

LF Ruffer Gold Fund

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



October 2018 Issue 179

During October, the fund's O accumulation shares rose by 1.0% from 124.14p to 125.42p. This compares to a 5.8% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 2.0% in US dollar terms and 4.1% in sterling terms.

During the month, the US stock market experienced a correction with the S&P losing almost all gains for the year to date. It was heartening to see the gold price beginning to respond to these falls and performing its role as an offset to risk assets, albeit weakly. The gold mining index also staged something of a recovery, however, this recovery was very unevenly distributed across the sector. Despite the rise in the sector, it was something of a lottery whether particular stocks rallied with the gold mining index or fell with general equity markets. The fund participated less than we would have hoped in the rally as a number of small-cap holdings sold-off aggressively with equity markets.

The two largest positive contributors to performance over the month were Gold Fields and AngloGold Ashanti (both up 12% in sterling terms). The Gold Fields stock price continued its recovery from the wildly excessive reaction to the restructuring of its South Deeps mine, which was announced in the midst of the gold sector fall in August. AngloGold Ashanti continued the rally which began with the appointment of the new CEO. Both stocks remain excellent value and appear poised to reap the rewards of hard work over the last few years.

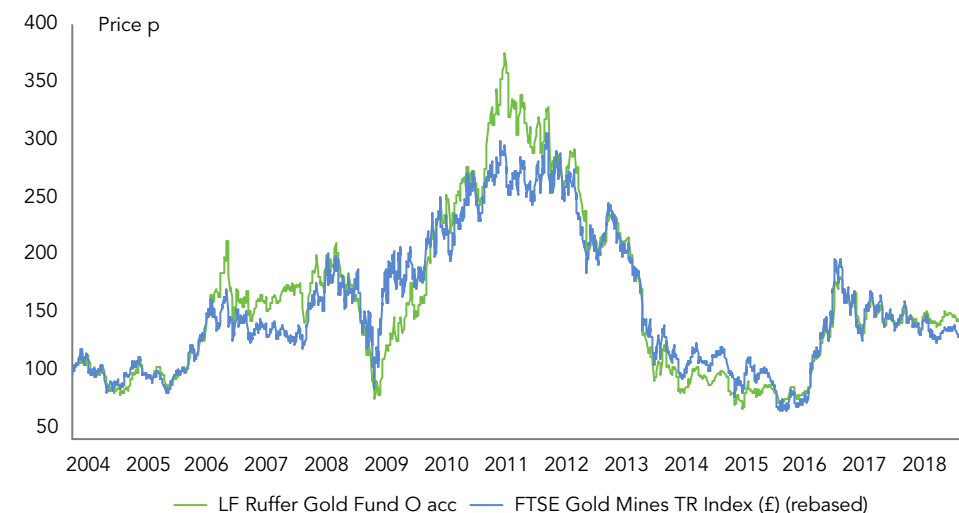
The two largest negative contributors to the fund's performance were Westgold Resources and Mandalay Resources (down 13% and 55% respectively in sterling terms). These are companies which have fallen off the radar of the investment community (if one still exists in the gold mining sector) and hence were dragged down with broader equity markets. Both these companies were already very cheap, and are now even cheaper! Whilst these stocks have been painful to hold, in the past we have seen that stocks such as these can be the out-performers of the future, when sentiment turns.

Despite the rally in the index over the past month, the dislocation in the valuations of different stocks indicates that the sector remains far from healthy following the falls in August and September. If the gold price remains reasonably supportive, then we are optimistic that those positions which have under-performed will eventually catch-up. On a medium-term view we continue to see plenty of good investment opportunities within the sector.

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



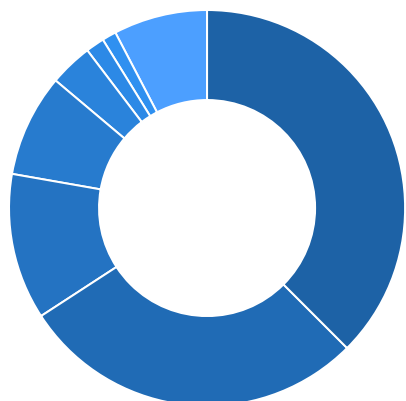
Performance %	October 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	1.0	-15.0	-12.1	52.1	21.4	52.5

Percentage growth (O acc)	%	Share price as at 31 October 2018	p
30 Sep 2017 – 30 Sep 2018	-14.0	O accumulation	125.42
30 Sep 2016 – 30 Sep 2017	-13.1	C accumulation	127.83
30 Sep 2015 – 30 Sep 2016	113.8	C income	77.37
30 Sep 2014 – 30 Sep 2015	-8.4		
30 Sep 2013 – 30 Sep 2014	-18.7		

Source: Ruffer LLP, FTSE International (FTSE) †

LF Ruffer Gold Fund as at 31 Oct 2018

Portfolio structure



Asset allocation	%
• North America	37.5
• Africa	28.2
• Australia	12.0
• Asia	8.3
• South America	3.6
• Europe	1.5
• Options	1.1
• Other	0.0
• Cash	7.7

Capitalisation breakdown

% market exposure	Size	Market cap
15.5	Large	US\$5bn+
48.7	Mid	US\$1-\$5bn
35.7	Small	US\$0-\$1bn

10 largest of 142 holdings

Stock	% of fund	Stock	% of fund
Kinross Gold	6.1	Goldcorp	3.2
AngloGold Ashanti	5.2	IAMGOLD	3.2
Gold Fields	4.0	OceanaGold	3.1
Newmont Mining	3.9	Westgold Resources	2.7
Centerra Gold	3.4	Gold Fields	2.5

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

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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 **£869.5m**

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	0.00	0.00
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	GB0033628156 (acc)	GB00B8510Q93 (acc) GB00B8BZBT51 (inc)
SEDOL	3362815 (acc)	B8510Q9 (acc) B8BZBT5 (inc)
Investment adviser	Ruffer LLP	
ACD	Link Fund Solutions Limited	
Depositary	The Bank of New York Mellon (International) Limited	
Auditors	Ernst & Young 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 30 September 2018, assets managed by the Ruffer Group exceeded £21.8bn.

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