

CF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



During November, the price of the fund's O accumulation shares increased by 1.3% from 236.00 to 239.13 pence. In the same period, the FTSE Japan Total Return Index on a sterling adjusted basis rose by 0.9%, while the FTSE Japan Total Return Index in yen went up by 1.5%. As of the close on 30 November, the fund was 96% invested in Japanese equities, its cash position was 4% and its exposure to the yen was 27%.

Regarding attribution, Sony Corp [6758 JP], Dai-ichi Life Holdings [8750 JP], T&D Holdings [8795 JP], Harmonic Drive [6324 JP] and Otsuka Corp [4768 JP] were the biggest positive contributors, while Fujitsu [6702 JP], Murata Manufacturing [6981 JP], Mitsubishi Motors [7211 JP], Mitsubishi Electric [6503 JP] and Mazda Motor [7261 JP] provided the largest negative contributions.

We continued to increase the fund's exposure to pharmaceuticals in November. We also initiated a position in Japan Post Holdings [6178 JP] to provide interest rate sensitivity at an attractive discount. We continued to trim the fund's exposure to some technology and industrial companies which are key in the global semiconductor and factory automation supply chains. They have performed strongly over the last eighteen months and the automation sector has experienced significant inflows in the short term. In the longer term, we remain positive on our holdings, given their strong business outlook.

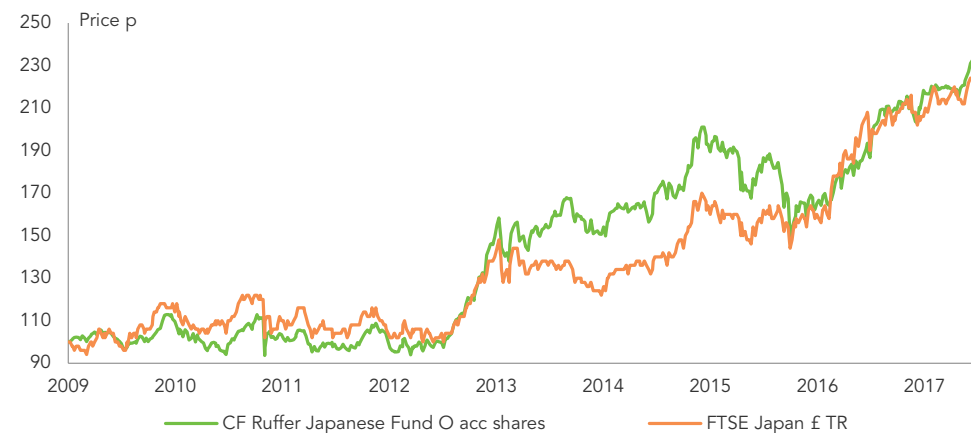
The second quarter earnings season concluded in mid-November with later reporting sectors (eg financials) continuing the strong showing from October. Bottom line earnings across the Tokyo Stock Exchange First Section in Q2 were c18% higher year on year reaching their highest level in twelve years. Overall margins have now reached the level of fiscal year ending March 2007. In a continuation of a structural theme there have been many notable positive shareholder return related developments. After a year on year decline in the first half of this fiscal year, share buybacks have picked up again as expected. Noteworthy examples in November in the fund include Tokio Marine's [8766 JP] capital adjustment driven ¥100bn (c £660m using the 5 December spot rate) and MUFG's [8306 JP] seventh consecutive half yearly share buyback (also ¥100bn).

The resilience of Japanese financials' Q2 earnings combined with market speculation on the Bank of Japan's (BoJ) policy in 2018, has led to renewed focus on the sector. The BoJ is faced with a difficult task amidst a quickening pace of monetary policy normalisation in the US and Europe. BoJ Governor Kuroda's speech on 13 November appeared to mark a change in stance with respect to the current monetary policy's impact on the banking sector. Whilst we think policy will remain ultra-easy, aimed at surpassing the 2% inflation target, it has been interesting to observe BoJ board members' comments on striking the right balance. Yen strength (negative for inflation) in a global risk off scenario could well leave Japan vulnerable as the BoJ does not wish to be forced into further cutting back its purchases of government bonds to offset downward pressure on yields. The result could be sharper yen appreciation. Based on our positive stance on the health of corporate Japan amidst an improving macroeconomic backdrop, we retain significant exposure to the financial sector in the fund.

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 %	November 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	1.3	15.9	18.1	37.6	133.5	na

Percentage growth (O acc)	%	Share price as at 30 November 2017	p
30 Sep 2016 – 30 Sep 2017	22.7	O accumulation	239.13
30 Sep 2015 – 30 Sep 2016	8.4	C accumulation	243.29
30 Sep 2014 – 30 Sep 2015	1.0	C income	114.33
30 Sep 2013 – 30 Sep 2014	8.1		
30 Sep 2012 – 30 Sep 2013	55.2		

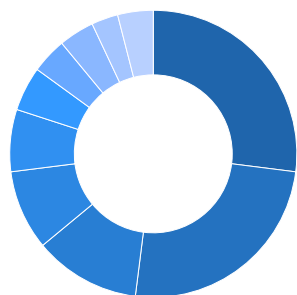
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the TOPIX to the FTSE Japan Index as Ruffer adopts FTSE as a data provider for all funds.

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.

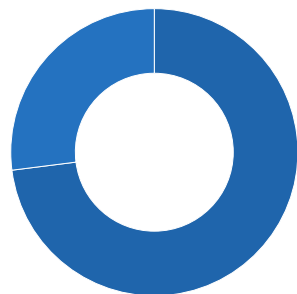
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

CF Ruffer Japanese Fund as at 30 November 2017

Portfolio structure



Asset allocation	%		%
• Financial	27	• Services	5
• Industrial	25	• Real estate	4
• Technology	12	• Auto	4
• Healthcare	9	• Retail	3
• Consumer	7	• Cash	4



Currency allocation	%
• Sterling	73
• Yen	27

10 largest of 69 equity holdings

Stock	% of fund	Stock	% of fund
Sony Corp	5.0	Dai-ichi Life Insurance	2.8
ORIX	4.2	Tokio Marine	2.3
Fujitsu	3.6	Seven & I Holdings	2.1
Mitsubishi Electric	3.3	Mitsubishi UFJ Financial	2.1
T&D Holdings	3.1	Daiichi Sankyo	2.0

Source: Ruffer LLP

The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

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 £581.7m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.55	1.25
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.00	0.23
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 (acc)	GB00B846SB60 (acc) GB00B88MBW20 (inc)
SEDOL	B3SGKR7 (acc)	B846SB6 (acc) B88MBW2 (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

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 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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* Refers to accumulation shares

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