

CF Ruffer Japanese Fund

Providing capital growth by investing in a portfolio of Japanese equities



November 2016 Issue 91

During the period from 1 November to 30 November the price of the fund's O accumulation shares increased by 4.7% from 193.45 pence to 202.45 pence. In the same period, the TOPIX on a sterling adjusted basis fell by 5.0%, while the TOPIX in yen went up 5.5%. As of the close on 30 November, the fund was 90.1% invested in Japanese equities and its cash position was 9.9%.

Regarding attribution, Dai-ichi Life Holdings [8750 JP], Tokio Marine Holdings [8766 JP], Mitsubishi UFJ Financial Group [8306 JP], Mitsubishi Electric [6503 JP] and T&D Holdings [8795 JP] were the biggest positive contributors, while Rakuten [4755 JP], Nabtesco [6268 JP], Sony [6758 JP], Hamamatsu Photonics [6965 JP] and M3 [2413 JP] provided the largest negative contributions.

During the month, we continued to trim the fund's exposure to the yen by increasing our forward position whilst adding to a high-beta low-valuation cyclical name, in which we had initiated a position in October. The yen depreciated sharply against major currencies while high-beta cyclical stocks continued to rebound. As of the close on 30 November the fund's exposure to the yen was 2.4%.

In 2016 the TOPIX in yen fell by 12.9% in Q1 and 7.5% in Q2, then rebounded by 6.2% in Q3, by 5.3% in October and by 5.5% in November. Year to date the TOPIX has declined by 5%. Yen appreciation and investors' avoidance of high-beta, low-valuation cyclicals drove the Japanese market lower in the first half. However the Japanese market is now being supported by the depreciation of the yen and the global shift toward those previously out of favour cyclical names.

November started on a weak note as investors continued to take a 'wait-and-see' approach ahead of the US presidential election on 8 November. Eighteen months of largely negative campaigning had inevitably created uncertainty with investors running relatively low allocations to equities. However, with the election finally over some degree of uncertainty was lifted and global financial markets moved into a 'risk-on' mode. Bonds were sold while equities were bought. Trump's victory initially triggered a short period (around six hours) of 'risk-off' mode but investors seem to have quickly come to the conclusion that a President Trump will be more pragmatic than candidate Trump and with respect to the economy he will be largely business friendly beginning with various fiscal stimulus measures. We await policy announcements in the new year.

We are spending the first two weeks of December visiting companies in Tokyo, Kyoto and Shiga. In addition one member of the team is spending the first week of the month in China visiting Japanese companies' Chinese operations, their local competitors and attending some macro meetings.

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 2016 | Year to date | 1 year | 3 years | 5 years | 10 years |
|-----------------------|---------------|--------------|--------|---------|---------|----------|
| O accumulation shares | 4.7 | 9.8 | 8.9 | 25.4 | 108.2 | na |

| Percentage growth (O acc) | % | Share price as at 30 November 2016 | p |
|---------------------------|------|------------------------------------|---------------|
| 30 Sep 2015 – 30 Sep 2016 | 8.4 | O accumulation | 202.45 |
| 30 Sep 2014 – 30 Sep 2015 | 1.0 | C accumulation | 205.34 |
| 30 Sep 2013 – 30 Sep 2014 | 8.1 | | |
| 30 Sep 2012 – 30 Sep 2013 | 55.2 | | |
| 30 Sep 2011 – 30 Sep 2012 | -0.5 | | |

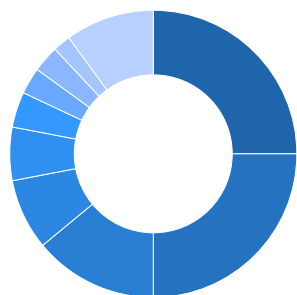
Source: Ruffer LLP

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.

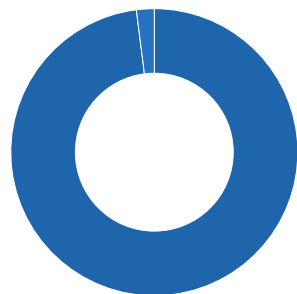
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

CF Ruffer Japanese Fund as at 30 November 2016

Portfolio structure



| Asset allocation | % | | % |
|------------------|----|---------------|----|
| • Industrial | 25 | • Real estate | 4 |
| • Financial | 25 | • Healthcare | 3 |
| • Technology | 14 | • Retail | 3 |
| • Services | 8 | • Auto | 2 |
| • Consumer | 6 | • Cash | 10 |



| Currency allocation | % |
|---------------------|----|
| • Sterling | 98 |
| • Yen | 2 |

10 largest of 53 equity holdings

| Stock | % of fund | Stock | % of fund |
|---------------------|-----------|---------------------------|-----------|
| ORIX | 5.0 | T&D Holdings | 3.1 |
| Sony | 4.4 | Tokio Marine | 2.9 |
| Fujitsu | 3.7 | Dai-ichi Life Insurance | 2.9 |
| Mitsubishi Electric | 3.6 | Seven & I | 2.6 |
| Recruit | 3.2 | Sumitomo Mitsui Financial | 2.3 |

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 £483.8m

Fund information

| % | O class | C class |
|--------------------------|---|---------|
| Ongoing Charges Figure | 1.57 | 1.24 |
| Annual management charge | 1.5 | 1.2 |
| Maximum initial charge | 5.0 | 5.0 |
| Yield | 0.03 | 0.29 |
| 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 30 November 2016, assets managed by the Ruffer Group exceeded £20.3bn, of which over £11.2bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL.

Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2016