

# Ruffer UK Mid and Smaller Companies

Positive results from UK mid and smaller companies



November 2017 Issue 66

The fund's C capitalisation shares fell 2.1% from 234.29 to 229.26 over the month while the FTSE 250 Total Return index and the FTSE Small Cap Total Return index fell 1.2% and 0.8% respectively.

As we enter the final months of the year, the recurring question of 2017 refuses to move too far from the investors' mind: where are we on the Brexit path? Although the market no longer reacts to even the most superficial tweets and comments from the most junior of ministers, it does still yearn for some clear actions and not just comments. Until there is clarity on the first phase deal, or confidence in a rough framework for a transition deal, where future investment plans carry more water, we will continue to see sentiment swings as was evident in November. The first two weeks saw UK exposed equities falling out of favour and a number of our stocks failed to escape this pain with Eurocell Group, Headlam Group, Epwin Group and Safestyle all combining to cost us 1.1%.

Also on the negative side of the ledger was Games Workshop, which came off its year highs, having been up over 200% in the year to date. Whilst we had trimmed some of the position on the run up this pull back still cost us 0.7%. Accrol, which came back after its suspension and associated re-financing deal at 50p, cost us an additional 0.4%.

More encouragingly, in November we had two of our top three holdings making positive announcements. The first was Volex which, following a strong full year result in June, continued its recovery journey with a robust first half of its 2018 financial year. The subsequent share price performance added 0.6% to performance. The second piece of news was the announcement by the Competition and Markets Authority, which has provisionally concluded that the proposed purchase of Booker, by Tesco, did not raise competition concerns. This paves the way for the combined team to create the UK's leading food business through combining their expertise in retail and wholesale. As a result both Tesco and Booker shares were buoyed, together adding 0.7% to the fund. We anticipate the deal being concluded in early 2018 and see this as the start of a journey for the enlarged company, under the joint leadership of Dave Lewis and Charles Wilson.

We have added two new names to the fund this month: Bakkavor Group, an original design manufacturer within the freshly prepared food sector, and Marks & Spencer. We also added to our ITV position as we take advantage of weakness in the unloved UK space. Despite a tough month we remain positive about the shape of the portfolio, whilst also remaining fearful of markets.

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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 %	November 2017	Year to date	1 year	3 years	5 years	10 years
C capitalisation shares	-2.1	13.2	17.2	46.9	na	na

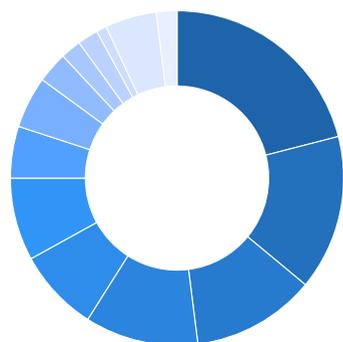
Percentage growth (C GBP cap)	%	Share price as at 30 November 2017	£
30 Sep 2016 – 30 Sep 2017	16.5	<b>O capitalisation GBP</b>	<b>225.00</b>
30 Sep 2015 – 30 Sep 2016	3.5	<b>C capitalisation GBP</b>	<b>229.26</b>
30 Sep 2014 – 30 Sep 2015	21.4	<b>C distribution GBP</b>	<b>196.56</b>
30 Sep 2013 – 30 Sep 2014	7.5	<b>Z capitalisation GBP</b>	<b>244.01</b>
30 Sep 2012 – 30 Sep 2013	38.5	<b>Z distribution GBP</b>	<b>203.71</b>

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 Nov 2017

## Portfolio structure



Asset allocation	%		%
Industrial engineering	21	Media	5
Retail	15	Oil and gas	3
Food and beverage	12	Biotechnology	2
Building	11	Overseas equity	2
Technology	8	Travel and leisure	1
Support services	8	Other	5
Options	5	Cash	2

## 10 largest of 60 equity and 1 bond holdings

Stock	% of fund	Stock	% of fund
Tesco Plc	7.3	Games Workshop	4.6
Finsbury Food	7.2	Headlam	4.3
FTSE 250 Short ETP	5.4	ITV	3.8
Volex	4.8	TI Fluid Systems	3.3
Castings	4.7	BP	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 **£289.0m**

## Fund information

Ongoing Charges Figure* %	Cap	Dis	
O class GBP	1.66	na	
C class GBP	1.31	1.31	
Z class GBP	0.15	0.15	
%	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 Monday (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.

\* As at 31 December 2016

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## 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.

### Alex Jamieson

RESEARCH ASSOCIATE



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 30 November 2017, assets managed by the Ruffer Group exceeded £22.0bn, of which over £13.3bn was managed in open-ended Ruffer funds.

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