

CF Ruffer Gold Fund

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



During April, the fund's O accumulation shares fell by 5.5% from 149.94p to 141.65p. This compares to a 5.2% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 1.5% in US dollar terms and down 1.7% in sterling.

April was dominated by election news. The main focus was on the first round of the French elections on 23 April. Once the results were announced, the market became comfortable that Emmanuel Macron had a high likelihood of winning the overall election and investors adopted a more 'risk-on' positioning. The Euro and general equities rallied, whilst gold and gold mining shares were sold. Earlier in the month, Theresa May's announcement of a surprise UK general election triggered a sharp rally in sterling and this had a material negative impact on the fund over the month.

During April, the gold mining sector was unsettled by the announcement of a large change in methodology for compiling the Global Junior Gold Miners Index. This index is tracked by a number of passive tracker funds including VanEck Vectors Junior Gold Miners ETF (GDXJ). The GDXJ has been a malign influence in the sector for many years as it has distorted the share prices of mid and small capitalisation gold mining companies, undermining the efficiency of the market. Due to large inflows in recent years, the GDXJ has become so large that it now has large percentage holdings in many of its constituents (>15% in many cases). This situation was (rightly) judged to be unsustainable by the product creators and so it was announced that the number of constituents in the index will be increased (larger mid-cap gold mining companies will be added) and hence the weightings of the existing constituents in the index will be reduced. Rather incredibly, this was in effect a public announcement by the GDXJ that it will liquidate over a third of its positions in the middle of June without regard to price! It is no exaggeration to say that the GDXJ and its constituents have fallen off a cliff since this announcement with the GDXJ down c. 18% between the announcement and the end of April (in sterling terms). A number of stocks in our portfolio have been impacted by this change.

The largest negative contributor to our performance in April was Endeavour Mining, down 18% in sterling terms. This was at least partly attributable to the GDXJ announcement above as we expect the GDXJ to be selling a substantial part of its position in the company. A number of our Australian small capitalisation companies in which the GDXJ is a large shareholder also suffered badly this month. On the other hand, the largest positive contributor to performance this month, Evolution Mining (up 3.3% in sterling terms), is expected to be a beneficiary of the change as it will be a new addition to the Global Junior Gold Miners Index.

As a result of the general sell-off in the sector since the middle of February and the dislocations caused by the blundering passive tracker funds, we can again find attractive investment opportunities. We have selectively added to positions we regard as undervalued and progressively made our overall positioning less conservative.

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 %	April 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-5.5	-1.2	7.3	48.0	-40.2	-16.8

Percentage growth (O acc)	%	Share price as at 28 April 2017	p
31 Mar 2016 – 31 Mar 2017	32.5	O accumulation	141.65
31 Mar 2015 – 31 Mar 2016	39.2	C accumulation	143.72
31 Mar 2014 – 31 Mar 2015	-15.6	C income	87.09
31 Mar 2013 – 31 Mar 2014	-46.8		
31 Mar 2012 – 31 Mar 2013	-28.3		

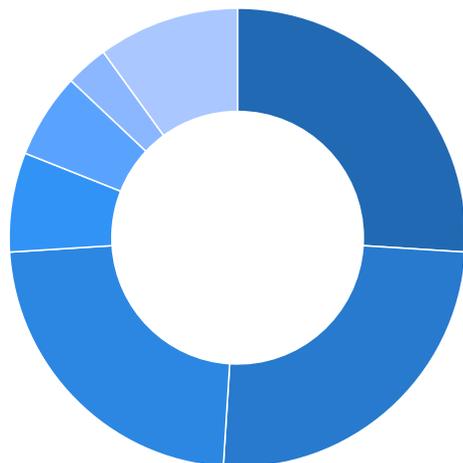
Source: Ruffer LLP, FTSE International (FTSE)[†]

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 28 April 2017

Portfolio structure



	%
• North America	26
• Australia	25
• Africa	23
• South America	7
• Asia	6
• Other	3
• Cash	10

Capitalisation breakdown

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

10 largest of 93 holdings (representing 91 companies)

Stock	% of fund	Stock	% of fund
Northern Star Resources	5.9	Kirkland Lake Gold	3.9
Evolution Mining	5.8	St Barbara	3.3
Kinross Gold	5.0	Regis Resources	3.0
Gold Fields	4.8	AngloGold Ashanti	3.0
Newmont Mining	4.0	Endeavour Mining	2.9

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 £653.2m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.59	1.29
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.36	0.55
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	GB0033628156 (acc)	GB00B8510Q93 (acc) GB00B8BZBT51 (inc)
SEDOL	3362815 (acc)	B8510Q9 (acc) B8BZBT5 (inc)
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depository	BNY Mellon Trust & Depository (UK) Limited	
Auditors	Grant Thornton UK LLP	
Structure	Sub-fund of CF Ruffer Investment Funds (OEIC) UK domiciled UCITS Eligible for ISAs	

* Refers to accumulation shares

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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 April 2017, assets managed by the Ruffer Group exceeded £21.1bn, of which over £11.9bn was managed in open-ended Ruffer funds.

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