

CF Ruffer Absolute Return Fund

a sub-fund of Asperior Investment Funds

ACD's Annual Short Report

for the year ended 15 September 2012

Investment Objective and Policy

The CF Ruffer Absolute Return Fund ('the Fund') aims to achieve low volatility and positive returns in all market conditions from an actively managed portfolio of equities or equity related securities (including convertibles) and corporate and government bonds and currencies. The Fund may also invest in collective investment schemes, cash and money market instruments. Pervading this objective is a fundamental philosophy of capital preservation.

In selecting investments the Fund will adopt a stock picking approach and will not adopt any investment weightings by reference to any benchmark.

Risk Profile

The Fund has little exposure to credit or cash flow risk. There are no borrowings or unlisted securities of a material nature and so there is little exposure to liquidity risk. The main risks it faces from its financial instruments are market price, foreign currency and interest rate risk. The ACD reviews the policies for managing these risks in order to follow and achieve the Investment Objective as summarised above.

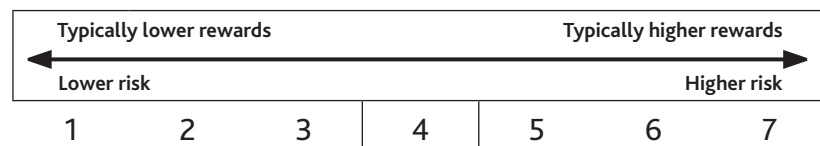
Accounting and Distribution Dates

	Accounting	Distribution
Interim	15 March	15 May
Final	15 September	15 November

Ongoing Charges Figure

Expense Type	15.09.12			
	%			
	'C'	'O'	'P'	'I'
ACD's periodic charge	1.20	1.50	1.75	1.00
Other expenses	0.02	0.02	0.02	0.02
Ongoing charges figure	1.22	1.52	1.77	1.02

Synthetic Risk and Reward Indicator



The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

Distributions

Share Class	Interim 15.03.12 pence per share	Final 15.09.12 pence per share
'C' Income	1.4824	1.9431
'C' Accumulation	1.6955	2.2477
'O' Income	1.4550	1.8992
'O' Accumulation	1.6661	2.2058
'P' Income	1.4332	1.8617
'P' Accumulation	1.6450	2.1675
'I' Income	–	0.2680
'I' Accumulation	–	0.2861

Performance Record

'C' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007	99.49	96.25	2.4634
2008	114.39	95.92	2.6235
2009	128.25	101.87	2.4523
2010	143.72	127.08	2.7760
2011	144.17	134.72	3.1535
2012*	145.10	135.28	3.4255

'C' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007	103.46	98.73	2.5255
2008	122.68	101.52	2.7568
2009	140.59	109.26	2.6480
2010	160.57	139.26	3.0390
2011	162.08	152.52	3.5692
2012*	165.91	156.28	3.9432

'O' Income shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007	99.20	95.84	2.4556
2008	113.43	95.19	2.6123
2009	126.89	100.97	2.3931
2010	141.61	125.64	2.8003
2011	141.96	132.40	3.1847
2012*	142.37	132.72	3.3542

'O' Accumulation shares

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2007	103.02	98.55	2.5173
2008	121.71	100.79	2.7705
2009	139.00	108.34	2.5732
2010	158.32	137.64	3.0726
2011	159.62	150.17	3.5919
2012*	163.05	153.57	3.8719

Performance Record (continued)

'P' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2007	98.96	95.44	2.4512
2008	112.56	94.51	2.6969
2009	125.67	100.15	2.3658
2010	139.80	124.35	2.8151
2011	140.13	130.52	3.1435
2012*	140.14	130.62	3.2949

'P' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2007	102.72	98.47	2.5090
2008	121.01	100.27	2.7530
2009	137.87	107.67	2.5554
2010	156.66	136.50	3.0833
2011	157.74	148.36	3.5341
2012*	160.84	151.48	3.8125

'I' Income shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2012#*	138.88	137.24	0.2680

'I' Accumulation shares

Calendar Year	Highest Price p	Lowest Price p	Distribution per share p
2012#*	160.43	158.54	0.2861

From 8 August 2012.

* To 15 September 2012.

Net Asset Value

Date	Share Class	Net Asset Value £	Shares in Issue	Net Asset Value pence per share
30.04.11	'C' Income	380,222,910	268,932,558	141.38
	'C' Accumulation	1,148,397,744	717,447,007	160.07
	'O' Income	2,539,904	1,826,447	139.06
	'O' Accumulation	4,875,090	3,091,206	157.71
	'P' Income	88,888	64,798	137.18
	'P' Accumulation	723,104	463,750	155.93
15.09.11*	'C' Income	388,204,382	285,665,962	135.89
	'C' Accumulation	1,288,123,315	828,987,600	155.39
	'O' Income	2,478,535	1,855,990	133.54
	'O' Accumulation	6,135,805	4,012,027	152.94
	'P' Income	85,284	64,798	131.62
	'P' Accumulation	700,482	463,750	151.05
15.09.12	'C' Income	424,857,501	309,226,600	137.39
	'C' Accumulation	1,463,489,896	909,152,052	160.97
	'O' Income	2,491,590	1,850,134	134.67
	'O' Accumulation	6,311,923	3,993,997	158.04
	'P' Income	70,964	53,579	132.45
	'P' Accumulation	507,574	325,881	155.75
	'I' Income	348	250	139.18
	'I' Accumulation	35,183,499	21,842,789	161.08

* The accounting year changed from 30 April to 15 September.

Fund Performance to 15 September 2012 (%)

	1 year	3 years	5 years
CF Ruffer Absolute Return Fund	2.84	19.93	57.71

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income for the period ending 15 September 2012. The relevant price for this purpose was 159.49 which was the Net Asset Value calculated as at 10am on 12 September 2012. Please note the prices used in this table differ from those reported in the earlier Net Asset Value table.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment and the income from it can fall as well as rise and may be affected by exchange rate variations.

ACD'S REPORT

for the year ended 15 September 2012

Effective 8 August 2012, the CF Ruffer Absolute Return Fund launched the 'I' share class.

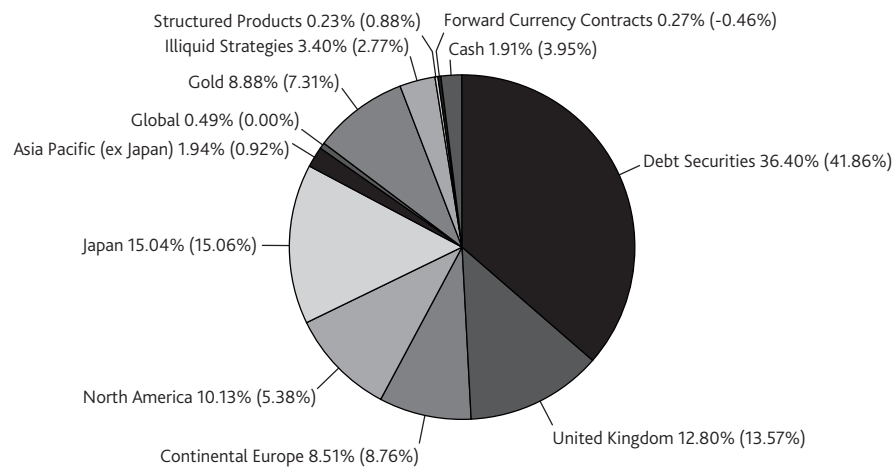
Full details of the change can be found in the revised Prospectus dated 8 August 2012.

Capita Financial Managers Limited

ACD of CF Ruffer Absolute Return Fund

9 January 2013

Sector Spread of Investments



The figures in brackets show allocations at 15 September 2011.

Major Holdings

The top ten holdings at the end of each year are shown below.

Holding	% of Fund as at 15.09.12	Holding	% of Fund as at 15.09.11
US Treasury Inflation Protected Securities 0.125% 2016	6.59	Treasury 1.25% index-linked 2017	9.46
US Treasury Inflation Protected Securities 1.25% 2020	5.87	US Treasury Inflation Protected Securities 1.375% 2018	6.52
Treasury 1.25% index-linked 2017	5.63	CF Ruffer Baker Steel Gold	5.30
US Treasury Inflation Protected Securities 0.125% 2022	4.12	US Treasury Inflation Protected Securities 1.25% 2020	5.19
Treasury 2.5% index-linked 2016	3.93	Treasury 1.25% index-linked 2055	4.74
Treasury 0.5% index-linked 2050	3.46	US Treasury Inflation Protected Securities 1.675% 2018	4.69
Gold Bullion Securities	3.11	Treasury 2.5% index-linked 2016	4.43
Johnson & Johnson	2.63	US Treasury Inflation Protected Securities 2.125% 2040	4.42
Treasury 1.25% index-linked 2055	2.58	Nippon Telegraph & Telephone	2.90
US Treasury Inflation Protected Securities 1.625% 2015	2.36	T&D Holdings	2.24

INVESTMENT MANAGER'S REPORT

for the year ended 15 September 2012

Investment Review

In the period under review the net asset value of the 'C' Accumulation shares rose by 3.6%. By way of comparison the FTSE All-Share Index rose by 15.9% and the FTSE All Stocks Index by 7.44%*.

It is often remarked that financial markets are driven by greed and fear, and there has certainly been ample evidence for this observation in the last twelve months. This has been especially true of the eurozone, the epicentre of the present crisis, where the pendulum has swung from gloom over the future of the euro, and the risks of a dislocating breakup, (the prevalent mood in the fourth quarter of 2011 and the second quarter of 2012), to euphoria over the dream, and at times the reality, of large-scale bond-buying and liquidity support from the European Central Bank, (first quarter of 2012 and the most recent months).

While navigating between these two extremes has been one major challenge, the further test has been how to preserve capital and make a cash-plus return in a period when real, and in some cases nominal interest rates have been negative, when the price of anything 'safe' is egregious, and when correlations between asset classes remains very high, thus making the quest for offsetting assets more arduous. To that extent the broad strategic shape of the portfolio shows little change over this period. We continue to believe that given the choice between the Scylla of an inflationary outcome, and the Charybdis of a deflationary bust, the world's financial authorities will plump for the former every time and indeed the 'financial repression' of negative real interest rates is a major instrument in that policy. We would cite as further support for this view the most recent meeting of the US Federal Reserve, which announced a further round of 'money printing' when neither the US economy seemed in immediate mortal danger nor inflation expectations to be unduly depressed. To this end the key protective assets in the portfolio continue to be inflation-linked bonds issued by governments in control of their own monetary policy, namely the US and the UK, and gold where we added to our exposure in the early summer of 2012, and where we hold a mixture of gold bullion and gold mining shares. Gold mining shares have continued to disappoint against the performance of bullion, but with the valuation gap between the two now at multi-year highs we are continuing to hold around 6% of our 9% position in gold in gold mining shares. In a world of negative real interest rates, and in some cases negative nominal rates, the objection against gold that it does not provide an income certainly loses some of its force.

It is another feature of the present landscape that penuriously low yields on cash are forcing investors into riskier assets such as equities, despite the inevitability of higher volatility. Our equity exposure has two key themes; the wholly unoriginal, but nevertheless desirable one, of multinational large companies, with solid balance sheets and attractive dividends. Examples here would be Johnson & Johnson, Vodafone, and Novartis. The other main theme, somewhat more original, is that of Japan, where we continue to believe that the need to reflate the economy and weaken the currency will become irresistible, and where we therefore own stocks that would benefit from those dynamics, in such sectors as banks, life assurance and property.

Given the background to our Japanese equity positioning we have continued to hedge the Yen exposure back to sterling; we have also continued to hedge back our small amount of eurozone equity exposure, which mainly takes the form of holdings in the German property sector. As we have no firm conviction on which way the Euro breaks, if indeed it does, we prefer to remove that currency risk. The one substantial overseas currency position in the portfolio at present, around 30%, is that of the US dollar; this is not a view on the merits of the US dollar per se, but rather with the it continuing to act as the 'funding currency' for risky trades, it tends as a rule to exhibit an opposite dynamic to that of equities and other risk assets, thus providing an offset within our portfolios when such assets are increasingly hard to find.

Ruffer LLP

Investment Manager

16 October 2012

* Source: Thomson Reuters datastream. The Investment Manager uses the FTSE All-Share Index and the FTSE All-Stocks Index for comparative purposes. As per the Prospectus no benchmark is required to be disclosed.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 8.30am and 5.30pm and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or by telephone on 0845 922 0044. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Reports and Accounts

This document is a short report of the CF Ruffer Absolute Return Fund for the year ended 15 September 2012. The full Report and Accounts for the Fund is available free of charge upon written request to Capita Financial Managers Limited, Ibex House, 42 – 47 Minories, London EC3N 1DX and can be found on our website, www.capitafinancial.com, by following the link 'Fund Information'.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the year it covers and the results of those activities at the end of the year.

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