

# CF Ruffer Gold Fund

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



January 2017 Issue 158

During January, the fund's O accumulation shares rose by 7.2% from 143.37p to 153.65p. This compares to a 10.1% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price rose by 5.5% in USD and 3.5% in sterling.

Having bottomed on 22 December, gold rallied fairly strongly over January. As mentioned in the November monthly factsheet, we were surprised by the initial market reaction to Donald Trump's election victory. The broad rally in the US stock market and the US dollar and the sharp fall in the gold price implied Trump was regarded as an unqualified positive for the global economy. Over January there seems to have been a partial re-appraisal of this initial conclusion as the new president has shown himself to be serious about implementing the less market-friendly aspects of the programme he espoused during the election campaign. Investors have also been unnerved by the president's novel approach to international diplomacy and the subordination of traditional news media to Twitter. The rising gold price in January was accompanied by a fall in the US dollar and both price moves appear to have been driven primarily by the perception of heightened global risk as the Trump presidency became a reality.

The largest positive contributors to performance this month were Kinross Gold up 23.2%, Kirkland Lake Gold up 34.7% and Endeavour Mining up 26% (all in the sterling terms). These share price rises reflect the low valuations of these companies at the end of 2016 and the general strong recovery in Canadian listed gold mining stocks rather than any stock specific developments. Despite the strong share price performances, the valuations of these stocks remain low and so we are confident they can each continue to do well given only a benign gold price environment. There were few material negative contributors in January but stocks listed in the UK, Australia and South Africa generally underperformed their North American listed peers.

In December we noted that the overall situation appeared surprisingly similar to this time last year with the key difference being the greater underlying strength of the US economy. Economic data from the US has continued to be strong during January and we are concerned that, despite the Trump risk premium, the gold price may correct as the prospect of further interest rate rises becomes more front-of-mind. We also noted in December that the valuation of large capitalisation gold mining stocks was high relative to gold and during January this valuation gap has increased further in most cases. As a result we have continued to reduce these types of positions and reduced the beta of the fund to the gold price by increasing our cash position.

## 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 %	January 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	7.2	7.2	80.8	71.1	-47.2	-3.5

Percentage growth (O acc)	%	Share price as at 31 January 2017	p
31 Dec 2015 – 31 Dec 2016	76.1	<b>O accumulation</b>	<b>153.65</b>
31 Dec 2014 – 31 Dec 2015	11.7	<b>C accumulation</b>	<b>155.78</b>
31 Dec 2013 – 31 Dec 2014	-10.8		
31 Dec 2012 – 31 Dec 2013	-60.8		
31 Dec 2011 – 31 Dec 2012	-18.0		

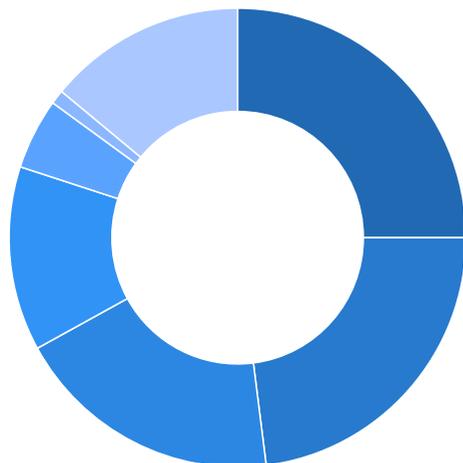
Source: Ruffer LLP, FTSE International (FTSE)†

The fund's prospectus and key investor information documents are provided in English and available on request or from [www.ruffer.co.uk](http://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 January 2017

## Portfolio structure



	%
• Africa	25
• Australia	23
• North America	19
• Asia	13
• South America	5
• Other	1
• Cash	14

### Capitalisation breakdown

% market exposure	Size	Market cap
3.9	Large	US\$5bn+
57.1	Mid	US\$1-\$5bn
39.0	Small	US\$0-\$1bn

## 10 largest of 116 holdings (representing 88 companies)

Stock	% of fund	Stock	% of fund
Evolution Mining	5.4	AngloGold Ashanti	3.9
Northern Star Resources	5.3	Mandalay Resources	3.7
Kinross Gold	5.1	Kirkland Lake Gold	3.7
Gold Fields	4.2	Acacia Mining	3.5
Nord Gold	4.0	Endeavour Mining	3.5

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 £707.7m

### 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	0.17	0.29
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 January 2017, assets managed by the Ruffer Group exceeded £20.8bn, of which over £11.6bn was managed in open-ended Ruffer funds.

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