

# CF Ruffer Gold Fund

Achieving capital growth by investing principally in gold and precious metal related companies



During August, the fund's O accumulation shares rose 2.5% from 72.44p to 74.24p. This compares to a 4.3% rise in the FTSE Gold Mines Total Return Index in sterling terms. Over the period the gold price increased by 3.6% in US\$ and 5.5% in sterling.

The relatively small change in the FTSE Gold Mines Total Return Index over the period hides considerable volatility as it rose strongly in the first half of the month (including by 15% in one week) before falling back sharply towards the end of the month. The Chinese decision not to hold the renmimbi peg to the US dollar on 11 August and consequent depreciation of the currency initially triggered a rally in gold and a very sharp bounce in gold equities. However, as the month progressed the heightened anxiety surrounding China resulted in a sharp sell-off in commodities and in global stock markets, and gold equities reversed much of their earlier gains.

The fund was less volatile than the index during this period as the largest price rises in the first half of August tended to be in the stocks which had fallen the most in July. Whilst we adjusted positions to an extent in response to the price falls, it is natural that having experienced a much lower decline than the index in July, the fund had comparatively low weightings in those stocks which bounced hardest in August. Also, whilst we believe the portfolio will do well in the event of a substantial and sustained upward move in gold, we have chosen to accept a degree of relative underperformance in the event of small upward moves in gold as the price for providing our investors with a more attractive and asymmetric pay-off profile than a simple index of large-cap gold miners.

The outstanding positive contributor to performance this month was Gold Fields. Whilst over the whole of August it was only up 17%, the trough to peak rise in the middle of the month was 46%. With little company specific news, the wild behaviour of this stock over the past few months has been completely divorced from the fundamentals of the business and indicates the degree to which trading in the sector has become dominated by passive index investors and technical momentum traders. We believe we understand this stock well enough to take advantage of such irrational share price moves by adjusting our weighting as appropriate. Whilst Gold Fields ended August as a 3% weighting in our fund, it was a considerably larger position at other points during the month.

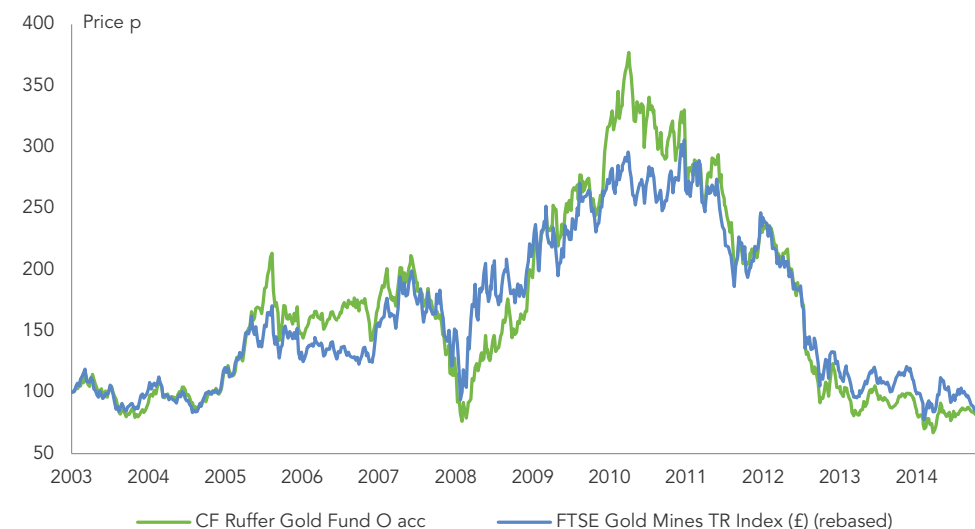
We have continued to use the volatility in gold equities to add to positions where the economics are attractive. In particular, we have added to our Australian mid-cap positions which we find attractive as the fall in the Australian dollar has continued to offset the fall in the US dollar gold price.

Whether the recent developments in China prove to be a turning point for markets it is too early to tell. There are arguments on either side about the implications for the gold price and we have no strong conclusion. However, after the succession of indiscriminate sell-offs in gold equities over the past few months there are now many opportunities which are more attractive than bullion and it is surely a great time to be a medium-sized actively managed fund in this sector!

## Investment objective

The fund aims to achieve capital growth over the long term by investing principally in gold and precious metal related companies within the mining industry.

## Performance since launch on 1 October 2003



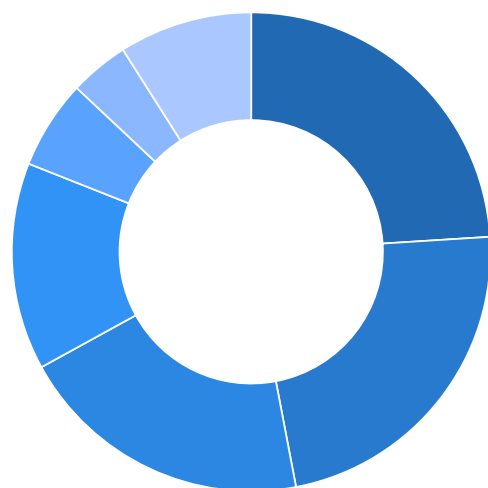
Performance %	August 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	2.5	1.9	-25.1	-64.6	-72.2	-24.6

Percentage growth (O acc)	%	Share price as at 28 August 2015	p
30 Jun 2014 – 30 Jun 2015	-9.6	<b>O accumulation</b>	<b>74.24</b>
30 Jun 2013 – 30 Jun 2014	0.5	<b>C accumulation</b>	<b>74.93</b>
30 Jun 2012 – 30 Jun 2013	-55.8		
30 Jun 2011 – 30 Jun 2012	-30.6		
30 Jun 2010 – 30 Jun 2011	13.1		

Source: Ruffer LLP

# CF Ruffer Gold Fund as at 28 August 2015

## Portfolio structure



	%
• North America	24
• Africa	23
• Australia	20
• Asia	14
• South America	6
• Other	4
• Cash	9

### Capitalisation breakdown

% market exposure	Size	Market cap
12.0	Large	US\$5bn+
18.4	Mid	US\$1-\$5bn
61.8	Small	US\$0-\$1bn

## 10 largest of 79 holdings (representing 55 companies)

Stock	% of fund	Stock	% of fund
Northern Star Resources	5.4	Mandalay Resources	3.4
Regis Resources	5.4	Lake Shore Gold	3.2
Silver Wheaton	5.0	Goldcorp	3.0
Metals Exploration	4.2	Gold Fields	2.9
Endeavour Mining	4.1	Randgold Resources	2.9

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 £190.7m

## Fund information

%	O class	C class
Ongoing Charges Figure	1.64	1.33
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	
ISIN	O class GB0033628156	C class GB00B8510Q93
SEDOL	3362815	B8510Q9
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

### Paul Kennedy

RESEARCH DIRECTOR



Joined Ruffer in 2012 from L.E.K. Consulting. He holds a degree in Jurisprudence from Oxford University and an MBA with Distinction from London Business School. He has many years of experience evaluating investments across industry sectors and has managed the CF Ruffer Gold Fund since February 2015.

## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 August 2015, assets managed by the Ruffer Group exceeded £18.2bn, of which over £8.8bn was managed in open-ended Ruffer funds.

## Dealing line

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