

# LF Ruffer Gold Fund

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



During July, the fund's O accumulation shares fell by 2.3% from 147.19p to 143.74p. This compares to a 4.4% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was down 2.3% in US dollar terms and down 1.8% in sterling terms.

The gold price continued its downward trend in July. Whilst there were some positive moves earlier in the month, driven by the escalation of the US-China trade war, they were short-lived. The US Federal Reserve Chairman's report to Congress highlighted a positive outlook for the US job market and stable inflation which sent the US dollar higher and gold lower. The gold price briefly halted its decline towards the end of the month when President Trump criticised the Fed's policy to continue its course of raising interest rates.

Our largest positive contributor during the month was AngloGold Ashanti (up 8.8% in sterling terms), which was driven by the announcement of the appointment of their new Chief Executive Officer, Kelvin Dushnisky. Mr Dushnisky was previously the President of Barrick Gold, having held a number of other senior management roles within the company before becoming President in 2015. Under his leadership at Barrick Gold, Mr Dushnisky was able to delever the company's balance sheet and stabilize the company through a series of asset sales and cost cutting. His appointment is seen as positive for AngloGold.

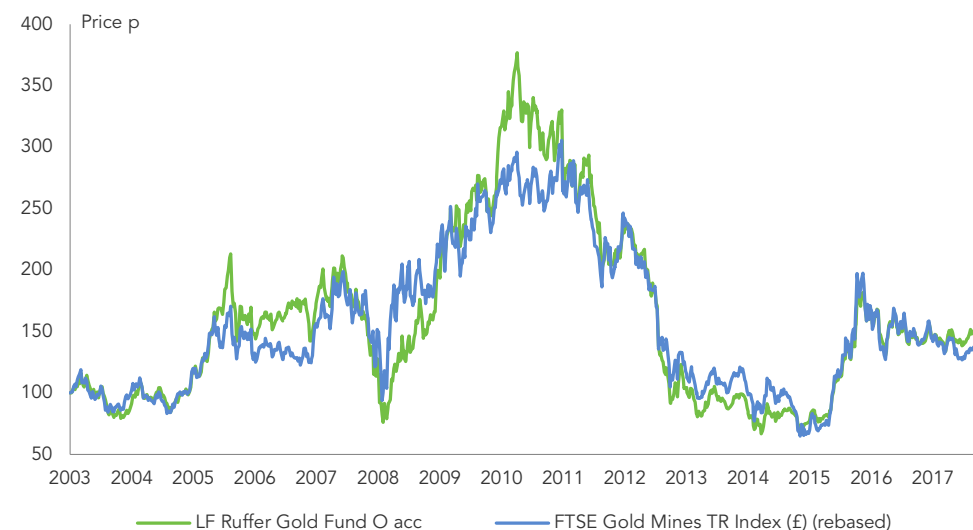
Our largest negative contributors were Westgold Resources and Barrick Gold (down 13.1% and 14.3% respectively). Westgold announced a poor operational quarter, where their strategy of rehabilitating and growing production from old mines is progressing slower than expected. This does not change our fundamental thesis where we expect the market to re-rate the company once the company transitions from capital investment to free cash flow generation. In a sector which already is bearish, Barrick Gold announced a weak quarter. The loss of their president to a rival company did not help sentiment.

Overall, the view from investors for gold remains negative. We continue to regard the sector as undervalued and remain close to being fully invested.

## 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 %	July 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-2.3	-2.6	0.9	98.4	35.0	-6.5

Percentage growth (O acc)	%	Share price as at 31 July 2018	p
30 Jun 2017 – 30 Jun 2018	2.8	<b>O accumulation</b>	<b>143.74</b>
30 Jun 2016 – 30 Jun 2017	-8.0	<b>C accumulation</b>	<b>146.39</b>
30 Jun 2015 – 30 Jun 2016	87.2	<b>C income</b>	<b>88.60</b>
30 Jun 2014 – 30 Jun 2015	-9.6		
30 Jun 2013 – 30 Jun 2014	0.5		

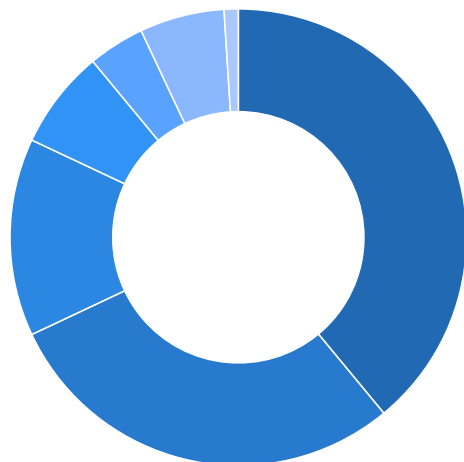
Source: Ruffer LLP, FTSE International (FTSE)<sup>†</sup>

The fund's prospectus and key investor information documents are provided in English and available on request or from [www.ruffer.co.uk](http://www.ruffer.co.uk). Please note that LF Ruffer Investment Funds is a UK UCITS. The LF Ruffer Gold Fund is not registered for distribution in any country other than the UK.

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 July 2018

## Portfolio structure



	%
• North America	39
• Africa	29
• Australia	14
• Asia	7
• South America	4
• Other	6
• Cash	1

### Capitalisation breakdown

% market exposure	Size	Market cap
11.7	Large	US\$5bn+
50.4	Mid	US\$1-\$5bn
37.9	Small	US\$0-\$1bn

## 10 largest of 121 holdings (representing 119 companies)

Stock	% of fund	Stock	% of fund
Gold Fields	6.6	OceanaGold	3.6
AngloGold Ashanti	6.4	Goldcorp	3.5
Kinross Gold	6.3	Barrick Gold	3.3
ETFS Physical Silver	4.2	Tahoe Resources	3.2
Westgold Resources	3.7	Endeavour Mining	2.8

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.

## Fund size £808.1m

### 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	0.08
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward to 10am Wednesday, based on NAV Plus forward from 10am on last Wednesday of the month to 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 June 2018, assets managed by the Ruffer Group exceeded £22.3bn.

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