

# LF Ruffer Gold Fund

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

During the quarter, the fund's O accumulation shares rose by 4.6% from 246.56p to 257.96p. This compares to a 2.7% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price rose by 3.64% in US dollar terms and 3.28% in sterling terms.

Gold bounced sharply through April and May as the US dollar weakened in an environment where the market saw higher inflation coming through, but a determinedly dovish Federal Reserve. Financial markets increasingly positioned for inflation, as well as reflation, amid concern that the insistence by Federal Open Market Committee (FOMC) speakers inflationary forces were 'transitory' pointed to the risk interest rate rises would be delayed too long. Whilst much of the inflation we are seeing now, as economies re-open post-covid, surely is transitory, there are also good reasons to believe some of the inflationary impulses will prove sticky and we may be moving into a period of structurally higher inflation. In June, the FOMC provided some reassurance as to its willingness to act to contain inflation. The market reacted strongly to this, with gold being hit particularly hard, reversing most of the gains over the quarter.

The fund performed reasonably well over the quarter. Two of the largest contributors to performance were Perseus Mining (up 34% in sterling terms) and Roxgold Inc (up 24% in sterling terms). Perseus Mining performed well as the market started to recognise the value it offers. The company has recently completed the ramp-up of a new mine we expect to be its flagship asset. The market seems to have been unwilling to ascribe any value to this mine until it was actually completed, so we see considerably more upside in this stock. Rather surprisingly, it is not unusual for the market to ascribe almost zero value to projects under construction at present, effectively assuming they will be a complete failure, and we have a number of stocks such as this which we believe can perform very well in the medium term, even if the gold price falls. Roxgold Inc performed strongly as it announced an agreed acquisition by Fortuna Silver Mines Inc. We expect M&A to continue to be a theme in the sector over the rest of the year.

Two of the largest negative contributors to performance were Centerra Gold (down 18% in sterling terms) and Hochschild Mining (down 22% in sterling terms). In both cases the driver of the poor performance was political. In the case of Centerra Gold, the brazen seizure of the Kumtor Mine by the Kyrgyz government and in the case of Hochschild, concern regarding the policies of the likely winner of the presidential election in Peru. The actions of the Kyrgyz government should probably not be extrapolated into a general trend. The likely result of the Peruvian election does seem to be part of a lurch to the left in Latin America, but mercifully the fund has relatively little exposure to this part of the world.

It remains to be seen how quickly the market will look through the recent more hawkish tilt of the US Federal Reserve, but we expect that it will eventually. Gold mining stocks remain an attractive way to invest in gold and there is plenty of value to be found in mid and small cap gold mining stocks in particular.

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.

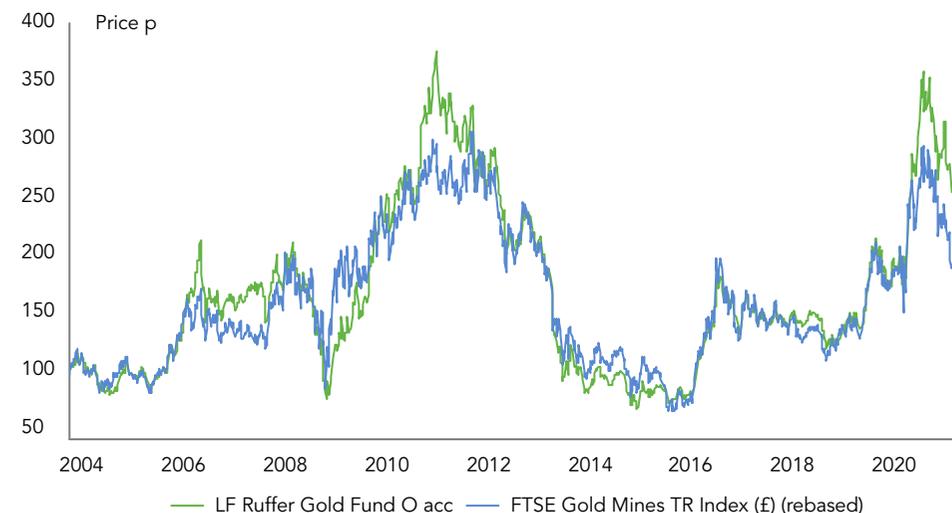


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## Investment objective

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



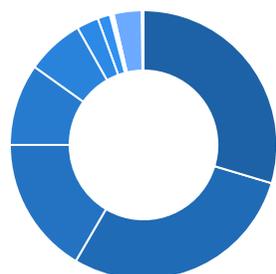
O accumulation shares	Performance %	Share price as at 30 June 2021	p
Q2	4.6	<b>O accumulation</b>	<b>257.96</b>
Year to date	-13.2	<b>C accumulation</b>	<b>265.02</b>
1 year	-14.4	<b>C income</b>	<b>160.40</b>
3 years	75.3		
5 years	65.8		
10 years	-13.5		

12 month performance to June %	2017	2018	2019	2020	2021
LF Ruffer Gold Fund O acc	-8.0	2.8	18.0	73.5	-14.4
FTSE Gold Mines TR Index (£) (rebased)	-18.7	-1.8	24.4	50.3	-20.4

Source: Ruffer LLP, FTSE International (FTSE) †

# LF Ruffer Gold Fund as at 30 Jun 2021

## Portfolio structure



Asset allocation	%		%
• North America	29.5	• Options and protection	1.5
• Africa	29.0	• UK	0.2
• Australia	16.6	• Other equities	0.2
• Asia	9.8	• Other	3.3
• South America	7.0	• Cash	0.3
• Europe	2.7		

### Capitalisation breakdown

% market exposure	Size	Market cap
19.3	Large	US\$5bn+
30.9	Mid	US\$1-\$5bn
49.8	Small	US\$0-\$1bn

## 10 largest of 119 holdings

Stock	% of fund	Stock	% of fund
Endeavour Mining	6.4	Kinross Gold	4.4
Perseus Mining	5.8	Mandalay Resources	4.3
Westgold Resources	5.4	OceanaGold	3.6
Ramelius Resources	5.0	AngloGold Ashanti	3.3
Centerra Gold	4.6	Gold Fields	2.9

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](http://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.

Fund size £720m

## Fund information

%	O class	C class
Ongoing Charges Figure*	1.55	1.25
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	O class GB0033628156 (acc)	C class 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 2021, assets managed by the Ruffer Group exceeded £22.9bn.

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