

LF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities

During the period from 1 July to 30 September the price of the fund's 'C' accumulation shares increased by 0.7% while the FTSE Japan Total Return Index grew by 1.6% in sterling but fell -1.2% in yen. The top contributors to performance over the quarter were Hoya, Daiichi Sankyo, Hamamatsu Photonics, GMO Internet, and Lifenet Insurance. The largest detractors were Sony, NEC, Orix, Shimadzu, and Mitsubishi Electric.

Despite ending the quarter broadly where we began, the performance in between was anything but steady. Global markets remained volatile, hyper-sensitive to any scrap of inflation data or crumb of Fed speak. In Japan, this was no different. The dramatic depreciation of the yen against the dollar fuelled speculation ahead of the July Monetary Policy Meeting that there might be a change in policy away from yield curve control. However, there was no modification, and the consensus is that significant policy change may only take place after Governor Kuroda's exit in April 2023. Disheartened, the market turned its sights on the Ministry of Finance and whether they might directly intervene in the currency market to stop the yen's slide. They duly obliged, dipping into their foreign currency reserves for the first time since 1998. Though the yen immediately strengthened sharply, it took just two days to retrace its steps back to pre-intervention levels. The market called their bluff. Japan remains caught in a delicate balance; on the one hand, a rare chance to allow desired levels of inflation to bed in, ending decades of deflation; and on the other, inviting imported inflation to overshoot as the yen is weighed down by capped rates.

Whilst it has been a lively quarter on the macro front, it is important to stress that we do not seek to trade these events. Our strategy remains to conduct in-depth research on companies and sectors to uncover attractively valued equities with multi-year investment cases. We remain concentrated in high quality, highly liquid names with strong balance sheets. As macro-minded as we get is to avoid low gross margin businesses that can easily have their profits wiped out by modest cost inflation. Similarly, those companies with high piles of debt to refinance at rising rates face headwinds.

However, this discipline has not protected the fund's performance of late. Versus the peak in September 2021 the fund's 'C' accumulation shares are down -23.2%; the second largest drawdown since inception. One might think this is cause for pessimism, but on closer inspection of the underlying holdings we think it is optimism that should prevail. Many of these companies have excellent long-term track records, almost all have no financial risk, and the vast majority tend to take share in turbulent times such as these. Valuations have come in somewhat, but the operations are more our concern. We are positive on the outlook for corporate Japan, and especially for those companies in which we are part owners.

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.

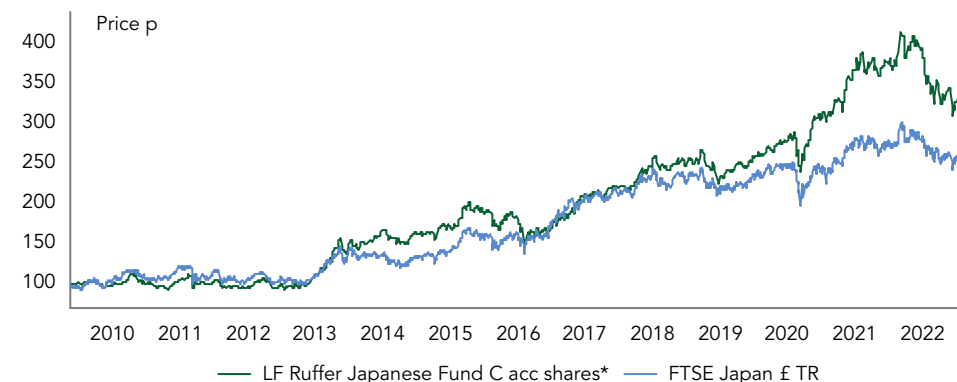


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Investment objective

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



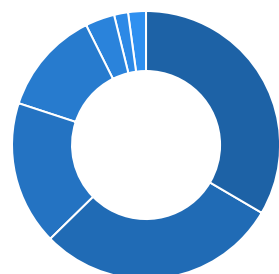
C accumulation shares	Performance %	Share price as at 30 September 2022	p
Q3	0.7	O accumulation	310.08
Year to date	-18.5	C accumulation	320.11
1 year	-20.9	C income	148.58
3 years	18.3		
5 years	41.3		
10 years	223.5		

12 month performance to September %	2018	2019	2020	2021	2022
LF Ruffer Japanese Fund C acc shares*	18.8	0.5	21.6	23.0	-20.9
FTSE Japan £ TR	13.9	0.3	2.6	16.9	-13.6

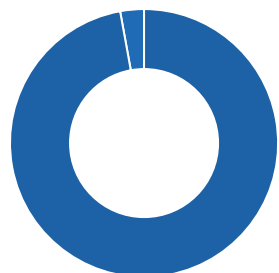
Ruffer LLP, FTSE International (FTSE)† *This share class has performance data calculated prior to its inception date, 19 Sept 2012. This is based upon a simulated/extended track record, using the track record of LF Ruffer Japanese Fund O acc.

LF Ruffer Japanese Fund as at 30 Sep 2022

Portfolio structure



Asset allocation	%		%
• Technology	33.4	• Consumer	3.7
• Industrial	29.4	• Auto	1.7
• Healthcare	17.3	• Cash	2.1
• Financial	12.5		



Currency allocation	%
• Yen	97.1
• Sterling	2.9

10 largest of 30 equity holdings

Stock	% of fund	Stock	% of fund
Hoya	5.7	Daiichi Sankyo	5.1
NEC	5.6	ORIX	5.0
Rohm	5.6	Keyence	4.9
Tokio Marine	5.4	Hamamatsu Photonics	4.6
Fujitsu	5.4	GMO Internet	4.4

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 **£273.2m**

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	0.26
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	
Dealing line	0345 601 9610	

Enquiries

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*Refers to accumulation shares

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Fund team

Kentaro Nishida

FUND MANAGER

Obtained a BEcon in Japan and studied Russian in Moscow, working as an interpreter in Russia and the UK. Previous roles include equity sales for James Capel & Company and SG Warburg Securities. Joined Ruffer in 2008 to concentrate on Japanese equities, he is an Investment Director and manages the LF Ruffer Japanese Fund.



Tristan Matthews

RESEARCH DIRECTOR

Joined Ruffer's client portfolio team in 2009 after graduating with a degree in economics from the University of Cambridge. In 2012 he joined the Research department, initially in Hong Kong. His focus is Japanese equities and he is a CFA charterholder.



Theo Wyld

RESEARCH ANALYST

Graduated from Durham University in 2013 with a degree in mathematics and holds an MA in the mathematics of finance from Columbia University. He spent three years as a UK equity analyst at JM Finn, joining Ruffer in 2018. He specialises in Japanese equities and is a CFA charterholder.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2022, assets managed by the Ruffer Group exceeded £26.3bn.

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