

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 increased by 0.3%. This compared with a rise of 1.1% in the FTSE All-Share Total Return Index.

Since 2007, when I started managing the fund, core holdings have consistently involved the staples, the well-known brands, solid franchises with stable cash flows. At the same time, we have always invested in special situations, mainly restructuring cases where we backed the management. The latter have made us significant returns on aggregate but these stocks have often behaved in a very volatile manner – on multiple occasions we seemed to (temporarily) be losing even half of our money in restructurings until the management's efforts bore fruit and, over time, our returns were multiples of our capital outlay. Importantly though, the effect on the fund's volatility was muted because of our core holdings in the 'steady eddies'. Our discipline in pursuing value has meant that, starting in late 2013, we have been steadily reducing these stable cash flow franchises. Clearly, the effect of this has been painful. Firstly, as interest rates have not increased and doubts about global economic growth have been consistently resurfacing, the market has been gradually bidding higher those quality businesses which exhibit stable and somewhat growing cash flows. Frankly, almost zero interest rates for a long period of time should make everyone question what the right discount rate is, and hence the appropriate valuation multiple for most businesses. Secondly, by reducing the steady eddies, our focus on value has meant that the fund has gradually become more 'overweight' (versus our history) in the out of favour cyclical companies and special situations/restructurings. Thus, our consistency and discipline has led to a more idiosyncratic portfolio. Therefore, we have experienced periods of higher volatility with fewer stabilising offsets (in range bound markets our puts on indices are an expense and cash earns us nothing).

We are navigating uncharted waters in financial history, rates are very low (and have been so for too long) and bonds are extremely expensive (which is why we do not own any). Therefore, even though the quality, cash generative stocks have been characterised by low margins of safety based on our 'pure/absolute' metrics, their relative merits have proved resilient – with the benefit of hindsight I sold them too early.

Despite any short term challenges and volatility in share price, intangible value has become more critical for future compounding. We keep putting particular emphasis on the 'jockey' and believe great CEOs who have significant stakes in their firms will make a difference in the long term. We admire their intensity and back historically capable money makers such as Martyn Ratcliffe at Sagentia, Richard Mathews at Runge, Rich Handler at Leucadia and Jamie Dimon at JPMorgan.

More recently, we have been buying Pershing Square (PSH) – we have followed B Ackman's investment vehicle since its IPO in 2014; initially it was very popular but after the demise of Valeant, PSH became out of favour, an interesting portfolio currently trading at a discount to its NAV. Furthermore, we have initiated a position in WCI Communities, a US house builder with strong long term fundamentals operating in Florida. The market has been negatively surprised by the weaker growth in the last few months, hence the stock is offered at approximately book value. I continue to believe that the current intrinsic value of our portfolio is significantly higher than the market price.

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 %	April 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.3	-2.2	-5.8	7.1	31.9	63.7

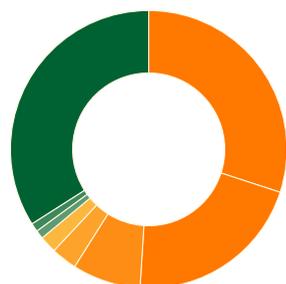
Percentage growth (O acc)	%	Share price as at 29 April 2016	p
31 Mar 2015 – 31 Mar 2016	-5.5	O accumulation	363.51
31 Mar 2014 – 31 Mar 2015	2.2	O income	337.29
31 Mar 2013 – 31 Mar 2014	10.8	C accumulation	367.59
31 Mar 2012 – 31 Mar 2013	14.8	C income	339.04
31 Mar 2011 – 31 Mar 2012	7.3		

Source: Ruffer LLP

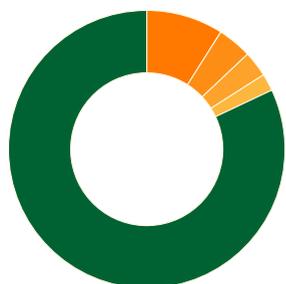
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Equity & General Fund as at 29 April 2016

Portfolio structure



Asset allocation	%		%
● Cash	34	● North America	30
● Illiquid strategies	1	● UK equities	21
● Gold and gold equities	1	● Europe equities	8
		● Australasia	3
		● Japan equities	2



Currency allocation	%
● Sterling	82
● US dollar	9
● Euro	3
● Yen	2
● Other	4

10 largest of 84 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	3.3	Microgen	1.9
Runge	2.7	Continental Building Products	1.7
Groupe Bruxelles Lambert	2.4	HRG Group	1.7
ExxonMobil	2.0	Coats Group	1.7
Novartis	1.9	Leucadia National	1.6

Source: Ruffer LLP

The views expressed in this report are not intended as an offer or solicitation for the purchase or sale of any investment or financial instrument. The views reflect the views of Ruffer LLP at the date of this document and, whilst the opinions stated are honestly held, they are not guarantees and should not be relied upon and may be subject to change without notice.

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 **£179.4m**

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

Enquiries

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

+44 (0)20 7963 8254
rif@ruffer.co.uk
www.ruffer.co.uk

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 30 April 2016, assets managed by the Ruffer Group exceeded £18.0bn, of which over £9.5bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL.

Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2016