

LF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



During the three month period from 1 July to 30 September the price of the fund's O accumulation shares increased by 6.7%, while the FTSE Japan Total Return Index increased by 7.3% in sterling and went up by 5.0% in yen. The top contributors to performance over the quarter were Daiichi Sankyo, Hoya, Keyence, Sony and Tokio Marine. The largest negative contributors were Rakuten, Sumco, Freee, GMO Internet and Mitsubishi Electric. For the last twelve month period, the fund's O accumulation shares generated a return of 22.7% while the FTSE Japan Total Return returned 17.6% in sterling and 28.9% in yen.

True to our low turnover investment approach, there was limited activity in the fund this quarter. That said, we participated in a public offering of shares for an existing holding and in an initial public offering of a new equity. The addition of this information technology business brings our total number of holdings up to 34.

The Japanese market was trading water for much of the quarter before rising steeply into the end of September. Although we do not claim to know the true drivers behind short-term fluctuations in the stock market, it seems with hindsight that the decision of Prime Minister Suga not to run for re-election as leader of the Liberal Democratic Party (LDP) contributed to this upswing in optimism. Some commentators were concerned that a deeply unpopular party leader, as Suga had become, would run the risk of losing the majority rule of the LDP in the upcoming general election.

Suga's popularity had been depressed for some time, beaten down by the decision to progress with the Olympics over the summer and by the perceived poor handling of covid-19. We feel the negative attention garnered by both have been overblown and that Suga was dealt an impossible hand. The Olympics is now looked back on as a triumph for Japan who ended the games with a record 27 gold medals – a full 11 ahead of their next best performance. And as for the handling of covid-19, by mid-September Japan overtook the US in the percentage of its population that has received at least one vaccination shot. However, step down he did and by the end of September we had a new leader of the LDP, Fumio Kishida. Kishida, a former foreign minister, beat out Taro Kono in a closely fought contest. Kishida is all but assured to be the next Prime Minister and represents continuity of policy.

As for Japanese companies, despite 72% managing to beat consensus for the June quarter, conservative guidance provided for the current financial year was the main focus for the market. High run-rate stocks without upward revisions were punished. However, these companies are likely to announce upward revisions come results for the September quarter and as such we feel are well placed.

Our fundamental view on the stock market and macroeconomic cycles remains the same: we are in the late stage of a prolonged bull market with an economic expansion starting in March 2009 which was temporarily disrupted by the institutional responses to covid-19. We think the combination of quality and liquidity remains important at this stage of the current market cycle. Our core strategy continues to be to identify multi-year investment cases which, we hope, will deliver decent performance on a long-term basis.

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.

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



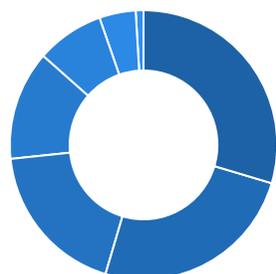
O accumulation shares	Performance %	Share price as at 30 September 2021	p
Q3	6.7	O accumulation	393.27
Year to date	9.5	C accumulation	404.76
1 year	22.7	C income	188.35
3 years	49.0		
5 years	116.5		
10 years	295.3		

12 month performance to September %	2017	2018	2019	2020	2021
LF Ruffer Japanese Fund O acc shares	22.7	18.4	0.2	21.2	22.7
FTSE Japan £ TR	11.4	13.9	0.3	2.6	16.9

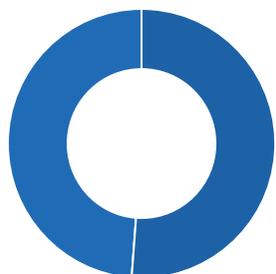
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the TOPIX to the FTSE Japan Index as Ruffer adopts FTSE as a data provider for all funds.

LF Ruffer Japanese Fund as at 30 Sep 2021

Portfolio structure



Asset allocation	%		%
• Technology	29.6	• Consumer	8.2
• Industrial	25.0	• Auto	4.4
• Healthcare	18.7	• Cash	0.9
• Financial	13.1		



Currency allocation	%
• Sterling	51.3
• Yen	48.7

10 largest of 34 equity holdings

Stock	% of fund	Stock	% of fund
Fujitsu	7.3	Tokio Marine	4.9
Sony	6.5	Mitsubishi Electric	4.6
Hoya	5.7	Keyence	4.6
ORIX	5.7	Toyota Motor	4.4
Daiichi Sankyo	5.1	NEC	4.4

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 Japanese Fund is not registered for distribution in any country other than the UK.

Fund size **£447.1m**

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	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

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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 August 2021, assets managed by the Ruffer Group exceeded £22.9bn.

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