

# 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 0.8%. This compared with a rise of 0.6% in the FTSE All-Share Total Return Index.

Currency exposure at the end of the month was around 86% in sterling and 8% in USD, 2% EUR, 1.4% AUD, 1% CHF, 1% CAD.

During the last three years, the fund's cash balance has risen to approximately 30% of the portfolio. We view cash as protection and potential ammunition in falling markets. As markets have moved higher since the crisis, our cash reserves have increased. Our history since late 2007 shows that we enjoy buying stocks 'on sale', while we find strong markets tougher. You should expect us to have enough cash to be able to participate/invest under the worst possible scenario – for example in late 2008/early 2009 we had enough ammunition to deploy capital gradually during the months of the crisis as we were intensely buying stocks almost every day. While then many argued that 'cash is king', we tended to differ as the value offered by most alternatives in marketable securities was higher than cash; thus, our cash balance gradually declined to a minimum. Currently, we think quite the opposite; the value of cash is probably the highest it has been since 2009.

We recently sold our position in HRG Group. This is a holding company and in essence our shareholding has been an investment in Spectrum Brands at a discount. Spectrum Brands has been run well during the last few years, exhibiting strong growth and being very cash generative. Nevertheless, after a strong run of its share price, our estimate of its intrinsic value including the implied discount via HRG, did not give us enough margin of safety to own the shares anymore.

In late October, we took some profits in Imperial Oil. This has been more tactical as the price of oil was quite strong, expectations going into the OPEC meeting were high and Imperial's share price has also recently behaved positively. More fundamentally, as shown in the last quarterly results, management has done an excellent job cutting costs and reducing its cash break even. While oil sands are perceived to be high cost operators, their efficiency has significantly increased and, following completion of a heavy capex programme, Imperial produces positive cash flow at an oil price of c\$40/barrel WTI. This case depends on a gradually higher oil price but among most oil assets, it could be considered as a unique franchise with a fine balance sheet, the engineering excellence of Exxon and long life assets in Canada.

During the last few weeks, we increased our position in Lennar, the US housebuilder. This is a volatile stock that depends on macro conditions; thus if the US enters a recession, bond rates abruptly rise and/or capital markets are weak, the shares are likely to face intense pressure. Nevertheless, the stock (and the sector) are currently out of favour and hence Lennar trades at less than eleven times its earnings. Lennar should benefit if the Federal Reserve is successful in 'running the economy hot' with gradually higher rates, solid consumer demand and some acceptable inflation while low housing inventories provide a cushion. It is not a safe stock but an interesting case, currently characterised by asymmetric risk reward.

## 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 %	October 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.8	4.0	2.2	5.3	37.1	98.5

Percentage growth (O acc)	%	Share price as at 31 October 2016	p
30 Sep 2015 – 30 Sep 2016	3.9	<b>O accumulation</b>	<b>386.63</b>
30 Sep 2014 – 30 Sep 2015	-0.4	<b>O income</b>	<b>358.75</b>
30 Sep 2013 – 30 Sep 2014	4.3	<b>C accumulation</b>	<b>391.56</b>
30 Sep 2012 – 30 Sep 2013	19.4	<b>C income</b>	<b>361.16</b>
30 Sep 2011 – 30 Sep 2012	8.7		

Source: Ruffer LLP, FTSE International (FTSE)<sup>1</sup>

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.

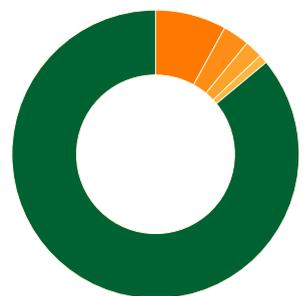
The fund's prospectus and key investor information documents are provided in English and available on request or from [www.ruffer.co.uk](http://www.ruffer.co.uk). Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Equity & General Fund is not registered for distribution in any country other than the UK.

# CF Ruffer Equity & General Fund as at 31 October 2016

## Portfolio structure



Asset allocation	%		%
● Cash	31	● North America	24
● Illiquid strategies	1	● UK equities	22
		● Europe equities	12
		● Australasia	5
		● Japan equities	5



Currency allocation	%
● Sterling	86
● US dollar	8
● Euro	2
● Canadian dollar	1
● Other	3

## 10 largest of 85 equity holdings

Stock	% of fund	Stock	% of fund
Runge	5.3	Microgen	1.9
Science Group	4.7	Lennar	1.8
Groupe Bruxelles Lambert	2.1	Leucadia National	1.7
Novartis	1.9	Hornby	1.6
Imperial Oil	1.9	Balfour Beatty	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 **£160.4m**

## 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	0.00
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

## 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 October 2016, assets managed by the Ruffer Group exceeded £20.4bn, of which over £11.4bn was managed in open-ended Ruffer funds.

## Dealing line

0345 601 9610

## Enquiries

Ruffer LLP +44 (0)20 7963 8254  
80 Victoria Street rif@ruffer.co.uk  
London  
SW1E 5JL [www.ruffer.co.uk](http://www.ruffer.co.uk)

† © FTSE 2016. 'FTSE®' is a trade mark of London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE Data vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability in relation to the FTSE Data data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL.  
Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2016