

CF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



August 2015 Issue 76

During the period from 1 August to 28 August the price of the fund's O accumulation shares decreased by 6.2% from 191.61 pence to 179.75 pence. In the same period the TOPIX on a sterling adjusted basis fell by 2.8%, while the TOPIX in yen went down by 6.6%. As of the close on 28 August the fund was 96.5% invested in equities and its net cash position was 3.5%.

During the above-mentioned period, in terms of attribution, Hoshizaki Electric [6465 JP], FujiFilm Holdings [4901 JP], Lifenet Insurance [7157 JP], Harmonic Drive Systems [6324 JP] and Mitsui & Co. [8031 JP] were the biggest positive contributors, while Mazda Motor [7261 JP], ORIX [8591 JP], T&D Holdings [8795 JP], Toyota Motor [7203 JP] and SONY [6758 JP] provided the largest negative contributions.

August started positively as the results announcement season for the June quarter had been progressing in a better-than-expected manner. According to Daiwa Securities, the TOPIX companies with February and March year ends managed to increase their sales by 5.3%, operating profit by 24.1%, recurring profit by 26.8%, and net profit by 36.8% year on year on an aggregate basis for the quarter. The TOPIX continued to go up for nine consecutive trading sessions until 10 August, and hit the 52 week intraday high of 1,702.83 on 11 August.

However, global financial markets moved into a risk-off mode on that day as the People's Bank of China (PBOC), China's central bank, devalued the yuan to its lowest level against the US dollar in almost three years. The PBOC said the move was a 'one-off depreciation' of 1.9% in aim of making the exchange rate more market-oriented, but global financial markets interpreted the move differently, fearing that this might lead to a currency war, especially among emerging countries. The yen started appreciating against major currencies, as usual for a risk-off period, and Japanese equities suffered a massive sell-off on 24 August; the Nikkei 225 Index fell by 4.6% (or 895.15, from 19,435.83 to 18,540.68) in one day. The Nikkei 225 Index futures continued to fall on that day, and hit 17,160 in Chicago.

The PBOC announced some remedy measures on 25 August, which led to a rebound in Shanghai stocks. Favourable macroeconomic statistics from the US and a rebound in crude oil prices also supported equity prices globally, with Japanese equities recovering for three trading sessions in a row from 25 to 28 August. However the risk-off mode, involving hugely increased volatility, appears to have continued into September. Global financial markets are trying to digest possible impacts of the PBOC's move made on 11 August and its true intention.

As a result of the recent correction, the valuation of Japanese equities has become even more attractive, with the TOPIX's prospective price to earnings ratio (PER) around 14 times based on various earnings per share (EPS) forecasts. This is against the encouraging backdrop of more and more Japanese companies pursuing a sensible long-term approach; making optimal prioritisation of operating cash flow, and efficiently allocating capital based on clear long-term views.

Investment objective

The investment objective of CF Ruffer Japanese Fund is to provide capital growth by investing in a portfolio of predominantly Japanese equities, though Japanese fixed income securities and fixed income securities and equities from other geographical areas may be utilised if the Investment Manager believes they will assist in meeting the overall objective of the sub fund. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions and other investments to the extent that each is permitted by the regulations. There will be no particular emphasis on any industrial or economic sector.

Performance since launch on 14 May 2009



Performance %	August 2015	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	-6.2	3.9	10.6	85.3	87.4	na	
Percentage growth (O acc)	%		Share price as at 28 August 2015				p
30 Jun 2014 – 30 Jun 2015	16.4		O accumulation				179.75
30 Jun 2013 – 30 Jun 2014	11.8		C accumulation				181.63
30 Jun 2012 – 30 Jun 2013	44.3						
30 Jun 2011 – 30 Jun 2012	-2.2						
30 Jun 2010 – 30 Jun 2011	2.4						

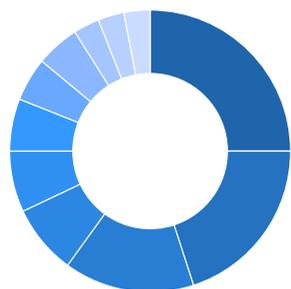
Source: Ruffer LLP

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.

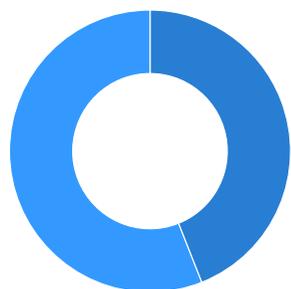
The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Japanese Fund is not registered for distribution in any country other than the UK.

CF Ruffer Japanese Fund as at 28 August 2015

Portfolio structure



Asset allocation	%		%
• Financial	25	• Consumer	5
• Industrial	20	• Real estate	5
• Technology	15	• Energy and commodities	3
• Auto	8	• Retail	3
• Services	7	• Cash	3
• Healthcare	6		



Currency allocation	%
• Sterling	44
• Yen	56

10 largest of 64 equity holdings

Stock	% of fund	Stock	% of fund
ORIX	3.6	Mazda Motor	2.9
Sony Corp	3.4	T&D Holdings	2.8
M3	3.1	Seven & I Holdings	2.7
Rakuten	3.1	NTT Data	2.7
Toyota Motor	3.0	Resona	2.6

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 £472.3m

Fund information

%	O class	C class
Ongoing Charges Figure	1.57	1.23
Annual management charge	1.5	1.2
Maximum initial charge	5.0	5.0
Yield	0.00	0.01
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	
Share classes	Accumulation only	
	O class	C class
ISIN	GB00B3SGKR77	GB00B846SB60
SEDOL	B3SGKR7	B846SB6
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	

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL www.ruffer.co.uk

Fund Manager

Kentaro Nishida
INVESTMENT DIRECTOR



After obtaining a BEcon in Japan and studying Russian in Moscow he worked as an interpreter in both Russia and the UK. He moved into equity sales in 1988 for James Capel & Company Limited and then SG Warburg Securities in 1989. He joined Ruffer in 2008 to concentrate on Japanese equities and manages the CF Ruffer Japanese Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2015, assets managed by the Ruffer Group exceeded £18.2bn, of which over £8.8bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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