

# Ruffer UK Mid and Smaller Companies

## Positive results from UK mid and smaller companies

The fund's C capitalisation shares fell 8.1% from £257.61 to £236.63 in Q1 2020. The FTSE 250 Total Return index and the FTSE Small Cap Total Return index dropped 30.7% and 27.9% respectively.

With Brexit behind us and a Tory majority in government promising to turn on the spending taps, 2020 started with much market optimism in the air, although many underlying questions and issues were still nagging away in the back of our minds. After a relatively benign opening to the year the focus soon turned to a new emerging threat – COVID-19. With the initial concentration of the virus being in the Wuhan region of China, there was little reaction from the wider global markets to the early headlines that landed throughout January and February. News flow, however, from some of our companies with a presence/exposure in China caused enough concern for us to add some protection to the fund through an S&P put. The timing of this initial position proved extremely fortunate and we soon found a significant profit building. This afforded us the chance to substantially increase our insurance bet to an oversized position over three additional strike levels with both March and June expiry dates. These positions served their purpose and allowed us to close out a large portion of them with a c £80m profit into the end of the quarter, as fiscal and monetary interventions ramped up to ease liquidity fears and the first phase of the bear market played out.

During this turmoil, it was pleasing to see a number of our names perform robustly, including our long term largest holding, Tesco. This has been a beneficiary of increased household spending on groceries as well as accepting a bid for its Asian business unit. This market leading grocer will emerge from the current chaos with a significantly stronger balance sheet and should look after us well in the future. Other names which have proved robust are Strix, the global leader in kettle control units, and Supermarket Income REIT with its growing portfolio of quality UK supermarket properties.

Sadly, the rest of the portfolio has not escaped the wider market turmoil, with significant share price drops suffered across our investments consistent with the wider market. Whilst we have always been in favour of the strength of many of their balance sheets, the current crisis will wreak havoc on even the strongest out there. As we now look to navigate the uncertain and rapidly changing times ahead, we feel the portfolio is well positioned and well-armed to provide assistance and make sure the highly skilled management teams we have come to know over the years can steer their businesses safely out the other side.

We retain a small 'insurance' position in the fund as well as a significant portion of cash and quasi cash should we need to step in to support any of our investments or put money to work in new ideas.

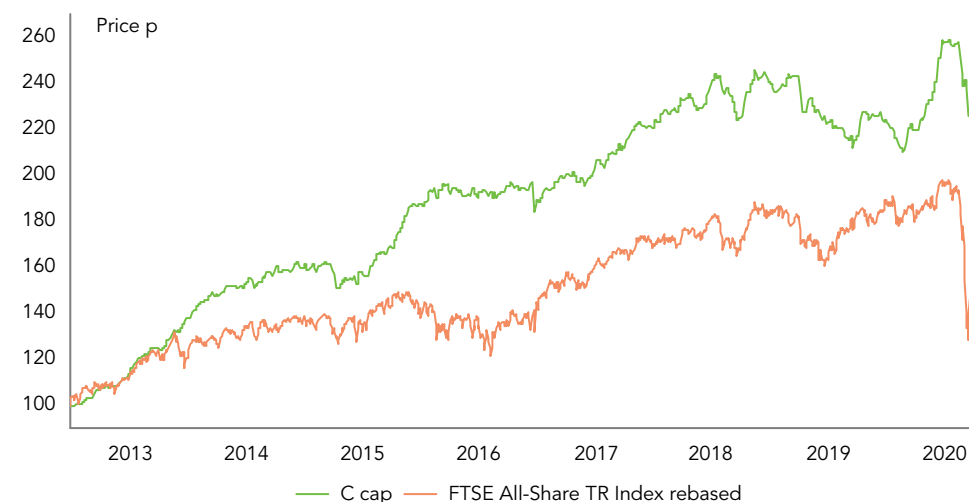
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### Investment objective

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 %	Q1	Year to date	1 year	3 years	5 years
C capitalisation shares	-8.1	-8.1	9.9	11.2	39.7

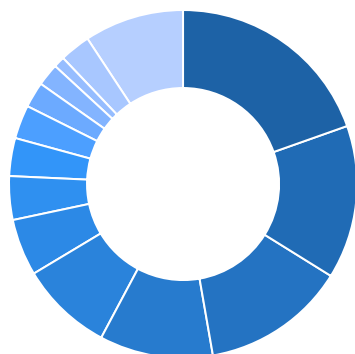
Percentage growth (C GBP cap)	%	Share price as at 31 March 2020	p
31 Mar 2019 – 31 Mar 2020	9.9	<b>O capitalisation</b>	<b>230.39</b>
31 Mar 2018 – 31 Mar 2019	-4.2	<b>C capitalisation</b>	<b>236.63</b>
31 Mar 2017 – 31 Mar 2018	5.6	<b>C distribution</b>	<b>196.19</b>
31 Mar 2016 – 31 Mar 2017	8.8	<b>Z capitalisation</b>	<b>258.69</b>
31 Mar 2015 – 31 Mar 2016	15.4	<b>Z distribution</b>	<b>205.47</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 31 Mar 2020

## Portfolio structure



Asset allocation	%		%
• Bonds	19.5	• Media	3.5
• Retail	14.4	• Support services	3.2
• Industrial engineering	13.3	• Options	2.2
• Industrial services	10.5	• Real estate	2.1
• Food and beverage	8.6	• Technology	1.2
• Oil and gas	5.3	• Other	2.7
• Building	4.1	• Cash	9.3

## 10 largest of 76 holdings

Stock	% of fund	Stock	% of fund
UK government 1.5% 2021	13.6	Volex	4.5
Tesco	9.4	Castings	4.5
UK government 2.5% 2020	5.8	PUT S & P 500-STOCK (OS) SPX	3.7
Bakkavor	5.5	BP	3.4
Balfour Beatty	5.4	Finsbury Food	3.0

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 **£518.7m**

## Fund information

Ongoing Charges Figure %	Cap	Dis	
O class GBP	1.61	na	
C class GBP	1.28	1.28	
Z class GBP	0.15	0.15	
%	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.

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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 29 February 2020, assets managed by the Ruffer Group exceeded £19.1bn.

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