

CF Ruffer Total Return Fund

Positive absolute returns with low volatility



During February the share price rose by 0.2%. This compared with a rise of 0.8% in the FTSE All-Share Index and a rise of 1.4% in the FTSE Government All-Stocks Index (both figures total returns in sterling).

Recent unexceptional monthly returns from equity markets have masked significant underlying volatility, with global indices falling far enough at one point during the month to enter officially a bear market. February's volatility derived from the aftershocks of the Bank of Japan's implementation of negative interest rates on excess bank reserves. While they were not alone in taking this step (Sweden, Switzerland, Denmark and the European Central Bank are already there) the impact of the decision was more profound and spread far outside Japan. Global banks (including our Japanese ones), already under pressure following the falls in energy and commodity prices, were knocked again, forcing a 'nothing-to-see-here' announcement from Deutsche Bank. The gold price perked up as the credibility of central banks was called into question and markets fretted over the possibility of a rerun of the 2008 crisis. This opened the door for the whispers of more radical policy response to become mainstream. The usual proponents of fiscal stimulus, including Larry Summers and Adair Turner, were at the forefront and they were joined by other heavyweights such as Ray Dalio. The short message (put succinctly by Martin Wolf quoting Sherlock Holmes): there is always more that can be done – 'when one has exhausted the just about possible, what remains, however improbable, must be the answer'.

Since 2008 we have seen a continual creep in the radical becoming mainstream. Quantitative easing, once considered reckless, is now a primary policy tool. Zero interest rates were implausible, but now negative rates are becoming widespread. This drift into more and more radical areas of monetary policy, while necessary as an antidote to the high-debt/low-growth hangover of the financial crisis, comes with significant risks. Fiscal tools are blunt and their use greatly increases the chances of a slip-up and the accompanying loss of confidence in paper money as a store of value (or its electronic equivalent if the proponents of the cashless society have their way). The direction of travel remains constant and the harder it becomes to generate sufficient economic growth for indebted economies to deleverage, the more experimental and extreme simulative policies will become. The economy where the introduction of fiscal stimulus faces the fewest impediments may well be Japan. Interestingly, there are Upper House elections in July and this will be a test of Abe's economic record to date. A pre-election announcement may not only be good for the economy and markets it could also be a vote winner.

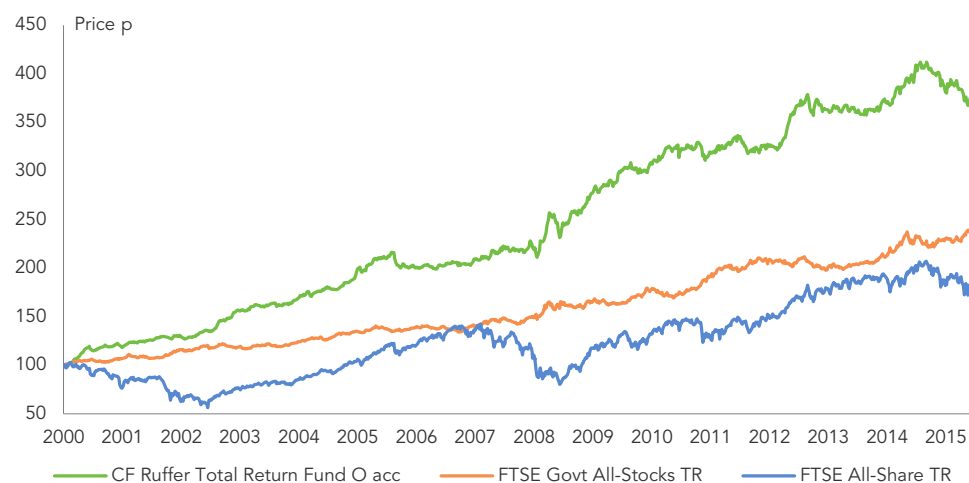
In other news the debate on Brexit started in earnest with sterling being the principal casualty. There was a momentary lull in Chinese news flow although interestingly the moment of most acute stress for Japanese equities was when Shanghai was closed for a week over Chinese New Year – a reminder of last summer when Japan suffered as a proxy short when two thirds of the Chinese market was suspended. These effects are usually short lived.

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



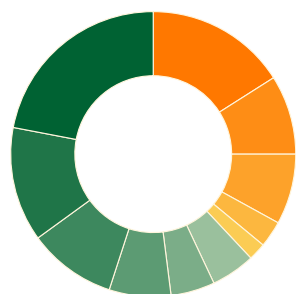
Performance %	February 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.2	-1.9	-5.5	4.6	15.6	78.6
Percentage growth (O acc)	%		Share price as at 29 February 2016 p			
31 Dec 2014 – 31 Dec 2015	-0.6		O accumulation		376.86	
31 Dec 2013 – 31 Dec 2014	5.7		O income		261.00	
31 Dec 2012 – 31 Dec 2013	9.3		C accumulation		380.94	
31 Dec 2011 – 31 Dec 2012	2.4		C income		263.95	
31 Dec 2010 – 31 Dec 2011	0.9					

Source: Ruffer LLP

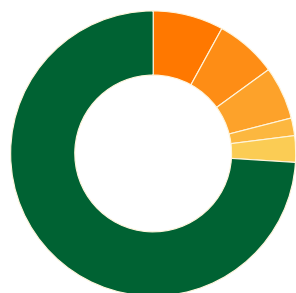
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Total Return Fund as at 29 February 2016

Portfolio structure



Asset allocation	%		%
● Non-UK index-linked	22	● Japan equities	16
● Long-dated index-linked gilts	13	● UK equities	9
● Index-linked gilts	10	● North America equities	8
● Gold and gold equities	7	● Europe equities	3
● Illiquid strategies	5	● Asia ex-Japan equities	2
● Cash	5		



Currency allocation	%
● Sterling	74
● US dollar	8
● Gold	7
● Yen	6
● Euro	2
● Other	3

5 largest of 18 bond holdings

Stock	% of fund
US TIPS 0.125% 2022	4.7
UK Treasury index-linked 1.875% 2022	4.1
UK Treasury index-linked 1.25% 2055	3.8
UK Treasury index-linked 0.125% 2024	3.5
US TIPS 1.25% 2020	3.5

Source: Ruffer LLP

5 largest of 87 equity holdings*

Stock	% of fund
Gold Bullion Securities	2.3
The Boeing Company	2.0
Sumitomo Mitsui Financial	1.8
Mitsubishi UFJ Financial	1.8
Mizuho Financial	1.7

*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 £2,884.3m

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	1.41
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	
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 29 February 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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