

# Ruffer UK Mid and Smaller Companies

## Positive results from UK mid and smaller companies

The fund's C capitalisation shares were largely unchanged over the month with the price moving from £243.45 to £243.20. The FTSE 250 Total Return index dropped 1.6% and the FTSE Small Cap Total Return index was flat.

After the relative calm of the corporate August holiday season, September was a very busy month for us, with over 20 results or trading statement announcements made by companies in the portfolio. Whilst we have added a thematic element to the portfolio in the last year, through exposure to the food and infrastructure sectors, the core strategy of the portfolio remains the same. It is focused on stock-picking and backing ideas we see as having an interesting path ahead of them, with attractive valuation metrics. Of the company announcements made during the month, there was a range of starting journeys (including a few restarting after false starts), some maturing into their plan and others at completion.

Within the false start category we have Accrol, Luceco and Safestyle, all of whom have significant share within their markets. Each have encountered their own unique problems and have subsequently undertaken management changes and learned, we trust, some tough lessons. We have engaged with the new teams and are pleased with the early signs, therefore we remain confident in their future potential.

A stock transitioning to a more mature phase is Produce Investments. During the month the company was bid for at around a 35% premium. Given the shareholder structure and management approval we sadly had to say goodbye to the company with a final 30bp contribution.

After a good month in August, Games Workshop continued its fine form contributing a further 40 bps to performance. Following the oil price climb BP, also provided a 20bp contribution to the fund.

Offsetting these we had some missed steps from Redhall and Flowtech, as well as Tesco which after a strong run has eased back from its recent highs. These names combined to cost 70bps. Redhall, a portion of our infrastructure theme, which has rationalised its operations over the last few years, sadly suffered a delay to some key projects. This meant that guidance for the full year had to be materially revised down in their results causing the share price to fall. This cost the fund 25bps. Following a spate of acquisitions and management changes, Flowtech announced a deferral of projects, which led to the stock falling by over 30% and costing the fund 20bps.

There was one new addition to the portfolio this month in Bilby. Bilby is a provider of gas and electrical installation maintenance and building services to local authority and housing associations, with a strong position in the London area and a robust pipeline of contracts.

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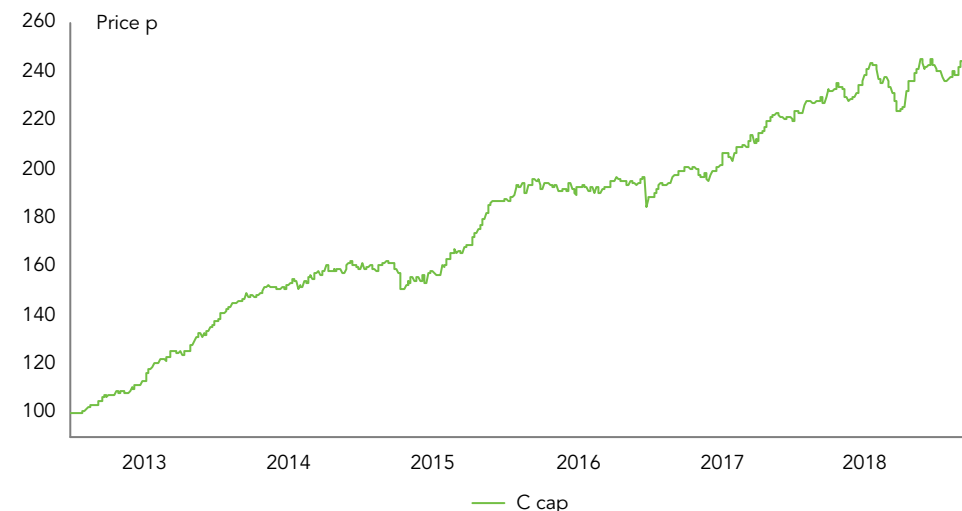


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### Investment objective

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



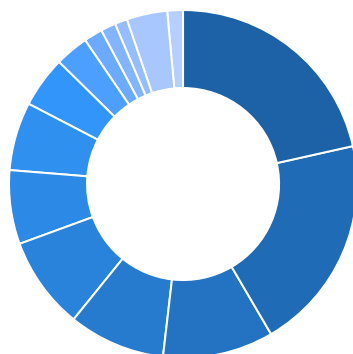
Performance %	September 2018	Year to date	1 year	3 years	5 years
C capitalisation shares	-0.1	1.6	4.2	25.6	63.9
<b>Percentage growth (C GBP cap)</b>	<b>%</b>	<b>Share price as at 30 September 2018</b>		<b>p</b>	
30 Sep 2017 – 30 Sep 2018	4.2	<b>O capitalisation</b>	<b>238.01</b>		
30 Sep 2016 – 30 Sep 2017	16.5	<b>C capitalisation</b>	<b>243.20</b>		
30 Sep 2015 – 30 Sep 2016	3.5	<b>C distribution</b>	<b>208.52</b>		
30 Sep 2014 – 30 Sep 2015	21.4	<b>Z capitalisation</b>	<b>261.32</b>		
30 Sep 2013 – 30 Sep 2014	7.5	<b>Z distribution</b>	<b>218.16</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 Sep 2018

## Portfolio structure



Asset allocation	%		%
• Industrial Engineering	21.6	• Media	4.8
• Retail	20.1	• Oil and Gas	3.2
• Food & Beverage	10.2	• Real estate	1.6
• Options	9.0	• Industrial Services	1.5
• Building	8.5	• Financial	1.2
• Support Services	7.0	• Other	3.8
• Technology	6.2	• Cash	1.4

## 10 largest of 66 holdings

Stock	% of fund	Stock	% of fund
FTSE 250 Short ETP	9.0	ITV	4.6
Tesco	9.0	Dixons Carphone	4.1
Finsbury Food	7.5	Castings	4.0
Volex	7.2	Headlam	3.8
Games Workshop	5.1	BP	3.2

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

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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 **£325.9m**

## Fund information

Ongoing Charges Figure* %	Cap	Dis	
O class GBP	1.65	na	
C class GBP	1.31	1.31	
Z class GBP	0.16	0.16	
%	O class	C class	Z class
Max annual management charge	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 last calendar 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

Investment manager Ruffer LLP

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Custodian Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

\* As at 22 January 2018

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## Fund Managers

### 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.



### Alex Jamieson

RESEARCH ANALYST

Joined Ruffer in 2012 as Risk and Attribution Manager, moving to the Ruffer Mid and Smaller Companies team in 2014. Prior to this, he spent four years at F&C Investments and State Street. Holds a Masters degree in international financial analysis from Newcastle University. He is a CFA charterholder.



## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2018, assets managed by the Ruffer Group exceeded £22.1bn.

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