

CF Ruffer European Fund

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



During July, the fund's O accumulation shares increased by 1.4% from 545.86p to 553.68p. This compares to a 0.4% decrease in the FTSE Developed Europe in euro terms and a 1.5% increase on a comparable, sterling-adjusted basis. The fund's gross equity exposure was 76.9% at the end of July, with 0.8% in index put options. At the end of June, the gross figure was 77.2%, with 0.9% in index put options.

European equity markets rose in the first half of the month before resuming a downwards drift consistent with the trend which started in mid-May. This was in contrast to US indices which repeatedly hit all time highs as technology stocks once again surged. Three factors contributed to Europe's relative weakness: tempering of investor sentiment towards the region following the excitement and inflows of the past six months; lower exposure to technology stocks and a rapid strengthening of the euro, most notably against the dollar. The DAX was particularly weak with exposure to exporters exacerbated by falls in automotive stocks following fresh rumours of malpractice. Within this context the fund fared relatively well driven by contributions from Comet (semi-conductor hardware), Earthport (financial technology), Hapag Lloyd (shipping), Meyer Burger (solar hardware) and the DAX put option. Elsewhere in the fund we continued trimming positions where prices had run ahead of fundamentals and adding to special situations where valuations appear more reasonable.

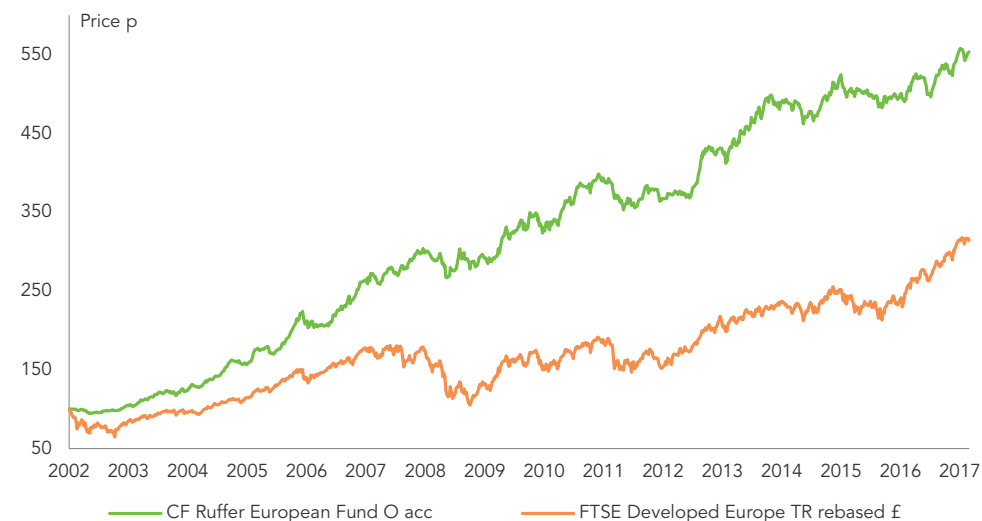
Despite Europe's cyclical recovery and renaissance amongst global investors we continue to look for mispriced securities which are 'off the beaten track'. Whilst our lower exposure to stocks favoured by fast money and exchange traded funds (ETFs) moderates short-term performance, it is an important part of our long-term strategy of capital preservation. Our hypothesis is that when sentiment turns and funds are withdrawn, mechanistic selling by ETFs will lead to less buoyant valuations.

Two companies with lower ETF exposure are Madrid-listed Prosegur Security and Prosegur Cash. We have followed the former for several years and as its name indicates, it provides security services: guarding, alarms and cash. Guarding is undergoing a transformation to a higher quality business driven by technology and the annuity-like alarms business is growing rapidly. The jewel in the crown however is the recently listed Prosegur Cash which commands leading positions in the growing and profitable Latin America cash services market, strong positions in Europe and footholds in Africa and Asia. Having been investors in Loomis since 2009 we appreciate the dynamics and economics of cash services and expect Prosegur Cash to compound value for years to come. An additional attraction is the ownership structure: the highly competent founding/ managing family owns 50.1% of Prosegur Security which in turn retains 72.5% of Prosegur Cash. The lower free-floats mean these stocks are included in fewer indices and hence less exposed to ETFs. That said, the investments are not without their own idiosyncratic risks: limited liquidity combined with exposure to Brazil and Argentina leave plenty of room for volatility.

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 %	July 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	1.4	7.9	8.7	13.9	48.7	106.2

Percentage growth (O acc)	%	Share price as at 31 July 2017	p
30 Jun 2016 – 30 Jun 2017	10.7	O accumulation	553.68
30 Jun 2015 – 30 Jun 2016	-1.6	C accumulation	562.03
30 Jun 2014 – 30 Jun 2015	1.6	C income	104.31
30 Jun 2013 – 30 Jun 2014	18.5		
30 Jun 2012 – 30 Jun 2013	12.5		

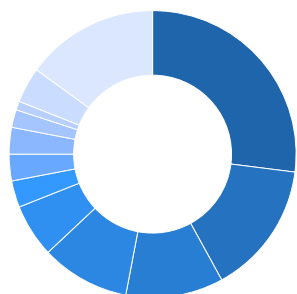
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the STOXX Europe 600 to the FTSE Developed Europe Index as Ruffer adopts FTSE as a data provider for all funds.

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.

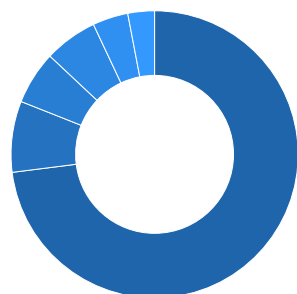
The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer European Fund is not registered for distribution in any country other than the UK.

CF Ruffer European Fund as at 31 July 2017

Portfolio structure



Asset allocation	%		%
• UK	27	• Norway	3
• France	15	• Gold	3
• Germany	11	• Italy	2
• Sweden	10	• Options	1
• Switzerland	6	• Cash	4
• Spain	3	• UK index-linked gilts	15



Currency allocation	%
• Sterling	73
• Euro	8
• US dollar	6
• Swedish krona	6
• Swiss franc	4
• Norwegian krone	3

10 largest holdings (3 bonds and 53 equities)

Stock	% of fund	Stock	% of fund
UK Treasury index-linked 0.125% 2024	7.5	Booker Group	2.9
UK Treasury index-linked 1.875% 2022	7.5	Kaufman & Broad	2.9
ORPEA	3.6	Loomis	2.8
Autoliv	3.5	Deutsche Post	2.7
Comet	3.1	Statoil ASA	2.7

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 £229.1m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.58	1.28
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.06
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 (acc)	C class GB00B84JVJ48 (acc) GB00B7KNM781 (inc)
SEDOL	3167816 (acc)	B84JVJ4 (acc) B7KNM78 (inc)
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depository	BNY Mellon Trust & Depository (UK) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of CF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

Dealing line 0345 601 9610

*Refers to accumulation shares

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Fund Managers

Claire Titmarsh



Joined Ruffer in 2005 after graduating with a first class honours degree in economics and finance. Joined the CF Ruffer European Fund team in 2011, becoming co-manager in 2016.

Simon Mountain



Joined the CF Ruffer European Fund team in 2013, becoming co-manager in 2016. Prior to this a strategy consultant at Bain & Company. Worked in PwC's Transaction Services practice advising on European private equity deals. Holds a Masters degree in Manufacturing Engineering from the University of Cambridge.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 July 2017, assets managed by the Ruffer Group exceeded £21.3bn, of which over £12.5bn was managed in open-ended Ruffer funds.

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