

CF Ruffer Gold Fund

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



During August, the fund's O accumulation shares fell by 9.9% from 176.15p to 158.69p. This compares to a 16.1% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price fell by 3.1% in USD and by 2.5% in sterling.

The gold price drifted lower this month as market expectations for a US rate rise in either September or December increased. Considering the relatively mild move in gold, gold mining stocks performed very poorly with the sector experiencing several days of indiscriminate selling for the first time since January. The sharp fall in gold mining stocks compared to gold likely reflects the amount of profit to take (given year to date performance) and a relatively illiquid market.

As gold related stocks fell across all of the markets in which we invest, almost all of our positions delivered negative contributions in August, with the size of the negative largely driven by the size of the position in the fund. As a result, our largest negative contributors this month were Endeavour Mining, Kinross Gold and Evolution Mining (their share prices fell 21.3%, 22.3% and 21.5% respectively in sterling terms). We used the share price weakness to add to our positions in all of these stocks but made the largest increase to our weighting in Evolution Mining.

Evolution Mining has long been a core holding in the fund due to its high margin production, low risk country exposure (100% Australia) and shareholder friendly management team. During August, Evolution agreed to acquire an interest in Glencore's Ernest Henry mine in Australia. This adds another long-life, high margin mine to Evolution's portfolio at a value accretive price and we were happy to increase our shareholding to help fund the acquisition.

Another Australian miner in which we increased our position during August was Metals X. The company has accumulated a substantial portfolio of gold and base metal mining assets in Australia at low prices over the past couple of years and is now in a position to invest in the portfolio and maximise its value. We also added to a number of other positions in Australian listed small capitalisation stocks in response to share price falls as this is a sector where we see a lot of lowly valued stocks at the present time.

Whilst overall the fund held up reasonably well this month, some of our positions were hit very hard (eg DRDGOLD in South Africa which fell 37.8% in sterling terms). In many cases these stock price falls were not justified by fundamentals and, as a result, when we look across our portfolio today we feel quite optimistic about the potential, even if we only see a reasonably benign gold price. In the month ahead the performance of gold is likely to be driven by whether the Federal Open Market Committee decides to raise US interest rates on 21 September. Following this, market attention is likely to switch fairly quickly to either the US election in November or the prospects for a US rate rise in December. As usual, we will try to position the fund to capture more of the potential upside from these events than the downside.

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 %	August 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-9.9	95.0	113.8	32.8	-50.4	-0.2

Percentage growth (O acc)	%	Share price as at 31 August 2016	p
30 Jun 2015 – 30 Jun 2016	87.2	O accumulation	158.69
30 Jun 2014 – 30 Jun 2015	-9.6	C accumulation	160.69
30 Jun 2013 – 30 Jun 2014	0.5		
30 Jun 2012 – 30 Jun 2013	-55.8		
30 Jun 2011 – 30 Jun 2012	-30.6		

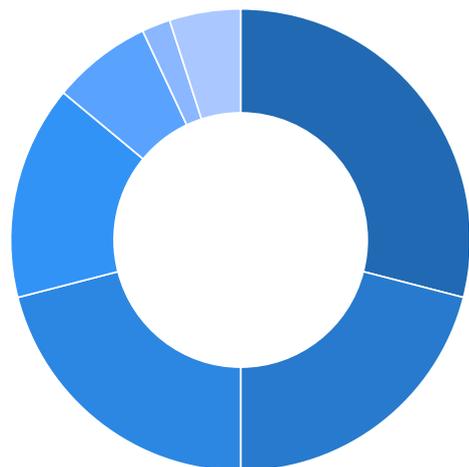
Source: Ruffer LLP, FTSE International (FTSE)†

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 August 2016

Portfolio structure



	%
• Africa	29
• Australia	21
• North America	21
• Asia	15
• South America	7
• Other	2
• Cash	5

Capitalisation breakdown

% market exposure	Size	Market cap
21.7	Large	US\$5bn+
42.7	Mid	US\$1-\$5bn
35.6	Small	US\$0-\$1bn

10 largest of 104 holdings (representing 84 companies)

Stock	% of fund	Stock	% of fund
Endeavour Mining	7.3	AngloGold Ashanti	4.1
Evolution Mining	5.0	Gold Fields	3.9
Kinross Gold	4.4	Nord Gold	3.5
Mandalay Resources	4.2	Metals X	3.0
Northern Star Resources	4.1	Newmont 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 £729.4m

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	

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 August 2016, assets managed by the Ruffer Group exceeded £20.0bn, of which over £10.9bn was managed in open-ended Ruffer funds.

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