

# Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares fell 0.8% from £193.94 to £192.31 over the month. Markets generally traded sideways over the month after the recovery in October, with macro factors dominating sentiment for the month. A rise of 269k in the US non-farm payrolls labour data for October surprised on the upside, leading to firmer expectations that the Fed would finally raise interest rates at its December meeting. In contrast, continued weak inflation data in Europe and tentative signs of recovery reinforced the view that the ECB would announce further easing measures at its meeting in early December. As a result the FTSE All-Share Total Return Index rose 0.6% and the FTSE 250 Total Return Index rose 1.9%.

DX Group published a very poor trading update in November and this dominated the fund's negative return for the month costing it almost 2% alone. The stock operates in the competitive mail and parcels market and reported a number of problems across its business operations. These included accelerated volume decline in its DX Exchange business (legal document exchange), costly labour shortages in driver resourcing and slower new business development in the parcels business. The combination of these and concerns over the financing of the company's new hub in the Midlands led to a significant fall in the share price. We met with the management following the profit warning to discuss their plans for improving the group's performance.

In contrast, at the top of the portfolio, Finsbury Foods reported a strong trading update at the end of the month, with organic growth better than we had forecast in the four months to the end of October. In addition, last year's acquisition of Fletchers, the specialist bread manufacturer, has been fully integrated and adds to the medium term growth opportunity for the group. The stock added over 1.1% to performance in the month. Castings, the Midlands based metal casting business, also reported robust interim figures and the stock added over 0.5% during the month. Finally Conviviality, the drinks wholesaler and operator of franchise off licence and convenience stores, reported improving trading for the period to the end of October. We helped to fund the acquisition of Matthew Clark (Holdings) Limited in the third quarter and we look forward to hearing about the prospects for growth in the business in 2016. The stock added around 0.35% to performance over the month.

We continue to own FTSE 250 put protection contracts out to February 2016, but given the flat markets over the month this was a detractor from performance. We still have confidence in the overall shape of the portfolio, despite this month's major setback in DX Group. Cash rose marginally over the month from 3.7% to 4.4% and we are comfortable that this will continue to rise as the proceeds of the takeover offers for HellermanTyton and Infinis are received early next year.

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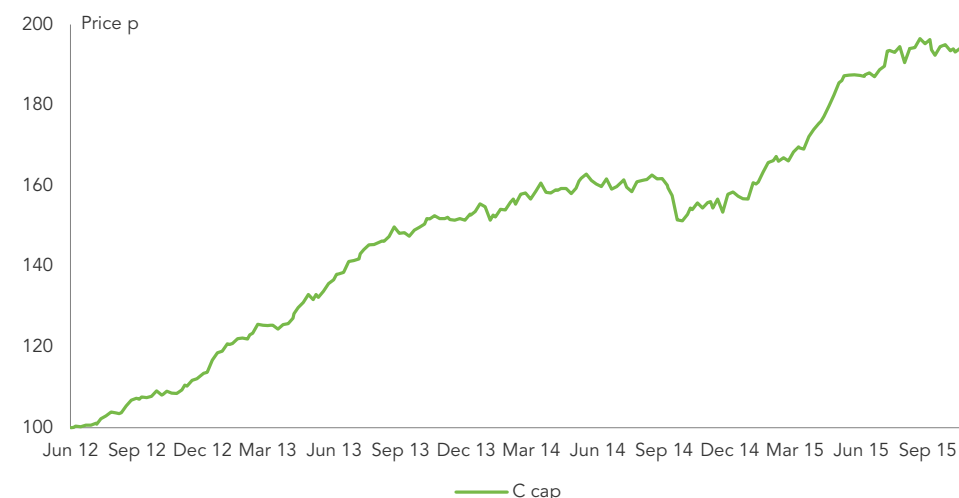


November 2015 Issue 42

## 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 %	November 2015	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	-0.8	21.5	23.2	74.0	na	na

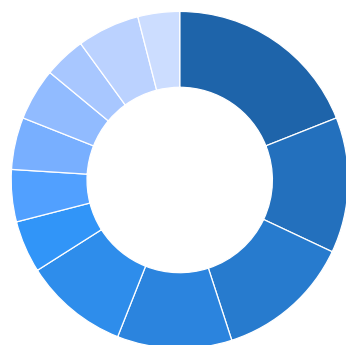
Percentage growth (C GBP cap)	%	Share price as at 30 November 2015	£
30 Sep 2014 – 30 Sep 2015	21.4	<b>O capitalisation GBP</b>	<b>190.06</b>
30 Sep 2013 – 30 Sep 2014	7.5	<b>C capitalisation GBP</b>	<b>192.31</b>
30 Sep 2012 – 30 Sep 2013	38.5	<b>C distribution GBP</b>	<b>177.65</b>
30 Sep 2011 – 30 Sep 2012	na	<b>Z capitalisation GBP</b>	<b>200.03</b>
30 Sep 2010 – 30 Sep 2011	na	<b>Z distribution GBP</b>	<b>182.94</b>

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 30 Nov 2015

## Portfolio structure



Asset allocation	%		%
Industrial engineering	19	Oil and gas	5
Support services	13	Technology	5
Retail	13	Travel and leisure	4
Food and beverage	11	Other	6
Building	10	Cash	4
Financial	5		
Overseas equity	5		

## 10 largest of 51 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	9.8	Cape	4.2
Hellermann Tyton	6.9	Johnson Service	4.2
Castings	6.0	Headlam	4.1
Games Workshop	4.4	Volex	3.8
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 **£211.5m**

## 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
Maximum 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 30 November 2015, assets managed by the Ruffer Group exceeded £18.3bn, of which over £9.4bn was managed in open-ended Ruffer funds.

## Enquiries

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