

# Ruffer UK Mid and Smaller Companies

## Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose 8.0% from £295.99 to £319.73 in Q1 2021. The FTSE 250 Total Return index and the FTSE Small Cap Total Return index rose 5.0% and 9.1% respectively for Q1.

Following the stellar market performance into the end of 2020 on the back of the vaccine news, markets have continued to grind higher, but at a slower rate in 2021 as restrictions on people's movements, school re-openings and virus infection rates persisted. The expectation of a wave of money to be allocated back to the cheap, 'discounted' UK is still to materialise despite early signs of life of a pick-up in M&A activity. Despite success stories in vaccine roll outs, most notably in Israel, the UK and now the US, there is still concern over the global path to some form of herd immunity and the realisation there is still a long road ahead of us as we navigate back to 'normality'.

We have taken this period to add to high conviction names in the portfolio including adding c £30m to Dixons, to take it into our top three holdings. This was funded by a combination of a special dividend from Tesco, following the completion of the sale of its Asian business, as well as trimming several strong performers through the pandemic including Volex, Accrol and Luceco.

Thankfully, Dixons rewarded this confidence and performed well from the back end of February, adding nearly 2% to the fund performance. Other notable contributors were Bakkavor (1.4%), Headlam (1.1%) and Volex (0.6%).

Detracting over the quarter were our protection positions, which, combined, cost 0.8%: Tesco (-0.5%) which eased back on concerns around online profitability with holders redeploying cash to more exciting re-opening plays, and Velocys (-0.5%), the technology provider for sustainable aviation fuel (SAF) which pulled back on news that Shell was exiting its partnership with the company.

The global financial support and equation, for now, remains in some sort of perceived balance, but still causes us much longer-term concern. People seem willing to look through the current turmoil to better times ahead and retain confidence central banks will manage their toolkit well as we proceed. Our fears of the impact inflation can cause wider markets, along with pension funding concerns and discomfort around the eutopia of asset owners and the willingness to take on 'you only live once' risk still cause us much concern.

We remain comfortable with the portfolio make-up and believe it can navigate the uncertain times ahead, whilst also retaining our current liquidity and modest protection. We continue to believe the majority of our investments are well managed, financially sound and fulfil their role contributing to key elements of our wider society.

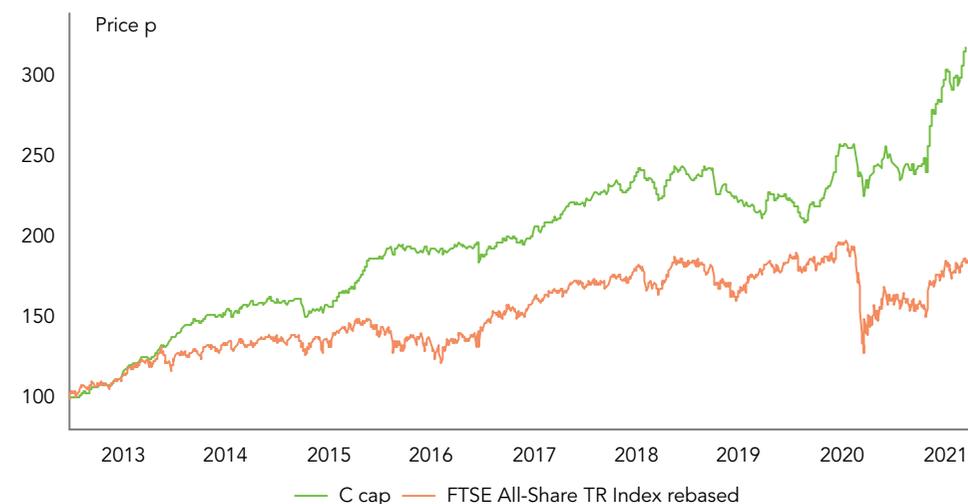
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



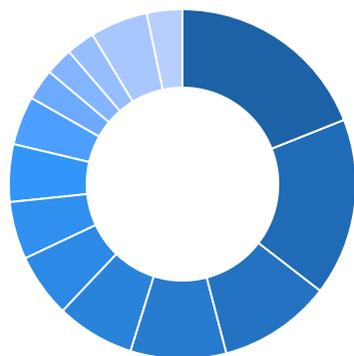
C capitalisation shares	Performance %	Share price as at 31 March 2021	p
Q1	8.0	<b>O capitalisation</b>	<b>310.26</b>
Year to date	8.0	<b>C capitalisation</b>	<b>319.73</b>
1 year	35.1	<b>C distribution</b>	<b>263.57</b>
3 years	42.2	<b>Z capitalisation</b>	<b>353.55</b>
5 years	63.5	<b>Z distribution</b>	<b>276.10</b>

12 month performance to March %	2017	2018	2019	2020	2021
C cap	8.8	5.6	-4.2	9.9	35.1
FTSE All-Share TR Index rebased	22.0	1.2	6.4	-18.5	26.7

Source: Ruffer LLP

# Ruffer UK Mid and Smaller Companies as at 31 Mar 2021

## Portfolio structure



Asset allocation	%		%
• Retail	19.0	• Support services	5.3
• Industrial engineering	16.3	• [Unassigned]	4.5
• Industrial services	10.5	• Options	2.9
• Food and beverage	8.9	• Real estate	2.6
• Media	7.4	• Biotechnology	2.6
• Building	5.8	• Other	5.3
• Oil and gas	5.4	• Cash	3.4

## 10 largest of 60 holdings

Stock	% of fund	Stock	% of fund
Volex	7.2	Castings	4.6
Dixons Carphone	7.0	Headlam	4.5
Tesco	6.8	BT	3.8
Balfour Beatty	5.9	0.125 % BRITISH TREASURY 20/23 SR	3.7
Bakkavor	5.8	Epwin	3.4

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 £675.2m

## Fund information

Ongoing Charges Figure %	Cap	Dis
O class GBP	1.60	na
C class GBP	1.28	1.28
Z class GBP	0.13	0.13

%	O class	C class	Z class
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Max annual management charge	1.5	1.2	0.0
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Maximum initial charge	5.0	5.0	7.5
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Minimum investment £	£1,000	£10m	£30m
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Record date	Third Monday of November		
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Ex dividend dates	Next NAV following the record date		
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Payment	Within five business days after ex dividend date		
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Dealing	Weekly, every Monday (if not a business day, on the following business day) Plus on the last calendar day of each month		
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Cut off	4pm Luxembourg time on the day before valuation day (so typically Friday and the penultimate business day of the month)		
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ISIN	O class	C class	Z class
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Cap	LU0788206679	LU0788036498	LU0788036654
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Dis	LU0788036571 LU0788036738		
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Structure	Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV		
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Investment manager	Ruffer LLP		
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Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent	FundPartner Solutions (Europe) S.A.		
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Custodian	Pictet & Cie (Europe) S.A.		
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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 BUSINESS DIRECTOR

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 28 February 2021, assets managed by the Ruffer Group exceeded £21.6bn.

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