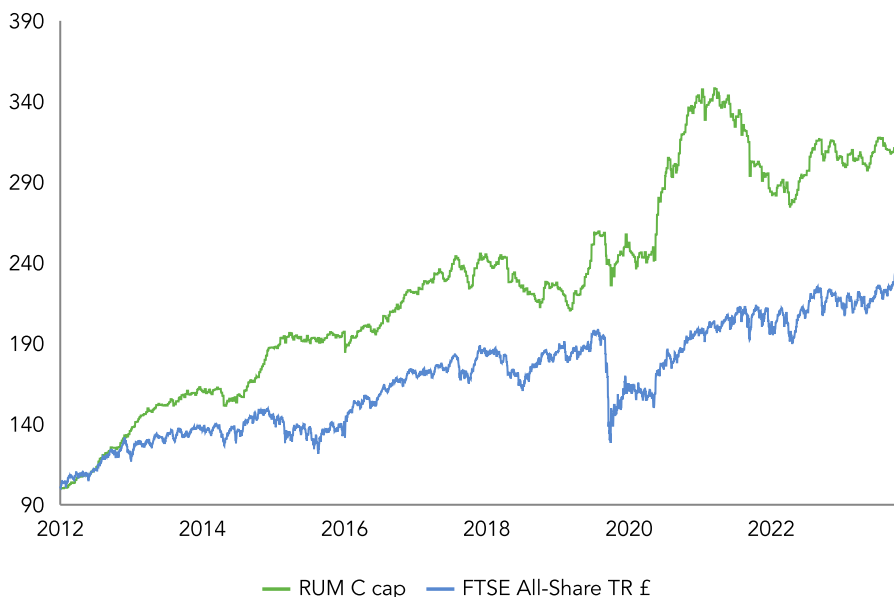


# Ruffer UK Mid and Smaller Companies

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 25 JUNE 2012



Through the start of the quarter, the “froth” of the rally into the end of last year seemed to come off UK bourses as investors started to doubt the number of BOE rate cuts this year. However, as the quarter rolled on, this mood shifted back to optimism as M&A continued and economic indicators turned more positive.

Whilst the UK economy has performed worse than the US economy, it is still noticeable that equity market performance diverges quite so much. Market participants now seem convinced of a “soft landing”, which is not guaranteed, but it is clear that UK companies suffer from a “UK discount”, which, if one were to be optimistic, makes the opportunity set in the UK large.

This opportunity set has pushed us to set some more of our cash pile to work. For the most part we have sold the legacy positions that we wanted to exit (although Autins was another full exit this quarter), and whilst we have trimmed some positions on a trading view (and continue to exit a few legacy positions), most of our dealing has been buying. We have initiated five new positions in the quarter, three of which we are still building. For example, we bought Franchise Brands, where we back the executive chair, Stephen Hemsley, with his intricate knowledge of running franchise businesses, to create value here over the long term. We also increased our position in Reckitt Benckiser. In March, potential litigation liabilities severely affected the share price. They involve the US unit of the former Mead Johnson (acquired in 2017), now a small part of the group. Our estimate of the potential liabilities is much lower than the loss in Reckitt’s market capitalisation. The company’s brands are strong, and the business is inherently solid and cash generative; at the current valuation, the risk-reward is attractive for the patient investor.

The biggest detractor from performance was Watches of Switzerland (-1.1%) after a profit warning in January driven by a weaker UK consumer over Christmas and a poorer mix effect in the US has seen the shares half. Castings also cost the fund 0.7% in performance on little news and despite the cheapness of the stock. Reckitt also cost the fund and detracted 0.5% from performance. However, there were also positives. Our investment in engineering contractors benefitted the fund, with Balfour Beatty being the fund’s best performer (adding 0.9% to performance) and Keller being the fund’s third best performer (contributing 0.4% to performance). Both companies reported strong results with optimistic outlooks. Bakkavor also added 0.7% to performance, also following strong results, where the management team have done very well to reduce debt and position the company well for a brighter UK outlook and the possibility of a more controlled US growth story.

There is a good deal of liquidity in the fund, but it is coming down as we find more and more attractive ideas. The fund is well positioned to benefit if any UK discount begins to close, but also hopefully remains well insulated enough to be protected and importantly to act more forcefully in the case that any pessimism on weak global markets is warranted. We keep working hard, studying and meeting businesses, thus enhancing our “analytical net” for potential new ideas over time.

## C CLASS MARCH 2024

Performance C cap %	GBP
Q1	-1.2
Year to date	-1.2
1 year	1.4
3 years pa	-0.6
5 years pa	7.8
10 years pa	7.1
Since inception pa	10.1
<b>Share price, p</b>	
C GBP cap	3.1363
C GBP dis	2.2594
O GBP cap	3.0144
Z GBP cap	3.5924
Z GBP dis	2.4464

## 12 month performance to 31 March 2024

%	2020	2021	2022	2023	2024
RUM C cap	9.9	35.1	-6.2	3.1	1.4
FTSE All-Share TR £	-18.5	26.7	13.0	2.9	8.4

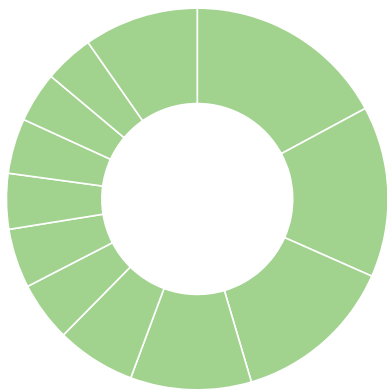
One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. 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. Future performance is subject to taxation which depends on each investor’s personal situation, and may be subject to change in the future.

## 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.

# Ruffer UK Mid and Smaller Companies 31 Mar 24

## ASSET ALLOCATION



Asset allocation	%
Industrial engineering equities	17.1
Retail equities	14.5
Cash	13.8
Short-dated bonds	10.2
Building equities	6.7
Protection equities	5.1
Industrial services equities	5.0
Food and beverage equities	4.7
Travel and leisure equities	4.7
Media equities	4.3
Oil and gas equities	4.2
Other equities	9.7

## 10 LARGEST HOLDINGS

Stock	% of fund
Tesco	5.7
Castings	5.7
Epwin	5.4
FTSE 250 Short ETP	5.1
Volex	4.8
Balfour Beatty	4.6
BP	3.5
Reckitt Benckiser	3.0
BT	2.9
Bakkavor	2.6

Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

## RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 29 February 2024, assets managed by the Ruffer Group exceeded £22.4bn.

FUND SIZE **£338.7M**

## FUND INFORMATION

Maximum annual management charge %	O class 1.59 C class 1.26 Z class 0.11
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Maximum initial charge %	O class 5.0 C class 5.0 Z class 7.5
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Minimum investment (or equivalent in other currency)	O class £1,000 C class £10m Z class £30m
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Ongoing Charges Figure %	O class cap GBP 1.63 C class cap GBP 1.28 C class dis GBP 1.28 Z class cap GBP 0.12 Z class dis GBP 0.12
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Cut offs	3pm Luxembourg time on the day before valuation day (so typically Friday and the penultimate business day of the month)
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Dealing frequency	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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Pay dates	Within five business days after ex dividend date
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Record date	Third Monday of November
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Investment manager	Ruffer LLP
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Depository bank	Bank Pictet & Cie (Europe) A.G.
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Auditors	Ernst & Young S.A.
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Structure	Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV
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Share class	ISIN	SEDOL
C GBP cap	LU0788036498	B8F3087
C GBP dis	LU0788036571	B8F30B0
O GBP cap	LU0788206679	B8F4LY3
Z GBP cap	LU0788036654	B8F4LB0
Z GBP dis	LU0788036738	B8F4LD2

## ENQUIRIES

Ruffer LLP 80 Victoria Street London SW1E 5JL	rif@ruffer.co.uk +44 (0)20 7963 8218 ruffer.co.uk/rums
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## FUND TEAM



**Alex Grispos**  
RESEARCH DIRECTOR |  
FUND MANAGER

Graduated from Imperial College with a First Class degree in Mechanical Engineering, started in equity research in 1998 at Alpha Trust in Greece, then worked in venture capital for six years. Joined Top Technology Ventures in the UK, and subsequently became Investment Manager with RTF based in London and St Petersburg, Russia. Joined Ruffer in 2005 and is manager of two of Ruffer's specialist funds.



**Joseph David**  
RESEARCH ANALYST

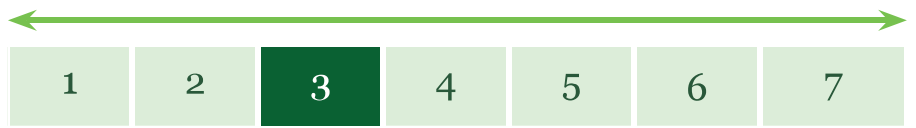
Joined Ruffer as a graduate in 2015, after graduating from the University of Cambridge with an honours degree in philosophy. Began working on the fund in 2020. He is a CFA charterholder.

## DISCLAIMER

**RISK INDICATOR FROM THE PRIIPS KEY INFORMATION DOCUMENT DATED 22 FEBRUARY 2024**

LOWER RISK

HIGHER RISK



The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you. Please refer to the prospectus for more information on the specific risks relevant to this product not included in the summary risk indicator. This product does not include complete protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

The fund data displayed is designed only to provide summary information. This marketing communication 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 Information Documents and the latest report and accounts. Ruffer SICAV is a Luxembourg UCITS and subject to Luxembourg law. Ruffer SICAV is authorised by and subject to the supervisory authority in Luxembourg, the CSSF, and is a scheme recognised by the UK's Financial Conduct Authority (FCA). Ruffer UK Mid and Smaller Companies fund (RUM) is not registered for distribution in any country other than Luxembourg, Switzerland (qualified investors only) and the UK. Ruffer LLP is not able to market RUM in other countries, except under certain exemptions. RUM is not a tracker fund and is actively managed. The RUM is managed in reference to a benchmark as its performance is measured against the FTSE All-Share Index Total Return. The fund's prospectus and key information documents are provided in English and are available on request or from [ruffer.co.uk/rums](http://ruffer.co.uk/rums). A Summary of Investor Rights is available in English from [ruffer.co.uk/investor-rights](http://ruffer.co.uk/investor-rights). This marketing communication is not targeting a specific investor type. The fund is open to both retail and professional investors depending on jurisdiction. In line with the Prospectus, it is possible at any one time RUM may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities. This investment concerns the acquisition of units in a fund, and not in a given underlying asset such as shares of a company, as these are only the underlying assets owned by the fund. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice. The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

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