

# LF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies



December 2018 Issue 181

During December, the fund's O accumulation shares rose by 7.6% from 124.86p to 134.39p. This compares to a 10.4% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period, the gold price was up 4.9% in US dollar terms and 5.0% in sterling terms.

Once again, gold mining stocks benefited from a festive rally through the Christmas period and into the new year. On this occasion, the continued volatility in the key US stock indices was a clear driver as the S&P 500 Index made a low for the year on Boxing Day. The gold price rose steadily through the month as investors sought to add a risk diversifier to portfolios. The fund performed reasonably well over the month as the rally in gold stocks broadened from the larger cap gold mining stocks to the mid and small cap ones. This was heartening to see, as it suggests investors are increasingly returning to the sector and hence there is the prospect the wide valuation dispersions within the sector will correct.

2018 has been a year of two halves for us. The fund performed well during the first half of the year as the deeply under-valued smaller cap positions which we had built up during 2017 closed some of their valuation gap to the larger cap stocks. However, all of this was reversed in the dramatic falls in the sector in the middle of the year. Gold mining stocks were caught up in the stresses affecting emerging markets as tightening global liquidity and trade war rhetoric sparked falls in emerging market asset prices and commodities, plus a series of currency crises. Over the last three months of the year, the sector has begun to recover as the continued volatility in general stock markets has led to a steady increase in interest in gold.

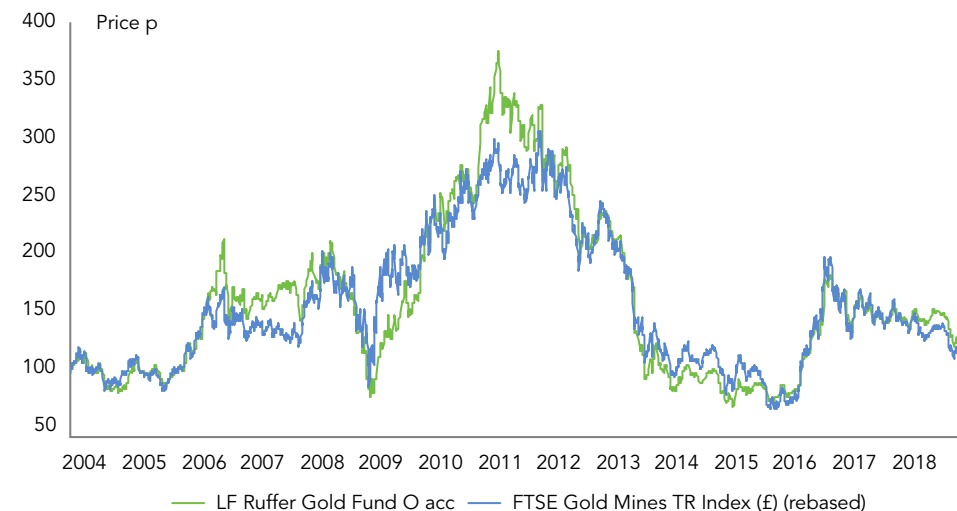
After another wild ride, we find ourselves in a similar position to where we were at the end of 2017. The sector still suffers from a general lack of interest from investors, and divergences in valuations within the sector remain very wide. We have built positions in many stocks which ought to perform well when investors do become interested in the sector again. Whether this occurs in the year ahead is likely to depend primarily on the gold price. The performance of gold itself in the year ahead will be dependent on the performance of the S&P Index, the reaction of the US Federal Reserve to tightening financial conditions, and the strength of the global economy.

In future, this report will be published on a quarterly rather than monthly basis.

## Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

## Performance since launch on 1 October 2003



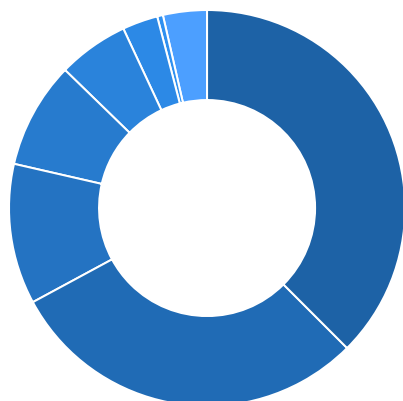
Performance %	December 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	7.6	-8.9	-8.9	65.1	64.5	11.9
<b>Percentage growth (O acc)</b>		<b>%</b>				
31 Dec 2017 – 31 Dec 2018		-8.9				
31 Dec 2016 – 31 Dec 2017		3.0				
31 Dec 2015 – 31 Dec 2016		76.1				
31 Dec 2014 – 31 Dec 2015		11.7				
31 Dec 2013 – 31 Dec 2014		-10.8				

Source: Ruffer LLP, FTSE International (FTSE) †

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.

# LF Ruffer Gold Fund as at 31 Dec 2018

## Portfolio structure



Asset allocation	%
• North America	37.4
• Africa	29.8
• Australia	11.4
• Asia	8.6
• South America	5.9
• Europe	2.9
• Options	0.4
• Other	0.0
• Cash	3.6

### Capitalisation breakdown

% market exposure	Size	Market cap
21.9	Large	US\$5bn+
44.4	Mid	US\$1-\$5bn
33.7	Small	US\$0-\$1bn

## 10 largest of 155 holdings

Stock	% of fund	Stock	% of fund
Kinross Gold	6.6	Yamana Gold	3.6
AngloGold Ashanti	5.5	Wheaton Precious Metals	3.4
Centerra Gold	4.2	IAMGOLD	3.3
Gold Fields	4.0	Goldcorp	3.2
Semafo	3.6	Newmont Mining	3.2

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

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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.

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.

Fund size **£933.7m**

## Fund information

%	O class	C class
Ongoing Charges Figure*	1.58	1.28
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.00	0.00
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward, every Wednesday where this is a business day Plus the last business day of the month	
Cut off	10am on Wednesday (where it is a business day) and the last business day of the month	
ISIN	GB0033628156 (acc)	GB00B8510Q93 (acc) GB00B8BZBT51 (inc)
SEDOL	3362815 (acc)	B8510Q9 (acc) B8BZBT5 (inc)
Investment adviser	Ruffer LLP	
ACD	Link Fund Solutions Limited	
Depository	The Bank of New York Mellon (International) Limited	
Auditors	Ernst & Young LLP	
Structure	Sub-fund of LF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

\*Refers to accumulation shares

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## Fund Manager

### Paul Kennedy

RESEARCH DIRECTOR

Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the LF Ruffer Gold Fund since February 2015.



## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2018, assets managed by the Ruffer Group exceeded £21.1bn.

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