

# LF Ruffer Gold Fund

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



June 2020 Issue 187

During the quarter, the fund's O accumulation shares rose by 64.4% from 183.37p to 301.39p. This compares to a 53.02% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 12.9% in US dollar terms and 13.0% in sterling terms.

The quarter was again dominated by the COVID-19 virus and the global response to it. The world is still coming to terms with the economic shock, but stock markets have responded to the unprecedented support for the economy from government spending and central banks. As noted in the previous quarterly report, it appears we now face a prolonged period of weak economic growth, zero interest rates, 'unconventional' monetary policy measures and unfunded fiscal expansion. The implications for stock markets may be somewhat ambiguous, but the case for gold is about as good as it can get!

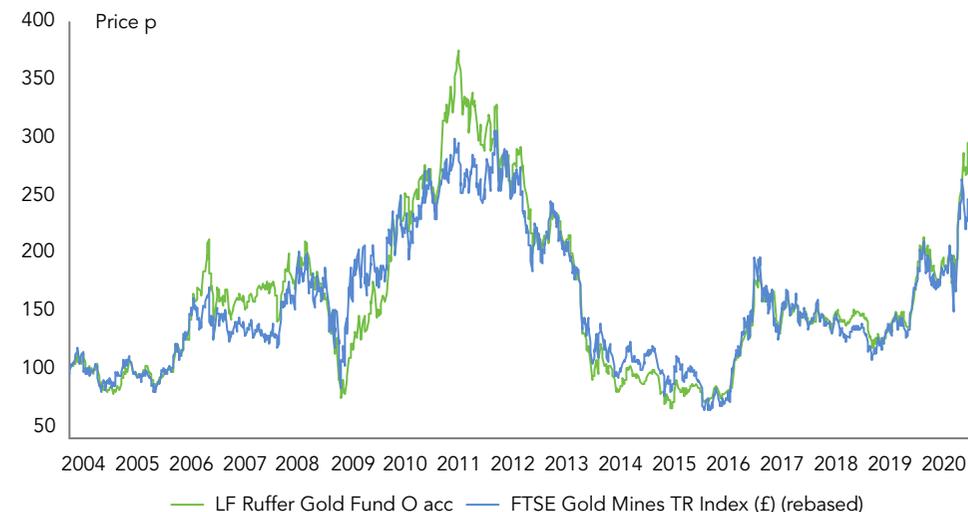
The gold price rose steadily through the quarter in response to investment demand. Gold miners performed well, probably because this time many investors perceive the gold price rally to have solid foundations. For many years, there has been a disconnect in the sector between the valuations of the favoured and large capitalisation stocks and the unloved more obscure stocks. This valuation disconnect has been completely out of proportion to relative risk or 'quality', however defined, and there has been no good fundamental reason for it. The sector has simply been distorted by the dominance of passive investment strategies and insufficient active money to create an efficient market. During this quarter, we saw that disconnect begin to reduce as active investors returned to the sector and, one-by-one, long forgotten stocks were rediscovered. The fund has spent many years accumulating positions in these types of stocks, and this is why we have so many positions in the fund. In a large fund, these types of stocks can never be the majority of the portfolio because of liquidity constraints, but this part of the portfolio was a key reason for the out-performance of the fund relative to the index this quarter.

As noted above, the case for gold over a reasonable time frame now looks about as good as it can get. That does not mean we cannot have short term corrections, and we still see a risk that gold is swept up in another round of panic selling of other assets. Longer term, we still believe there is more to come from gold mining equities and the fund can continue to deliver good returns.

## 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

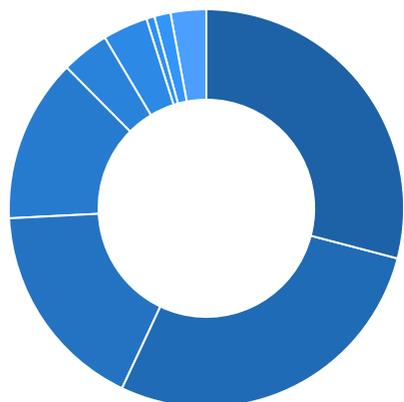


Performance %	Q2	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	64.4	55.7	73.5	110.5	262.5	14.3
<b>Percentage growth (O acc)</b>	<b>%</b>		<b>Share price as at 30 June 2020</b>			
30 Jun 2019 – 30 Jun 2020	73.5		<b>O accumulation</b>			
30 Jun 2018 – 30 Jun 2019	18.0		<b>C accumulation</b>			
30 Jun 2017 – 30 Jun 2018	2.8		<b>C income</b>			
30 Jun 2016 – 30 Jun 2017	-8.0					
30 Jun 2015 – 30 Jun 2016	87.2					

Source: Ruffer LLP, FTSE International (FTSE) †

# LF Ruffer Gold Fund as at 30 Jun 2020

## Portfolio structure



Asset allocation	%
• Africa	29.1
• North America	27.9
• Australia	17.2
• Asia	13.3
• South America	3.8
• Europe	3.7
• Options and protection	0.6
• Other	1.4
• Cash	2.9

### Capitalisation breakdown

% market exposure	Size	Market cap
24.0	Large	US\$5bn+
44.9	Mid	US\$1-\$5bn
31.1	Small	US\$0-\$1bn

## 10 largest of 133 holdings

Stock	% of fund	Stock	% of fund
Centerra Gold	9.4	IAMGOLD	4.8
Gold Fields	6.7	AngloGold Ashanti	4.7
Semafo	5.2	Silver Lake Resources	4.6
Kinross Gold	5.1	Westgold Resources	3.4
Ramelius Resources	5.1	Perseus Mining	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.

Fund size **£1,402.6m**

## 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 31 May 2020, assets managed by the Ruffer Group exceeded £19.5bn.

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