

LF Ruffer European Fund

Providing capital growth by investing in a diversified pan-European portfolio

During the fourth quarter of 2020 the fund's O accumulation shares increased by 23.5% from 660.04p to 814.85p. This compares to an 11.0% increase in the FTSE Developed Europe total return in euro terms and a 9.5% increase in sterling terms. For 2020 as a whole the fund's O accumulation shares increased by 26.5%. This compares to a 2.2% decrease in the FTSE Developed Europe total return in euro terms and a 3.3% increase in sterling terms. The fund's gross equity exposure was 89% at the end of December with 11% in cash; compared to 86% and 14% at the end of September.

It is sobering to reflect on the powerful forces observed in nature and financial markets in 2020. Who would have imagined a year ago the effect a coronavirus could have on the world, or the impact central bank and government interventions would have on investors' willingness to look far beyond the immediate economic dislocation?

The fund entered 2020 with a portfolio of attractively valued stocks. We were confident that, over the next few years, many would appreciate in price. But 2020 was no ordinary year. The response to the virus quickly strengthened some companies and weakened others – for some the effect will be temporary, for others permanent. Concurrently markets responded by driving stock prices with unusual ferocity and to extremes of valuation. When the pandemic broke a sickening fear of loss drove the crash. As things stabilised, fear of missing out began to predominate. More recently, the market has been driven by greed and central bank liquidity. 2020 required a much higher degree of active management than our usual measured and patient approach.

The fund's performance was underpinned by the construction of a balanced portfolio of stocks with different exposures. Sector allocations and stock weightings were flexed through the year as circumstances changed. In the first quarter defensive companies such as AcadeMedia (Swedish schools), Altia (Finnish vodka) and Raisio (food producer) fell less than the market. In the second quarter beneficiaries of the pandemic began to drive performance with Avacta (covid-19 testing), De'Longhi (coffee machines) and Deutsche Post (logistics) all contributing. In the third quarter German ecommerce players Home 24 and WestWing re-rated strongly as their earnings exploded. The fourth quarter was different. When an efficacious vaccine was announced the market 'rotated' and heavily depressed stocks like AtresMedia (Spanish broadcaster), JC Decaux (outdoor advertising), Lloyds and NatWest (UK banks), Prosegur (Spanish/ Latam security) and Sonae (Portuguese retail) drove performance. PureTech Health also contributed significantly in the final quarter, driven by a successful listing on the NASDAQ. The key detractors over the year were oil producers, UK banks, cash handling companies and option protection.

As we move into 2021 we remain confident that the companies in the fund can generate attractive returns. We expect continued volatility as the forces of nature, science, central banks, governments and humanity bear down on companies and markets. However as we've said before: volatility is the friend, not the foe, of the long-term investor. Although having encountered 2020, your managers would acknowledge that, just occasionally, one can get a little too much of a good thing!

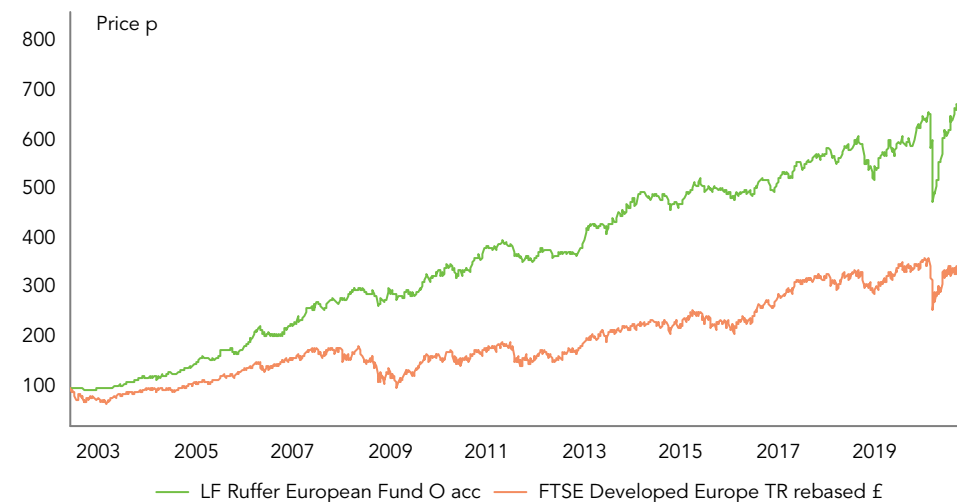
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



Investment objective

The fund aims to provide capital growth by investing in a diversified pan-European portfolio of predominantly equities, though fixed income securities may also be utilised if the Investment Manager believes they will assist in meeting the overall objective of the fund.

Performance since launch on 5 June 2002



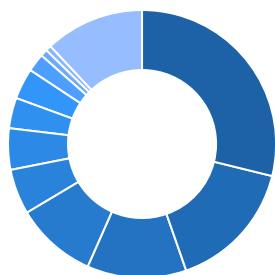
O accumulation shares	Performance %	Share price as at 31 December 2020	p
Q4	23.5	O accumulation	814.85
Year to date	26.5	C accumulation	835.66
1 year	26.5	C income	152.50
3 years	42.3		
5 years	64.1		
10 years	112.5		

12 month performance to December 2020 %	2016	2017	2018	2019	2020
LF Ruffer European Fund O acc	3.3	11.6	-8.6	23.1	26.5
FTSE Developed Europe TR rebased £	19.5	15.6	-9.1	19.8	3.3

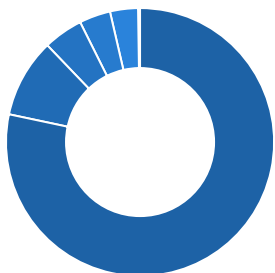
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the STOXX Europe 600 to the FTSE Developed Europe Index as Ruffer adopts FTSE as a data provider for all funds.

LF Ruffer European Fund as at 31 Dec 2020

Portfolio structure



Asset allocation	%		%
• UK	28.9	• Spain	3.6
• Germany	15.9	• Portugal	2.2
• France	11.9	• Greece	0.8
• Sweden	9.6	• Belgium	0.8
• Finland	5.6	• Cash	11.9
• Norway	4.8		
• Switzerland	3.9		



Currency allocation	%
• Sterling	78.9
• Swedish krona	9.6
• Norwegian krone	4.8
• Swiss franc	3.9
• US dollar	2.8

10 largest of 52 holdings

Stock	% of fund	Stock	% of fund
PureTech Health	10.0	Comet	3.3
Rubis	5.1	Home24	3.3
Instone Real Estate	3.7	Ceres Power	2.9
Academedia	3.7	Rheinmetall	2.8
Westwing Group	3.4	Nlyte Software	2.8

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

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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.

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

Fund size **£248.1m**

Fund information

%	O class	C class
Ongoing Charges Figure*	1.57	1.27
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.05
Minimum investment	£1,000	

Ex dividend dates 15 Mar, 15 Sep

Pay dates 15 May, 15 Nov

Dealing Weekly forward, every Wednesday where this is a business day
Plus the last business day of the month

Cut off 10am on Wednesday (where it is a business day) and the last business day of the month

	O class	C class
ISIN	GB0031678161 (acc)	GB00B84JVJ48 (acc) GB00B7KNM781 (inc)
SEDOL	3167816 (acc)	B84JVJ4 (acc) B7KNM78 (inc)

Investment adviser Ruffer LLP

ACD Link Fund Solutions Limited

Depository 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

Dealing line **0345 601 9610**

*Refers to accumulation shares

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Fund Managers

Claire Titmarsh

RESEARCH DIRECTOR

Joined Ruffer in 2005 after graduating with a first class honours degree in economics and finance. Joined the LF Ruffer European Fund team in 2011, becoming co-manager in 2016.



Simon Mountain

RESEARCH DIRECTOR

Joined the LF Ruffer European Fund team in 2013, becoming co-manager in 2016. Prior to this a strategy consultant at Bain & Company. Worked in PwC's Transaction Services practice advising on European private equity deals. Holds a Masters degree in Manufacturing Engineering from the University of Cambridge.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2020, assets managed by the Ruffer Group exceeded £20.3bn.

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