

# CF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



November 2015 Issue 79

During the period from 1 November to 30 November the price of the fund's O accumulation shares increased by 1.5% from 183.12 pence to 185.87 pence. In the same period the TOPIX on a sterling adjusted basis rose by 1.9%, while the TOPIX in yen went up by 1.4%. As of the close on 30 November the fund was 97.3% invested in equities and its net cash position was 2.7%.

In terms of attribution, M3 [2413 JP], T&D Holdings [8795 JP], Mazda Motor [7261 JP], Murata Manufacturing [6981 JP] and Fujitsu [6702 JP] were the biggest positive contributors, while Sony [6758 JP], Rakuten [4755 JP], Resona Holdings [8308 JP], Mitsui Fudosan [8801 JP] and Nomura Real Estate Holdings [3231 JP] provided the largest negative contributions.

The month of November saw a continuation of last month's rebound in Japanese equities. The TOPIX rose for the second month in a row and small cap stocks outperformed large cap stocks in November after large cap stocks led the market rebound in October. Investor sentiment continued to improve globally thanks to lessening concerns about the macro backdrop.

In the first half of the month, sentiment was buoyed by the successful triple listings of Japan Post Holdings and its banking and insurance units. The three Japan Post companies were listed on the Tokyo Stock Exchange on 4 November and ended their first day 19-56% above their IPO prices and traded strongly thereafter. Japanese exporters were also supported by the resumption of the yen's depreciation against the US dollar on the back of increasing certainty of an interest rate hike in the US in December.

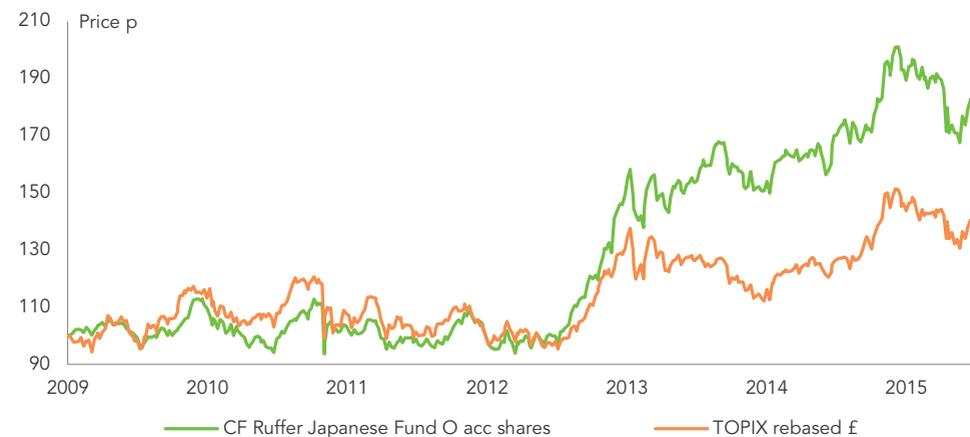
In the second half the of the month, Japanese equities fell back a bit after the terrorist attacks in Paris on 13 November, and the even weaker-than-worried preliminary real GDP figure for Q3 2015 published on 16 November. However, they then bounced back amid growing expectations for policy responses from the government and the Bank of Japan, before again giving up some of the gains on the last trading day of the month after China's Shanghai Composite Index fell sharply on 27 November.

The Japanese government and the Bank of Japan have been trying to create a virtuous circle of higher corporate earnings, higher wages, higher capex, and efficient capital allocation leading to even higher corporate earnings. The policies are wide ranging and fall under one of the 'Three Arrows' of Abenomics. Many investors seem to have been impatient, expecting a series of bazooka policies and significant overnight changes. However, we have been observing many positive changes in different areas supported by new laws and deregulation on a micro basis. There remains much more to do, especially on the fiscal side and also in the area of deregulation, but the accumulation of these micro policies has started having a positive impact. Prime Minister Abe's administration may launch a series of policies to boost wages before the next round of spring wage negotiations.

## 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 %	November 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	1.5	7.4	7.0	81.5	84.2	na
Percentage growth (O acc)	%					
30 Sep 2014 – 30 Sep 2015	1.0					
30 Sep 2013 – 30 Sep 2014	8.1					
30 Sep 2012 – 30 Sep 2013	55.2					
30 Sep 2011 – 30 Sep 2012	-0.5					
30 Sep 2010 – 30 Sep 2011	1.7					
			<b>Share price as at 30 November 2015</b>		<b>p</b>	
			<b>O accumulation</b>		<b>185.87</b>	
			<b>C accumulation</b>		<b>187.98</b>	

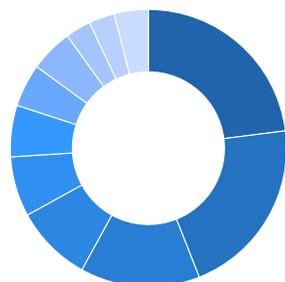
Source: Ruffer LLP

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.

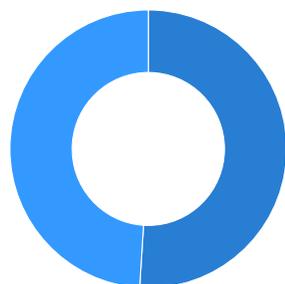
The fund's prospectus and key investor information documents are provided in English and available on request or from [www.ruffer.co.uk](http://www.ruffer.co.uk). Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Japanese Fund is not registered for distribution in any country other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

# CF Ruffer Japanese Fund as at 30 November 2015

## Portfolio structure



Asset allocation	%		%
• Financial	23	• Consumer	5
• Industrial	21	• Real estate	5
• Technology	14	• Energy and commodities	3
• Auto	9	• Retail	3
• Services	7	• Cash	4
• Healthcare	6		



Currency allocation	%
• Sterling	52
• Yen	48

## 10 largest of 64 equity holdings

Stock	% of fund	Stock	% of fund
ORIX	3.8	Seven & I Holdings	2.8
Mazda Motor	3.5	Rakuten	2.7
Sony Corp	3.4	M3	2.4
Toyota Motor	3.1	Hitachi	2.3
T&D Holdings	3.0	Dai-ichi Life Insurance	2.3

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 £475.8m

## 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	0.00
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	

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## 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 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

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