

CF Ruffer Total Return Fund

Positive absolute returns with low volatility

During July the fund price fell by 0.4%. This compared with a rise of 2.4% in the FTSE All-Share Index and a gain of 1.6% in the FTSE Govt All-Stocks Index (both figures total returns in sterling).

Although confusion reigned at the start of the month, as Greece lurched from rebellious referendum to apparent acquiescence, by the end of July it was yesterday's news and markets had moved on, even if no one seems quite sure who has agreed to what. Greece has not only revealed underlying fault lines in the euro construct, but also highlights the unattractiveness of two of Reinhart and Sbrancia's* five potential means of reducing a debt burden: namely austerity or restructuring/default. This just leaves the options of (i) real growth, (ii) inflation or (iii) prolonged financial repression as realistic routes out of the mire of global debt. According to the BIS, global debt is now some \$200 trillion, up from \$142 trillion in 2007, and now 286% of global GDP compared to 269% in 2007. Investors can make their own minds up as to which route is most likely, but we feel it is prudent to protect both against inflation and financial repression through index-linked bonds, as well as having some exposure to the possibility that we might grow out of our debt problems (equities).

Back in the here and now, China and commodities have quickly stepped up to the plate as the focus of investor concern. July saw further volatility in the local Chinese stock markets as the authorities attempted to command an orderly deleveraging. Meanwhile, the sharp falls in commodity prices, which, unlike Chinese equities, have no cushion of a recent boom against which to set current losses, call into question the underlying strength of global demand, and by extension, the prospect of option (i) above (real growth) playing a leading role in any long term debt reduction. July's sell off in the commodity complex also extended to gold bullion, down 6% in the month. Longer term gold may still play a protective role in the portfolio, especially if the US comes to tire of dollar strength, but for the moment it has few friends. With our long-dated index-linked bonds cast to play the lead role in any inflationary solution to the debt burden (options (ii) and (iii) above), our gold exposure has been reduced to below 3% of the portfolio, though we retain some upside optionality in the form of gold mining stocks.

Overall this month, markets recovered some poise, as the latest Greek crisis was deemed to have passed and commodity falls, of course, can be viewed either as warnings on future growth or as a boost to consumers' spending power. This leaves investors free once again to fret over the likely path of US and UK interest rates and the degree to which equity and bond markets are prepared for any rise, however small or well signalled. This looks set to be the topic du jour for the rest of this year, though we suspect that history will view it as mere background noise in the story of our indebted times. All the same, we do hold both UK banks and house builders as insurance against a more positive domestic outlook in the coming months.

*Reinhart and Sbrancia, 'The Liquidation of Government Debt', National Bureau of Economic Research, 2011

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 Total Return Fund is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible that at any one time the CF Ruffer Total Return Fund may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities.

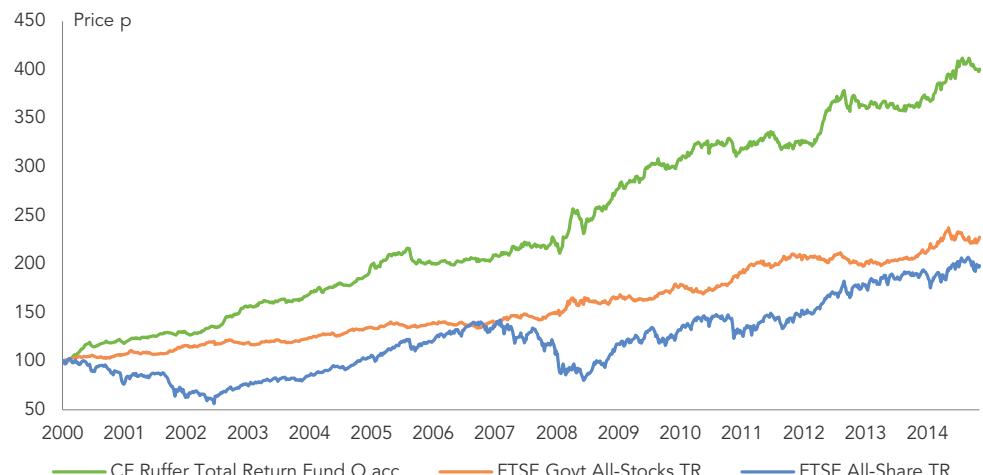


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Investment objective

The fund aims to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including equities, bonds and currencies. Capital invested is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve-month periods. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions. Pervading this objective is a fundamental philosophy of capital preservation.

Performance since launch on 29 July 2000



Performance %	July 2015	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	-0.4	3.7	9.5	24.4	34.2	116.6	
Percentage growth (O acc)		%	Share price as at 31 July 2015				
30 Jun 2014 – 30 Jun 2015		10.9	P				
30 Jun 2013 – 30 Jun 2014		0.1	O accumulation				
30 Jun 2012 – 30 Jun 2013		12.6	280.18				
30 Jun 2011 – 30 Jun 2012		-1.3	C accumulation				
30 Jun 2010 – 30 Jun 2011		9.4	404.47				
			C income				
			282.80				

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.

CF Ruffer Total Return Fund as at 31 July 2015

Portfolio structure



5 largest of 17 bond holdings

Stock	% of fund
UK Treasury index-linked 0.5% 2050	4.3
US TIPS 0.125% 2022	3.8
UK Treasury index-linked 1.875% 2022	3.8
UK Treasury index-linked 1.25% 2055	3.6
UK Treasury index-linked 0.125% 2024	3.2

Source: Ruffer LLP

5 largest of 95 equity holdings*

Stock	% of fund
Sumitomo Mitsui Financial	2.5
Mizuho Financial	2.4
Mitsubishi UFJ Financial	2.0
T&D Holdings	1.9
Dai-ichi Life Insurance	1.5

*Excludes holdings in pooled funds

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 £3,084.0m

Fund information

%	O class	C class
Ongoing Charges Figure	1.53	1.23
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	1.35	1.35
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	
	O class	C class
ISIN	GB0009684100 (acc) GB00B80L7V87 (acc)	GB0009684878 (inc) GB00B58BQH88 (inc)
SEDOL	0968410 (acc) 0968487 (inc)	B80L7V8 (acc) B58BQH8 (inc)
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depository	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	

Enquiries

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Fund Managers

Steve Russell

INVESTMENT DIRECTOR



Graduated from Oxford in PPE and started work as an equity analyst at Confederation Life in 1987, progressing to Head of Equities. In 1999 he moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in 2003. He is also co-manager of the Ruffer Investment Company.

David Ballance

INVESTMENT DIRECTOR



Previously International Equities Head at Rothschild Private Management, he graduated from Oxford and was a Senior Investment Manager at Allied Dunbar, before moving to Threadneedle as Head of European Equities. He joined Ruffer in 2006.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 July 2015, assets managed by the Ruffer Group exceeded £18.5bn, of which over £8.9bn was managed in open-ended Ruffer funds.

Dealing line

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