

LF Ruffer Gold Fund

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



March 2020 Issue 186

During the quarter, the fund's O accumulation shares fell by 5.2% from 193.53p to 183.37p. This compares to a 10.3% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 4.0% in US dollar terms and 11.0% in sterling terms.

The quarter was dominated by the COVID-19 virus which first emerged in the Western media in early January as an outbreak in Wuhan, China. The world watched with growing consternation as it spread through China and across the globe. At the time of writing, it is no exaggeration to say that we are in the midst of a once in a hundred year event with a truly astounding global social and economic impact. Understandably it took time for markets to appreciate the full enormity of what was occurring but the S&P finally began to face up to reality in the second half of February and by the end of the period, after a helpful kick by OPEC+, stock markets went into freefall. It would be natural to expect gold to do well in this environment of global crisis and it did perform well until the end of February. However as stock markets went into panic liquidation, pressure from investors forced to sell anything took gold sharply lower in the middle of March. In this environment, gold mining equities were sold down without a second thought, experiencing extreme negative price moves. The gold price quickly recovered in the second half of March and gold mining equities have reversed a large part of their losses.

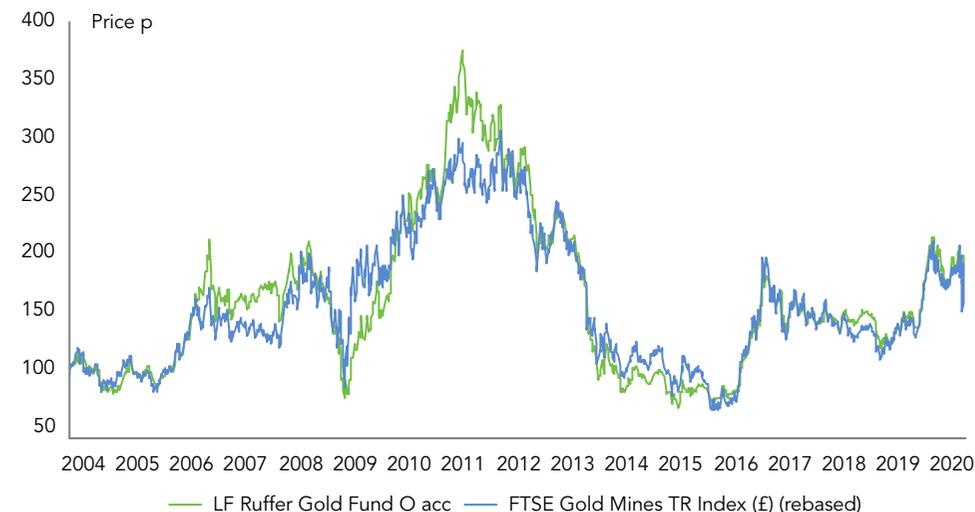
Many of the stocks in the fund suffered very badly in March, however we saw the potential for gold and gold mining equities to become caught up in a stock market liquidation and tactically adjusted the positioning of the fund to reduce the scale of the losses. It meant that we had cash to invest at the lows but also dampened the bounce from the lows.

At the time of writing, the world is still coming to terms with the scale of the economic shock ahead. In response, we have now seen unprecedented support for the economy from central bank and government spending. It seems inevitable that global economic growth will be weak for a considerable time now, supported by zero interest rates, various 'unconventional' monetary policy measures and unfunded fiscal expansion. This makes the investment case for gold over a reasonable time frame about as good as it can get! Having said that, in the short term we do see a risk that gold becomes swept up in another round of panic selling of other assets. It is worth remembering that for most of 2008 the gold price was pulled down with the stock market before eventually recovering towards the end of the year. However, over the period from the beginning of 2008 to the end of 2011, gold was an excellent investment – roughly doubling in price. Gold mining equities in general start from a discounted valuation relative to gold so we would expect the fund to perform very well in a rising gold price environment.

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 %	Q1	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-5.2	-5.2	24.5	22.3	125.5	-26.1

Percentage growth (O acc)	%	Share price as at 31 March 2020	p
31 Mar 2019 – 31 Mar 2020	24.5	O accumulation	183.37
31 Mar 2018 – 31 Mar 2019	5.8	C accumulation	187.69
31 Mar 2017 – 31 Mar 2018	-7.1	C income	113.60
31 Mar 2016 – 31 Mar 2017	32.5		
31 Mar 2015 – 31 Mar 2016	39.2		

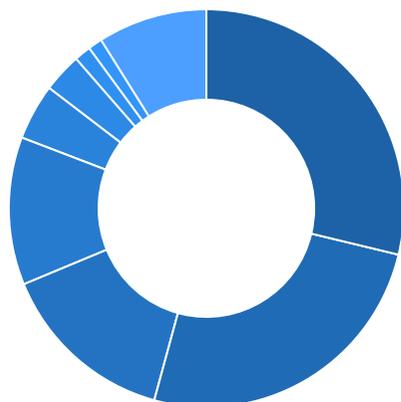
Source: Ruffer LLP, FTSE International (FTSE) †

The fund's prospectus and key investor information documents are provided in English and available on request or from 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 31 Mar 2020

Portfolio structure



Asset allocation	%
• Africa	28.7
• North America	25.6
• Australia	14.5
• Asia	12.0
• Europe	4.5
• South America	3.2
• Options and protection	1.4
• Other	1.2
• Cash	8.9

Capitalisation breakdown

% market exposure	Size	Market cap
10.8	Large	US\$5bn+
32.4	Mid	US\$1-\$5bn
56.8	Small	US\$0-\$1bn

10 largest of 127 holdings

Stock	% of fund	Stock	% of fund
Centerra Gold	8.0	Silver Lake Resources	4.4
Gold Fields	6.0	IAMGOLD	4.3
Semafo	5.5	Westgold Resources	4.2
Kinross Gold	5.5	Ramelius Resources	3.8
AngloGold Ashanti	4.8	Perseus Mining	2.6

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.

Fund size **£902.5m**

Fund information

%	O class	C class
Ongoing Charges Figure*	1.54	1.24
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, 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	
ISIN	GB0033628156 (acc)	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	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 29 February 2020, assets managed by the Ruffer Group exceeded £19.1bn.

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