

# 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 0.4%. This compared with a fall of 0.3% in the FTSE All-Share Total Return Index.

Our process for managing REG has remained constant since 2007 but the content of our portfolio has varied significantly depending on what we judged to be the most asymmetric investment opportunities among global equities. We invest in out of favour sectors/companies and special situations. After years of strong markets, few sectors are out of favour enough to be characterised by significant asymmetry. Hence, currently we are finding value in special situations, often higher risk businesses. We back CEOs who think and act like owners. They make an enormous difference to our equity selection. Here is a brief recap of our top ten holdings.

Runge is an Australian software provider. Richard Mathews has made us money in the past and despite the weak commodities environment, Runge is launching new products and could become a much larger business over time.

Science Group (SAG) is an R&D consultancy, a solid cash generative business. SAG benefits from sterling weakness and has significant property value and net cash. We back its Chairman and main shareholder, Martyn Ratcliffe, an entrepreneur with a unique combination of operational acumen and focus on capital allocation.

Novartis, the healthcare conglomerate, has optionality in its portfolio: we believe Alcon will show better operational trends while expectations for the core pharma products and future pipeline are low. We are paid c4% to wait.

Leucadia, run by Rich Handler, is a conglomerate, covered by only one 'sell-side' analyst and consists of various different business units such as Jefferies, the investment bank, a beef processing company, and a mortgage related joint venture with Berkshire Hathaway.

Microgen is a software company consisting of two different units: a 'cash cow' building its earnings power via M&A and an innovative business exhibiting strong revenue growth with new accounts globally.

Groupe Bruxelles Lambert (GBL) is a stock we bought during the euro crisis in 2011 which still offers value. Through GBL we own stakes in well-known European companies of global scale such as Pernod, Imerys, Lafarge, Total, at a c20% discount to their market price.

Lennar, the US house-builder is the best-in class in this out of favour sector; it is run by Stuart Miller who has steered his family business successfully over the years and through the crisis.

Imperial oil, is 'Exxon in Canada'. It consists of high quality, long life assets and has recently been reducing its cost structure, thus enhancing its free cash flow potential.

Hornby, the well-known British toy maker, has been a challenging turnaround case. The new management team is making the necessary changes to increase margins and generate cash.

Balfour Beatty, the construction company, has been a turnaround case under Leo Quinn who has made us money in the past. Infrastructure spending and its US presence has given it an extra macro tailwind.

While we have been taking profits in our US financials, JPMorgan remains among our top holdings. Few have Mr Dimon's ability to manage such a complex enterprise.

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.

## 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 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.4	0.4	12.6	8.8	41.1	107.7

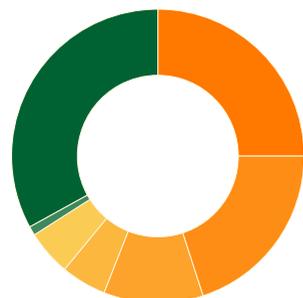
Percentage growth (O acc)	%	Share price as at 31 January 2017	p
31 Dec 2015 – 31 Dec 2016	7.8	<b>O accumulation</b>	<b>402.35</b>
31 Dec 2014 – 31 Dec 2015	0.1	<b>O income</b>	<b>373.34</b>
31 Dec 2013 – 31 Dec 2014	1.0	<b>C accumulation</b>	<b>407.80</b>
31 Dec 2012 – 31 Dec 2013	21.1	<b>C income</b>	<b>376.14</b>
31 Dec 2011 – 31 Dec 2012	7.4		

Source: Ruffer LLP, FTSE International (FTSE)

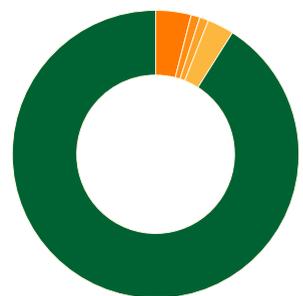
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

# CF Ruffer Equity & General Fund as at 31 January 2017

## Portfolio structure



Asset allocation	%		%
● Cash	33	● North America	25
● Illiquid strategies	1	● UK equities	20
		● Europe equities	11
		● Australasia	5
		● Japan equities	5



Currency allocation	%
● Sterling	91
● US dollar	4
● Canadian dollar	1
● Swiss franc	1
● Other	3

## 10 largest of 83 equity holdings

Stock	% of fund	Stock	% of fund
Runge	5.5	Groupe Bruxelles Lambert	2.0
Science Group	5.0	Lennar	1.9
Novartis	2.3	Imperial Oil	1.8
Leucadia National	2.0	Hornby	1.6
Microgen	2.0	Balfour Beatty	1.5

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 **£164.5m**

## 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 January 2017, assets managed by the Ruffer Group exceeded £20.8bn, of which over £11.6bn 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 2017. '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