

CF Ruffer Gold Fund

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



During September, the fund's O accumulation shares rose by 4.8% from 158.69p to 166.23p. This compares to a 5.1% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price rose by 0.5% in US\$ and by 1.8% in sterling.

The gold price traded in a narrow range during the month between \$1,308 and \$1,350, ultimately finishing approximately where it started. Gold mining stocks recovered somewhat from their sharp falls in August, in particular on the decision of the Federal Open Market Committee (FOMC) to leave US interest rates unchanged on 21 September. However, the decision was not a surprise and it felt like the rally lacked conviction.

In September we attended the Denver Gold Conference as usual. This is the largest annual gold mining conference and is a good place both to meet a large number of companies and also to pick-up the mood of the sector. We found attendees in buoyant mood and all parts of the industry back on the front foot. Companies have emerged leaner from the downturn of the past few years with lower costs and repaired balance sheets. After the rise in the gold price this year, margins are healthy and thoughts are turning to the longer term. Given the dramatic share price rises this year, compelling new investment ideas were relatively thin on the ground but we identified a number of interesting less-well known small capitalisation companies which we have now initiated positions in.

Given valuations across the sector and potential headwinds for gold ahead, we tried to reduce the generic beta of the portfolio by further reducing our holdings of large capitalisation 'go to names' and increasing our focus on special situations which offer a better risk/reward.

Our largest positive contributions this month came from our three largest holdings: Endeavour Mining, Evolution Mining and Northern Star, up 29.8%, 18.9% and 20.7% respectively (all in sterling terms). These were largely reversals of stock price falls in August but also reflected positive impressions made by all three companies at the Denver conference.

In the months ahead, key drivers of performance of our sector are likely to be the perceived prospects for a US rate rise in December and risks around the outcome of the US presidential election in November. Following the FOMC decision on 21 September, there has been a considerable focus on the unusually high level of dissent within the committee. Combined with strong economic data from the US, this has raised expectations for an interest rate rise in December. This is likely to be a headwind for the gold price and at the time of writing, the beginning of October has already seen a sharp fall in gold.

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 %	September 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	4.8	104.2	113.8	59.1	-39.3	9.4

Percentage growth (O acc)	%	Share price as at 30 September 2016	p
30 Sep 2015 – 30 Sep 2016	113.8	O accumulation	166.23
30 Sep 2014 – 30 Sep 2015	-8.4	C accumulation	168.36
30 Sep 2013 – 30 Sep 2014	-18.7		
30 Sep 2012 – 30 Sep 2013	-55.8		
30 Sep 2011 – 30 Sep 2012	-13.7		

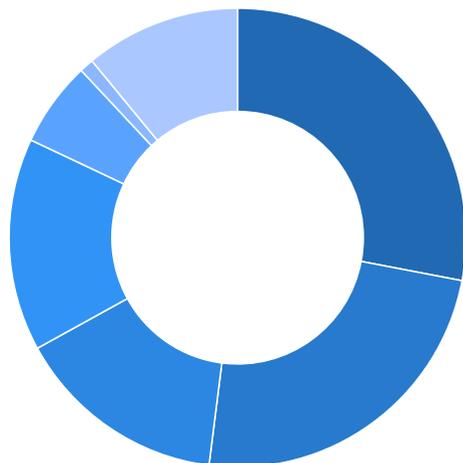
Source: Ruffer LLP, FTSE International (FTSE)[†]

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 30 September 2016

Portfolio structure



	%
• Africa	28
• Australia	24
• North America	15
• Asia	15
• South America	6
• Other	1
• Cash	11

Capitalisation breakdown

% market exposure	Size	Market cap
14.6	Large	US\$5bn+
47.5	Mid	US\$1-\$5bn
37.9	Small	US\$0-\$1bn

10 largest of 110 holdings (representing 86 companies)

Stock	% of fund	Stock	% of fund
Endeavour Mining	7.2	Mandalay Resources	3.9
Evolution Mining	5.8	Gold Fields	3.6
Northern Star Resources	5.4	Nord Gold	3.6
Kinross Gold	4.6	Metals X	3.1
AngloGold Ashanti	4.1	Acacia Mining	3.0

Source: Ruffer LLP

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The information contained in this document does not constitute investment advice and should not be used as the basis of any investment decision. References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities. Ruffer LLP has not considered the suitability of this fund against any specific investor's needs and/or risk tolerance. If you are in any doubt, please speak to your financial adviser.

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 £762.1m

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	0.15	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 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 30 September 2016, assets managed by the Ruffer Group exceeded £20.1bn, of which over £11.1bn was managed in open-ended Ruffer funds.

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