

CF Ruffer Absolute Return Fund

Positive absolute returns with low volatility



During November the fund price rose by 0.2%. This compares with a fall of 1.7% for the FTSE All-Share Index and a rise of 0.3% for the FTSE All-Stocks Index (all figures total returns in sterling).

November marked the thirteenth positive month in a row for the US equity market, the longest such period on record. However, away from the US, equity market performance was more variable than it has been for much of this record run. Japanese equities again took star billing as Prime Minister Abe's re-election in October was further supported by continued positive economic momentum. Absent the bellicose commentary from North Korea, Japan represents one of the few developed market economies with any real claim to political stability, with the Bank of Japan currently appearing to be the central bank furthest from beginning to exit its post financial crisis policies. These factors combine to give us comfort that the Japanese equity market remains the most rewarding arena in which to take on market risk. Elsewhere, European equities suffered against the backdrop of increased political uncertainty and the pressures of a strong currency.

The fund received positive contributions from a number of our individual stock selections during the month. We have always argued that stock selection is a key part of our armoury and it is pleasing that this has borne fruit more recently. Having spent 15 years optimising a solution for delivering groceries profitably to customers' doors, Ocado, (admittedly a relatively small position), announced a potentially landmark deal with French supermarket chain Casino, causing the shares to surge by over 30% in the last three days of the month. Sony (+16% in November) produced a stand-out set of numbers, which even forced the usually conservative management to upgrade their forecasts for the current year. As well as being a world-leading electronics business, the company has assets in the shape of music and other content which could continue to drive significant growth within the business. The last name to highlight is a recent purchase: Foot Locker. This US retailer rose 40% after releasing its latest quarterly results, which demonstrated that the business was not declining as quickly as the market had feared. Whilst 'one swallow does not a summer make', virtually no weight is currently given to the possibility of a consumer-led acceleration at this stage of the US economic cycle, but this alone could lead to interest rates having to rise more quickly than the market believes. Given the support low rates have given to most asset markets, some degree of circumspection is warranted.

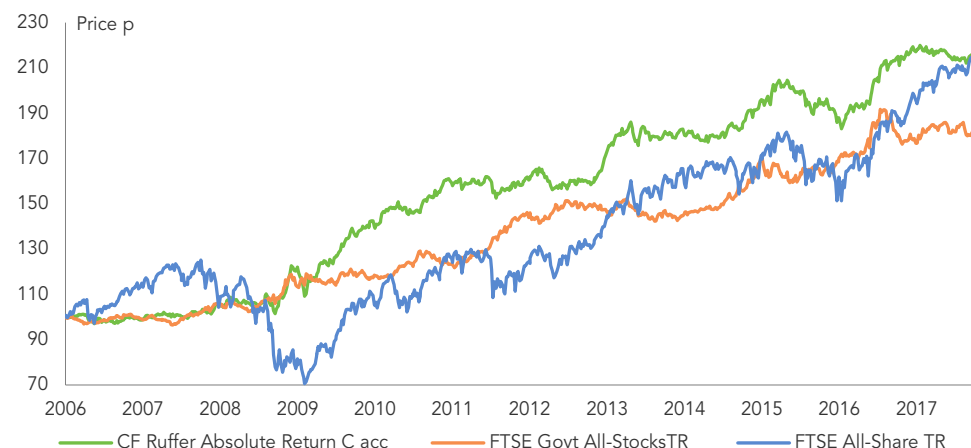
As we moved into December, the US Senate voted to pass the sweeping tax reforms proposed by Donald Trump and the Republican party. Prior to the formal announcement, banks and other financial stocks rose on the hopes of looser regulation, whilst many of the best performing sectors (technology and staples) went into reverse. The prospect of further economic momentum and the potential for steepening yield curves should benefit the fund's equity holdings whilst potentially posing a threat to many of the trades that have led markets this year. Our avoidance of the latter is in part responsible for the relatively dull performance over the last twelve months; we have eschewed the fastest-flowing parts of the stream for fear that they could be at the centre of any subsequent falls.

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 Absolute Return Fund is a UK UCITS and 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 Absolute 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 and positive returns in all market conditions from an actively managed portfolio of equities or equity related securities (including convertibles), corporate and government 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 and derivatives and forward transactions. Pervading this objective is a fundamental philosophy of capital preservation. In selecting investments the fund will adopt a stock picking approach and will not adopt any investment weightings by reference to any benchmark.

Performance since launch on 31 January 2006 – C acc shares



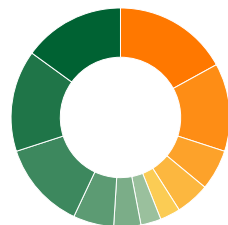
Performance %	November 2017	Year to date	1 year	3 years	5 years	10 years	
C accumulation shares	0.2	0.0	1.4	13.4	34.2	112.6	
Percentage growth (C acc)	%		Share price as at 30 November 2017				p
30 Sep 2016 – 30 Sep 2017	0.4		O accumulation				209.43
30 Sep 2015 – 30 Sep 2016	12.2		O income				165.27
30 Sep 2014 – 30 Sep 2015	2.8		C accumulation				216.70
30 Sep 2013 – 30 Sep 2014	2.8		C income				171.29
30 Sep 2012 – 30 Sep 2013	11.9						

Source: Ruffer LLP. FTSE International (FTSE)¹

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 Absolute Return Fund as at 30 November 2017

Asset allocation



Asset allocation

Asset Allocation Category	Percentage
Cash	15
Non-UK index-linked	15
Long-dated index-linked gilts	13
Index-linked gilts	6
Gold and gold equities	4
Illiquid strategies	3
Japan equities	17
UK equities	13
North America equities	6
Europe equities	5
Asia ex-Japan equities	3

Currency allocation

Currency Allocation Category	Percentage
Sterling	79
Yen	8
US dollar	4
Gold	4
Euro	1
Other	4

Currency allocation



10 largest of 87 equity holdings*

Stock	% of fund
Mitsubishi UFJ Financial	2.0
Vivendi	1.9
BP	1.9
Sumitomo Mitsui Financial	1.9
Lloyds Banking Group	1.9
Dai-ichi Life Insurance	1.7
Sony	1.6
T&D	1.4
Tesco	1.1
HeidelbergCement	1.0

5 largest of 17 bond holdings

Stock	% of fund
UK Treasury index-linked 1.25% 2055	3.5
UK Treasury index-linked 0.375% 2062	3.4
US TIPS 1.25% 2020	3.3
UK Treasury index-linked 1.875% 2022	3.0
US TIPS 0.125% 2022	2.8

*Excludes holdings in pooled funds
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 £4,985.1m

Fund information

	O class	C class
Ongoing Charges Figure	1.53	1.23
Annual management charge	1.50	1.20
Maximum initial charge	7.5	7.5
Yield	1.51	1.49
Minimum investment	£1,000,000	
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	GB00B0XP1H53 (acc) GB00B0XP1869 (inc)	GB00B0XP2X86 (acc) GB00B0XP1T75 (inc)
SEDOL	B0XP1H5 (acc) B0XP186 (inc)	B0XP2X8 (acc) B0XP1T7 (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 Asperior Investment Funds (OEIC)
UK domiciled UCITS
Eligible for ISAs

Dealing line

0345 601 9610

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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 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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