

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 rose by 6.0% from 142.44p to 150.94p. This compares to a 10.0% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 4.1% in US dollar terms and up 6.4% in sterling terms.

The gold price rally which started in July continued into August. As the month progressed, general nervousness about the level of the US stock market, an escalation of geopolitical tensions regarding North Korea's nuclear weapons programme and concerns regarding the impact of Hurricane Harvey combined to push the gold price through the psychologically important level of \$1,300 per oz for the first time this year. Gold mining stocks have been relatively slow to respond to the latest rally in the gold price, especially 'unloved' small cap. stocks in which we have been quite heavily positioned following the GDXJ re-balance in mid-June, but towards the end of the month we saw the index starting to rise more aggressively.

The two largest positive contributors to fund performance in August were Northern Star Resources (up 20% in sterling terms) and Kirkland Lake Gold (up 28% in sterling terms). Northern Star Resources has been a core position in the fund for several years. It is focused purely on underground mining in Australia. The company has an exceptional operating and exploration track record and the market has gradually come to appreciate the strong investment proposition it offers. Kirkland Lake Gold became a large position in the fund much more recently. It has performed exceptionally well this year, (up >100% in sterling terms), and whilst the prospects for the company remain good, we believe the stock has risen above fair value and so we sold the majority of our position at the end of August.

Two of the largest negative contributors to the performance of the fund in August were Tahoe Resources (down 11% in sterling terms) and Mandalay Resources (down 7%). Tahoe Resources has suffered this year because of a rather arbitrary decision of the Guatemalan courts to suspend the mining licence of its silver mine in the country, following a challenge against the approval process the Guatemalan government undertook when the mine was initially approved many years ago. Risk of this type is a normal part of investing in the mining sector and we manage our exposure through the construction of our portfolio. In this case we hope that good sense will prevail, and the mine will be allowed to restart whilst any appropriate redress is determined.

As noted in previous factsheets, gold mining stocks have generally performed poorly relative to the gold price this year and so despite the rise in the sector this month there is some way for many stocks to go if the gold price holds at the current level, especially beyond the most obvious names in the sector. The fund has been selectively investing in a number of companies which are attractively valued, but have been effectively ignored.

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 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	6.0	5.3	-4.9	52.3	-28.0	4.6

Percentage growth (O acc)	%	Share price as at 31 August 2017	p
30 Jun 2016 – 30 Jun 2017	-8.0	O accumulation	150.94
30 Jun 2015 – 30 Jun 2016	87.2	C accumulation	153.30
30 Jun 2014 – 30 Jun 2015	-9.6	C income	92.89
30 Jun 2013 – 30 Jun 2014	0.5		
30 Jun 2012 – 30 Jun 2013	-55.8		

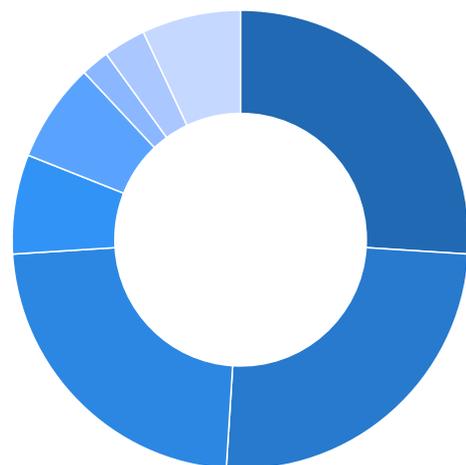
Source: Ruffer LLP, FTSE International (FTSE)†

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 2017

Portfolio structure



	%
• North America	26
• Australia	25
• Africa	23
• Asia	7
• South America	7
• Europe	2
• Other	3
• Cash	7

Capitalisation breakdown

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

10 largest of 102 holdings (representing 95 companies)

Stock	% of fund	Stock	% of fund
Evolution Mining	5.6	Westgold Resources	3.8
Northern Star Resources	5.5	Wheaton Precious	3.1
Gold Fields	4.9	St Barbara	2.9
Kinross Gold	4.8	AngloGold Ashanti	2.2
Endeavour Mining	3.8	Regis Resources	2.1

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 £727.7m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.57	1.27
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.33	0.51
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 (acc)	C class 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 31 August 2017, assets managed by the Ruffer Group exceeded £21.6bn, of which over £12.7bn was managed in open-ended Ruffer funds.

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