

LF Ruffer Gold Fund

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



December 2022 Issue 197

During the quarter, the fund's C accumulation shares rose by 11.10% from 210.14p to 233.46p. This compares to a rise of 11.28% in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price rose by 9.84% in US dollar terms and by 1.05% in sterling terms.

This quarter has been dominated by macro factors, in particular the outlook on inflation and interest rates. As we entered the quarter, the market was beginning to see signs of inflation starting to roll over, as energy prices started to abate. Wage pressures has not yet abated. With higher costs and high interest rates, there is a recognition that the risk of a slowdown/recession is rising. As a result, the market is sensing that interest rate hikes are coming to an end. During the quarter, the Federal Reserve raised rates by 75bps in November and by 50bps in December.

Based on these views, the US dollar declined by approximately 8% and gold and gold mining equities started to perform. In terms of the nature of the rally, the gold miners slightly outperformed gold bullion, but they should have performed much better. This could be partly explained by some operational challenges facing the mining companies over the quarter and potentially by some tax loss selling at the end of the year.

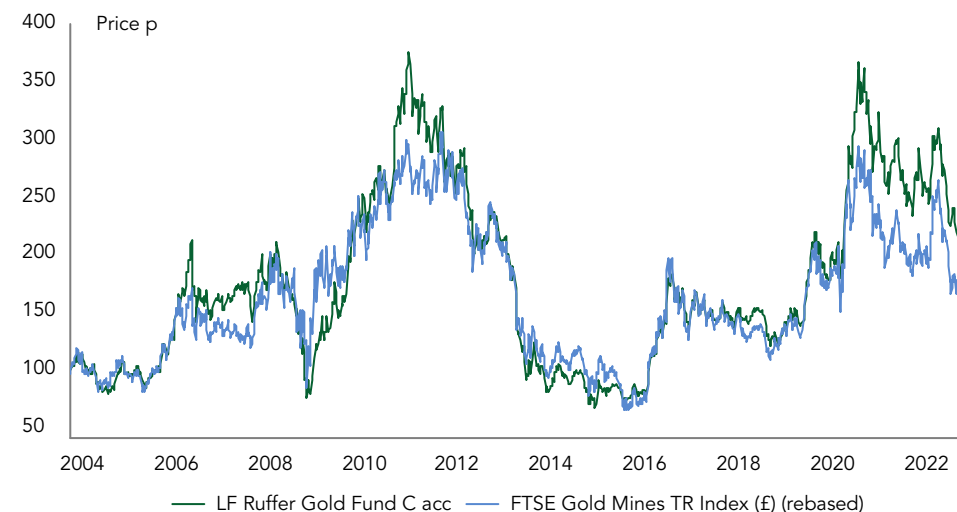
During the quarter, our top three biggest contributors are Mandalay Resources (+74.9% in local currency), Perseus Mining (+38.8% in local currency) and AngloGold Ashanti (+40.5% in local currency). Mandalay have been working on improving their mines over the past few years, growing production and reducing costs organically. Recently, they have increased the mine life of Costerfield to five years through exploration success. Perseus had a great third quarter as they had a record gold production and lower costs, leading to growing free cash flow. AngloGold is a turnaround story. Since, the CEO, Mr Calderon took over the reins 15 months ago, he has been implementing a plan to re-invest and improve their portfolio of mines. This is a slow process but there are some signs that these investments are starting to come through.

So far this move in gold miners has only been a reaction to an oversold position, but the improving fundamentals have not yet been factored into the share prices, particularly in the mid and small cap gold miners. The market does not yet have confidence that the gold price rally is sustainable. In addition, the falling inflationary pressures in oil and other consumables have not really come through in the quarterly numbers. Should the impact of the falling prices in oil and consumables start to be reflected in the accounts and the gold prices continue to trend upwards, the gold miners should start to outperform the gold price. The portfolio is in a good position to benefit from these trends.

Investment objective

To seek to achieve capital growth over the longer term (at least seven years), after all costs and charges have been taken. Capital invested is at risk and there is no guarantee that the objective will be achieved over any time period.

Performance since launch on 1 October 2003



C accumulation shares	Performance %	Share price as at 30 December 2022	p
Q4	11.1	C accumulation	233.46
Year to date	-11.3	C income	141.30
1 year	-11.3		
3 years	17.9		
5 years	55.6		
10 years	11.8		

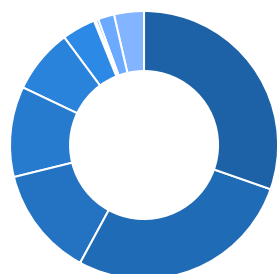
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

12 month performance to December %	2018	2019	2020	2021	2022
LF Ruffer Gold Fund C acc	-8.7	44.4	54.1	-13.7	-11.3
FTSE Gold Mines TR Index (£) (rebased)	-4.5	37.2	21.1	-9.6	-1.9

Source: Ruffer LLP, FTSE International

LF Ruffer Gold Fund as at 30 Dec 2022

Portfolio structure



Asset allocation	%		%
• North America	30.4	• UK	0.3
• Africa	27.4	• Other equities	0.2
• Australia	13.3	• Options and protection	0.0
• Asia	10.9	• Other	2.2
• South America	7.8	• Cash	3.5
• Europe	4.0		

Capitalisation breakdown

% market exposure	Size	Market cap
24.4	Large	US\$5bn+
22.7	Mid	US\$1-\$5bn
52.9	Small	US\$0-\$1bn

10 largest of 106 holdings

Stock	% of fund	Stock	% of fund
Endeavour Mining	7.3	AngloGold Ashanti	4.6
Perseus Mining	6.5	Ramelius Resources	3.8
Kinross Gold	6.4	Westgold Resources	3.3
Mandalay Resources	5.6	OceanaGold	3.0
Centerra Gold	5.5	Emerald Resources	2.9

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

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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.

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 **£521.3m**

Fund information

%	C class
Ongoing Charges Figure*	1.24
Annual management charge	1.2
Maximum initial charge	5.0
Yield	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	Accumulation GB00B8510Q93 Income GB00B8BZBT51
SEDOL	B8510Q9 B8BZBT5
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 2022, assets managed by the Ruffer Group exceeded £26.1bn.

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