

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 2.4%. This compared with a rise of 3.1% in the FTSE All-Share Total Return Index.

REG's investment process has been the same since 2007 but the content of our portfolio has varied significantly depending on the most asymmetric investment opportunities among global equities. Before we buy a stock we try hard to understand the business. We call this process our 'x-ray analysis': via various interviews with management, competition, suppliers and many industry checks we get to know the ingredients/variables which drive the business; quite often this involves the more subtle, often 'people' elements that give us a competitive advantage in deeply understanding the company and thus help us estimate its intrinsic value. As long as we think there is a significant disconnection between the market price and our estimate of intrinsic worth, we are happy to own a stock. When our margin of safety declines and thus the stock is characterised by limited asymmetry, we tend to take profits. Even though selling is not a process we enjoy because we think as business owners, we are intensely disciplined on our process. Thus, more recently as the markets have been relentlessly strong, the margin of safety of many of our stocks has decreased and thus we have been actively reducing our shareholdings.

We first invested in Guinness Peat Group (GPG), an investment company which was in the process of liquidation, in the middle of 2013. GPG's main assets included cash and Coats, the UK headquartered but global leader in thread manufacturing. Coats had significant pension liabilities and thus the regulator did not allow GPG to return its cash to shareholders. Due to historical reasons they were mostly based in New Zealand and Australia, hence they were negatively surprised by the action of the UK authorities. Their disappointment gave us the opportunity to buy shares of GPG, but effectively to acquire part of Coats at a significant discount to its business value. Subsequently, the new management did an excellent job turning around Coats and eventually reaching a settlement with the pension regulator. GPG was renamed Coats, liquidity of the shares improved and they performed well. As the asymmetry in risk reward decreased, we recently sold our shares.

We have also been selling General Dynamics (GD). We invested in GD in early 2013 after its management had changed. This was another case of 'hidden value': not only were defence-related stocks out of favour, but GD owned Gulfstream, a wonderful franchise. We did a lot of work understanding the various business units and most importantly our checks on Phebe Novacovic, the new CEO, were positive. During the last three years she has done an excellent job improving the operational efficiency of the business and has also proved to be a solid capital allocator. The shares have performed consistently well but in particular after Trump's election, the heightened optimism in defence spending has now reduced our acceptable cushion.

To conclude, our disciplined, bottom up investment process has resulted in the gradual sale of mainly American stocks. As a result, REG's allocation to US equities (c23%) is now the lowest it has been since we started managing the portfolio in late 2007. REG should be seen as a vehicle to invest in global equities via a conservatively balanced, opportunistic, value-based approach.

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 %	February 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	2.4	2.8	16.8	9.5	41.6	110.9

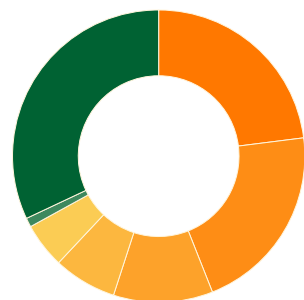
Percentage growth (O acc)	%	Share price as at 28 February 2017	p
31 Dec 2015 – 31 Dec 2016	7.8	O accumulation	411.90
31 Dec 2014 – 31 Dec 2015	0.1	O income	382.20
31 Dec 2013 – 31 Dec 2014	1.0	C accumulation	417.58
31 Dec 2012 – 31 Dec 2013	21.1	C income	385.16
31 Dec 2011 – 31 Dec 2012	7.4		

Source: Ruffer LLP, FTSE International (FTSE)

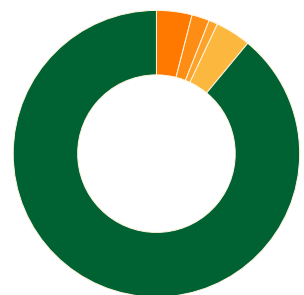
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Equity & General Fund as at 28 February 2017

Portfolio structure



Asset allocation	%		%
● Cash	32	● North America	23
● Illiquid strategies	1	● UK equities	21
		● Europe equities	11
		● Australasia	7
		● Japan equities	5



Currency allocation	%
● Sterling	89
● US dollar	4
● Australian dollar	2
● Swiss franc	1
● Other	4

10 largest of 81 equity holdings

Stock	% of fund	Stock	% of fund
Runge	6.4	Groupe Bruxelles Lambert	1.9
Science Group	5.6	Hornby	1.8
Novartis	2.4	Imperial Oil	1.8
Microgen	2.3	Balfour Beatty	1.6
Leucadia National	2.2	Phillips 66	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 £167.3m

Fund information

	O class	C class
Ongoing Charges Figure*	1.58	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

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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 28 February 2017, assets managed by the Ruffer Group exceeded £21.0bn, of which over £11.7bn was managed in open-ended Ruffer funds.

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