

LF Ruffer European Fund

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

During the third quarter of 2022 the fund's C accumulation shares decreased by 6.0% from 714.07p to 670.71p. This compares to a 4.4% decrease in the FTSE Developed Europe total return in euro terms and a 2.5% decrease in sterling terms. The fund's gross equity exposure was 84% at the end of September with the remaining 16% in cash. At the end of June the gross figure was 85% with 15% in cash.

The third quarter was another difficult one for investors as downward pressure on prices continued across many asset classes. Equity markets briefly rallied in July as softer inflation data created hope that inflation was peaking – and hence central banks could hold back on raising interest rates. Alas, that hope was short lived as subsequent data indicated stubbornly high inflation. In recent weeks the Federal Reserve, ECB and Bank of England have made it clear that, despite the growing risk of recession, they intend to raise rates rapidly and substantially in order to tame inflation. Equity markets responded by resuming their downward trend.

Turning to the portfolio there were two drivers of relative underperformance. The first is the fund's exposure to small and mid capitalisation stocks which continue to underperform. The second was the partial hedging of Euro, Swedish Krona and Swiss Franc exposure. Readers will recall our default position is to hedge circa half the portfolio's currency exposure in the absence of strong conviction to hedge either more or less. The UK government's fiscal announcement in late September caused a significant depreciation in the value of sterling - whilst this positively contributed to performance in absolute terms, the hedge reduces the performance versus the comparator, which is unhedged.

Despite the overall decline in equity markets, it was pleasing to see a number of the fund's holdings appreciate in absolute terms. PureTech Health contributed significantly to performance as one of its holdings, Karuna, released positive Phase 3 clinical data. Karuna is a great success story for PureTech who founded the business in 2009, investing circa \$19M – the enterprise value is now approaching \$10B. The second contributor was UPM, the Finnish pulp and paper business, which is re-positioning towards clean energy, biochemicals and biofuels. Thirdly, Loomis, the global cash handling business, continued to re-rate driven by the combination of post covid earnings recovery and astute capital allocation. Swedish Match was the fourth contributor - speculation grew that Philip Morris will increase its bid for the company. And fifthly AcadeMedia, the leading private operator of schools in Sweden, saw its shares rise following election of a centre right government, thereby eliminating risk that the next government seeks to ban profits or the payment of dividends.

We remain highly disciplined and are concentrating the portfolio on the most attractive opportunities – the top ten positions now represent almost 50% of the fund. Whilst flows out of equity markets continue to drag down the price of equities, we have conviction that the gap between price and intrinsic value of stocks in the fund continues to widen. In due course, we believe our patience will be rewarded.

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.

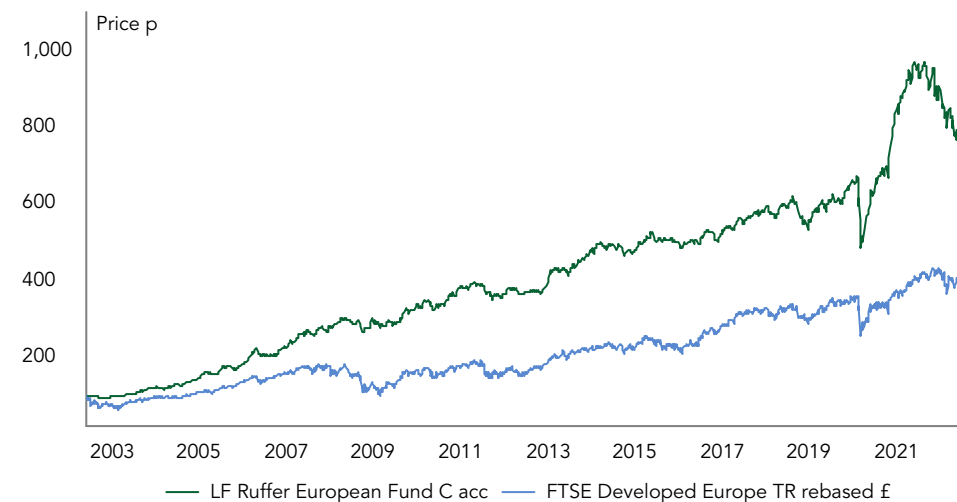


September 2022 Issue 206

Investment objective

To seek to achieve capital growth over the longer term (at least seven years), after all costs and charges have been taken. Capital invested is at risk and there is no guarantee that the objective will be achieved over any time period.

Performance since launch on 5 June 2002



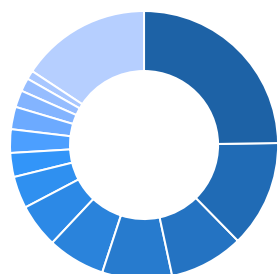
C accumulation shares	Performance %	Share price as at 30 September 2022	p
Q3	-6.0	O accumulation	670.71
Year to date	-23.1	C accumulation	691.47
1 year	-25.4	C income	124.04
3 years	13.3		
5 years	20.4		
10 years	84.8		

12 month performance to September %	2018	2019	2020	2021	2022
LF Ruffer European Fund C acc	5.1	1.1	10.8	37.0	-25.4
FTSE Developed Europe TR rebased £	3.4	5.4	-4.3	22.8	-9.7

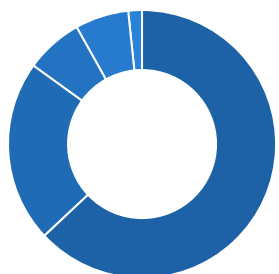
Source: Ruffer LLP, FTSE International (FTSE)†

LF Ruffer European Fund as at 30 Sep 2022

Portfolio structure



Asset allocation	%		%
• Germany	24.8	• Belgium	3.0
• Sweden	12.9	• Netherlands	2.8
• Finland	8.9	• Switzerland	2.7
• UK	8.6	• UK equities	1.9
• Norway	6.9	• Greece	1.6
• France	5.3	• Other	1.1
• Spain	3.8	• Cash	15.8



Currency allocation	%
• Sterling	63.0
• Euro	22.0
• Norwegian krone	6.9
• Swedish krona	6.5
• Swiss franc	1.6

10 largest of 35 holdings

Stock	% of fund	Stock	% of fund
UPM-Kymmene Oyj	6.8	Loomis	4.2
Software AG	6.1	Yara International	4.0
Acadamedia	5.4	Veolia Environnement	3.8
Deutsche Post	5.3	Instone Real Estate	3.8
PureTech Health	5.2	International Petroleum Corporation	3.3

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.

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 **£188.5m**

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	0.59	0.91
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 31 August 2022, assets managed by the Ruffer Group exceeded £26.3bn.

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