

LF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies



March 2018 Issue 172

During March, the fund's O accumulation shares fell by 1.1% from 140.87p to 139.29p. This compares to a rise of 1.2% in the FTSE Gold Mines Total Return Index, adjusted for sterling. Over the period the gold price was up 0.5% in US dollar terms but down 1.3% in sterling terms.

After the sharp falls in February, the gold mining sector was relatively subdued in March. The gold price drifted lower as the broader stock market recovered but bounced towards the end of the month as 'risk-off' sentiment returned to markets. The gold price appears to be pulled between increasing geopolitical tensions, in particular the nascent US-China trade war, and the continued positive global economic environment. We managed to avoid much of the fall in gold mining stocks in February and as a result it was to be expected that the fund performed relatively poorly in March as some of holdings gave up part of their year-to-date outperformance. As we noted last month, gold mining stocks as a whole are now materially undervalued, relative to gold, and there was no closing of this gap during March.

Our three largest positive contributors to fund performance were Kinross Gold (up 8.5% in sterling terms), SSR Mining (up 13.8% in sterling terms) and Asanko Gold (up 25% in sterling terms). SSR Mining continued to recover from the unjustifiably low valuation it reached in December 2017. We like this stock because it has an excellent operating record, strong balance sheet and the vast majority of its production is in the US and Canada. Asanko Gold has had a very bumpy ride over the past year, as short-sellers tried to make the case that the stock was worthless. We visited the mine towards the end of last year and were confident this was not the case: in March the company announced that Gold Fields had agreed to purchase half of the asset. Asanko Gold will be net cash following the transaction and the price paid implies a valuation much higher than the current share price. As a result, we are optimistic that there will be much more to come.

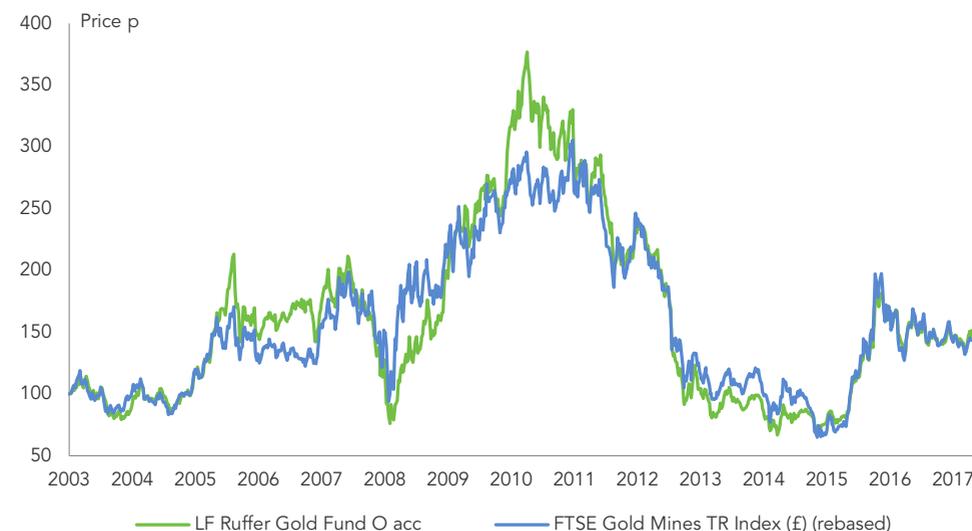
Our two largest negative contributors were Brio Gold (down 7.5% in sterling terms) and Westgold Resources (down 9.2% in sterling terms). There were no obvious stock specific triggers for the falls in these stocks, but both stocks fared reasonably well when the sector fell in February.

The fund positioning has not changed significantly since the end of February. We have continued to increase our weighting to large cap gold mining stocks and maintain our silver bullion position.

Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

Performance since launch on 1 October 2003



Performance %	March 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-1.1	-5.6	-7.1	71.3	-23.1	-26.5

Percentage growth (O acc)	%	Share price as at 29 March 2018	p
31 Mar 2017 – 31 Mar 2018	-7.1	O accumulation	139.29
31 Mar 2016 – 31 Mar 2017	32.5	C accumulation	141.72
31 Mar 2015 – 31 Mar 2016	39.2	C income	85.77
31 Mar 2014 – 31 Mar 2015	-15.6		
31 Mar 2013 – 31 Mar 2014	-46.8		

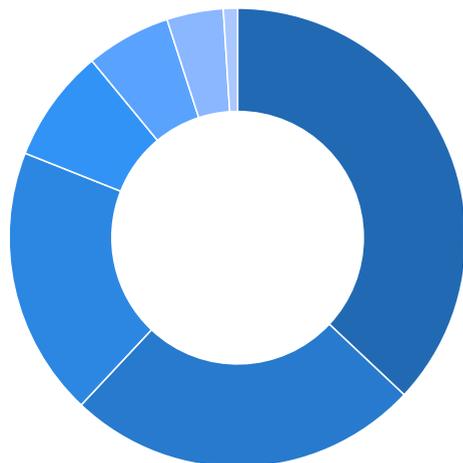
Source: Ruffer LLP, FTSE International (FTSE)†

The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that LF Ruffer Investment Funds is a UK UCITS. The LF Ruffer Gold Fund is not registered for distribution in any country other than the UK.

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.

LF Ruffer Gold Fund as at 29 March 2018

Portfolio structure



	%
• North America	37
• Africa	25
• Australia	19
• Asia	8
• South America	6
• Other	4
• Cash	1

Capitalisation breakdown

% market exposure	Size	Market cap
12.3	Large	US\$5bn+
46.8	Mid	US\$1-\$5bn
40.9	Small	US\$0-\$1bn

10 largest of 110 holdings (representing 110 companies)

Stock	% of fund	Stock	% of fund
Kinross Gold	6.2	AngloGold Ashanti	3.8
Gold Fields	5.4	Westgold Resources	3.5
Evolution Mining	4.0	OceanaGold	3.3
Barrick Gold	3.8	Goldcorp	3.2
ETFS Physical Silver	3.8	Endeavour Mining	3.1

Source: Ruffer LLP

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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.

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.

Fund size £683.6m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.58	1.28
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.37	0.62
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward to 10am Wednesday, based on NAV Plus forward from 10am on last Wednesday of the month to last business day of the month	
ISIN	O class GB0033628156 (acc)	C class GB00B8510Q93 (acc) GB00B8BZBT51 (inc)
SEDOL	3362815 (acc)	B8510Q9 (acc) B8BZBT5 (inc)
Investment adviser	Ruffer LLP	
ACD	Link Fund Solutions Limited	
Depository	The Bank of New York Mellon (International) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of LF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

* Refers to accumulation shares

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Fund Manager

Paul Kennedy

RESEARCH DIRECTOR



Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the LF Ruffer Gold Fund since February 2015.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2018, assets managed by the Ruffer Group exceeded £22.0bn, of which over £13.6bn was managed in open-ended Ruffer funds.

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