

CF Ruffer Pacific Fund

Consistent positive returns by investing in a diversified portfolio of Asia Pacific securities



April 2017 Issue 162

During the month, the fund rose by 0.1% compared to a 2.0% decrease in the FTSE Asia Pacific Index TR, adjusted for sterling.

We have recently visited Sri Lanka. The new government there is trying to get to grips with some of the country's structural problems, one of which is that it doesn't manufacture very much. Exports have shrunk from around 32% of GDP in 2000 to 12% currently; so whenever the country has grown rapidly, it has sucked in imports, the trade deficit has widened, there has been a balance of payments crisis, currency depreciation and so on, and the government has been forced to slow the economy down. One of the government's solutions to this is to make Sri Lanka more attractive to foreign direct investment (FDI). Improved infrastructure – and on a purely anecdotal note, we were stunned by the speed with which we were able to clear immigration and customs, and get to our hotel – designated industrial zones, and the signing of comprehensive free trade agreements are all part of the plan. Agreements with India (and Pakistan) have already been signed, and India's is being extended to include services, education and IT. The country is also close to signing a similar agreement with China, meaning that companies manufacturing in Sri Lanka should in theory have a market of around three billion people to export to. In addition, thanks to progress on human rights, the EU has restored the Generalised System of Preferences (GSP), and its application for GSP+ (the 'special incentive arrangement for sustainable development and good governance'), which extends preferential tariffs on imports to the EU, has been accepted, putting Sri Lanka back on a par with countries such as Pakistan and the Philippines. Tariffs on most garments will fall from 9.6% to zero, and the garment industry believes that this could add US\$1bn to its annual exports. Although Sri Lanka is not the cheapest place globally for making garments, it is able to cater to smaller, faster order sizes, and has been moving up the value chain.

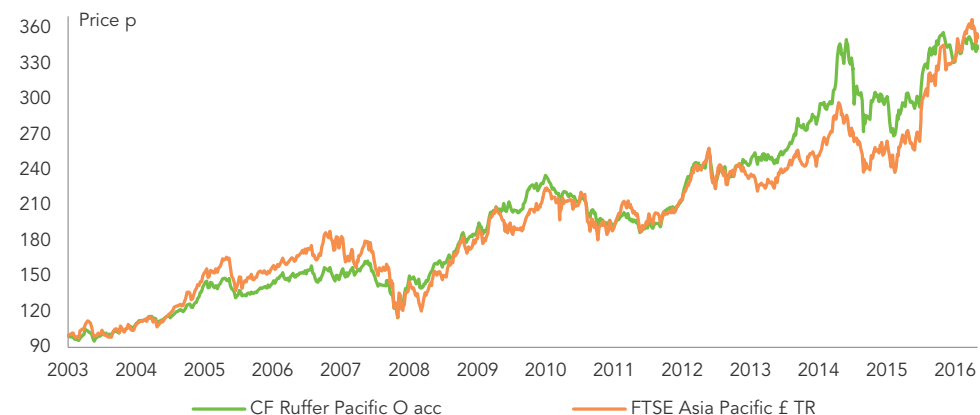
Whether or not the investment will flood in remains to be seen, but the Chinese have indicated that they will bring in US\$5bn of investment in the area around the Hambantota port, including a refinery, a cement plant and a 15,000 acre industrial zone, in addition to investments in the vast and ambitious Colombo Port City project.

The country has also made good progress in shrinking its fiscal deficit, down from 7.2% when the new government was elected in January 2015, to 5.4% in 2016, and expected to reach 4.5% this year. This has been achieved with a sometimes arbitrary and aggressive approach to taxation, which arguably has been one of the factors discouraging FDI in the recent past. Despite the high taxation, companies are still generating very good returns, seeing profit growth, and Sri Lanka remains one of the cheapest markets in Asia.

Investment objective

The investment objective of CF Ruffer Pacific Fund is to deliver consistent positive returns by investing in a diversified portfolio of predominantly Asia Pacific equities. The fund may also invest in fixed income securities, 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 in the stated investment and borrowing powers of the Company, with the proportion of the sub-fund invested in each asset class varying over time in line with changes in the Investment Manager's view about their relative attraction and subject to the limitations on investments contained in the prospectus.

Performance since launch on 31 December 2003



Performance %	April 2017	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	0.1	2.5	14.2	38.3	75.4	128.9	
Percentage growth (O acc)	%		Share price as at 28 April 2017				p
31 Mar 2016 – 31 Mar 2017	15.9		O accumulation				342.60
31 Mar 2015 – 31 Mar 2016	-5.6		C accumulation				347.80
31 Mar 2014 – 31 Mar 2015	25.2		C income				98.90
31 Mar 2013 – 31 Mar 2014	2.6						
31 Mar 2012 – 31 Mar 2013	23.9						

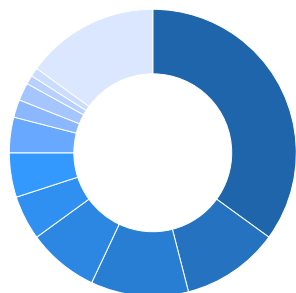
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the MSCI AC Asia Pacific to the FTSE Asia Pacific Index as Ruffer adopts FTSE as a data provider for all funds.

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 Pacific Fund is not registered for distribution in any country other than the UK.

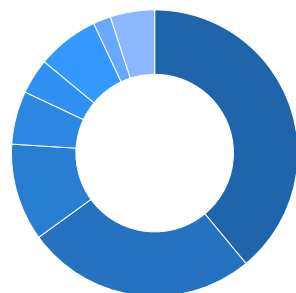
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Pacific Fund as at 28 April 2017

Portfolio structure



Asset allocation	%		%
• China equities	35	• Singapore equities	4
• Sri Lanka equities	11	• Australia equities	2
• Japan equities	11	• Philippines equities	2
• Hong Kong equities	8	• Indonesian equities	1
• Gold investments	5	• North America equities	1
• Asia Pacific ex Japan funds	5	• Cash	15



Currency allocation	%		%
• Sterling	39	• US dollar	4
• Hong Kong dollar	26	• Singapore dollar	7
• Sri Lanka rupee	11	• Philippines peso	2
• Australian dollar	6	• Other	5

10 largest of 70 equity holdings

Stock	% of fund	Stock	% of fund
Evolution Mining	3.6	Anta Sports Products	2.4
China Mobile	3.0	Longfor Properties	2.3
China Overseas Land & Investments	2.9	Beijing Capital Land	2.3
Industrial & Commercial Bank of China	2.8	Nipro	2.3
PICC Property & Casualty	2.4	Softbank	2.3

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 £364.4m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.59	1.25
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	1.12	0.99
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	GB0034035328 (acc)	GB00B8BZHC05 (acc) GB00B7GW0G44 (inc)
SEDOL	3403532 (acc)	B8BZHC0 (acc) B7GW0G4 (inc)
Investment adviser	Ruffer LLP	
Sub advisor	Ruffer (Asia) Limited	
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

† © FTSE 2017. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors.

Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Fund Manager

Mary McBain
INVESTMENT DIRECTOR



After graduating from Oxford University in 1985, started work at Invesco MIM as a fund manager on the Asian team. After leaving Invesco in 1990, she spent many years living and working in Asia, for GK Goh Securities, Apollo Investment Management and Ballingal Investment Advisors. She joined Ruffer in 2006 and manages the CF Ruffer Pacific Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 April 2017, assets managed by the Ruffer Group exceeded £21.1bn, of which over £11.9bn was managed in open-ended Ruffer funds.

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL www.ruffer.co.uk

Dealing line

0345 601 9610

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2017