

CF Ruffer Gold Fund

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



November 2017 Issue 168

During November, the fund's O accumulation shares fell by 2.7% from 142.67p to 138.84p. This compares to a 1.4% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was up 0.3% in US dollar terms and down 1.5% in sterling terms.

The gold price was eerily subdued during November. However, gold mining stocks continued to sell off as US equity markets drove relentlessly higher. Within the gold mining sector, trends which we have seen throughout this year were very much in evidence with small cap stocks under performing large cap stocks and momentum driving increasingly divergent valuations. We believe a contributory factor to these trends has been a general lack of interest in the gold mining sector which is also visible in the underperformance of gold mining stocks relative to gold this year. Being value focused, we typically position for a reversal of stock price trends which are not justified by the fundamentals and so as the year has progressed we have incrementally increased our exposure to small/mid cap stocks and to stocks which have suffered from negative momentum. We have also incrementally increased our overall exposure to gold mining equities as they have underperformed gold. This carries near term risks as we will suffer increasingly badly so long as prevailing trends continue but we believe that we are now well-positioned should the sector benefit from a return of investor interest.

The three largest positive contributors to fund performance in November were Northern Star Resources (up 8% in sterling terms), St Barbara (up 7% in sterling terms) and AngloGold Ashanti (up 10% in sterling terms). Northern Star Resources and St Barbara are both Australian gold miners which have long been core positions in the fund. Both of these companies are high margin dividend-payers which are still at a discount to comparable Canadian peers despite several years of very strong performance.

AngloGold Ashanti has had a difficult year but, along with several of our other South African gold miners, in November it benefited from investors looking to speculate on (or insure themselves against) the outcome of the African National Congress leadership conference in December. The outcome of this conference is likely to be very important for the future of South Africa and we expect very high volatility in our South African positions through December. Naturally we hope that the conference will offer a new direction for South Africa, but it is unclear to us which outcome would be better for the performance of our stocks in the short term! Needless to say given the high degree of uncertainty, all South African precious metals miners are now cheap by any measure.

Looking forward, one thing we are confident about is that the recent low volatility in gold is unlikely to last. Unfortunately, we have less confidence regarding the direction the gold price will take but given the valuation of the stocks we hold relative to gold, we do believe the fund offers an attractive risk/reward profile.

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 %	November 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-2.7	-3.2	-2.8	83.3	-36.9	-21.1

Percentage growth (O acc)	%	Share price as at 30 November 2017	p
30 Sep 2016 – 30 Sep 2017	-13.1	O accumulation	138.84
30 Sep 2015 – 30 Sep 2016	113.8	C accumulation	141.12
30 Sep 2014 – 30 Sep 2015	-8.4	C income	85.41
30 Sep 2013 – 30 Sep 2014	-18.7		
30 Sep 2012 – 30 Sep 2013	-55.8		

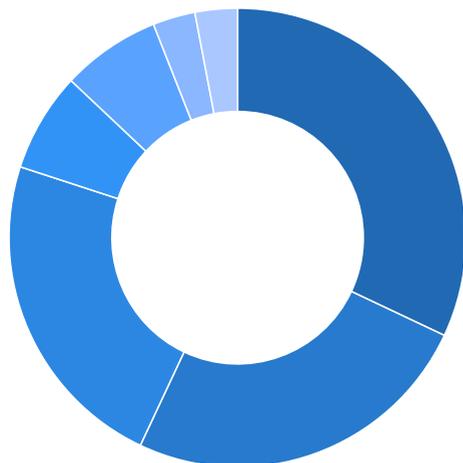
Source: Ruffer LLP, FTSE International (FTSE)†

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 30 November 2017

Portfolio structure



	%
• North America	32
• Australia	25
• Africa	23
• Asia	7
• South America	7
• Other	3
• Cash	3

Capitalisation breakdown

% market exposure	Size	Market cap
18.6	Large	US\$5bn+
41.2	Mid	US\$1-\$5bn
40.2	Small	US\$0-\$1bn

10 largest of 117 holdings (representing 112 companies)

Stock	% of fund	Stock	% of fund
Evolution Mining	5.5	Westgold Resources	3.8
Kinross Gold	5.1	Endeavour Mining	3.4
Gold Fields	5.0	St Barbara	2.9
Northern Star Resources	4.4	AngloGold Ashanti	2.8
Barrick Gold	4.2	Wheaton Precious	2.8

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 £686.0m

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	0.37	0.62
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 30 November 2017, assets managed by the Ruffer Group exceeded £22.0bn, of which over £13.3bn was managed in open-ended Ruffer funds.

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