

CF Ruffer Gold Fund

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



During July, the fund's O accumulation shares fell 12.9% from 83.15p to 72.44p. This compares to a decrease of 21.2% in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price decreased by 6.5% in US\$ and 6.0% in sterling.

This was a painful month for investors in the gold mining sector. Just after the middle of the month gold broke through recent lows at around \$1,150 per oz and fell sharply to below \$1,100 per oz. These levels are seen as significant by many participants in the market and mining stocks hit very heavy selling pressure on 17 and 20 July, having already fallen hard in the preceding days. Stocks were sold during this period with little regard to their fundamental qualities and there was more than a whiff of panic in the air. The fall in gold was accompanied by a continued broad sell-off in other commodities as concerns around the outlook for demand in China continued.

As explained in previous monthly reports, our portfolio is designed so that it should beat a falling index. It is always unfortunate to lose investors' money, however in this instance the positive we can take away from the performance is that it was significantly better than the FTSE Gold Mines Total Return Index. The helpful side to the sharp fall in mining stocks is that it has presented us with new opportunities, we continued to buy throughout the month and have initiated several new positions.

The outstanding performer for us this month was Australian miner, Regis Resources. This was an existing holding but we increased our position significantly during the month following a positive update to the market at the end of June results. The business appears to have turned the corner after a difficult period and it is well-placed to handle lower gold prices. We view the announcements of a dividend and likely share buy-backs as heartening and indicative of a management team well-aligned with shareholder interests.

Silver Wheaton, the silver and gold streaming business, suffered following a decision by the Canadian tax authorities regarding its liability to Canadian tax. Whilst this has implications for the valuation of Silver Wheaton, we have added to our position as the stock has fallen to a level which prices in a poor eventual outcome (Silver Wheaton's management continue to dispute the position of the Canadian tax authorities).

Despite initial expectations, the gold mining industry as a whole managed to adapt to a gold price of c \$1,200 per oz without much difficulty – there have been very few mine closures and gold miners have generally still sought growth (albeit funding has been more difficult to obtain). We believe adapting to a gold price below \$1,100 per oz will be a different matter. Falls in the currencies of the countries in which the mines are based will continue to soften the blow for many but despite this, if the gold price stays at this level we are likely to see real pain in the industry. Stock selection will be important as there is likely to be increasing divergence between those miners who are positioned to cope with this environment and those who do not.

Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

Performance since launch on 1 October 2003



Performance %	July 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-12.9	-0.6	-25.9	-66.1	-70.4	-27.5

Percentage growth (O acc)	%	Share price as at 30 July 2015	p
30 Jun 2014 – 30 Jun 2015	-9.6	O accumulation	72.44
30 Jun 2013 – 30 Jun 2014	0.5	C accumulation	73.10
30 Jun 2012 – 30 Jun 2013	-55.8		
30 Jun 2011 – 30 Jun 2012	-30.6		
30 Jun 2010 – 30 Jun 2011	13.1		

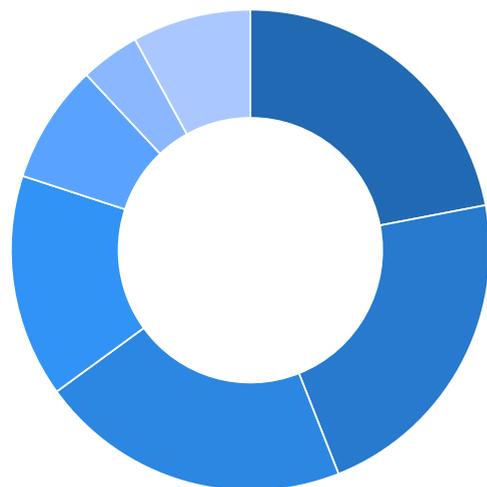
Source: Ruffer LLP

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

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.

CF Ruffer Gold Fund as at 31 July 2015

Portfolio structure



	%
• Africa	22
• North America	22
• Australia	21
• Asia	15
• South America	8
• Other	4
• Cash	8

Capitalisation breakdown

% market exposure	Size	Market cap
19.0	Large	US\$5bn+
17.1	Mid	US\$1-\$5bn
54.0	Small	US\$0-\$1bn

10 largest of 76 holdings (representing 64 companies)

Stock	% of fund	Stock	% of fund
Northern Star Resources	5.1	Gold Fields	3.5
Regis Resources	4.8	Mandalay Resources	3.5
Silver Wheaton	4.7	Lake Shore Gold	3.2
Metals Exploration	4.4	Nord Gold	3.1
Endeavour Mining	3.9	Evolution Mining	3.0

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 £181.5m

Fund information

%	O class	C class
Ongoing Charges Figure	1.64	1.33
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 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 GB0033628156	C class GB00B8510Q93
SEDOL	3362815	B8510Q9
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

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 CF 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 31 July 2015, assets managed by the Ruffer Group exceeded £18.5bn, of which over £8.9bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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