

LF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities

During the three month period from 1 April to 30 June the price of the fund's O accumulation shares decreased by 9.6% while the FTSE Japan Total Return Index fell by 6.7% in sterling and 3.7% in yen. The top contributors to the performance over the quarter were Daiichi Sankyo, Tokio Marine Holdings, Lifenet Insurance, Mitsubishi Electric and Kao. The largest negative contributors were Rakuten, Hoya, Keyence, Sony and Hamamatsu Photonics. For the last twelve month period, the price of the fund's O accumulation shares decreased by 16.4% while the FTSE Japan Total Return Index fell by 8.8% in sterling and 1.5% in yen.

Global equities had another tough trading session on the final day of the June quarter with the S&P 500 Index entering bear market territory technically speaking. The media has been full of negative headlines including central bank rate hikes, persistently high inflation, rising input costs, shortages from supply chain bottlenecks, Russia's invasion of Ukraine, an inverted yield curve and increasing recession risk. The fund has suffered in this environment, recording its second largest drawdown since inception falling by 23.9% from its all-time high in mid-September 2021 to June 30. However, we remain positive on our holdings as multi-year investment cases with a two to three year time horizon.

This is a bear market in magnitude. However it appears there are not many of the typical characteristics we would observe in a normal bear market from a stock market and economic cycle point of view. The current drawdown seems to resemble much more of an oversized correction like the one which prevailed in February/March 2020, caused by fears of lockdowns on a global scale.

Based on our regular communication with Japanese companies and our observations of overseas competitors, our impression is that we have been going through an adjustment process to deal with the negative factors stemming from lockdowns and Russia's invasion rather than the usual negative factors created by a normal economic and credit cycle. We think we are gradually returning to the low but positive growth environment which had prevailed before the arrival of covid-19.

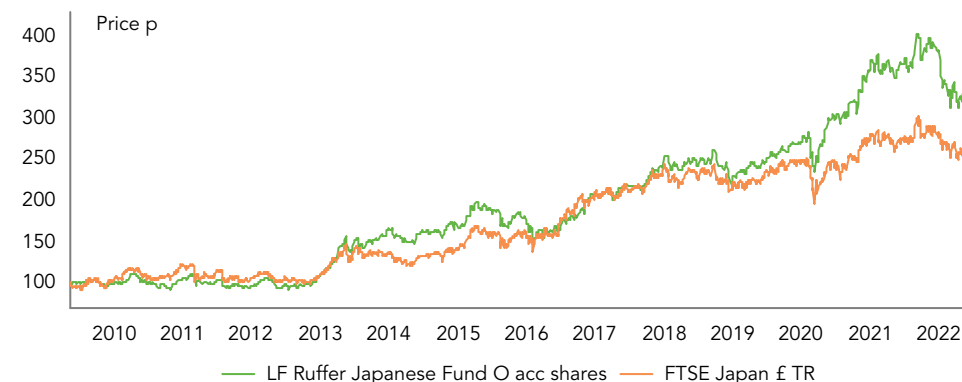
Our view on the stock market cycle remains the same: we are in the late stage of a prolonged bull market which started in March 2009 but was temporarily disrupted by the institutional responses to covid-19 and now the war in Ukraine. In this environment we think companies with high and stable gross profit margins are especially important as it helps them to absorb rising input costs and to fund their investments for future growth. We continue to think the combination of liquidity and quality remains important at this stage of the current stock market cycle. Our core strategy continues to be to identify multi-year investment cases which will deliver decent performance on a long-term basis.



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 14 May 2009



O accumulation shares	Performance %	Share price as at 30 June 2022	p
Q2	-9.6	O accumulation	308.20
Year to date	-19.2	C accumulation	317.93
1 year	-16.4	C income	147.94
3 years	23.8		
5 years	41.0		
10 years	205.2		

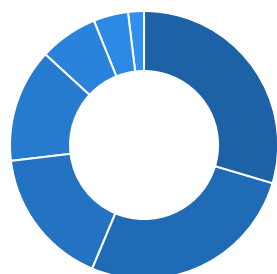
12 month performance to June %	2018	2019	2020	2021	2022
LF Ruffer Japanese Fund O acc shares	14.2	-0.2	22.7	20.7	-16.4
FTSE Japan £ TR	9.3	-1.2	6.8	12.0	-8.5

Source: Ruffer LLP, FTSE International (FTSE)†

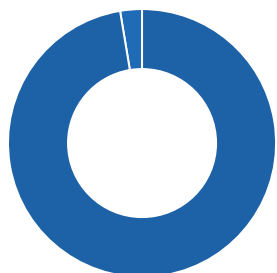
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

LF Ruffer Japanese Fund as at 30 Jun 2022

Portfolio structure



Asset allocation	%		%
• Technology	29.6	• Consumer	7.2
• Industrial	26.7	• Auto	4.0
• Healthcare	16.8	• Cash	2.0
• Financial	13.7		



Currency allocation	%
• Yen	97.4
• Sterling	2.6

10 largest of 33 equity holdings

Stock	% of fund	Stock	% of fund
Tokio Marine	6.6	Mitsubishi Electric	5.4
Daiichi Sankyo	6.5	NEC	4.8
Fujitsu	6.1	Hoya	4.5
ORIX	5.6	Shimadzu	4.3
Sony	5.6	Rohm	4.2

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 Japanese Fund is not registered for distribution in any country other than the UK.

Fund size **£354.4m**

Fund information

	O class	C class
Ongoing Charges Figure*	1.55	1.25
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	O class GB00B3SGKR77 (acc)	C class GB00B846SB60 (acc) GB00B88MBW20 (inc)
SEDOL	B3SGKR7 (acc)	B846SB6 (acc) B88MBW2 (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

Kentaro Nishida

INVESTMENT DIRECTOR

After obtaining a BEcon in Japan and studying Russian in Moscow he worked as an interpreter in both Russia and the UK. He moved into equity sales in 1988 for James Capel & Company Limited and then SG Warburg Securities in 1989. He joined Ruffer in 2008 to concentrate on Japanese equities and manages the LF Ruffer Japanese Fund.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2022, assets managed by the Ruffer Group exceeded £26.6bn.

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