

LF Ruffer Gold Fund

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



March 2023 Issue 198

It was an exciting quarter for gold and gold mining stocks as the market tried to sniff-out the top of the rate raising cycle in the US. The gold price fluctuated based on US economic data and commentary from FOMC board members until March when the sudden banking crisis shifted sentiment strongly in favour of gold and the gold price finished the quarter 8.0% higher in US dollar terms at \$1,969 per oz.

Gold mining stocks have responded, albeit in a relatively muted manner given that \$1,969 per oz is a healthy gold price for the sector. Nevertheless, it was heartening to see gold miners beyond the usual go to names responding to the price move, suggesting some confidence amongst investors that the gold price move is durable this time. Sterling strength was a headwind for the fund with sterling rising by 2.1% against the US dollar.

Key positive contributors to fund performance this quarter were Australian domestic miners whose stock prices fell very hard last year. Whilst many of the Australian domestic producers suffered operational set backs last year, with the very tight labour market in Western Australia being a key factor, we felt that the share prices falls of the stocks we held were hugely over-done given that they were all inexpensive companies with net cash balance sheets. A recovery in their stock prices was overdue given the labour market has been improving for some time and a weakening Australian dollar has reduced cost inflation pressures in US dollar terms. Indeed, the gold price hit a new record in terms of Australian dollars towards the end of March. The largest Australian domestic producer positions for the fund are Westgold Resources and Ramelius Resources (up 44% and 31% in sterling terms). Despite the strong recoveries, these stocks are still very cheap and are still well below their prices at the beginning of 2022. With the gold price hitting a new all time high in Australian dollar terms during the quarter we believe they have considerably more upside.

Other key positive contributors to fund performance were AngloGold Ashanti and Kinross (up 22% and 13% in sterling terms). These were the cheapest of the large producers at the beginning of the quarter so it is no surprise that they have performed strongly in a rising gold price environment. Kinross has actually performed less positively than one would have expected in this environment and if the gold price holds at current levels we would expect further upside through the course of this year; hence it is now the largest position in the fund.

Many of our small-cap positions have yet to respond to the rise in the gold price and did not contribute positively to performance in the quarter. Our largest small cap. position is Mandalay Resources and this was the largest negative contributor to performance as it fell 16% in sterling terms. We expect the company to be highly cash generative at this gold price level so are optimistic about returns from here.

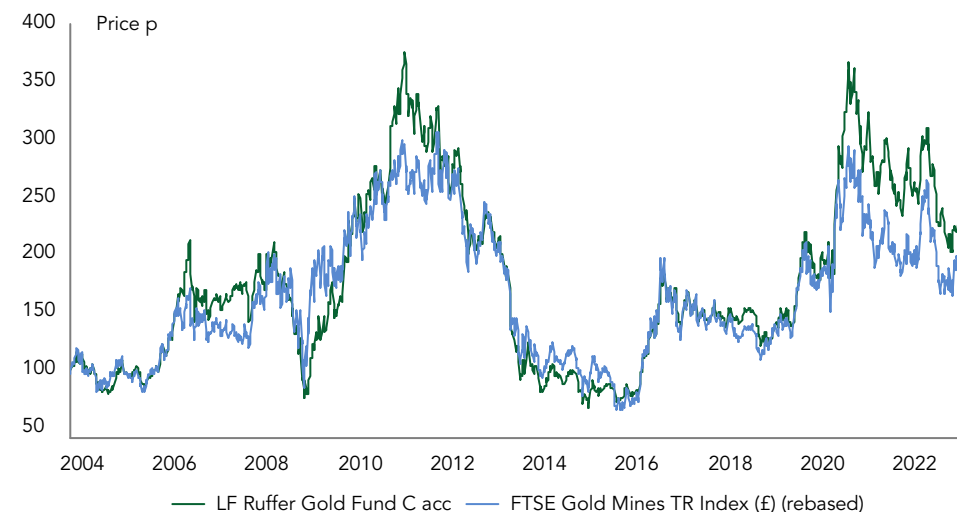
Whilst the banking crisis appears to have been contained we see it as indicative of a system struggling to cope with the sudden rise in US interest rates. Whilst gold may suffer set backs if rates have further to go than expected, the top of the rate raising cycle now looks close. This is undoubtedly a bullish environment for gold and with mining cost inflation now more muted, potentially an even better environment for gold miners.

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.

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



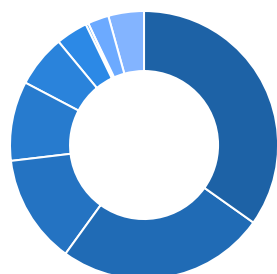
C accumulation shares	Performance %	Share price as at 31 March 2023	p
Q1	11.0	C accumulation	259.12
Year to date	11.0	C income	156.83
1 year	-13.5		
3 years	38.1		
5 years	82.8		
10 years	42.9		

12 month performance to March %	2019	2020	2021	2022	2023
LF Ruffer Gold Fund C acc	6.1	24.8	34.9	18.4	-13.5
FTSE Gold Mines TR Index (£) (rebased)	10.1	17.8	19.0	24.9	-11.9

Source: Ruffer LLP, FTSE International

LF Ruffer Gold Fund as at 31 Mar 2023

Portfolio structure



Asset allocation	%		%
• North America	34.8	• UK	0.3
• Africa	25.1	• Other equities	0.1
• Australia	13.3	• Options and protection	0.0
• Asia	9.5	• Other	2.5
• South America	6.3	• Cash	4.3
• Europe	3.8		

Capitalisation breakdown

% market exposure	Size	Market cap
29.1	Large	US\$5bn+
27.3	Mid	US\$1-\$5bn
43.6	Small	US\$0-\$1bn

10 largest of 99 holdings

Stock	% of fund	Stock	% of fund
Kinross Gold	6.7	Mandalay Resources	4.2
Endeavour Mining	6.6	Westgold Resources	4.1
Centerra Gold	5.7	Ramelius Resources	4.1
Perseus Mining	5.6	OceanaGold	3.0
AngloGold Ashanti	4.7	Emerald Resources	2.8

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 **£606.9m**

Fund information

	%
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

	Accumulation	Income
ISIN	GB00B8510Q93	GB00B88BZBT51
SEDOL	B8510Q9	B88BZBT5

Investment adviser	Ruffer LLP
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ACD	Link Fund Solutions Limited
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Depository	The Bank of New York Mellon (International) Limited
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Auditors	Ernst & Young LLP
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Structure	Sub-fund of LF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs
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*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 28 February 2023, assets managed by the Ruffer Group exceeded £26.2bn.

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