

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose from 193.42 to 194.04 over the month representing a small nominal return in a very difficult and volatile month for markets and equity markets in particular. The FTSE All-Share Total Return Index fell 5.3% and the FTSE 250 Total Return Index fell 2.9% but at its worst point was down over 8%.

As in July, data from China continued to have a big impact on markets with weak manufacturing data increasing concerns of a slowdown in both global trade and GDP growth. Earlier in the month the People's Bank of China moved its currency to a new floating regime which initially supported equity markets. However weak manufacturing data undermined this sentiment and the Shanghai composite index fell over 20% in four days, in turn driving the S&P down 10%. However intervention from the Chinese authorities via an interest rate cut did not take long to appear and this led to a sharp rally in many markets towards the end of the month.

In this environment we were pleased to have put protection in the portfolio, though we have been running this protection since January. Collectively the put protection contributed over 1.2% during the month. We sold the last of our FTSE 100 puts and continue to have FTSE 250 mid cap put protection out to both September and October. This is being actively managed given heightened volatility in markets.

Stock contributions to performance during the month were, in many ways, surprisingly subdued and had a macro and or stock market tone to them. On the negative side the downdraft in oil and commodity markets, which accelerated during the early part of the month, impacted our energy names including Aker, BP and Infinis Energy which continued to struggle after last month's regulatory change. Collectively these only impacted by approximately 55bp. Given concerns about slowing global GDP growth, cyclical stocks also came under pressure and in this context Georg Fischer contributed a negative 23bp.

On the positive side Cape, the industrial scaffolding business which has significant energy exposure, delivered satisfactory interim results which given a low stock market rating was enough for the shares to bounce back. This was the largest individual stock contribution at +34bp. Rank group, the bingo and casino business, produced excellent results and with upgrades to forecasts for the current year the position added 10bp to performance.

Whilst we have ridden out this year's squall in markets we are by no means complacent. Performance has resulted from the majority of our portfolio having met or beaten market estimates. This has been due to an improving domestic UK background, self-help and in some cases bolt on acquisitions or disposals. Additionally our portfolio is more lowly rated than the market and, along with the improvement in earnings, has enjoyed an upwards re-rating. We see scope for a continuation of all these factors. The key concern we hold is that feedback loops created by lower world economic growth interfere with UK consumer confidence in the first instance and, more importantly, eventually via lower export opportunities cause a reduction in UK employment levels.

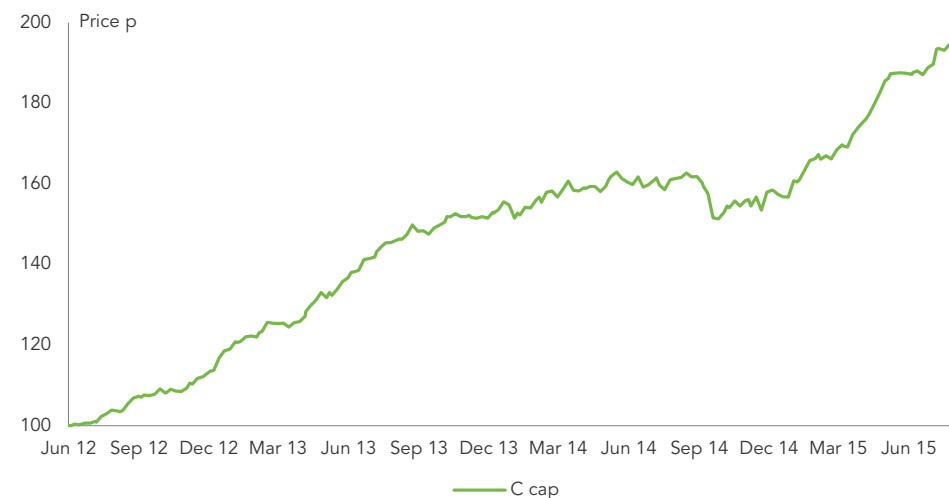
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Investment objective

The investment objective of the sub-fund is to achieve positive returns from an actively managed portfolio mainly of equities and equity-related securities of companies admitted to or dealt on a Regulated Market or Other Regulated Market in the United Kingdom and with market capitalisations below the level which would warrant inclusion in the FTSE 100 Index.

Performance since launch on 26 June 2012 – C class shares GBP



Performance %	August 2015	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	0.3	22.6	20.2	93.9	na	na

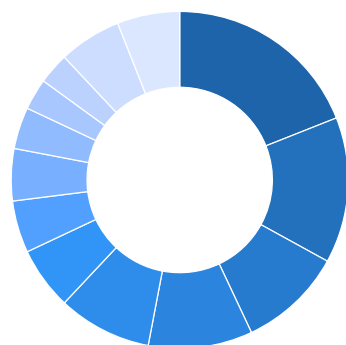
Percentage growth (C GBP cap)	%	Share price as at 31 August 2015	£
30 Jun 2014 – 30 Jun 2015	17.4	O capitalisation GBP	191.93
30 Jun 2013 – 30 Jun 2014	15.7	C capitalisation GBP	194.04
30 Jun 2012 – 30 Jun 2013	38.0	C distribution GBP	187.05
30 Jun 2011 – 30 Jun 2012	na	Z capitalisation GBP	201.25
30 Jun 2010 – 30 Jun 2011	na	Z distribution GBP	189.76

Source: Ruffer LLP

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.

Ruffer UK Mid and Smaller Companies as at 31 Aug 2015

Portfolio structure



Asset allocation	%		%
Industrial engineering	19	Travel and leisure	5
Support services	14	Technology	4
Retail	10	Oil and gas	3
Food and beverage	10	Media	3
Building	9	Other	6
Overseas equity	6	Cash	6
Financial	5		

10 largest of 49 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	9.3	Games Workshop	4.1
Hellermann Tyton	6.9	Johnson Service	4.0
Castings	5.2	Headlam	3.9
Volex	5.0	Cape	3.5
Epwin	4.3	Character	3.4

Source: Ruffer LLP

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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.

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Fund size £207.9m

Fund information

Ongoing Charges Figure %	Cap	Dis	
O class GBP	1.68	na	
C class GBP	1.34	1.34	
Z class GBP	0.19	0.19	
%	O class	C class	Z class
Annual management fee	1.5	1.2	0.0
Maximum initial charge	5.0	5.0	7.5
Minimum investment £	£1,000	£10m	£30m

Record date Third Monday of November

Ex dividend dates Next NAV following the record date

Payment Within five business days after ex dividend date

Dealing Weekly, every Tuesday (if not a business day, on the following business day) Plus on the first business day of each month

Cut-off 4pm Luxembourg time on the day before valuation day (so typically Friday and the penultimate business day of the month)

ISIN O class C class Z class

Cap LU0788206679 LU0788036498 LU0788036654

Dis LU0788036571 LU0788036738

Structure Sub fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Investment manager Ruffer LLP

Custodian Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

Fund Manager

Trevor Wild

RESEARCH DIRECTOR



Worked for BZW from 1983, where he led a number of successful research teams, joining Commerzbank in 1999 to begin his career as a Portfolio Manager. In 2005 moved to Lehman Brothers as Managing Director of the Long Term Value Fund. Joined Ruffer in 2008.

Des Brennan

RESEARCH ANALYST



With over twenty years' experience both as an investment analyst and a portfolio manager, joined Ruffer in 2011. He has worked most recently at Cazenove Capital Management, and prior to that as a UK fund manager at Insight.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2015, assets managed by the Ruffer Group exceeded £18.2bn, of which over £8.8bn was managed in open-ended Ruffer funds.

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