

CF Ruffer Pacific Fund

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



May 2017 Issue 163

During the month, the fund rose by 2.0% compared to a 2.8% increase in the FTSE Asia Pacific Index total return, adjusted for sterling.

Brightly-coloured bicycles are a common sight these days on the streets of Beijing (and other Chinese cities), due to the huge popularity of bike-sharing. Consumers sign up to apps such as ofo and Mobike, which will locate the closest bike, unlock it, deduct a small fee, and allow the user to leave the bike anywhere once they have finished with it. Another alarmingly common sight is cyclists engrossed in their smartphones, seemingly oblivious to the traffic around them. Though obviously dangerous, this underscores how omnipresent the smartphone has become in daily life in China. It is now the main platform for e-commerce, and rapidly making market share gains in services, payments and entertainment. This is driving a shift in the way companies approach business and the way consumers behave, and has some unintended consequences too. We suspect there has been a big spike in road accidents in Beijing, pedestrians don't like the mountains of abandoned bikes outside subway stations, we have heard that some taxi and Didi Chuxing drivers ('the Chinese Uber') have been complaining about a loss of business to these bikes. But nonetheless, we cannot help but be impressed by the fast, innovative private-sector approach, particularly in comparison to the clunkier, government-run bike share schemes seen elsewhere in the world.

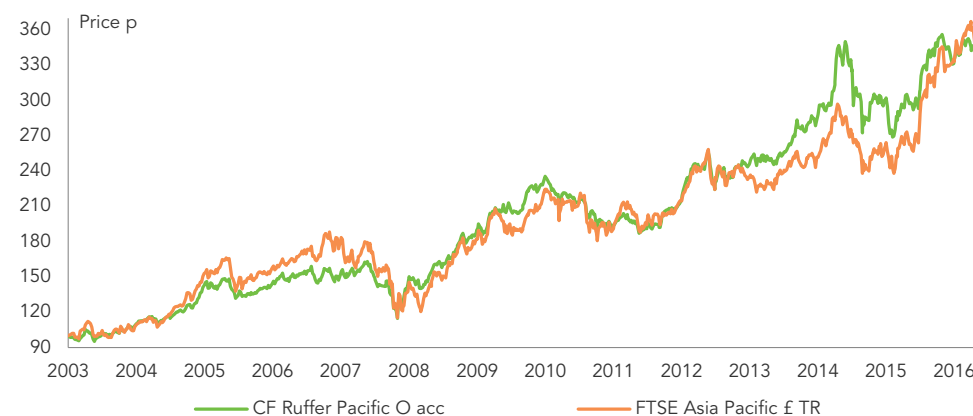
Urban transport is thus another area where China's less developed economy could turn out to be a strong advantage. There are limited legacy assets – multiple cities are building light rail or underground railways for the first time in their history. There is not much law or regulation around industries or markets that barely existed ten or twenty years ago, which makes it easier for private sector players. And finally, China is still in the early stages of development. The current private car population is 100m, against an urban population of 800 million people. The current age of the vehicle population is 4.4 years and 30% of last year's car buyers only got their license last year. The population is highly receptive to new ideas and technology. We think this means China is likely to be an early and enthusiastic adopter of so-called disruptive technologies (not that they will necessarily be disrupting anything!), and furthermore, could become an exporter of these technologies too. Mobike and bluego are starting up in Singapore and Sydney.

It is not possible for us to invest directly in these tech start-ups, nor do we really have any idea who will be winners and who will be losers, but it is one of the reasons for our investment in Japanese tech company, Softbank, whose portfolio includes many Asian start up-tech companies, including ofo, via its stake in Didi Chuxing.

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 %	May 2017	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	2.0	4.6	18.6	39.1	84.4	129.3	
Percentage growth (O acc)	%		Share price as at 31 May 2017				p
31 Mar 2016 – 31 Mar 2017	15.9		O accumulation				349.60
31 Mar 2015 – 31 Mar 2016	-5.6		C accumulation				355.00
31 Mar 2014 – 31 Mar 2015	25.2		C income				100.94
31 Mar 2013 – 31 Mar 2014	2.6						
31 Mar 2012 – 31 Mar 2013	23.9						

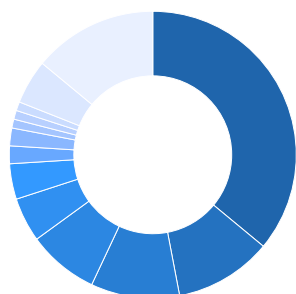
Source: Ruffer LLP, FTSE International (FTSE)†. The performance comparator has changed from the MSCI AC Asia Pacific to the FTSE Asia Pacific Index as Ruffer adopts FTSE as a data provider for all funds.

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.

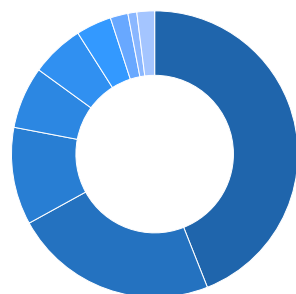
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Pacific Fund as at 31 May 2017

Portfolio structure



Asset allocation	%		%
China equities	36	Indonesian equities	2
Sri Lanka equities	11	Philippines equities	1
Japan equities	10	North America equities	1
Hong Kong equities	8	Thailand equities	1
Asia Pacific ex Japan funds	5	Gold investments	5
Singapore equities	4	Cash	14
Australia equities	2		



Currency allocation	%		%
Sterling	44	US dollar	4
Hong Kong dollar	23	Philippines peso	2
Sri Lanka rupee	11	Yen	1
Singapore dollar	7	Other	2
Australian dollar	6		

10 largest of 70 equity holdings

Stock	% of fund	Stock	% of fund
Evolution Mining	3.8	Longfor Properties	2.7
China Mobile	3.1	Anta Sports Products	2.5
China Overseas Land & Investments	3.0	PICC Property & Casualty	2.5
Industrial & Commercial Bank of China	2.8	China Life Insurance	2.3
Softbank	2.7	Beijing Capital Land	2.2

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 £372.2m

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	1.10	0.97
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

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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 31 May 2017, assets managed by the Ruffer Group exceeded £21.3bn, of which over £12.2bn was managed in open-ended Ruffer funds.

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