

CF Ruffer European Fund

Providing capital growth by investing in a diversified pan-European portfolio



During November the fund's O accumulation shares decreased by 0.9% from 502.89 to 498.61. This compares to a 2.1% increase in the STOXX Europe 600 in euro terms and a 0.1% increase on a comparable, sterling-adjusted basis. The fund's equity exposure was 72.4% at the end of November; with 0.7% of that figure in index put options, the underlying 'long' equity exposure was 71.7%. At the end of October, the headline figure was 78.0%, with 0.8% in index put options.

This month our equity exposure fell from 78% to 72% as we took advantage of share price moves to trim several of our positions that have performed well and sell a few of our more cyclical stocks outright. We also added to our holding in PureTech Health, a company listed in the UK but based in Boston, with an unusual top-down thematic-based approach to IP commercialisation. Thus bridging the gap between the burgeoning output of academic scientific research and commercial solutions. PureTech identifies an unmet medical need and then finds the best scientific solution and business model to address it. Its Boston location provides easy access to a network of highly experienced individuals. This approach has, so far, resulted in a portfolio of twelve interesting companies, seven of which are more advanced with upside potential if the technology proves successful. This includes Vedanta, a company that is developing drugs based on human microbiomes to treat a broad range of diseases. The lead candidate is VE202 which is licensed to Janssen (part of Johnson and Johnson) for inflammatory bowel disease, providing third-party validation of the microbiome opportunity. PureTech's 87% stake in Vedanta is valued at \$67m, a discount to its separately listed microbiome peers. PureTech is currently trading at 1.2x the aggregate value of its portfolio companies plus its net cash position.

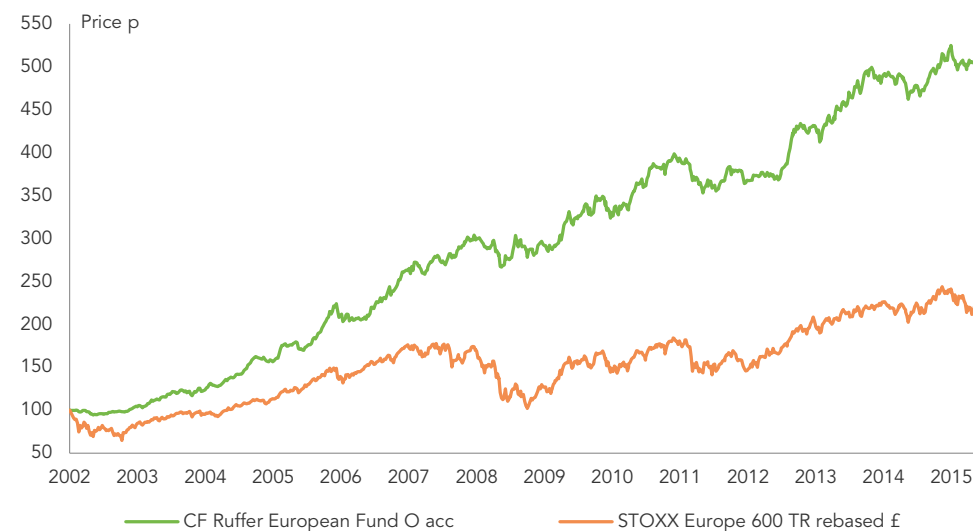
This month we also attended the Emmi capital markets day in Bern, among other company site visits. We have held Emmi since 2005 and it has performed well over this period but particularly so in recent months. It is the largest milk processor in Switzerland with leading positions in premium dairy product categories such as cheese, yoghurt, fresh dairy and milk. It also offers innovative products including Caffé Latte, a cold milk coffee drink, and Kaltbach, cheese aged in a sandstone cave. Emmi has complemented its stable core business in Switzerland with an international growth strategy, with organic expansion in its target premium and niche dairy markets enhanced by a series of bolt-on acquisitions. The capital markets day demonstrated that Emmi remain confident in their ability to continue to grow internationally and to innovate.

Going into December, it seems that investors were positioned for an end of the year rally given the sharp fall in European equity markets following the latest announcement from the European Central Bank that was less expansionary than expected. We have plenty of cash in the fund to take advantage if this bout of equity market weakness continues.

Investment objective

The fund aims to provide capital growth by investing in a diversified pan-European portfolio of predominantly equities, though fixed income securities may also be utilised if the Investment Manager believes they will assist in meeting the overall objective of the fund.

Performance since launch on 5 June 2002



Performance %	November 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-0.9	5.3	4.7	31.7	37.6	186.6

Percentage growth (O acc)	%	Share price as at 30 November 2015	p
30 Sep 2014 – 30 Sep 2015	5.0	O accumulation	498.61
30 Sep 2013 – 30 Sep 2014	6.6	C accumulation	503.55
30 Sep 2012 – 30 Sep 2013	20.5		
30 Sep 2011 – 30 Sep 2012	4.4		
30 Sep 2010 – 30 Sep 2011	1.0		

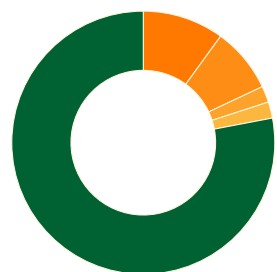
Source: Ruffer LLP

CF Ruffer European Fund as at 30 November 2015

Portfolio structure



Asset allocation	%		%
● UK index-linked gilts	14	● UK	30
● Cash	11	● France	12
● Gold	2	● Germany	11
● Options	1	● Sweden	10
		● Switzerland	6
		● Norway	2
		● Italy	1



Currency allocation	%
● Sterling	78
● Swedish krona	10
● Swiss franc	8
● Norwegian krone	2
● US dollar	2

10 largest holdings (3 bonds and 59 equities)

Stock	% of fund	Stock	% of fund
IP Group	5.7	ORPEA	4.2
Aurelius	5.4	Loomis	4.1
UK Treasury index-linked 0.125% 2024	4.8	Earthport	3.2
UK Treasury index-linked 1.1875% 2022	4.7	4d pharma	2.9
UK Treasury index-linked 0.125% 2019	4.6	Raisio	2.9

Source: Ruffer LLP

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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 £269.8m

Fund information

%	O class	C class
Ongoing Charges Figure	1.55	1.25
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.26
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	
ISIN	O class GB0031678161	C class GB00B84JVJ48
SEDOL	3167816	B84JVJ4
Investment adviser	Ruffer LLP	
ACD	Capita Financial Managers Limited	
Depositary	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	

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Fund Managers

Timothy Youngman

INVESTMENT DIRECTOR

Moved into European equity research in 1985, after a period with McKinsey & Co and at Manchester Business School. He moved from Savory Milln to SG Warburg in 1988, then to an independent research boutique in 1999, before joining Ruffer in 2003.



Guy Thornewill

INVESTMENT DIRECTOR

Began at Threadneedle Investments in 1996. After four years in Paris at Jefferies International as a pan-European stock-picking analyst on the sell side, returned to London in 2007 to work for Alliance-Bernstein, researching European mid-cap companies. A CFA charterholder, he joined Ruffer in 2009.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 November 2015, assets managed by the Ruffer Group exceeded £18.3bn, of which over £9.4bn 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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