

Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies

The fund's C capitalisation shares fell 0.2% from 194.04 to 193.71 over the month in which the wider market reacted in a volatile manner to commodity and macro driven sentiment as well as some stock specific shocks such as the 'emissionsgate' scandal at Volkswagen. The net result was that all the major UK indices fluctuated significantly. The FTSE All-Share Total Return Index fell 2.7% and the FTSE 250 Total Return Index fell 2.3%.

We remain pleased with the put option protection in the portfolio, which we have had in place for most of the year. This helped protect us from the sharp drops experienced and contributed over 0.7% during the month. Put protection is an expense and whilst small pay-outs are welcome this often puts future expenses up. Larger moves in markets, like a major accident, is essentially what the 'insurance' is really there for.

There were notable bright spots in the portfolio during the month, most significantly from Conviviality Retail Plc and Finsbury Food Group.

Conviviality, which had been suspended for two months following leaked news over a potential takeover of Matthew Clark, came back with a bang jumping over 20% and contributing 0.5% to the fund as it successfully raised new capital in a placing and completed the acquisition. We provided new equity capital to the company in order to facilitate the acquisition.

Finsbury Food Group announced its full year results which showed strong organic growth, the continued successful integration of the acquired Fletchers Group, and an improvement in margins. The business now has full year revenues of £256m, EBIT of £12.4m and an interest charge of £1m on debt of £21m, both of which are expected to fall into 2016 and beyond. There are a number of poorly run, financially depressed, sub-scale bakery businesses in existence in the UK and Finsbury is in pole position to act as consolidator of this industry.

Our weighting in companies with exposure to improving UK consumer sentiment and in particular the repair, maintenance and improvement (RMI) market are yet to see the full benefit of the underlying data that has been published. However, they have once again announced robust results and showed ongoing signs of the operational self-help improvements that their management teams have been undertaking. Having met Headlam Group Plc, Safestyle UK Plc, Epwin Group Plc and Eurocell Plc in the last month we are confident that the green shoots are slowly emerging and we remain optimistic for a continuation and re-rating of this sector.

On the negative side of the ledger we have had some stock specific hurt this month, notably Volex which cost the fund 1.1%. With the noise and uncertainty surrounding a slowdown in global GDP, coinciding with the delayed release of certain products from key customers such as Apple, there has been a softening of demand for electrical goods, particularly in the personal computer and tablet markets. As a result management have guided to lower than anticipated revenue for the full year. This unfortunately came at the same time as an announcement that the well regarded CEO, Christoph Eisenhardt, was stepping down for personal reasons. We are actively engaging with management and will be seeing them in October to discuss the next stages as the company continues to rebuild.

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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



Performance %	September 2015	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	-0.2	22.4	21.4	80.9	na	na

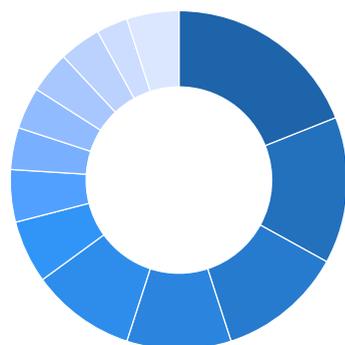
Percentage growth (C GBP cap)	%	Share price as at 30 September 2015	£
30 Sep 2014 – 30 Sep 2015	21.4	O capitalisation GBP	191.54
30 Sep 2013 – 30 Sep 2014	7.5	C capitalisation GBP	193.71
30 Sep 2012 – 30 Sep 2013	38.5	C distribution GBP	186.72
30 Sep 2011 – 30 Sep 2012	na	Z capitalisation GBP	201.09
30 Sep 2010 – 30 Sep 2011	na	Z distribution GBP	189.60

Source: Ruffer LLP

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.

Ruffer UK Mid and Smaller Companies as at 30 Sep 2015

Portfolio structure



Asset allocation	%		%
Industrial engineering	19	Travel and leisure	4
Support services	14	Technology	4
Retail	12	Options	4
Building	10	Cash	4
Food and beverage	10	Oil and gas	3
Overseas equity	6	Other	5
Financial	5		

10 largest of 52 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Finsbury Food	9.0	Games Workshop	4.0
Hellermann Tyton	6.8	Johnson Service	3.9
Castings	5.2	Volex	3.9
Epwin	4.4	Character	3.4
Headlam	4.1	Eurocell	3.2

Source: Ruffer LLP

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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 **£212.7m**

Fund information

Ongoing Charges Figure %	Cap	Dis	
O class GBP	1.68	na	
C class GBP	1.34	1.34	
Z class GBP	0.19	0.19	
%	O class	C class	Z class
Maximum annual management fee	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 Tuesday (if not a business day, on the following business day) Plus on the first business 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

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Investment manager Ruffer LLP

Custodian Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

Fund Manager

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.

Des Brennan

RESEARCH ANALYST



With over twenty years' experience both as an investment analyst and a portfolio manager, joined Ruffer in 2011. He has worked most recently at Cazenove Capital Management, and prior to that as a UK fund manager at Insight.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2015, assets managed by the Ruffer Group exceeded £17.7bn, of which over £8.9bn was managed in open-ended Ruffer funds.

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