

CF Ruffer Total Return Fund

Positive absolute returns with low volatility



During June the fund price increased by 3.4%. This compared with a rise of 2.8% in the FTSE All-Share Index and a rise of 5.6% in the FTSE All-Stocks Index (both figures total returns in sterling).

The combination of the frequency of these monthly reviews and a long term investment horizon often means that there is little material change to report. In terms of market events the month of June was no such case; there was only one subject under discussion. We usually refrain from commenting on short term performance, but in this instance an elaboration on the various moving parts of the portfolio may be informative for investors. Our intention was to go into the vote in neutral gear – we could not have an insight into the outcome of the referendum and with our principal objective being one of capital preservation we prefer not to make binary bets. Positive contributions from index-linked bonds, gold and a small amount in foreign currencies outweighed the losses in our (relatively low) equity positions. The US and European equities produced small positive returns in local currency terms. The objective of having a neutral stance was therefore achieved even without the fair wind of a weak base currency (we were largely hedged back into sterling believing that it would strengthen sharply in the event of a Remain vote). Had the vote gone the other way then it is probable that we would have broken even. In this context producing a healthy positive return over the month is a pleasing outcome.

Perhaps the more interesting question is how we react to recent events. We selectively added to some UK equity positions immediately after the vote, focussing on companies, which, in our view, had unjustifiably sold-off when their businesses are not materially affected by a possible Brexit. However, most of the fund's core positions remain intact for two reasons. Firstly, the political fallout from the result is far from clear. Secondly, the global economic risks, which were in evidence prior to the Brexit debate, remain in place. The world is awash with debt that could not be serviced at 'normal' interest rates, global economic growth is too low to have any hope of deleveraging, inflation looks like the most likely 'solution' but this will punish savers and finally confidence in highly valued assets could plummet quickly when there is a shock to markets. Brexit is significant, but these matters are arguably of greater importance in a globally invested portfolio.

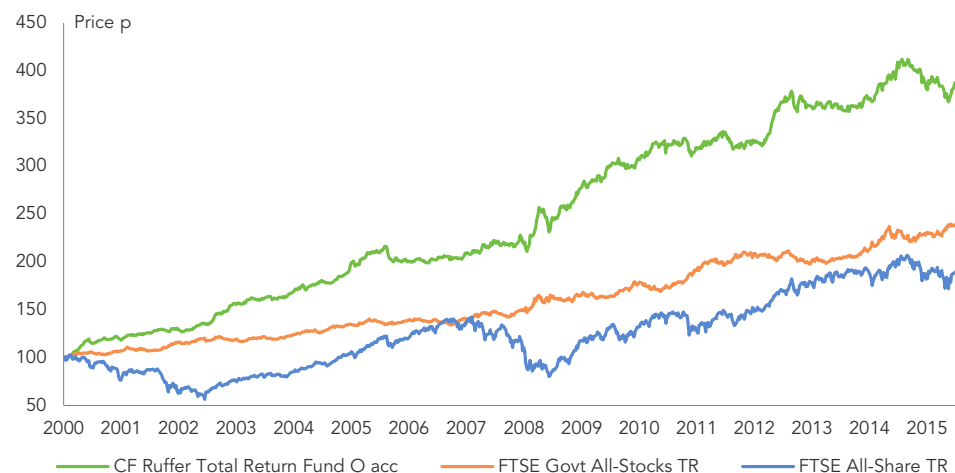
Paradoxically, these big, visible uncertainties take us a step closer to the denouement we anticipate. The reaction function of central banks and governments to keep the show on the road remains intact with one subtle difference; central banks have openly stated that monetary policy is running out of road and requires the support of government induced fiscal stimulus. This is already in evidence with Osborne's kite-flying of a corporation tax cut, various housing-related policies, a lightening of the regulatory capital requirements placed on banks and the public debate on helicopter money overcoming its taboo status and hitting the mainstream. In the short term this may help steady the ship, but it sets a hare running that will be difficult to control.

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.

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 September 2000



Performance %	June 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	3.4	4.2	-0.6	10.3	22.6	96.3

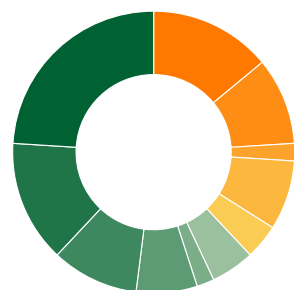
Percentage growth (O acc)	%	Share price as at 30 June 2016	p
30 Jun 2015 – 30 Jun 2016	-0.6	O accumulation	400.22
30 Jun 2014 – 30 Jun 2015	10.9	O income	275.91
30 Jun 2013 – 30 Jun 2014	0.1	C accumulation	404.97
30 Jun 2012 – 30 Jun 2013	12.6	C income	279.30
30 Jun 2011 – 30 Jun 2012	-1.3		

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 30 June 2016

Portfolio structure



Asset allocation	%		%
● Non-UK index-linked	24	● Japan equities	14
● Long-dated index-linked gilts	14	● UK equities	10
● Index-linked gilts	10	● Asia ex-Japan equities	2
● Gold and gold equities	7	● North America equities	8
● Cash	2	● Europe equities	4
● Illiquid strategies	5		



Currency allocation	%
● Sterling	77
● Gold	7
● US dollar	5
● Yen	5
● Euro	1
● Other	5

5 largest of 20 bond holdings

Stock	% of fund	Stock	% of fund
US TIPS 0.125% 2022	4.9	Sumitomo Mitsui Financial	1.9
UK Treasury index-linked 1.875% 2022	4.3	BP	1.9
UK Treasury index-linked 1.25% 2055	4.0	ExxonMobil	1.9
UK Treasury index-linked 0.375% 2062	3.8	Mitsubishi UFJ Financial	1.5
UK Treasury index-linked 0.125% 2024	3.7	T&D	1.3

5 largest of 88 equity holdings*

Stock	% of fund
Sumitomo Mitsui Financial	1.9
BP	1.9
ExxonMobil	1.9
Mitsubishi UFJ Financial	1.5
T&D	1.3

Source: Ruffer LLP

*Excludes holdings in pooled funds

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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 £2,892.5m

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	1.33	1.33
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	
	O class	C class
ISIN	GB0009684100 (acc)	GB00B80L7V87 (acc)
	GB0009684878 (inc)	GB00B58BQH88 (inc)
SEDOL	0968410 (acc)	B80L7V8 (acc)
	0968487 (inc)	B58BQH8 (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

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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 30 June 2016, assets managed by the Ruffer Group exceeded £18.5bn, of which over £10.1bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL.

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