

CF Ruffer Total Return Fund

Positive absolute returns with low volatility

We are planning to hold a meeting for shareholders early next year. If you would like to attend, please contact investorday@ruffer.co.uk.

During October the fund price rose by 3.1%. This compared with a rise of 4.7% in the FTSE All-Share Index and a fall of 1.1% in the FTSE Government All-Stocks Index (both figures total returns in sterling).

There is an old adage that 'stock markets aim to cause the most pain to the most people' and after a month as bruising as September perhaps participants had become too pessimistic and the pain trade turned out to be the snapback rally across risk assets that we saw this month. Whatever the reason, the bounce back in equities helped our portfolio recover much of the losses of the previous quarter, especially with Japan leading the rally. Positive contributions to the portfolio came from both western equities, where Boeing and Microsoft in particular posted strong results, and our Japanese financial stocks (+1.5%) outperformed the Japanese market (itself up around 10%). The storm clouds of the third quarter have lifted and most markets are back into positive territory for the year. However, there have been casualties – performance across managers and across sectors has been diverging and this dispersion is potentially signalling the beginning of a new market regime.

The global monetary policy environment continues to be one of shifting sands and evolving opinions. Recently, Mario Draghi alluded to the European Central Bank's (ECB) need to consider 'all the options' available to stave off deflation and hinted at an imminent rate cut, moving deeper into negative interest rates. Whilst, in the Financial Times, Wolfgang Münchau (associate editor) has published articles which champion giving each EU citizen a cheque for €5,000. If this doesn't take care of the 'inflation problem' (remember stable or falling prices really are a problem in an overly indebted world) then the ECB should send another cheque. Willem Buiter, Chief Economist at Citi and Andy Haldane at the Bank of England have both proposed the abrogation of cash. These are quite incredible ideas proposed by credible people. A key feature of today's environment is the confidence placed in the success of radical policy experiments and a failure to concede the inevitability of some negative unforeseen consequences. One interesting distinction is unlike quantitative easing, so called 'helicopter drops' or outright monetary finance cannot be undone – that genie does not go back into the bottle. While we do not know what the unintended consequences might be, history cautions us not to expect a free lunch.

Across the Atlantic, the 'will they, won't they' two-step on rate hikes has pirouetted once again and the Fed governors are now making hawkish noises, signalling a move before the year-end. This time around markets have reacted positively to this development and the signal it sends over the Fed's economic confidence. Additionally, it suggests September's confused communication and non-hike was just the first policy mistake of what will be a treacherous exit from zero rates. If the Fed hikes rates and the ECB cuts rates in the same month it will be the first time since May 1994 – a stark indication of the perceived diverging economic performance on either side of the Atlantic.

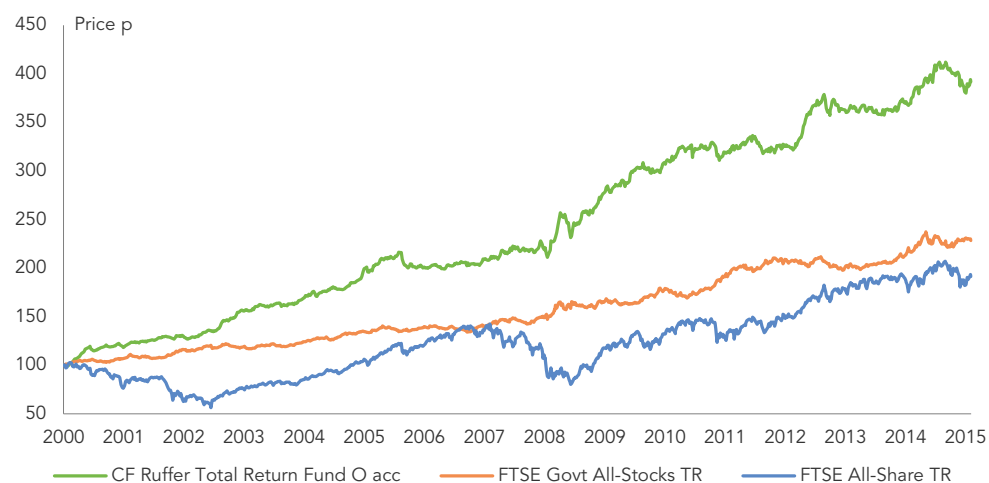
The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Total Return Fund is not registered for distribution in any country other than the UK. In line 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 %	October 2015	Year to date	1 year	3 years	5 years	10 years	
O accumulation shares	3.1	1.4	4.9	21.2	26.7	99.5	
Percentage growth (O acc)	%		Share price as at 30 October 2015				p
30 Sep 2014 – 30 Sep 2015	2.3		O accumulation				391.90
30 Sep 2013 – 30 Sep 2014	2.6		O income				271.60
30 Sep 2012 – 30 Sep 2013	11.1		C accumulation				395.74
30 Sep 2011 – 30 Sep 2012	2.0		C income				274.38
30 Sep 2010 – 30 Sep 2011	4.0						

Source: Ruffer LLP

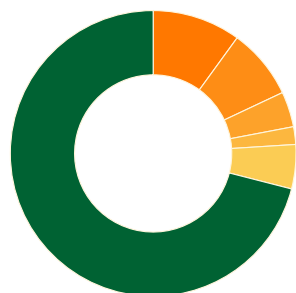
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Total Return Fund as at 30 October 2015

Portfolio structure



Asset allocation	%		%
● Non-UK index-linked	18	● Japan equities	18
● Long-dated index-linked gilts	12	● UK equities	10
● Index-linked gilts	9	● North America equities	9
● Cash	8	● Europe equities	4
● Gold and gold equities	4	● Asia ex-Japan equities	3
		● Illiquid strategies	5



Currency allocation	%
● Sterling	71
● Yen	10
● US dollar	8
● Gold	4
● Euro	2
● Other	5

5 largest of 18 bond holdings

Stock	% of fund	Stock	% of fund
US TIPS 0.125% 2022	4.0	Sumitomo Mitsui Financial	2.4
UK Treasury index-linked 1.875% 2022	3.9	Mizuho Financial	2.1
UK Treasury index-linked 1.25% 2055	3.6	Mitsubishi UFJ Financial	2.1
UK Treasury index-linked 0.125% 2024	3.3	The Boeing Company	2.0
US TIPS 1.25% 2020	3.0	T&D	1.7

5 largest of 99 equity holdings*

Stock	% of fund
Sumitomo Mitsui Financial	2.4
Mizuho Financial	2.1
Mitsubishi UFJ Financial	2.1
The Boeing Company	2.0
T&D	1.7

Source: Ruffer LLP

*Excludes holdings in pooled funds

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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 £3,021.2m

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	1.30	1.29
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	
	O class	C class
ISIN	GB0009684100 (acc)	GB00B80L7V87 (acc)
	GB0009684878 (inc)	GB00B58BQH88 (inc)
SEDOL	0968410 (acc)	B80L7V8 (acc)
	0968487 (inc)	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 October 2015, assets managed by the Ruffer Group exceeded £18.2bn, of which over £9.3bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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