentially dangerous combination, particularly when positioning is increasingly extreme in nature (and when leverage is involved).

Our predominant contention in the short term is that investor positioning is yet to adjust to reflect higher risk-free rates. Investors are currently paid more than 5% to not take risk. Meanwhile, risk premiums (the additional return an investor should receive for coming out of cash) are low, particularly in the US. It might be the case that conditions remain benign, but the potential upside of that outcome is limited. This informs our continued focus on ensuring that the portfolio is well positioned to make money should the certainties break and take advantage of the opportunities any sell-off presents.

The yen remains a key protection; we see many reasons for the yen to strengthen, but key to its role in the portfolio is that if the yen is strengthening it is likely to be against a backdrop of financial stress. Credit spreads give us exposure should the current compressed nature of risk premiums reverse. If liquidity is less readily available, a significant re-pricing of corporate debt is likely. We must also remain conscious of the need to participate should the current benign environment persist; the combination of a 25% allocation to equities, a recently increased position in oil plus exposure to gold mining equities, should allow us to participate, but without compromising our capital preservation mandate.

## JUNE 2024

Performance cap %	AUD
June	-0.8
Year to date	-1.0
1 year	-0.7
3 years pa	-0.4
5 years pa	-
10 years pa	-
Since inception pa	2.0

Share price	Net	Gross
AUD cap		1.0734
Duration (years)	3.1	3.2
Equity exposure %	23.9	25.6

Z cap AUD	Volatility %	Sharpe	Sortino
3 years	5.3	-0.6	-0.7
5 years	-	-	-
10 years	-	-	-
Since inception	5.6	-0.1	-0.1

## 12 month performance to 30 June 2024

%	2020	2021	2022	2023	2024
RTRI AUD	-	-	3.1	-3.5	-0.7
FTSE All-Share TR AU\$	-	-	-2.8	16.6	12.4
B'berg Gbl-Agg TR AU\$	-	-	-7.8	2.2	0.8
HFRI FOF Comp AU\$	-	-	2.8	7.4	8.5

One to twelve month performance figures are cumulative, all others are annualised. Source: RTRI-AU, FTSE International, Bloomberg, HFRI. The comparator benchmarks shown are those of the underlying fund, hedged in AUD which were chosen because they represent the investible universe of the strategy, both in terms of instruments and geographies. 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 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.

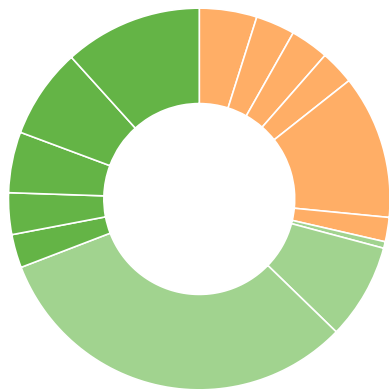
## TARGET MARKET SUMMARY

This product is likely to be appropriate for a consumer seeking capital growth to be used as a major, core, minor or satellite component within a portfolio where the consumer has a minimum five year investment timeframe, medium to high risk/return profile and needs monthly access to capital. Investors should refer to the TMD for further information.

# Ruffer Total Return International – Australia Fund

## 30 Jun 24

### ASSET ALLOCATION



Inflation protection	%
Non-UK inflation-linked bonds long-dated	11.7
Gold and precious metals exposure	8.5
UK inflation-linked bonds long-dated	5.2
UK inflation-linked bonds short-dated	3.5
Non-UK inflation-linked bonds short-dated	2.8
Sell-off protection	%
Short-dated nominal bonds	31.9
Cash	8.1
Credit and derivative strategies	0.6
Economic growth	%
Financials equities	4.9
Consumer discretionary equities	3.3
Consumer staples equities	3.3
Energy equities	2.9
Other equities	11.3
Commodity exposure	2.1

Currency allocation	%
Sterling	81.6
Yen	10.3
US dollar	3.1
Hong Kong dollar	1.0
Other	4.1
Geographical equity allocation	%
UK equities	9.7
Asia ex-Japan equities	5.4
North America equities	5.3
Europe equities	5.0
Other equities	0.2

### 5 LARGEST EQUITY HOLDINGS

Stock	% of fund
iShares MSCI China A UCITS ETF	3.3
BP	2.0
Citigroup	1.2
Prosus	1.0
Alibaba Group	1.0

The credit and derivatives strategies allocation is calculated using market value. In some cases, this allocation might be negative due to the nature of how the instruments, in particular credit default swaps, are priced. Asset allocation is shown for the underlying fund, Ruffer Total Return International. Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

### RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2024, assets managed by the Ruffer Group exceeded A\$41.8bn.



### FUND SIZE A\$206.3M

### FUND INFORMATION

Management costs	1.02% per annum of net asset value of fund comprising: a management fee 0.77% administration costs 0.10% indirect costs 0.15%	
Minimum initial investment	AU\$20,000	
Cut offs	Redemptions and subscriptions weekly, typically 2.00pm Friday	
Dealing frequency	Weekly, typically a Thursday	
Distribution	Annual, although not expected. Year end is 30 June	
Settlement dates	Redemptions and subscriptions T+5, typically a Thursday	
Investment manager	Ruffer LLP	
Administrator	Apex Fund Services Pty Ltd	
Custodian	Apex Fund Services Pty Ltd	
Responsible entity	The Trust Company (RE Services) Limited	
Auditors	Ernst & Young	
Fund regulator	Australian Securities and Investments Commission (ASIC)	
Structure	Managed Investment Scheme	
APIR	PIM1038AU	
ARSN	643 278 693	
Asset class	Multi-Asset	
Buy/sell spread	0%	
Share class	ISIN	Ticker
AUD cap	AU60PIM10382	PIM1038 AU

### ENQUIRIES

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## FUND TEAM



**Alex Lennard**  
FUND MANAGER

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 comanager of two of Ruffer's flagship funds.



**Fiona Ker**  
FUND 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.

## GLOSSARY

**Volatility** measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

**Duration** measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

**Sharpe ratio** measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

**Sortino ratio** measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

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