

LF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



During the three months period from 1 April to 30 June the price of the fund's O accumulation shares increased by 19.2% from 256.25 pence to 305.51 pence. In the same period, the FTSE Japan Total Return Index on a sterling adjusted basis rose by 11.9%. During the six months period from 1 January to 30 June the price of the fund's O accumulation shares increased 11.9% while the FTSE Japan Total Return Index on a sterling adjusted basis and in yen went down by 0.0% and 7.5% respectively. As of the close on 30 June, the fund was 98% invested in Japanese equities, its cash position was 2%, and its exposure to the yen was 98%.

Regarding attribution for the second quarter Fujitsu, Lifenet Insurance, GMO Internet, Daiichi Sankyo and Keyence were the biggest positive contributors, while Tokio Marine, Nihon Kohden, Mitsubishi Heavy Industries, Kao and Aoi Tyo Holdings provided the largest negative contributions.

The June quarter saw a strong rebound in global equities as fears about liquidity crises and dislocation in credit markets receded rapidly thanks to the US Federal Reserve's implementation of aggressive measures on 17 March. In addition, market expectation for the easing of lockdowns and a normalisation of economic activity continued to grow. Meanwhile, a majority of economists continue to hold a pessimistic outlook for the global economy while a large proportion of investors remain very cautious on equities.

Technically speaking we witnessed a bear market followed by a recession. However, the characteristics of this bear market were more like those of an oversized correction. Also the nature of this recession is vastly different to what we have seen in the past. Therefore, we feel that we need to be even more careful about stock selection as there are many somewhat counterintuitive phenomena appearing in markets.

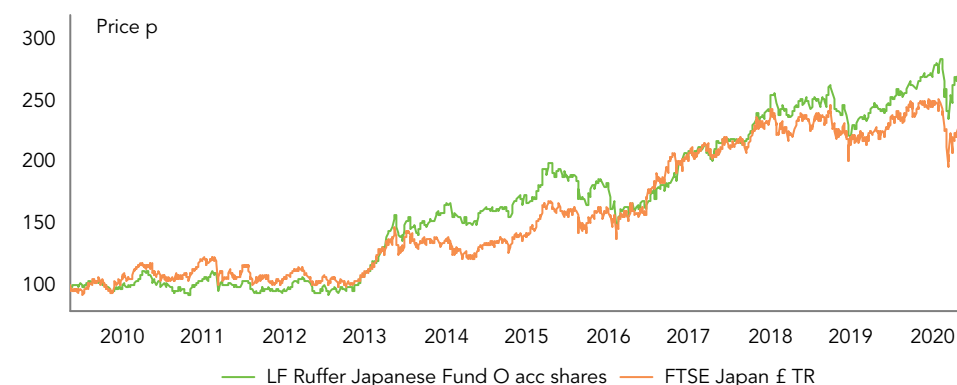
Unlike a normal bear market, this correction saw all equity styles fall together followed by large cap growth leading the recovery. As we noted in our previous quarterly review, we entered this period of anxiety without excessive debt financed capital investment and without significant inventories financed by trade creditors. A normal recession is an adjustment process of these economic conditions which tend to occur during a significant boom. It usually takes about one and a half years to fix. However, we do not have such problems currently, especially not in the global technology supply chain.

The Japanese equity market is probably one of the small number of safe hunting grounds for patient long-term investors. Thanks to Japan's completion of its long period of de-leveraging more than 50% of listed companies are now sitting on net cash. For a long time Japanese companies had been criticised for their 'inefficient' or 'lazy' balance sheets, but during this downturn they are working to their advantage.

Investment objective

The investment objective of LF Ruffer Japanese Fund is to provide capital growth by investing in a portfolio of predominantly Japanese equities, though Japanese fixed income securities and fixed income securities and equities from other geographical areas may be utilised if the Investment Manager believes they will assist in meeting the overall objective of the sub fund. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions and other investments to the extent that each is permitted by the regulations. There will be no particular emphasis on any industrial or economic sector.

Performance since launch on 14 May 2009



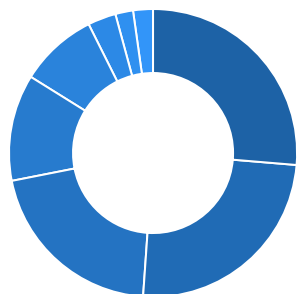
| Performance % | Q2 | Year to date | 1 year | 3 years | 5 years | 10 years |
|-----------------------|------|--------------|--------|---------|---------|----------|
| O accumulation shares | 19.2 | 11.9 | 22.7 | 39.8 | 61.2 | 203.1 |

| Percentage growth (O acc) | % | Share price as at 30 June 2020 | p |
|---------------------------|-------|--------------------------------|---------------|
| 30 Jun 2019 – 30 Jun 2020 | 22.7 | O accumulation | 305.51 |
| 30 Jun 2018 – 30 Jun 2019 | -0.2 | C accumulation | 313.24 |
| 30 Jun 2017 – 30 Jun 2018 | 14.2 | C income | 145.87 |
| 30 Jun 2016 – 30 Jun 2017 | 31.1 | | |
| 30 Jun 2015 – 30 Jun 2016 | -12.0 | | |

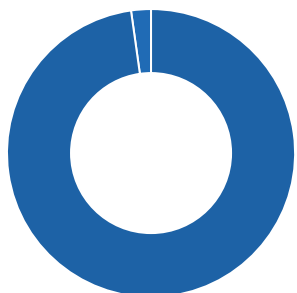
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the TOPIX to the FTSE Japan Index as Ruffer adopts FTSE as a data provider for all funds.

LF Ruffer Japanese Fund as at 30 Jun 2020

Portfolio structure



| Asset allocation | % | | % |
|------------------|------|------------|-----|
| • Industrial | 26.3 | • Services | 3.2 |
| • Technology | 24.7 | • Auto | 2.0 |
| • Healthcare | 20.8 | • Cash | 2.2 |
| • Financial | 12.1 | | |
| • Consumer | 8.7 | | |



| Currency allocation | % |
|---------------------|------|
| • Yen | 97.8 |
| • Sterling | 2.2 |

10 largest of 40 equity holdings

| Stock | % of fund | Stock | % of fund |
|----------------|-----------|---------------------|-----------|
| Fujitsu | 7.1 | Mitsubishi Electric | 4.2 |
| Daiichi Sankyo | 6.5 | Tokio Marine | 3.9 |
| Sony | 5.9 | Hoya | 3.4 |
| ORIX | 4.3 | GMO Internet | 3.3 |
| Keyence | 4.2 | Rakuten | 3.1 |

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

The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

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.

Fund size **£502.2m**

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 | 0.14 | 0.29 |
| 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 GB00B3SGKR77 (acc) | C class GB00B846SB60 (acc) GB00B88MBW20 (inc) |
| SEDOL | B3SGKR7 (acc) | B846SB6 (acc) B88MBW2 (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

† © FTSE 2020. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Fund Manager

Kentaro Nishida

INVESTMENT DIRECTOR

After obtaining a BEcon in Japan and studying Russian in Moscow he worked as an interpreter in both Russia and the UK. He moved into equity sales in 1988 for James Capel & Company Limited and then SG Warburg Securities in 1989. He joined Ruffer in 2008 to concentrate on Japanese equities and manages the LF Ruffer Japanese Fund.



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.

Dealing line

0345 601 9610

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL www.ruffer.co.uk

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL
Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2020