

CF Ruffer Total Return Fund

Positive absolute returns with low volatility



The fund price of the CF Ruffer Total Return Fund rose by 0.2% during August. This compared with a rise of 1.4% in the FTSE All-Share Index and a rise of 1.9% in the FTSE All Stocks Index.

With politicians largely on holiday and parliaments the world over in recess, investors could have been excused from thinking that, in sharp contrast to the earlier part of 2017, political developments could be safely ignored during August. Unfortunately no-one passed that message to Kim Jong Un, the North Korean leader. Repeated testing of missiles by North Korea provoked combative statements from the Trump administration with the result that August witnessed a sharp rise in the price of safe havens. UK government bond prices surged as nominal yields fell, and the gold price rose 4% in US dollar terms. Equities were benign rather than weak, seemingly encouraged by the feeling that such geopolitical events have pushed out the timing of further US interest rate rises. Also the much-awaited central bankers' gathering at Jackson Hole late in the month failed to bring into view any imminent tightening of monetary policy from the European Central Bank or the Federal Reserve.

We continue to believe that, in terms of US Federal Reserve policy, there is too much focus on the path of interest rates at the expense of the issue of shrinking the US central bank's balance sheet. The latter process, by virtue of its draining of liquidity, could threaten higher volatility in asset markets, bringing to an end the latter's passable imitation of Rip Van Winkle. To that extent we are increasingly concerned that today's market conditions resemble those of 2006-2007: against an apparently serene and calm market backdrop, with asset prices generally grinding upwards, there is a bubbling up of risks and rising valuations which investors are presently finding easier to ignore. We, by contrast, seeing the mousetrap and not the cheese, prefer not to chase markets where low volatility begets rising asset prices... until it doesn't.

Natural disasters have also made their mark. Alongside the tragic human cost of Hurricane Harvey, comes the bill for clearing up with President Trump requesting \$8bn towards the rebuild effort. Discussions concerning the US debt ceiling, aimed at avoiding a government shutdown on 30 September, continue to crank up. While part of the administration is keen to link the release of flood relief funds with the debt ceiling decisions, it is also clear that more hawkish Republicans, while not wanting to be seen blocking rescue funds, have spotted the potential Trojan horse – further debate and uncertainty thus seems inevitable.

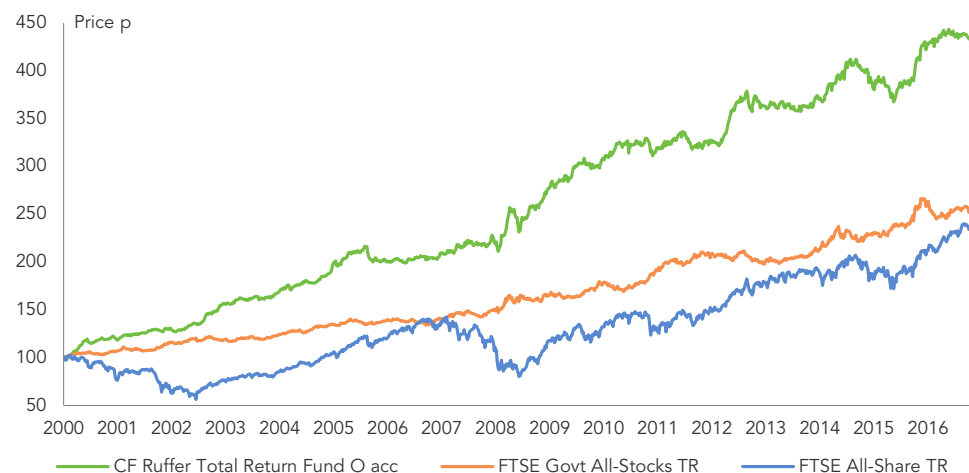
For all the sabre-rattling referenced above, the fact remains that the world's economies are presently growing at a decent clip, hence our equity selection remains tilted more towards cyclical stocks and financial names. August saw the introduction of a position in Delphi, the automotive parts supplier, which has a substantial exposure to growth areas in the automotive industry, in particular electronic content and electric vehicles. We are hopeful that a portfolio that has exposure to both Oracle and Delphi will give us at least some clues as to how to navigate present market conditions.

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 Total Return Fund is not registered for distribution in any country other than the UK. In line with the Prospectus, it is possible that at any one time the CF Ruffer Total Return Fund may invest more than 35% of its assets in transferable securities issued or guaranteed by an EEA state, one or more local authorities, a third country or a public international body to which one or more EEA States belong. The only aforementioned securities where Ruffer would currently consider holding more than 35% would be UK or US government issued transferable securities.

Investment objective

The fund aims to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including equities, bonds and currencies. Capital invested is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve-month periods. The fund may also invest in collective investment schemes, cash, money market instruments, other transferable securities and derivatives and forward transactions. Pervading this objective is a fundamental philosophy of capital preservation.

Performance since launch on 29 September 2000



Performance %	August 2017	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	0.2	-1.4	0.3	15.9	33.0	111.9	
Percentage growth (O acc)	%		Share price as at 31 August 2017				
30 Jun 2016 – 30 Jun 2017	8.3		O accumulation				430.79
30 Jun 2015 – 30 Jun 2016	-0.6		O income				292.32
30 Jun 2014 – 30 Jun 2015	10.9		C accumulation				437.39
30 Jun 2013 – 30 Jun 2014	0.1		C income				296.96
30 Jun 2012 – 30 Jun 2013	12.6						

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.

CF Ruffer Total Return Fund as at 31 August 2017

Asset allocation



Asset allocation

Asset allocation	%
● Non-UK index-linked	16
● Long-dated index-linked gilts	14
● Index-linked gilts	12
● Cash	9
● Gold and gold equities	5
● Illiquid strategies	3
● Japan equities	16
● UK equities	12
● North America equities	7
● Europe equities	3
● Asia ex-Japan equities	3

Currency allocation

Currency allocation	%
● Sterling	75
● Yen	8
● US dollar	6
● Gold	5
● Euro	1
● Other	5

Currency allocation



10 largest of 83 equity holdings*

Stock	% of fund
Lloyds Banking Group	1.7
BP	1.7
Mitsubishi UFJ Financial	1.5
Sumitomo Mitsui Financial	1.5
Sony	1.5
T&D	1.4
Vivendi	1.0
Oracle	1.0
HeidelbergCement	1.0
Vodafone Group	1.0

5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	5.1
US TIPS 0.125% 2022	5.0
UK Treasury index-linked 0.125% 2024	4.7
UK Treasury index-linked 1.25% 2055	3.9
UK Treasury index-linked 0.375% 2062	3.8

*Excludes holdings in pooled funds
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 £3,223.7m

Fund information

	O class	C class
Ongoing Charges Figure	1.53	1.23
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	1.60	1.59
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	
	O class	C class
ISIN	GB0009684100 (acc) GB0009684878 (inc)	GB00B80L7V87 (acc) GB00B58BQH88 (inc)
SEDOL	0968410 (acc) 0968487 (inc)	B80L7V8 (acc) B58BQH8 (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	

Dealing line

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Fund Managers

Steve Russell

INVESTMENT DIRECTOR

Graduated from Oxford in PPE and started work as an equity analyst at Confederation Life in 1987, progressing to Head of Equities. In 1999 he moved to HSBC Investment Bank as Head of UK and European Equity Strategy, before joining Ruffer in 2003. He is also co-manager of the Ruffer Investment Company.



David Ballance

INVESTMENT DIRECTOR

Previously International Equities Head at Rothschild Private Management, he graduated from Oxford and was a Senior Investment Manager at Allied Dunbar, before moving to Threadneedle as Head of European Equities. He joined Ruffer in 2006.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2017, assets managed by the Ruffer Group exceeded £21.6bn, of which over £12.7bn was managed in open-ended Ruffer funds.

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