

LF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



December 2022 Issue 132

During the period from 1 October to 31 December the price of the fund's C accumulation shares increased by 5.1% while the FTSE Japan Total Return Index rose by 4.7% in sterling and 3.0% in yen. The top contributors to performance over the quarter were Fujitsu, Lifenet Insurance, Tokio Marine, Keyence and Nexon. The largest detractors were Hoya, Fuji Electric, Misumi, SMC and Rakuten.

For the calendar year 2022, the price of the fund's C accumulation shares decreased by 14.4% while the FTSE Japan Total Return Index fell by 4.3% in sterling and 3.1% in yen. The top contributors to performance for the year were Daiichi Sankyo, Tokio Marine, Lifenet Insurance, Nexon and Nabtesco. The largest detractors were Rakuten, Sony, Hoya, Keyence and Sumco.

The media has been full of negative headlines throughout 2022, including fears of the Omicron variant, central bank rate hikes, Russia's invasion of Ukraine, shortages from supply chain bottlenecks, persistently high inflation, rising input costs, an inverted yield curve and increasing recession risk. We had been expecting global equities to see a normal correction with higher volatility in the first half of the year on the back of the US midterm elections followed by a strong rebound in the second half thanks to declining uncertainty. However, we were proven to be wrong as some major stock market indices entered bear market territory and the rebound was sluggish. The fund struggled in this environment suffering its second largest drawdown since inception falling by 25.1% from its all-time high, recorded in mid-September 2021, to its nadir in June 2022. The fund has recovered by 7.8% since then. We have done little in the way of trading during this volatility, as is our style to be owners not renters. That said, in November we did take advantage of market turmoil to take a new position in a high quality diversified chemicals business.

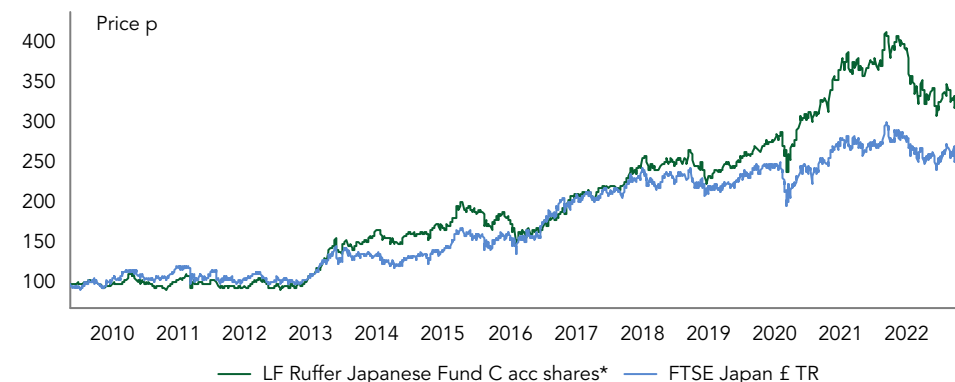
This is a bear market in magnitude. However, it does not appear there are many of the typical characteristics we would observe in a bear market from a stock market and economic cycle point of view. Based on our regular communication with Japanese companies, our impression is that we have been going through an adjustment process to deal with the negative factors stemming from lockdowns and Russia's invasion rather than from those created by a normal economic and credit cycle. We think we are gradually returning to the low-but-positive growth environment which had prevailed before the arrival of covid-19.

Finally, we are pleased to announce that Tristan and Theo have been appointed as co-fund managers of the LF Ruffer Japanese Fund and that the fund will be managed by the troika of Tristan, Theo and Kentaro going forward. We will continue to aim to identify multi-year investment cases which will deliver decent performance on a long-term basis. We think the majority of the fund's 31 stocks to be materially undervalued when looked at through this multi-year lens.

Investment objective

To seek to achieve capital growth over the longer term (at least seven years), after all costs and charges have been taken. Capital invested is at risk and there is no guarantee that the objective will be achieved over any time period.

Performance since launch on 14 May 2009



C accumulation shares	Performance %	Share price as at 30 December 2022	p
Q4	5.1	C accumulation	336.31
Year to date	-14.4	C income	156.10
1 year	-14.4		
3 years	20.3		
5 years	36.2		
10 years	203.2		

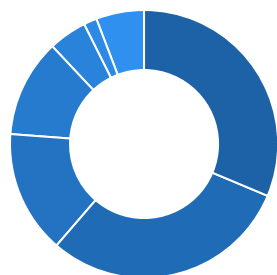
12 month performance to December %	2018	2019	2020	2021	2022
LF Ruffer Japanese Fund C acc shares*	-8.0	23.1	31.9	6.5	-14.4
FTSE Japan £ TR	-7.6	14.8	11.1	2.5	-4.8

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.

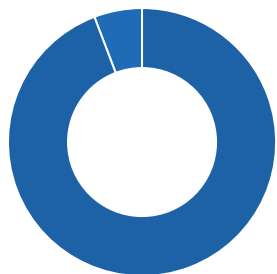
Source: Ruffer LLP, FTSE International *This share class has performance data calculated prior to its inception date, 19 Sep 2012. This is based upon a simulated/extended track record, using the track record of LF Ruffer Japanese Fund O acc.

LF Ruffer Japanese Fund as at 30 Dec 2022

Portfolio structure



Asset allocation	%		%
• Technology	31.4	• Consumer	4.6
• Industrial	29.9	• Auto	1.6
• Healthcare	14.9	• Cash	5.8
• Financial	11.7		



Currency allocation	%
• Yen	94.2
• Sterling	5.8

10 largest of 31 equity holdings

Stock	% of fund	Stock	% of fund
Fujitsu	5.1	Tokio Marine	4.6
Daiichi Sankyo	4.7	ORIX	4.6
NEC	4.7	Hoya	4.4
Keyence	4.7	Hamamatsu Photonics	4.3
Sony	4.6	Rohm	4.2

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 £275.7m

Fund information

%	C class
Ongoing Charges Figure*	1.25
Annual management charge	1.2
Maximum initial charge	5.0
Yield	0.25
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	Accumulation GB00B846SB60 Income GB00B88MBW20
SEDOL	B846SB6 B88MBW2
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
Dealing line	0345 601 9610

Enquiries

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*Refers to accumulation shares

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Fund Managers

Kentaro Nishida

INVESTMENT DIRECTOR

Obtained a BEcon in Japan and studied Russian in Moscow, working as an interpreter in Russia and the UK. Previous roles include equity sales for James Capel & Company and SG Warburg Securities. Joined Ruffer in 2008 to concentrate on Japanese equities.



Tristan Matthews

RESEARCH DIRECTOR

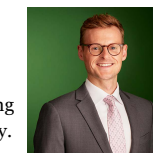
Joined Ruffer's client portfolio team in 2009, after graduating with a degree in economics from the University of Cambridge. Moved to the Research department in 2012, focusing on Japanese equities and became co-manager of the fund in 2022. He is a CFA charterholder.



Theo Wylde

RESEARCH ANALYST

Graduated from Durham University in 2013 with a degree in mathematics, before completing a Master's at Columbia University. After three years in research at JM Finn, he joined Ruffer in 2018 to specialise in Japanese equities. He became co-manager of the fund in 2022 and is a CFA charterholder.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2022, assets managed by the Ruffer Group exceeded £26.1bn.

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