

# Ruffer UK Mid and Smaller Companies

## Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose 21.6% from £243.45 to £295.99 in Q4 2020, this rounded off 2020 with a 14.9% performance for the year. The FTSE 250 Total Return index and the FTSE Small Cap Total Return index rose 18.8% and 24.2% respectively for Q4 meaning they are down 4.6% and up 7.1% for the year to date.

At the start of the quarter, with the covid-19 finish line still nowhere in sight, the market seemed to be steadily grinding its way forward, as if in a hypnotic state, as we continued to adapt to and comply with the new pandemic governed world. All this was derailed in late October as new virus fears emerged in the headlines and fear of a second spike and second lockdown presented themselves. We took this opportunity to add to some poor performers in the portfolio including BT, Balfour Beatty and Epwin and continued to trim the star performers such as Volex and Luceco.

This reallocation was fortuitously timed as a series of positive vaccine developments landed in early November. These raised prospects and awakened the animal spirits, allowing the fund to have one of its best months on record as a number of our poorer performing names rose strongly. We also took this opportunity to reintroduce some phased S&P put protection out to the end of Q1.

Just as it felt like the finish line was finally in sight, Brexit worries came to the fore in early December as Boris and co played a game of 'Deal or No Deal' that even Noel Edmunds and the banker would have been proud of. The final resolution to this (an early Christmas present on Christmas Eve) resulted in a market rally which allowed us to top up our FTSE 250 short position. Those who believed that the tide may finally be turning didn't have long to celebrate as 2020 served up its final sting in the tail with news of a new, far more virulent, strain of the virus being detected. This has led to stricter lockdown measures being introduced which look set to persist well into 2021.

2020 is a year we are unlikely to ever forget with fundamental shifts impacting every corner of the world. It has driven many new behaviours and seen extreme winners emerge whilst others have clearly struggled. Through sticking to our ethos of searching out cheaply valued, high quality companies with strong management teams and, in the main, robust balance sheets along with some good fortune we have navigated this tricky year.

We feel there will be more opportunities to uncover whilst remaining cautious of the state of the world as the dust settles post these unprecedented times and the 'eutopia' asset owners have existed in over this past 20 years is questioned. This will continue to govern our investment framework and debate on inflation will continue to occupy minds and attention. We step forward into 2021 with an abundance of fear and a small quantum of greed. We consider the portfolio to be well invested and will retain our current liquidity and modest protection. We believe, as always, the majority of our investments are truly sound, our companies employ a lot of people, are often very necessary to people's lives and pay their full share of tax.

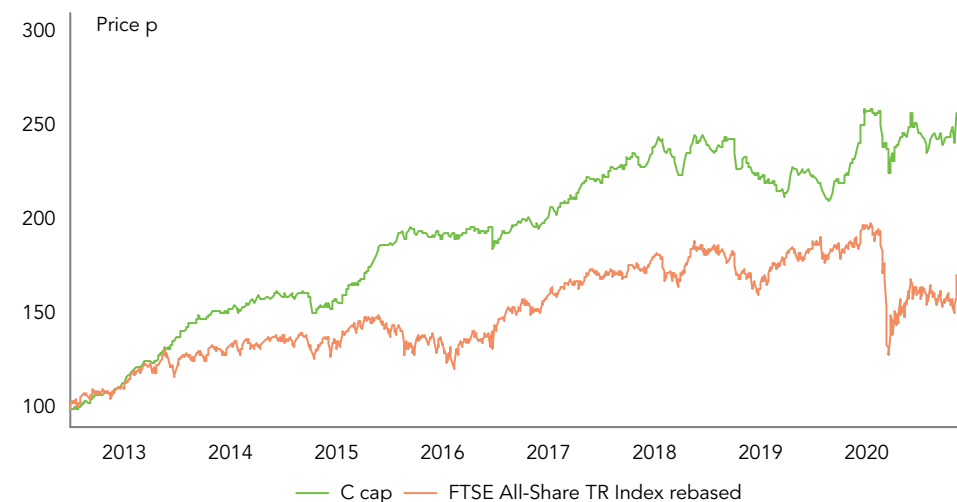
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.



### 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



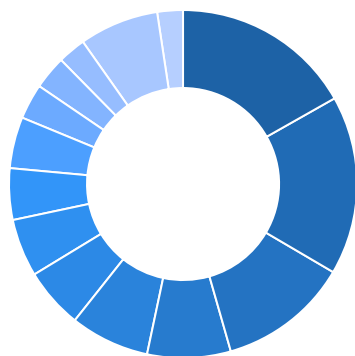
C capitalisation shares	Performance %	Share price as at 31 December 2020	p
Q4	21.6	<b>O capitalisation</b>	<b>287.46</b>
Year to date	14.9	<b>C capitalisation</b>	<b>295.99</b>
1 year	14.9	<b>C distribution</b>	<b>244.00</b>
3 years	23.7	<b>Z capitalisation</b>	<b>326.38</b>
5 years	55.7	<b>Z distribution</b>	<b>254.88</b>

12 month performance to December 2020 %	2016	2017	2018	2019	2020
C cap	6.5	18.2	-7.1	15.9	14.9
FTSE All-Share TR Index rebased	16.8	13.1	-9.5	19.2	-9.8

Source: Ruffer LLP

# Ruffer UK Mid and Smaller Companies as at 31 Dec 2020

## Portfolio structure



Asset allocation	%		%
• Industrial engineering	16.7	• Support services	4.9
• Retail	16.7	• Bonds	4.7
• Industrial services	12.0	• Options	3.3
• Media	7.8	• Biotechnology	3.1
• Food and beverage	7.3	• Real estate	2.6
• Building	5.7	• Other	7.3
• Oil and gas	5.3	• Cash	2.4

## 10 largest of 75 holdings

Stock	% of fund	Stock	% of fund
Tesco	8.8	Headlam	4.2
Volex	7.1	Bakkavor	4.0
Balfour Beatty	6.2	BT	3.9
Castings	4.7	Games Workshop	3.6
UK government 1.5% 2021	4.7	ITV	3.5

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 £639.6m

## 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 30 November 2020, assets managed by the Ruffer Group exceeded £20.3bn.

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