

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose 2.3% from 228.30 to 233.50 over the month, whilst the FTSE 250 Total Return index and the FTSE Small Cap Total Return index were up by 0.8% and 0.5% respectively.

September was a busy month for the fund, with a number of our positions announcing results. These included some of our newer names such as Surgical Innovation, TP Group, Arena Events Group, Frontier Smart Technology and Strix Group as well as some of our long term holdings such as Johnson Service Group and Finsbury Food Group. We were pleased to see robust announcements from them all and they combined to add 0.6% to the fund. As has become an almost monthly occurrence over the last six months, there was yet another positive trading update from Games Workshop which sent the share price 20% higher. This means it once again tops our contribution list for the month adding 1% to performance and takes its total year to date return to 200%.

The market backdrop had some interesting events with Theresa May's speech in Florence giving away little in terms of concrete plans as we continue to tiptoe along the journey to leaving the European Union. Mark Carney and the Monetary Policy Committee's comments also brought the attention back towards the potential for interest rate rises and this resulted in the strengthening of sterling. These caused some headwinds for FTSE 100 companies with heavy exposure to overseas earnings but has blown a lease of life into some of the previously out of favour UK retailers including Next, Dixons Carphone and Marks & Spencer.

The ALTRAD bid for Cape completed towards the end of the month and as a result our cash position has increased from 1.5% to 7.2%. We remain uncomfortable with the global economic situation where interest rates, both short and long, are anchored at such low levels by historical standards – a combination that has re-priced all risk assets upwards. This, added to the ever higher levels of debt in the system, uncovered pension liabilities and degree of inter-generational financial inequality, continue to give us much to be concerned about. Whilst we are always on the lookout to redeploy our cash into ideas, new or existing, that offer us attractive chances and meet our core criteria of strong management teams, unlevered balance sheets, low valuations and self-help, we will not be immune to an unwind of the current macro-economic position. Whilst the timing of this unwind remains elusive, we feel compelled to hold a degree of protection in the fund and will look to keep some powder dry to take full advantage of future opportunities.

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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 %	September 2017	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	2.3	15.3	16.5	46.4	na	na

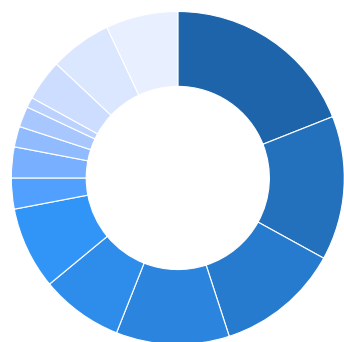
Percentage growth (C GBP cap)	%	Share price as at 30 September 2017	£
30 Sep 2016 – 30 Sep 2017	16.5	O capitalisation GBP	229.29
30 Sep 2015 – 30 Sep 2016	3.5	C capitalisation GBP	233.50
30 Sep 2014 – 30 Sep 2015	21.4	C distribution GBP	209.62
30 Sep 2013 – 30 Sep 2014	7.5	Z capitalisation GBP	248.04
30 Sep 2012 – 30 Sep 2013	38.5	Z distribution GBP	218.16

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 Sep 2017

Portfolio structure



Asset allocation	%		%
Industrial engineering	19	Media	3
Retail	14	Overseas equity	2
Building	12	Industrial services	2
Food and beverage	11	Travel and leisure	1
Support services	8	Other	4
Technology	8	Options	6
Biotechnology	3	Cash	7

10 largest of 57 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	7.6	Headlam	4.6
Tesco	6.5	Volex	3.8
FTSE 250 Short ETP	5.6	Eurocell	3.7
Castings	5.4	BP	3.2
Games Workshop	5.0	Van Elle	2.4

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 £281.4m

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 September 2017, assets managed by the Ruffer Group exceeded £21.7bn, of which over £12.9bn was managed in open-ended Ruffer funds.

Enquiries

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