

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 3.8%. This compared with a fall of 3.1% in the FTSE All-Share Total Return Index.

January was a challenging month. Our performance was weak for two main reasons. Firstly, we entered 2016 with lower protection than usual. We buy put options opportunistically on various indices. We tend to buy them when they are offered at low prices; thus, with little capital we can protect a large part of the portfolio. The beginning of the year is most often a strong period for markets and therefore historically it has been a good time to buy options. Not this time, and hence our portfolio was less protected during the market decline.

The second reason is more fundamental. Since we started managing REG in late 2007, we have always looked into out of favour areas of the market where we can identify undervalued securities. During the last few years 'value' itself has become very much out of favour. The unpopularity of 'value' versus 'growth' has recently reached similar extremes as in 1999 during the tech boom when many traditional businesses became very cheap stocks. Currently, cyclical stocks are offered at very attractive prices. On one hand historically we have been attracted by, and made money in, the undervalued, 'out of favour' securities such as cyclicals. On the other hand, the deflationary forces that now prevail, with negative rates and quantitative easing in Japan and Europe, create a difficult environment. Despite their very low valuations (the current prices already discount a lot of bad news), cyclical stocks need a stronger growth outlook to work and while this is not happening in the short term, they become even more undervalued.

Our challenge is that while the cheap are getting cheaper, the best performing stocks are currently the bond proxies, our former friends, expensive stocks that are becoming even dearer. We started investing in these in 2007 and sold most of them in 2013 because their price exceeded our estimate of their business value.

It is important that we keep on focusing on our process, methodically follow our discipline even though our mark to market performance is suffering in the short term. Buying value may take time to work but eventually it will, it always does. In our view, the current intrinsic value of our portfolio is significantly higher than its market price.

Nevertheless we also try to be balanced and flexible. We are delighted to find non-cyclical stocks that can act as offsets while being offered at an attractive price. For example, this year we bought shares of Wal-Mart, a friend from the past. The new CEO has reset margins and while the Amazon threat is real, we bought Wal-Mart at an attractive price to act as a hedge against a potential US recession. We recently sold Precision Castparts as the acquisition by Berkshire closed. We initiated a position in Lennar, the well-run US housebuilder and increased our shareholding in JPMorgan and US Bancorp, both well positioned to gain share even if the US economy slows, while offering a nice income to their investors. Furthermore, we added to HRG, an indirect way to buy Spectrum Brands at a discount, and to Continental Building Products, the cash generative wallboard manufacturer.

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 Equity & General Fund is not registered for distribution in any country other than the UK.

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 %	January 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-3.8	-3.8	-4.3	10.5	30.9	65.6

Percentage growth (O acc)	%	Share price as at 29 January 2016	p
31 Dec 2014 – 31 Dec 2015	0.1	O accumulation	357.43
31 Dec 2013 – 31 Dec 2014	1.0	O income	331.62
31 Dec 2012 – 31 Dec 2013	21.1	C accumulation	361.19
31 Dec 2011 – 31 Dec 2012	7.4	C income	333.13
31 Dec 2010 – 31 Dec 2011	3.5		

Source: Ruffer LLP

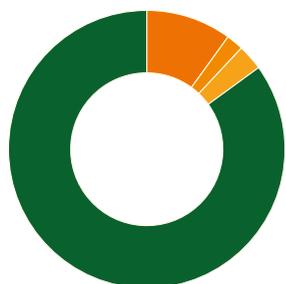
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Equity & General Fund as at 29 January 2016

Portfolio structure



Asset allocation	%		%
• Cash	30	• North America	32
• Option	1	• UK equities	23
• Gold and gold equities	1	• Europe equities	7
		• Australasia	3
		• Japan equities	2
		• Illiquid strategies	1



Currency allocation	%
• Sterling	85
• US dollar	10
• Yen	2
• Other	3

10 largest of 91 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	3.2	Groupe Bruxelles Lambert	2.1
Runge	3.0	Exxon Mobil	1.8
Hornby	3.0	Thomson-Reuters	1.7
Continental Building Products	2.3	Leucadia National	1.6
HRG Group	2.2	Coats Group	1.6

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 **£180.0m**

Fund information

%	O class	C class
Ongoing Charges Figure*	1.59	1.28
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.06
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 January 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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