

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose slightly by 0.04% from £195.58 to £195.65 as markets continued to stabilise following the lows seen in the middle of February. The FTSE 250 Total Return Index fell 0.5% and the FTSE Small Cap Total Return Index rose 1.3%.

Some of the stability is related to the ongoing recovery in the oil price which had been causing fear and volatility in markets in the last year. With Spring upon us and the fairground rides appearing around London, the impending dreaded feeling of 'rollercoaster fatigue' may well be an analogy which is appropriate to apply to markets for the next few months. With share prices holding the line for now we continue to brace ourselves for the next sideways or vertical move. With this in mind and the uncertainty of the upcoming European referendum attracting increased column inches, we have cautiously rolled our FTSE 250 protection out to May and June expiries.

We retain our approximate 12% oil exposure in the portfolio, which on the back of the 22% rise in Brent crude over the month contributed 0.8% to fund performance. Our exposure is spread across a basket of investments in this space, from large integrated operators, such as BP, to the service sector via Cape and exploration and production via Det Norske.

April was another busy month of companies reporting figures which were once again strong for many of our names. These included Character Group, Crawshaw Group, Epwin Group and Flowtech Fluidpower, which added 0.7% between them. Share price reactions continue to be quite churlish as the market is only in the mood to reward stand out earnings at the moment.

Character Group, which designs, develops and internationally distributes toys and games, delivered strong organic growth, with a more diversified product offering and higher international sales dominating. The group continues to add to its range with new licenses acquired for the likes of Stretch Armstrong. For the year to August 2016 we estimate the company to be on an ex-cash price earnings ratio of 10x.

Crawshaw Group (a position we initiated just under a year ago) announced the progress it made in its transformative year with a strong store roll out of its meat focused retail food stores, and integration of the acquired Gabbotts Farm business. We continue to meet with and build our relationship with the management team who are ably headed by Noel Collett. He has a strong track record in the sector, having served as Lidl's Chief Operating Officer for the UK business.

Fund flows in the mid cap sector seem increasingly volatile and we will continue to monitor these as they can have effect at the margin on our holdings via other managers. Stocks which had been beneficial since the market lows in February gave back a little bit of performance with the likes of Headlam Group, Castings Plc, Conviviality Retail and Safestyle UK collectively taking 1% from the fund.

The market remains finely balanced and we continue to operate to our core philosophy of seeking and holding positions with high quality management, strong balance sheets and high free cash flow yields, where we can invest into a journey with management.

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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 %	April 2016	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	0.0	2.9	11.1	52.5	na	na

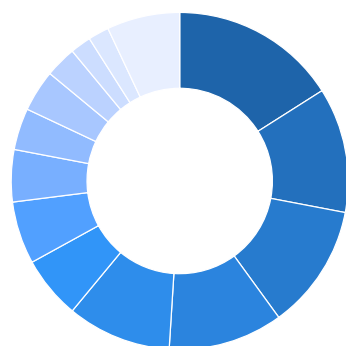
Percentage growth (C GBP cap)	%	Share price as at 30 April 2016	£
31 Mar 2015 – 31 Mar 2016	15.4	O capitalisation GBP	193.09
31 Mar 2014 – 31 Mar 2015	6.8	C capitalisation GBP	195.65
31 Mar 2013 – 31 Mar 2014	26.5	C distribution GBP	180.72
31 Mar 2012 – 31 Mar 2013	na	Z capitalisation GBP	204.46
31 Mar 2011 – 31 Mar 2012	na	Z distribution GBP	186.99

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 Apr 2016

Portfolio structure



Asset allocation	%		%
• Support services	16	• Technology	5
• Industrial engineering	12	• Oil and gas	4
• Building	12	• Media	4
• Retail	11	• Travel and leisure	3
• Food and beverage	10	• Other	2
• Financial	6	• Options	2
• Overseas equity	6	• Cash	7

10 largest of 54 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	9.4	Johnson Service	4.0
Headlam	7.5	BP	3.6
Castings	7.2	Character	3.4
Cape	4.4	Games Workshop	3.4
Epwin	4.3	Eurocell	3.3

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 **£220.9m**

Fund information

Ongoing Charges Figure %	Cap	Dis	
O class GBP	1.64	na	
C class GBP	1.31	1.31	
Z class GBP	0.15	0.15	
%	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.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 April 2016, assets managed by the Ruffer Group exceeded £18.0bn, of which over £9.5bn was managed in open-ended Ruffer funds.

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