

CF Ruffer Gold Fund

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



During May, the fund's O accumulation shares rose by 2.5% from 141.65p to 145.18p. This compares to a 1.4% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 0.1% in US dollar terms and 0.5% in sterling.

At the beginning of May, the gold price continued the fall that began at the end of April as the market digested the result of the French presidential election. However, the new US president soon stepped in to prop up the gold price, by peremptorily firing the director of the FBI and then finding himself almost consumed in a storm of accusations of obstruction of justice and threats of impeachment. Whilst the direct impact of this event may be short-lived, it seems likely to cause lasting damage to the president's ability to push through the promised legislative programme. Pessimism about the prospects for meaningful business-friendly reforms and infrastructure spending combined with an apparent weakening of the economic data in the US and China has provided more solid support for the gold price into the end of May.

During May, the gold mining sector continued to be distorted by the approaching re-balancing of the Junior Gold Miners ETF (GDXJ) scheduled for the middle of June (see last month's report for an explanation of this). Some of the GDXJ constituents which will be affected have continued to sell-off in anticipation of the event whilst others have recovered from their lows.

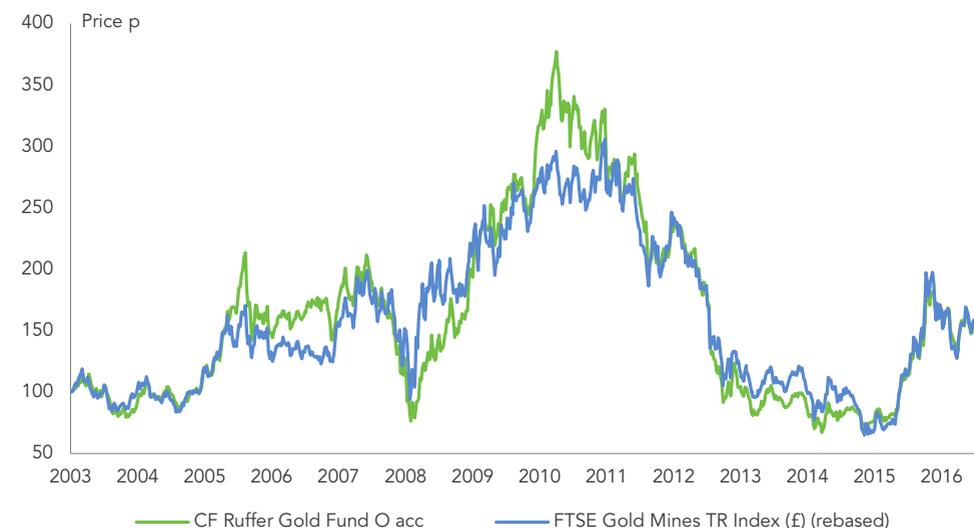
The largest positive contributor to the performance of the fund in May was Kinross Gold. This has long been a large position in the portfolio. In the last couple of months it appears that management's consistent delivery on guidance and the company's glaring under-valuation relative to peers have come to the notice of other investors and it has significantly out-performed the market. We believe that the process of returning this company to a 'normal' valuation is only just beginning. Other key contributors were Northern Star Resources and Gold Fields. Both of these stocks are expected to be beneficiaries of the GDXJ re-balancing, as they are likely to be new additions to the Global Junior Gold Miners Index.

We are currently finding a relative abundance of attractive investment opportunities. Gold mining stocks have generally performed considerably worse than the gold price in recent months and hence the sector is now inexpensive relative to gold. In addition, many smaller capitalisation stocks have sold-off excessively in anticipation of the approaching GDXJ re-balancing.

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 %	May 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	2.5	1.3	14.2	66.2	-30.5	-14.8

Percentage growth (O acc)	%	Share price as at 31 May 2017	p
31 Mar 2016 – 31 Mar 2017	32.5	O accumulation	145.18
31 Mar 2015 – 31 Mar 2016	39.2	C accumulation	147.35
31 Mar 2014 – 31 Mar 2015	-15.6	C income	89.28
31 Mar 2013 – 31 Mar 2014	-46.8		
31 Mar 2012 – 31 Mar 2013	-28.3		

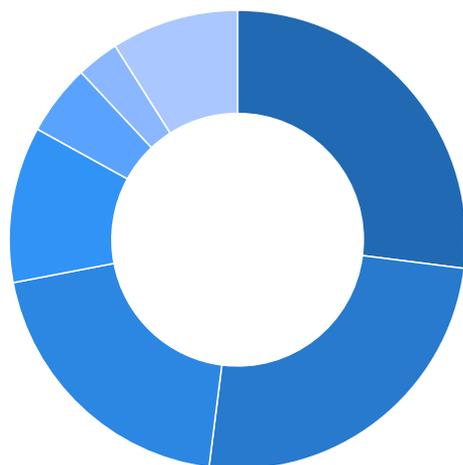
Source: Ruffer LLP, FTSE International (FTSE)[†]

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 31 May 2017

Portfolio structure



	%
• North America	27
• Australia	25
• Africa	20
• South America	11
• Asia	5
• Other	3
• Cash	9

Capitalisation breakdown

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

10 largest of 96 holdings (representing 92 companies)

Stock	% of fund	Stock	% of fund
Northern Star Resources	6.0	Newmont Mining	3.7
Evolution Mining	5.7	Kirkland Lake Gold	3.7
Kinross Gold	5.4	Endeavour Mining	3.0
Gold Fields	5.0	St Barbara	2.9
Yamana Gold	4.7	Regis Resources	2.9

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 £702.7m

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	0.35	0.54
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	
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	

* 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 31 May 2017, assets managed by the Ruffer Group exceeded £21.3bn, of which over £12.2bn was managed in open-ended Ruffer funds.

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