

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares rose 6.1% from £319.73 to £339.18 in Q2 2021. The FTSE 250 Total Return index and the FTSE Small Cap Total Return index rose 4.7% and 9.0% respectively for Q2.

The vaccine rollout programme in the UK has been impressive and, despite ongoing restrictions on movement, activity and the continual concerns around new covid variants, the markets have continued to edge higher, albeit at a reduced rate to Q4 2020 immediately post the vaccine news.

Global infection news is more mixed and it has become more apparent the journey to 'freedom day' – now pushed back a month in the UK – will not be a smooth one with plenty of flip-flopping around travel restrictions, vaccine passport and working practices to come. The secondary impacts of isolation policies are starting to be felt in areas such as the leisure sector, combined with the post-Brexit exodus of much of the lower-skilled labour workforce. All of this points to a volatile recovery profile with an undercurrent of inflationary pressures.

There have been some signs of increased merger and acquisition activity, with private equity money starting to search more actively for opportune value, but the belief of the surge of funds being allocated to the UK is still to be felt in a meaningful way.

We have not made many changes to the shape of the portfolio, but have been trimming a whole range of strongly performing names to manage fund flows and our cash balances.

The main detractor from performance over the quarter was Dixons, which gave up some of its strong performance from Q2, costing us just over 0.5%, as investors debated the resilience of the newfound tech demand, as well as the capability of the group to provide a profitable solution in the new era of omnichannel retail. Their results at the end of June were extremely encouraging and prompted us to add marginally to our position and we have high hopes for the journey in the coming years as the final phase of reprofiling their mobile offering and investing in the new single-branded Currys plays out.

We trust we are nearing the end of the pandemic and, for now, the global financial support and equation is holding firm. There are, however, growing signs of fragility which cause us much longer-term concern. We remain acutely fearful of the potential impact of inflation, and the damage it may inflict on wider markets along with, pension funding concerns.

The portfolio makeup has been maintained and we take comfort from its general balance sheet strength and our investments' underlying market positions and roles in supporting and contributing to key elements of society. We remain actively engaged with management of all of our investments, whilst exploring new opportunities that present themselves as we move back to a more 'normal' new world.

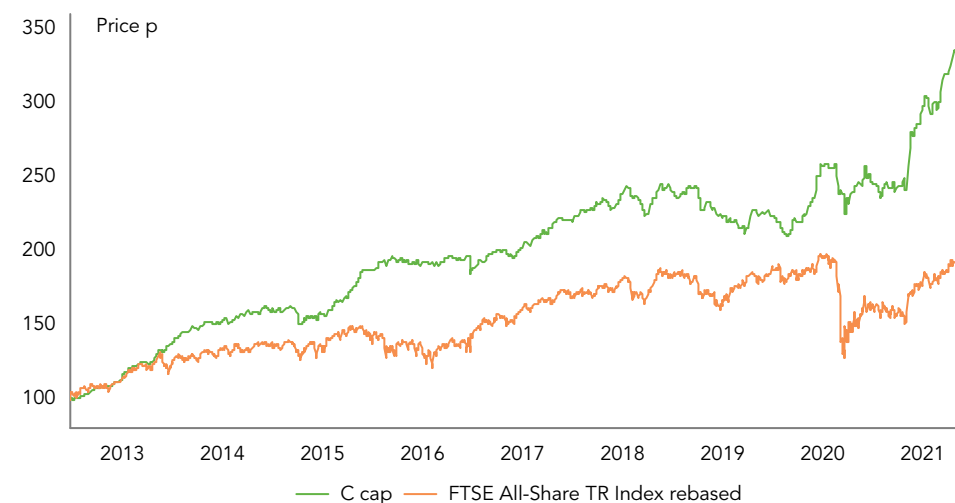
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



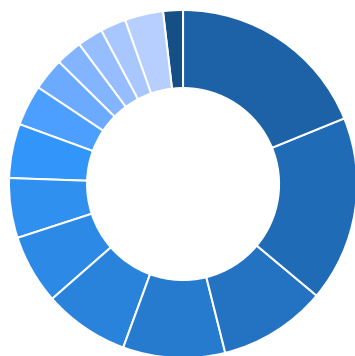
C capitalisation shares	Performance %	Share price as at 30 June 2021	p
Q2	6.1	O capitalisation	328.88
Year to date	14.6	C capitalisation	339.18
1 year	37.2	C distribution	279.60
3 years	40.6	Z capitalisation	376.13
5 years	80.7	Z distribution	293.74

12 month performance to June %	2017	2018	2019	2020	2021
C cap	17.8	9.1	-7.3	10.5	37.2
FTSE All-Share TR Index rebased	18.1	9.0	0.6	-13.0	21.5

Source: Ruffer LLP

Ruffer UK Mid and Smaller Companies as at 30 Jun 2021

Portfolio structure



Asset allocation	%		%
• Retail	18.8	• Support services	5.1
• Industrial engineering	17.2	• Bonds	3.8
• Industrial services	10.1	• Options	2.9
• Food and beverage	9.5	• Financial	2.5
• Media	7.9	• Real estate	2.4
• Building	6.5	• Biotechnology	2.3
• Oil and gas	5.4	• Other	3.7
		• Cash	1.8

10 largest of 61 holdings

Stock	% of fund	Stock	% of fund
Volex	7.4	Castings	5.0
Tesco	6.9	Headlam	4.2
Dixons Carphone	6.6	BT	4.1
Bakkavor	5.9	UK Treasury 0.125% 2023	3.7
Balfour Beatty	5.7	Epwin	3.6

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 **£681.5m**

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 31 May 2021, assets managed by the Ruffer Group exceeded £22.9bn.

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