

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose 0.8% from £220.15 to £221.88 over the month whilst the FTSE 250 Total Return index rose 2.2% and the FTSE Small Cap Total Return index rose by 2.6%.

We once again find ourselves feeling like we are strapped into an ever ascending roller-coaster and despite the pending fear of what is to come we see no clear signposts of when, or even if, there is a drop awaiting us.

With almost unprecedented political actions such as President Trump firing the head of the FBI, the upcoming UK election and multiple terrorist atrocities on UK soil seemingly ignored by the equity markets, we continue to try and find a balance between running exposure to high quality, well-run businesses and having portfolio insurance policies to protect some of the performance generated so far this year should we see a market setback. With this in mind, we have continued to trim some positions which have travelled well and, as a result, our cash position has risen from 2% to 7%. We do, however, still see some attractive opportunities out there and will look to redeploy some of this into potential new ideas which we have researched and met with management in the month.

We note that the UK consumer is acting with greater caution, new car sales are lower, we have evidence of lower restaurant spend and general caution on big ticket items. There is also commentary about a greater propensity to holiday at home this year. With spending on the retail food basket running at all time lows we sense that on both a relative and an absolute basis retail food spending will rise and have chosen to back Tesco to gain exposure to this thesis. This belief, along with Tesco's announced efficiency drive and better running of all parts of their business, should provide potential for improved future returns. Tesco thus joins our top five holdings.

For the majority of the UK market, we do not witness rising earnings, just a market that trends higher creating an ever increasing multiple for those earnings. Upward earnings surprises will be few, we feel a greater number will disappoint and the majority will grind out their prosperity, which does not look like a recipe for a continuing bull run. We take some comfort from the fact our holdings in the main are relatively lowly valued, have conservative balance sheets and strong management teams.

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May 2017 Issue 60

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 %	May 2017	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	0.8	9.6	14.4	37.7	na	na

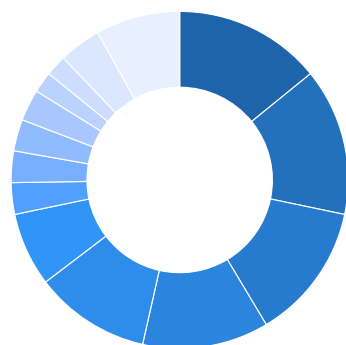
Percentage growth (C GBP cap)	%	Share price as at 31 May 2017	£
31 Mar 2016 – 31 Mar 2017	8.8	O capitalisation GBP	218.14
31 Mar 2015 – 31 Mar 2016	15.4	C capitalisation GBP	221.88
31 Mar 2014 – 31 Mar 2015	6.8	C distribution GBP	199.18
31 Mar 2013 – 31 Mar 2014	26.5	Z capitalisation GBP	234.79
31 Mar 2012 – 31 Mar 2013	na	Z distribution GBP	206.50

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 May 2017

Portfolio structure



Asset allocation	%		%
• Retail	14	• Oil and gas	3
• Industrial engineering	14	• Media	3
• Support services	13	• Financial	3
• Food and beverage	12	• Industrial services	2
• Building	11	• Travel and leisure	2
• Technology	7	• Other	5
• Options	3	• Cash	8

10 largest of 55 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	8.3	Eurocell	4.6
Castings	5.9	Cape	4.4
Tesco	5.5	Epwin	3.3
Headlam	5.5	FTSE 250 Short ETP	3.2
Games Workshop	4.8	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 **£264.9m**

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 31 May 2017, assets managed by the Ruffer Group exceeded £21.3bn, of which over £12.2bn was managed in open-ended Ruffer funds.

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rife@ruffer.co.uk
London
SW1E 5JL www.ruffer.co.uk

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