

CF Ruffer Gold Fund

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



During June, the fund's O accumulation shares rose by 22.4% from 127.15p to 155.62p. This compares to a 33.7% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price rose by 8.8% in US\$ and by 18.3% in sterling.

This month was dominated by two events, in the first half of the month market expectations for the path of US interest rate rises fell sharply after disappointing economic data from the US and then, more dramatically, the market was caught by surprise by the outcome of the UK referendum on membership of the EU on 23 June. Gold and gold mining stocks rallied on each of these events, hitting new highs for the year. In addition, sterling fell very hard on the outcome of the UK referendum, and this contributed almost as much to performance of the fund over the month as the rise in stock prices.

Both these outcomes were difficult to predict in advance, and had they been different then probably gold mining stocks would have performed very poorly. In accordance with our goal of providing exposure to gold equities but reducing the downside risk, we positioned the fund into each of these events with the aim of providing asymmetric exposure to the outcome (ie more upside in the event of an outcome positive to gold than downside in the event of an outcome negative for gold), rather than simply to maximise upside. For example, as communicated in our May monthly report, we tilted the portfolio towards special situations and away from the large capitalisation 'go to names' in the sector, which have risen to very high valuations relative to gold. We believe that this approach delivers superior risk/reward for our investors.

During the month, the largest positive contributors to performance were Endeavour Mining, AngloGold Ashanti, Acacia Mining and Gold Fields. All of these stocks have special situations elements to them, ie there are changes occurring at the businesses which we believe have the potential to materially improve market perception of them. In addition, it is interesting to note that all of these are primarily African businesses – our position sizes in these stocks reflects our view that the discount applied to African miners has become too large, as noted in previous monthly reports.

UK listed gold miners (eg Randgold and Fresnillo) performed particularly well following the vote for 'Brexit' as investors bought into them as a hedge against further sterling weakness.

With US interest rates on hold, negative sovereign bond yields across the developed world and the UK leaderless, but seemingly intent on leaving the EU, it is hard to construct a bear case for gold. Perhaps the only reason to worry is that it is hard to see how it can get any better! However, it is worth remembering that we invest in gold miners and following the performance this month, the sector as a whole is now pricing in a substantially higher gold price. Large capitalisation 'go to names' experienced further sharp rises and some have now reached valuations which are impossible to rationalise. We continue to find some value in special situations, but the number of attractive opportunities has reduced. It is only fair to warn investors that the rise in valuations across the sector has now reached a stage where our ability to reduce exposure to the downside in the event of a correction in the sector has become more limited.

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



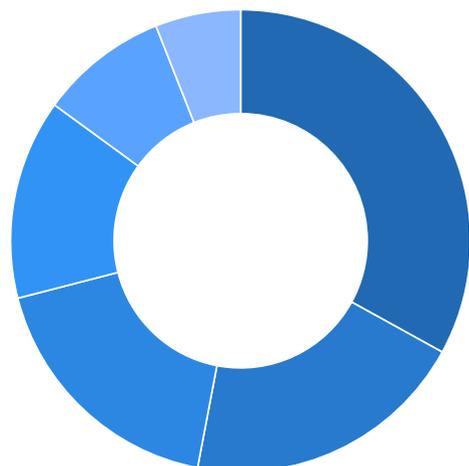
Performance %	June 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	22.4	91.2	87.2	70.1	-47.8	-4.7

Percentage growth (O acc)	%	Share price as at 30 June 2016	p
30 Jun 2015 – 30 Jun 2016	87.2	O accumulation	155.62
30 Jun 2014 – 30 Jun 2015	-9.6	C accumulation	157.49
30 Jun 2013 – 30 Jun 2014	0.5		
30 Jun 2012 – 30 Jun 2013	-55.8		
30 Jun 2011 – 30 Jun 2012	-30.6		

Source: Ruffer LLP

CF Ruffer Gold Fund as at 30 June 2016

Portfolio structure



	%
• Africa	33
• Australia	20
• North America	18
• Asia	14
• South America	9
• Cash	6

Capitalisation breakdown

% market exposure	Size	Market cap
23.2	Large	US\$5bn+
43.4	Mid	US\$1-\$5bn
33.5	Small	US\$0-\$1bn

10 largest of 105 holdings (representing 83 companies)

Stock	% of fund	Stock	% of fund
Endeavour Mining	7.7	Northern Star Resources	4.1
AngloGold Ashanti	5.8	Mandalay Resources	4.1
Kinross Gold	5.1	Evolution Mining	3.6
Acacia Mining	4.9	Nord Gold	3.2
Gold Fields	4.2	Newmont Mining	3.1

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 £730.6m

Fund information

%	O class	C class
Ongoing Charges Figure	1.66	1.33
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.16	0.26
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 30 June 2016, assets managed by the Ruffer Group exceeded £18.5bn, of which over £10.1bn was managed in open-ended Ruffer funds.

Dealing line

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