

CF Ruffer Total Return Fund

Positive absolute returns with low volatility



During January the share price fell by 2.1%. This compared with a fall of 3.1% in the FTSE All-Share Index and a rise of 3.6% in the FTSE Government All-Stocks Index (both figures total returns in sterling).

January proved to be yet another torrid month for risk assets as global equity markets suffered their worst start to the year since 2009. Many of the fears that troubled investors in the latter half of 2015 continued to weigh heavily on asset prices. Oil prices fell yet further; the Brent price was down 7% having already fallen 69% since the end of 2013. The ongoing weakness and volatility of the renminbi have been perceived as evidence of a further slowdown in China. The 23% fall in Chinese equities provided another illustration of these worries. Elsewhere, rising concerns of a potential recession in the US ensured a difficult environment for investors. Last year we significantly reduced our equity exposure to its lowest level since the financial crisis. While this helped and inflation linked bonds and gold related investments provided positive returns during the month, it was not sufficient to offset the losses in our remaining equity positions.

The second half of January was punctuated by a further round of plate spinning from the world's major central bankers. Mario Draghi provided some respite to embattled markets by indicating that the European Central Bank (ECB) stood ready to inject fresh stimulus, should it be required. Mr Draghi was then trumped by Haruhiko Kuroda (Governor of the Bank of Japan); despite having ruled out the possibility only eight days earlier Mr Kuroda and the Bank of Japan became the latest major central bank to introduce negative rates, following in the footsteps of Switzerland, Denmark, Sweden and the ECB. These actions highlight the growing disparity between the US and the other major economies around the world. Despite providing investors with soothing tones, the Federal Reserve still appears to be intent on raising rates four times in 2016. Market expectations are less optimistic. The Federal Reserve will have to decide whether it wants to continue tightening policy for reasons of financial stability or defer hikes until growth (and inflation) show themselves fully. This highlights the dilemma the authorities face; not only are their efforts to normalise monetary policy potentially being overcome by deflationary forces, but there is little left in the conventional central banker's tool kit to respond to further shocks. This suggests that yet more radical measures may be required. Anyone for fiscal stimulus? The actions of the Bank of Japan and the words from the ECB may allow some of the more acute stresses to abate in the short term. However, we are likely to see continued tension between the deflationary impulses and the upward pressure on asset prices from zero (and lower) interest rates resulting in further episodes of whiplash in equity markets.

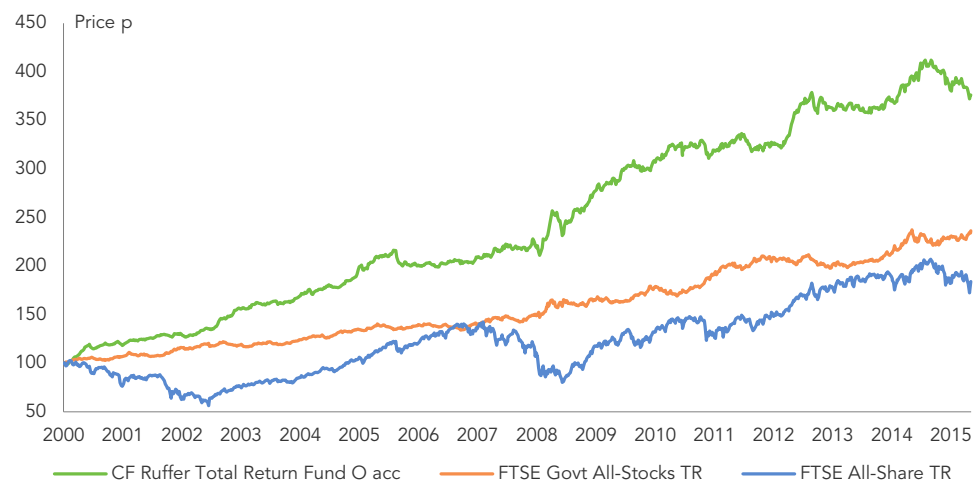
We re-introduced a holding in Japanese property developer Mitsui Fudosan whose share price had fallen back to levels not seen since the launch of 'Abenomics'. The shares now trade at a significant discount to net asset value and should benefit from the growing disparity between rental yields and Japanese government bond yields; following the action of the Bank of Japan government bond yields now trade at a negative yield for maturities out to nine years. It is also likely that rents will continue to rise as the domestic economy improves.

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



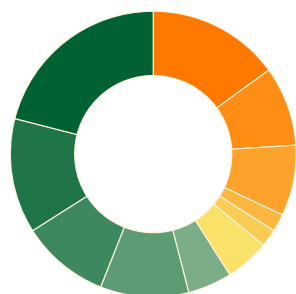
Performance %	January 2016	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	-2.1	-2.1	-4.7	6.1	17.5	77.7	
Percentage growth (O acc)	%		Share price as at 29 January 2016				p
31 Dec 2014 – 31 Dec 2015	-0.6		O accumulation		376.04		
31 Dec 2013 – 31 Dec 2014	5.7		O income		260.43		
31 Dec 2012 – 31 Dec 2013	9.3		C accumulation		380.01		
31 Dec 2011 – 31 Dec 2012	2.4		C income		263.30		
31 Dec 2010 – 31 Dec 2011	0.9						

Source: Ruffer LLP

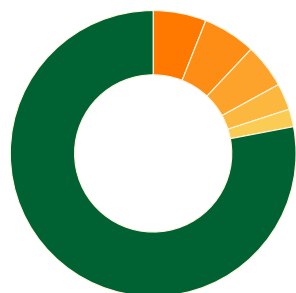
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Total Return Fund as at 29 January 2016

Portfolio structure



Asset allocation	%		%
● Non-UK index-linked	21	● Japan equities	15
● Long-dated index-linked gilts	13	● UK equities	9
● Cash	10	● North America equities	8
● Index-linked gilts	10	● Europe equities	2
● Gold and gold equities	5	● Asia ex-Japan equities	2
		● Illiquid strategies	5



Currency allocation	%
● Sterling	78
● Yen	6
● US dollar	6
● Gold	5
● Euro	2
● Other	3

5 largest of 18 bond holdings

Stock	% of fund	Stock	% of fund
US TIPS 0.125% 2022	4.5	Gold Bullion Securities	2.0
UK Treasury index-linked 1.875% 2022	4.1	Mizuho Financial	1.9
UK Treasury index-linked 1.25% 2055	3.9	The Boeing Company	1.9
UK Treasury index-linked 0.125% 2024	3.5	Sumitomo Mitsui Financial	1.8
US TIPS 1.25% 2020	3.3	Mitsubishi UFJ Financial	1.7

5 largest of 83 equity holdings*

Stock	% of fund
Gold Bullion Securities	2.0
Mizuho Financial	1.9
The Boeing Company	1.9
Sumitomo Mitsui Financial	1.8
Mitsubishi UFJ Financial	1.7

Source: Ruffer LLP

*Excludes holdings in pooled funds

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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 £2,887.6m

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	1.42	1.42
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

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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 January 2016, assets managed by the Ruffer Group exceeded £18.0bn, of which over £9.2bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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