

# Ruffer UK Mid and Smaller Companies

## Positive results from UK mid and smaller companies

The fund's C capitalisation shares declined 1.5% from £247.16 to £243.45 in Q3 2020, leaving us down 5.5% for the year to date. The FTSE 250 Total Return index and the FTSE Small Cap Total Return index rose 1.8% and 1.2% respectively for Q3 but remain down 19.7% and 13.7% for the year to date.

The market shock of March is drifting further behind us despite the fact we are still left in an unprecedented malaise with the now truly global impact of the coronavirus touching every market and all four corners of the planet. There has been an enormous and concerted wave of monetary and fiscal stimulus. Having dampened the shockwaves which exposed liquidity and credit concerns, the markets have 'got back to work' and for now the 'v' shaped recovery is playing out. However, many support measures are still in place and we may soon start to see the real and potentially long-lasting damage caused by the pandemic.

In the portfolio we have seen a clear barbell of covid winners and losers with a number of stocks up over 100% since the beginning of the year whilst others are down hard. We have centered our activity around trimming those strong performers such as Volax, Luceco and Games Workshop and adding to those names we consider are yet to have their future potential and/or recovery recognised such as Bakkavor, Balfour Beatty and Epwin.

The portfolio retains a bias to strong balance sheets with many of our investments holding no, or minimal, debt and following a few cash raises this position is now true of approximately 65% of our equity exposure. As the dust continues to settle, we feel there will be many attractive investment opportunities as companies and consumers adapt to life post furlough support and funding schemes. There is no rush and we believe we have time on our side to make these decisions.

Brexit headlines are starting to gain more notice again. For now, the UK income and recovery funds continue to be very much out of favour and struggling with a very difficult backdrop but we feel we have a portfolio constructed to perform well as things become clearer and perform defensively should the current uncertainty prevail.

Our protection in the portfolio is now limited to the straight FTSE 250 short as elevated volatility in the markets and key events on the horizon such as Brexit and US presidential elections make other forms of protection prohibitively expensive in our view. We trust we have a portfolio of survivors and continue to engage actively with management teams as the current situation evolves.

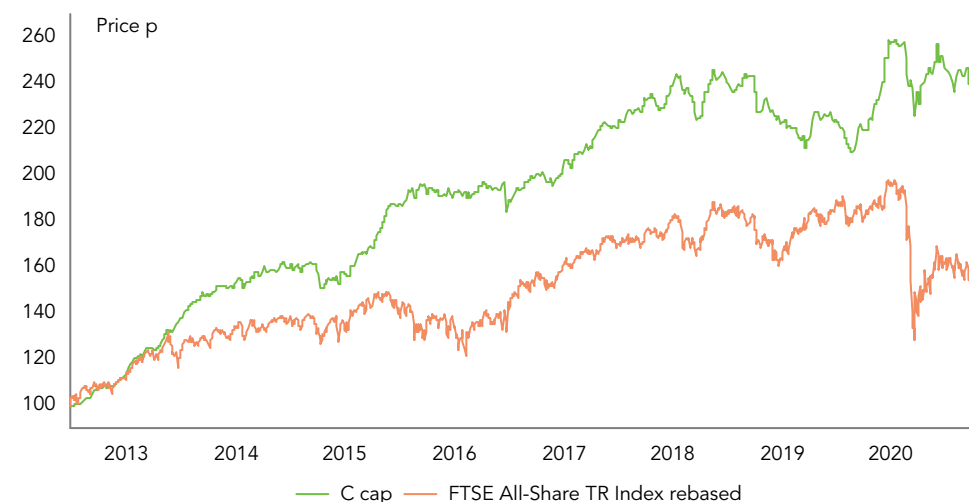
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### Investment objective

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 %	Q3	Year to date	1 year	3 years	5 years
C capitalisation shares	-1.5	-5.5	10.6	4.3	25.7

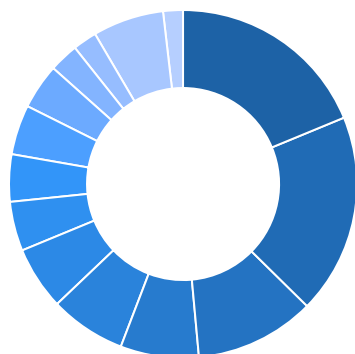
Percentage growth (C GBP cap)	%	Share price as at 30 September 2020	p
30 Sep 2019 – 30 Sep 2020	10.6	<b>O capitalisation</b>	<b>236.67</b>
30 Sep 2018 – 30 Sep 2019	-9.5	<b>C capitalisation</b>	<b>243.45</b>
30 Sep 2017 – 30 Sep 2018	4.2	<b>C distribution</b>	<b>201.84</b>
30 Sep 2016 – 30 Sep 2017	16.5	<b>Z capitalisation</b>	<b>267.68</b>
30 Sep 2015 – 30 Sep 2016	3.5	<b>Z distribution</b>	<b>212.61</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 2020

## Portfolio structure



Asset allocation	%		%
Industrial engineering	18.8	Support services	4.5
Retail	18.6	Options	4.5
Industrial services	11.2	Media	4.3
Bonds	7.2	Real estate	2.8
Food and beverage	7.1	Biotechnology	2.1
Building	5.9	Other	6.7
Oil and gas	4.6	Cash	1.8

## 10 largest of 67 holdings

Stock	% of fund	Stock	% of fund
Tesco	9.2	Games Workshop	4.7
UK government 1.5% 2021	7.2	FTSE 250 Short ETP	4.5
Volex	7.2	Bakkavor	4.0
Balfour Beatty	5.8	Headlam	3.6
Castings	5.3	Epwin	3.3

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 £486.2m

## 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.

## 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 2020, assets managed by the Ruffer Group exceeded £19.9bn.

## Enquiries

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