

CF Ruffer European Fund

Providing capital growth by investing in a diversified pan-European portfolio



During January, the fund's O accumulation shares decreased by 1.6% from 496.6p to 488.43p. This compares to a 7.7% decrease in the STOXX Europe 600 in euro terms and a 4.5% decrease on a comparable, sterling-adjusted basis. The fund's equity exposure was 78.8% at the end of January; with 2.7% of that figure in index put options, the underlying 'long' equity exposure was 76.1%. At the end of December, the headline figure was 76.9%, with 0.6% in index put options.

January began with a bang: before we had even woken for the first day of 2016 trading the Chinese stock market had crashed seven percent and the newly installed 'circuit breaker' suspended trading. What started in the east swept west with European and American markets all sharply down. And so things continued: the Chinese market fell further, the circuit breaker triggered another suspension, which in turn resulted in the suspension of said circuit breaker itself (in the very week in which it had been introduced!). A slew of not so positive economic data added to the fear, and in combination with the prospect of Iran resuming exports, drove the price oil below \$30 for the first time in over a decade. Markets were seemingly in free fall and by mid-January had entered 'bear' territory – the STOXX Europe 600 and DAX both down more than 10% year to date and considerably more from their 2015 peaks. Things began to turn a little more positive towards the end of the month as the oil price stabilised and Mario Draghi spoke soothing words by suggesting the European Central Bank would 'review and possibly reconsider' its monetary policy stance in March. Nevertheless, January 2016 will be remembered for establishing several 'the worst since' records.

Turning now to the fund it is a relief to report performance which is considerably less volatile and negative than that of the broader market. We entered the year with a moderate degree of put option protection, a position we doubled as soon as it was clear to us all was not well in China. That decision served us well, with the value of our options rising to over four percent of the fund at the height of January's turmoil. Amid that turmoil the market threw up buying opportunities and we added to four existing positions and initiated two new ones at what we consider to be attractive valuations.

During the month we also attended conferences in Denmark, Switzerland and Germany: our feeling is that company fundamentals are steady, with no particular reason for either undue fear or optimism. Despite that, we expect the bang with which the year started to usher in greater volatility as markets react to the tension between positive real economic activity in developed markets and negative impulses in financial conditions and liquidity. Tighten your seatbelts, it could be bumpy ride ahead; but one in which we expect increased volatility to throw up attractive opportunities for stock pickers like us to take advantage of.

Investment objective

The fund aims to provide capital growth by investing in a diversified pan-European portfolio of predominantly equities, though fixed income securities may also be utilised if the Investment Manager believes they will assist in meeting the overall objective of the fund.

Performance since launch on 5 June 2002



Performance %	January 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-1.6	-1.6	0.6	16.4	27.6	158.3

Percentage growth (O acc)	%	Share price as at 29 January 2016	p
31 Dec 2014 – 31 Dec 2015	4.9	O accumulation	488.43
31 Dec 2013 – 31 Dec 2014	-0.7	C accumulation	493.52
31 Dec 2012 – 31 Dec 2013	23.2		
31 Dec 2011 – 31 Dec 2012	7.4		
31 Dec 2010 – 31 Dec 2011	-6.0		

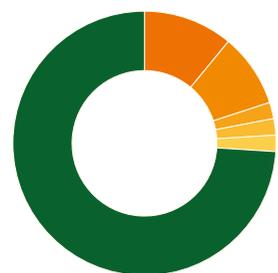
Source: Ruffer LLP

CF Ruffer European Fund as at 29 January 2016

Portfolio structure



Asset allocation	%		%
● UK index-linked gilts	16	● UK	14
● Options	3	● Germany	12
● Cash	3	● France	11
● Gold	2	● Sweden	6
		● Switzerland	2
		● Norway	2
		● Italy	1



Currency allocation	%
● Sterling	74
● Swedish krona	11
● Swiss franc	9
● Norwegian krone	2
● US dollar	2
● Other	2

10 largest holdings (3 bonds and 61 equities)

Stock	% of fund	Stock	% of fund
Aurelius	5.5	Loomis	4.3
UK Treasury index-linked 0.125% 2024	5.4	ORPEA	4.1
UK Treasury index-linked 1.1875% 2022	5.3	Raisio	3.4
UK Treasury index-linked 0.125% 2019	5.2	4d pharma	3.3
IP Group	4.7	Svenska Cellulosa	3.2

Source: Ruffer LLP

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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.

Fund size £242.0m

Fund information

%	O class	C class
Ongoing Charges Figure	1.57	1.27
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.27
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward to 10am Wednesday, based on NAV Plus forward from 10am on last Wednesday of the month to last business day of the month	
ISIN	O class GB0031678161	C class GB00B84JVJ48
SEDOL	3167816	B84JVJ4
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depositary	BNY Mellon Trust & Depositary (UK) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of CF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

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Fund Manager

Timothy Youngman

INVESTMENT DIRECTOR

Moved into European equity research in 1985, after a period with McKinsey & Co and at Manchester Business School. He moved from Savory Milln to SG Warburg in 1988, then to an independent research boutique in 1999, before joining Ruffer in 2003.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 January 2016, assets managed by the Ruffer Group exceeded £18.0bn, of which over £9.2bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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