

CF Ruffer Equity & General Fund

An actively-managed fund emphasising absolute growth with diversity of risk



During the month the fund's O accumulation shares decreased by 0.4%. This compared with a rise of 2.4% in the FTSE All-Share Total Return Index.

July was a challenging month. We have been defensively positioned, hedging a significant part of our equity exposure and while this helped during the Greek crisis, it proved a drag after its (temporary) resolution. Subsequently the 'momentum' stocks have benefited the most. As Bank of America Merrill Lynch recently noted, the 'glamour' sectors (internet software, biotech) hit all time highs versus the MSCI World Index – a similar level to 1999/2000. We focus on asymmetric bets and thus we rarely benefit from the more expensive momentum trades. Google has been the exception: we first bought it in 2011, before the IPO of Facebook, when it was out of favour and had become a very undervalued stock for its growth potential. Its valuation is still acceptable, hence we own it, even though the margin of safety is lower.

In July, we lost money due to the decline of the price of commodities. Our nature is to look for value where the problem is, eg in the staples in 2006/2007 when they were considered 'boring', in cyclical stocks in 2008/2009, in the US banks and house builders during the euro crisis. During the last year we have been searching for mispriced opportunities in the commodities complex which has been under stress. We rejected most potential opportunities and have been selective in our picks. Our strategy with commodity based equities is quite different to most of our other stocks – we see them as very risky securities, they are 'price takers'. Thus, we stress test each investment case against a weaker price in the underlying commodity and we require a very high margin of safety to keep our exposure if the commodity price weakens. The result is that we are prepared to cut our position in commodity related securities when the risk of the investment case starts to materialise. We aim to intensely understand the risk of every security we own, hence we were able to significantly mitigate the losses due to the decline in the price of oil, copper and gold in July.

This year our best performers have been the UK small caps; this is not surprising as the UK economy is doing better, benefiting from the more stable European economies, while being more flexible and competitive. Our focus on special situations has meant that many of our positions are relatively less market dependent, quite often waiting for catalysts to unlock value. The more recent market behaviour, where the strong have become stronger (and often the expensive stocks become more expensive), means that we participate less in these momentum trades. On the other hand, some of the current 'losers', often the more cyclical stocks, are starting to offer value and we have initiated positions in a few new stocks. Our balanced approach means that our cash remains high, we move gradually, always focusing on understanding our risks, and work on the assumption that we will have enough capital to deploy even in the worst possible scenario for the market. In our view, the current intrinsic value of our portfolio is significantly higher than its market price.

Investment objective

The fund aims to provide capital growth by investing in a diversified global portfolio of predominantly equities. The fund is actively managed, and is not constrained by any requirement to track indices or conform to investment fashion.

Performance since launch on 1 December 1999



| Performance % | July 2015 | Year to date | 1 year | 3 years | 5 years | 10 years |
|-----------------------|-----------|--------------|--------|---------|---------|----------|
| O accumulation shares | -0.4 | 2.7 | 3.3 | 30.3 | 48.6 | 122.0 |

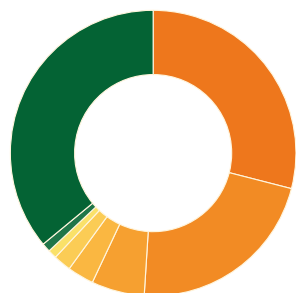
| Percentage growth (O acc) | % | Share price as at 31 July 2015 | p |
|---------------------------|------|--------------------------------|---------------|
| 30 Jun 2014 – 30 Jun 2015 | 3.4 | O accumulation | 381.35 |
| 30 Jun 2013 – 30 Jun 2014 | 7.8 | O income | 353.85 |
| 30 Jun 2012 – 30 Jun 2013 | 17.8 | C accumulation | 384.77 |
| 30 Jun 2011 – 30 Jun 2012 | 5.7 | C income | 355.09 |
| 30 Jun 2010 – 30 Jun 2011 | 9.4 | | |

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 Equity & General Fund as at 31 July 2015

Portfolio structure



| Asset allocation | % | | % |
|--------------------------|----|--------------------------|----|
| • Cash | 36 | • North America equities | 29 |
| • Gold and gold equities | 1 | • UK equities | 22 |
| | | • Europe equities | 6 |
| | | • Japan equities | 3 |
| | | • Asia ex Japan equities | 2 |
| | | • Illiquid strategies | 1 |



| Currency allocation | % |
|---------------------|----|
| • Sterling | 86 |
| • US dollar | 13 |
| • Other | 1 |

10 largest of 90 equity holdings

| Stock | % of fund | Stock | % of fund |
|-------------------|-----------|--------------------------|-----------|
| Leucadia National | 3.2 | JPMorgan Chase | 1.7 |
| Science Group | 2.6 | Groupe Bruxelles Lambert | 1.7 |
| Hornby | 2.5 | News Corp | 1.7 |
| Runge | 2.4 | Waterman | 1.6 |
| HRG | 2.2 | Guinness Peat | 1.5 |

Source: Ruffer LLP

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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 **£216.9m**

Fund information

| % | O class | C class |
|--------------------------|---|--|
| Ongoing Charges Figure* | 1.58 | 1.26 |
| Annual management charge | 1.50 | 1.20 |
| Maximum initial charge | 5.0 | 5.0 |
| Yield | 0.00 | 0.24 |
| 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 | GB0009346718 (acc) GB0009340802 (inc) | GB00B7VZQV57 (acc) GB00B6Y8PL75 (inc) |
| SEDOL | 0934671 (acc) 0934080 (inc) | B7VZQV5 (acc) B6Y8PL7 (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 | |

*Refers to accumulation shares

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Fund Manager

Alex Grispos
INVESTMENT DIRECTOR



Graduated from Imperial College with a First Class degree in Mechanical Engineering, started in equity research in 1998 at Alpha Trust in Greece, then worked in venture capital for six years. Joined Top Technology Ventures in the UK, and subsequently became Investment Manager with RTF based in London and St. Petersburg, Russia. Joined Ruffer in 2005 and is manager of the CF Ruffer Equity and General Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 July 2015, assets managed by the Ruffer Group exceeded £18.5bn, of which over £8.9bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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