

CF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



September 2016 Issue 89

During the period from 1 September to 30 September the price of the fund's O accumulation units decreased by 0.3% from 182.27 pence to 181.66 pence. In the same period, the TOPIX on a sterling adjusted basis rose by 2.5%, while the TOPIX in yen went down by 0.5%. As of the close on 30 September, the fund was 97.1% invested in Japanese equities and its net cash position was 2.9%.

Regarding attribution for the period, Seven & I Holdings [3382 JP], Infomart Corporation [2492 JP], Recruit Holdings [6098 JP], Otsuka Corporation [4768 JP] and M3 [2413 JP] were the biggest positive contributors, while Resona Holdings [8308 JP], Mazda Motor Corporation [7261 JP], Mitsubishi UFJ Financial Group [8306 JP], NTT Data Corporation [9613 JP] and Mitsubishi Electric Corporation [6503 JP] provided the largest negative contributions.

During the month, we decreased the fund's exposure to the yen further from c 30% to c 10% of the fund's NAV. We participated in the public offering of Recruit Holdings and the company is now one of the top five holdings in the fund as a result. We also added to some of the existing holdings and initiated a small position in a small-cap construction company.

September saw the TOPIX (down by 0.5% in local currency) outperforming the Nikkei 225 index (down by 2.6%) as market participants anticipated Bank of Japan (BoJ) action to decrease purchases of ETFs based on the Nikkei 225 and increase its purchase of ETFs based on the TOPIX. Small-cap equities outperformed large-cap names with the JASDAQ up by 1.8% in yen and the MOTHERS Index rising by 4.9%. The yen itself appreciated by c 2% against the US dollar during the month.

Japanese equities continued to rise into September. The improvement in the Chinese Purchasing Managers' Index announced on 1 September and a better than expected US employment figure published on 5 September contributed to the yen's fall and higher Japanese equity prices. However, the US ISM Non-Manufacturing Index announced on 6 September fell to its lowest level in six years, further fuelling the view that the Fed might not be able to raise rates at its September meeting. The yen rose and Japanese equities fell as a result. General market activity slowed ahead of the 20-21 September BoJ Monetary Policy Meeting and the US Federal Reserve's FOMC meeting. Ahead of the BoJ announcement, anticipation of a net reduction in purchases toward the long end led to a steepening of the yield curve, which boosted the share prices of financial stocks. Despite being the consensus view, the Fed's decision to keep its policy rate unchanged led to an appreciation of the yen which put downward pressure on Japanese share prices. Concerns over the stability of Deutsche Bank also contributed to negative sentiment globally.

We spent two weeks in Japan visiting companies and their operations in Tokyo and a number of other prefectures. The trip increased our conviction in some of our existing holdings as well as presenting a number of new ideas which warrant further investigation.

Investment objective

The investment objective of CF Ruffer Japanese Fund is to provide capital growth by investing in a portfolio of predominantly Japanese equities, though Japanese fixed income securities and fixed income securities and equities from other geographical areas may be utilised if the Investment Manager believes they will assist in meeting the overall objective of the sub fund. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions and other investments to the extent that each is permitted by the regulations. There will be no particular emphasis on any industrial or economic sector.

Performance since launch on 14 May 2009



Performance %	September 2016	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	-0.3	-1.4	8.4	18.3	82.6	na	
Percentage growth (O acc)	%		Share price as at 30 September 2016				p
30 Sep 2015 – 30 Sep 2016	8.4		O accumulation		181.66		
30 Sep 2014 – 30 Sep 2015	1.0		C accumulation		184.17		
30 Sep 2013 – 30 Sep 2014	8.1						
30 Sep 2012 – 30 Sep 2013	55.2						
30 Sep 2011 – 30 Sep 2012	-0.5						

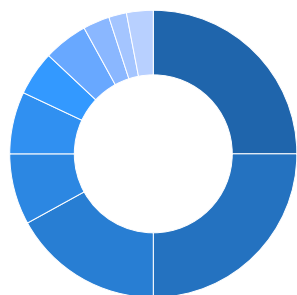
Source: Ruffer LLP

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.

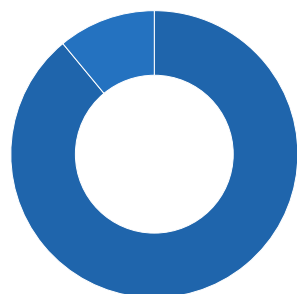
The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Japanese Fund is not registered for distribution in any country other than the UK.

CF Ruffer Japanese Fund as at 30 September 2016

Portfolio structure



Asset allocation	%		%
• Industrial	25	• Real estate	5
• Financial	25	• Healthcare	5
• Technology	17	• Retail	3
• Services	8	• Auto	2
• Consumer	7	• Cash	3



Currency allocation	%
• Sterling	89
• Yen	11

10 largest of 51 equity holdings

Stock	% of fund	Stock	% of fund
Sony	5.1	Mitsubishi Electric	3.5
ORIX	4.9	Seven & I Holdings	3.3
Recruit	3.8	T&D Holdings	3.0
Rakuten	3.5	Tokio Marine	2.7
Fujitsu	3.5	NTT Data	2.6

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 £442.5m

Fund information

%	O class	C class
Ongoing Charges Figure	1.57	1.24
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.04	0.33
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	

Share classes	Accumulation only	
	O class	C class
ISIN	GB00B3SGKR77	GB00B846SB60
SEDOL	B3SGKR7	B846SB6
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

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Fund Manager

Kentaro Nishida
INVESTMENT DIRECTOR



After obtaining a BEcon in Japan and studying Russian in Moscow he worked as an interpreter in both Russia and the UK. He moved into equity sales in 1988 for James Capel & Company Limited and then SG Warburg Securities in 1989. He joined Ruffer in 2008 to concentrate on Japanese equities and manages the CF Ruffer Japanese Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2016, assets managed by the Ruffer Group exceeded £20.1bn, of which over £11.1bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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