

CF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies



During June, the fund's O accumulation shares fell by 1.4% from 145.18p to 143.17p. This compares to a 4.5% fall in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price was down 2.2% in US dollar terms and 3.2% in sterling.

At the beginning of June the gold price continued its rally from the end of May. However, as the month continued, confidence increased that the Federal Open Market Committee (FOMC) would continue to raise US interest rates despite weak inflation data. Following the interest rate hike in the middle of the month, market focus turned to the Federal Reserve's plan to begin unwinding its huge balance sheet, built up in response to the financial crisis. With no assistance from a relatively subdued President Trump, gold corrected quite sharply from the first week of the month and the gold mining sector fell with the commodity.

The major re-balancing of the Junior Gold Miners ETF (GDXJ) which had been announced in April occurred in the middle of the month. We used the liquidity provided by this event to selectively increase our exposure to some of the smaller capitalisation companies which were sold by the ETF. Since the announcement of the re-balance in April, many smaller capitalisation companies have fallen precipitously in value and traded without regard to fundamental valuations or even incremental developments. As a result there are many attractively managed smaller gold mining companies and our portfolio is now weighted towards this sector of the market.

The largest positive contributor to the performance of the fund in June was Kirkland Lake Gold (up 20.5% in sterling terms). Kirkland Lake Gold has been one of our best performing stocks this year but it is still on a discounted valuation and we increased our position during the month. Kirkland Lake Gold's mine portfolio is situated exclusively in Canada and Australia and its two key mines are high margin. The company has a net cash position and it recently instituted a dividend and share buy-back programme. Another strong contributor to performance in June was Regis Resources (up 18% in sterling terms). Regis Resources' mines are all located in Australia and like Kirkland Lake Gold it is a high margin, net cash dividend-payer.

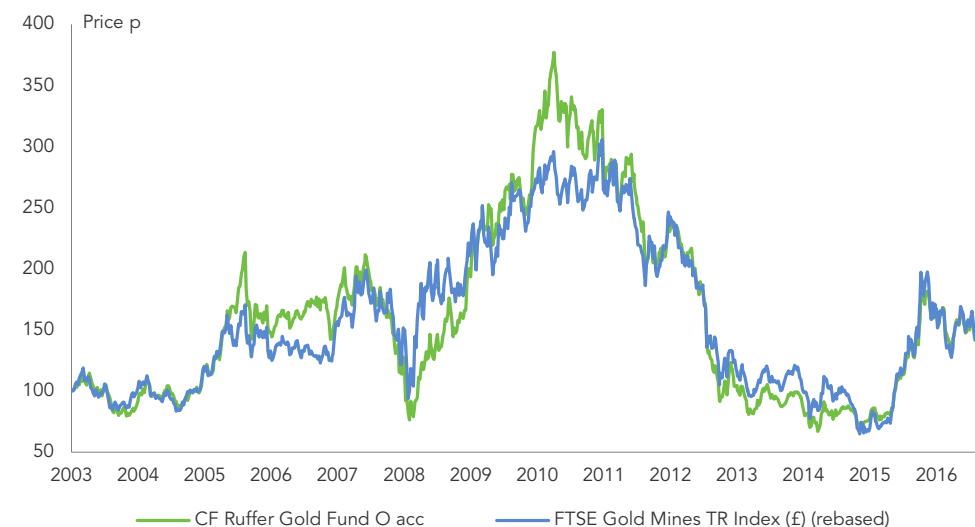
The largest negative contributor to the performance of the fund in June was Mandalay Resources (down 33% in sterling terms). The stock price of Mandalay Resources fell after one of its three mines, Cerro Bayo in Chile, was damaged by a significant seismic event. Exposure to unpredictable and random risks of this nature is an unavoidable part of investment in mining and really the only answer is to hold a diversified portfolio and manage the position size in any individual stock. We believe that the valuation of Mandalay Resources now reflects the worst possible outcome at Cerro Bayo and so are optimistic that the risks are now skewed to the upside in this stock.

As noted in previous monthly reports, gold mining stocks have generally performed worse than the gold price this year and hence the sector is now inexpensive relative to gold. Whilst the gold price has corrected, the gold price at the end of June (\$1,242 per oz) is not at an uncomfortable level for the majority of the sector.

Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

Performance since launch on 1 October 2003



Performance %	June 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-1.4	-0.1	-8.0	55.7	-30.8	-16.8

Percentage growth (O acc)	%	Share price as at 30 June 2017	p
30 Jun 2016 – 30 Jun 2017	-8.0	O accumulation	143.17
30 Jun 2015 – 30 Jun 2016	87.2	C accumulation	145.34
30 Jun 2014 – 30 Jun 2015	-9.6	C income	88.06
30 Jun 2013 – 30 Jun 2014	0.5		
30 Jun 2012 – 30 Jun 2013	-55.8		

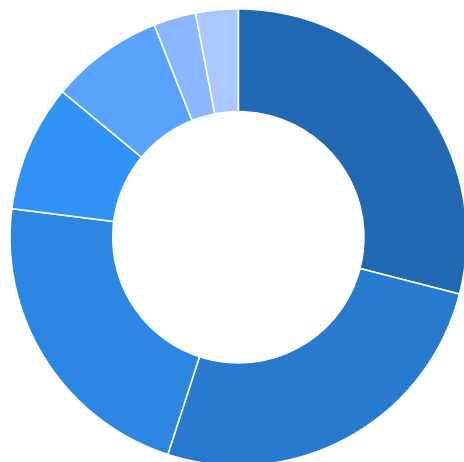
Source: Ruffer LLP, FTSE International (FTSE)†

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.

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 Gold Fund is not registered for distribution in any country other than the UK.

CF Ruffer Gold Fund as at 30 June 2017

Portfolio structure



	%
• North America	29
• Australia	26
• Africa	22
• Asia	9
• South America	8
• Other	3
• Cash	3

Capitalisation breakdown

% market exposure	Size	Market cap
18.0	Large	US\$5bn+
46.5	Mid	US\$1-\$5bn
35.6	Small	US\$0-\$1bn

10 largest of 95 holdings (representing 92 companies)

Stock	% of fund	Stock	% of fund
Evolution Mining	5.7	Endeavour Mining	4.0
Northern Star Resources	5.7	Westgold Resources	3.6
Kirkland Lake Gold	5.0	St Barbara	3.1
Gold Fields	4.8	Regis Resources	2.9
Kinross Gold	4.7	Newmont Mining	2.5

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 £679.0m

Fund information

%	O class	C class
Ongoing Charges Figure*	1.59	1.29
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.36	0.54
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	GB0033628156 (acc)	GB00B8510Q93 (acc) GB00B8BZBT51 (inc)
SEDOL	3362815 (acc)	B8510Q9 (acc) B8BZBT5 (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	

* Refers to accumulation shares

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Fund Manager

Paul Kennedy

RESEARCH DIRECTOR



Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the CF Ruffer Gold Fund since February 2015.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 June 2017, assets managed by the Ruffer Group exceeded £21.3bn, of which over £12.3bn was managed in open-ended Ruffer funds.

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