

LF Ruffer Gold Fund

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

During the quarter, the fund's O accumulation shares fell by 8.42% from 324.61p to 297.28p. This compares to a 14.29% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 0.66% in US dollar terms but down 4.78% in sterling terms.

Gold mining stocks corrected sharply during the quarter as positive news flow regarding progress with the covid-19 vaccine intensified the end of year profit-taking which was already in evidence. The gold price itself was initially impacted but had recovered by the year end, supported by a weaker US dollar, worsening virus news and a somewhat messy US political situation. Sterling was a significant headwind for the fund, rising by 5.8% against the US dollar over the quarter.

We commonly see gold mining stocks sold on the first sign of trouble without regard to the attributes of the underlying businesses and in general that was true this quarter too with many stocks in the fund falling hard. The fund performed significantly better than the gold mining index, principally because our largest positions – Centerra Gold and Endeavour Mining proved relatively resilient – and because some of our more esoteric positions performed very strongly. Two positions which delivered significant positive contributions were Westgold Resources (up 13.5 % in sterling terms) and Mandalay Resources (up 20.9% in sterling terms). Both of these are cheap stocks which we expect to deliver significantly improved operational performance in 2021 and hence continue to re-rate.

We remain optimistic about the outlook for the gold price as the full cost of covid becomes clear, albeit there may be bumps in the road for gold in the short term as the recovery comes through. Gold mining stocks are now an attractive way to invest in gold. As noted in previous reports, the sector is much more investible than most realise, with competent management teams focused on costs, capital allocation and shareholder returns. Gold miners are at a significant discount to gold and at this stage the miners do not seem to be facing the inflationary pressures which blighted the last period of high gold prices.

The fund has always focused on value and so given that the sector is generally cheap, we enter 2021 with a portfolio which is very cheap at the current gold price. For example the majority of the top ten positions in the fund are expected to deliver double-digit free cash flow yields in the year ahead, those that are not are investing in significant growth projects which we expect to deliver high cash flow in future years. Therefore, we believe the fund is well-placed to deliver good returns again in a flat or rising gold price.

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.

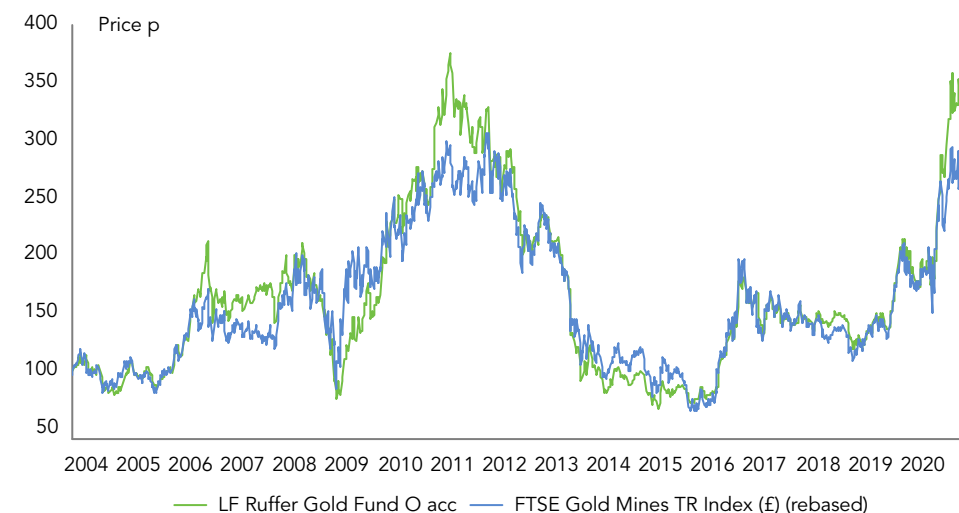


December 2020 Issue 189

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



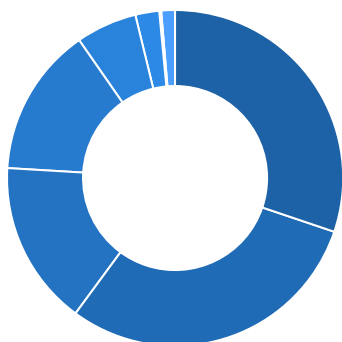
O accumulation shares	Performance %	Share price as at 31 December 2020	p
Q4	-8.4	O accumulation	297.28
Year to date	53.6	C accumulation	304.96
1 year	53.6	C income	184.57
3 years	101.4		
5 years	265.2		
10 years	-21.1		

12 month performance to December 2020 %	2016	2017	2018	2019	2020
LF Ruffer Gold Fund O acc	76.1	3.0	-8.9	44.0	53.6
FTSE Gold Mines TR Index (£) (rebased)	91.7	0.7	-4.5	37.2	21.1

Source: Ruffer LLP, FTSE International (FTSE) †

LF Ruffer Gold Fund as at 31 Dec 2020

Portfolio structure



Asset allocation	%
• Africa	30.2
• North America	29.9
• Australia	15.8
• Asia	14.4
• South America	5.9
• Europe	2.3
• UK	0.2
• Other	0.0
• Cash	1.3

Capitalisation breakdown

% market exposure	Size	Market cap
11.9	Large	US\$5bn+
44.0	Mid	US\$1-\$5bn
44.1	Small	US\$0-\$1bn

10 largest of 113 holdings

Stock	% of fund	Stock	% of fund
Centerra Gold	9.1	Gold Fields	4.5
Endeavour Mining	6.8	Perseus Mining	4.4
Westgold Resources	6.5	Kinross Gold	3.6
Ramelius Resources	5.0	AngloGold Ashanti	3.3
IAMGOLD	4.9	OceanaGold	3.1

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.

The fund's prospectus and key investor information documents are provided in English and available on request or from 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.

Fund size £879.3m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.54	1.24
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 2020, assets managed by the Ruffer Group exceeded £20.3bn.

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