

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies



April 2017 Issue 59

The fund's C capitalisation shares rose 3.4% from 212.86 to 220.15 over the month whilst the FTSE 250 Total Return index rose 3.8% and the FTSE Small Cap Total Return index rose by 2.1%.

Clearly recognising the belief of Leo Tolstoy that 'Spring is the time of plans and projects', and following the signing of Article 50 at the end of March, there was a surprise announcement from Theresa May in the middle of April that we will be having a snap election in early June. The equity and currency markets reacted buoyantly as they perceived this as an opportunistic but welcome power play by the Prime Minister to increase her control and offer a strong and stable leadership for the next term.

Sterling strength weighed on the FTSE 100 but improved prospects for the domestically weighted FTSE 250. Following this run, and the wider European relief of a palatable result in the first round of the French elections, we have initiated a small FTSE 250 short option position in the portfolio to add some insurance to protect against a market setback. This option is in addition to our ongoing short FTSE 250 exchange traded product position (covering c £8.5m) which cost the fund 0.2% over the month.

Within the fund we had a number of companies announce results during the month resulting in strong share price reactions. These included Flowtech Fluidpower Plc, Epwin Group and Luceco (a former position that we still have exposure to through the EPE Special Opportunities vehicle). Combined, these names added 1% to the fund.

Other names on the positive side of the ledger included Eurocell Group, which continued its recent rise, adding a further 0.7% to the fund, and Lombard Risk Management which added 0.5%. The latter is a company that develops and licenses solutions to help banks, asset managers and other financial firms cope with new reporting and monitoring obligations as the wave of new regulatory requirements continue to enter the financial sector. The new CEO, Alastair Brown, has taken over at the helm, raised some new money, and is now accelerating the deployment of his plan.

Our oil exposure was the main detractor from performance this month as Brent Crude slipped back and the dollar weakened. We continue to run approximately 8% in oil related exposure in the fund through BP Plc and Cape. These two combined cost the fund 0.2%.

The fund remains engaged in trimming out of some of our winners and re-investing these proceeds in stocks that have fared less well over the past few years. As always a rigorous and in-depth look has been taken on all new and growing positions.

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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 2017	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	3.4	8.7	12.5	38.6	na	na

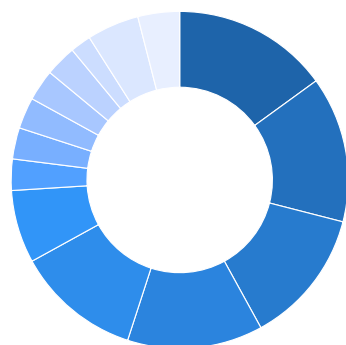
Percentage growth (C GBP cap)	%	Share price as at 30 April 2017	£
31 Mar 2016 – 31 Mar 2017	8.8	O capitalisation GBP	216.53
31 Mar 2015 – 31 Mar 2016	15.4	C capitalisation GBP	220.15
31 Mar 2014 – 31 Mar 2015	6.8	C distribution GBP	197.63
31 Mar 2013 – 31 Mar 2014	26.5	Z capitalisation GBP	232.72
31 Mar 2012 – 31 Mar 2013	na	Z distribution GBP	204.69

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 April 2017

Portfolio structure



Asset allocation	%		%
• Support services	15	• Media	3
• Industrial engineering	14	• Oil and gas	3
• Retail	13	• Industrial services	3
• Building	13	• Financial	3
• Food and beverage	12	• Travel and leisure	2
• Technology	7	• Other	5
• Options	3	• Cash	4

10 largest of 55 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	8.2	Cape	4.7
Headlam	6.3	Tesco	4.2
Castings	5.8	Epwin	3.9
Games Workshop	5.4	FTSE 250 Short ETP	3.5
Eurocell	5.2	BP	3.0

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 £248.5m

Fund information

Ongoing Charges Figure* %	Cap	Dis	
O class GBP	1.66	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 Monday (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.

* As at 31 December 2016

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 2017, assets managed by the Ruffer Group exceeded £21.1bn, of which over £11.9bn was managed in open-ended Ruffer funds.

Enquiries

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