

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 1.3%. This compared with a rise of 1.4% in the FTSE All-Share Total Return Index. Looking back at our history, since late 2007 when we started managing REG, our process has been the same, but the content of our portfolio has varied significantly depending on the best available investment opportunities among global equities. We invest in out of favour sectors and special situations. For example, during and subsequent to the financial crisis, our top holdings involved well-known companies which were not popular stocks. We used to be asked what we knew better than the rest of the market when we were buying Kraft, Philip Morris and Johnson & Johnson. While many of these large American companies were considered 'boring stocks', the market was underestimating their earnings power and their share price was characterised by asymmetry. This asymmetric risk reward ended in 2013 and since then we have been reducing our exposure. During the last few years, we have been identifying value mainly in special situations, which in our view have been mispriced stocks.

So far this year our best performers have been RPMGlobal (or Runge) (+1.8%), Microgen (+1.7%), Science Group (+1.6%), Autohellas (+0.78%), McColl's (+0.65%) and Games Workshop (+0.46%). On the other hand, oil-related stocks, and in particular Imperial Oil (-0.48%), have been the main detractors. Imperial Oil (IMO) is 'Exxon in Canada'. We have been increasing our shareholding in IMO, which is geared to higher oil prices, but its earning power is protected by its refining assets. IMO consists of quality, long life assets, it has been streamlining its cost structure, thus enhancing its free cash flow potential and is one of the few oil companies that is currently buying back its shares.

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, Chairman and main shareholder at Science Group (SAG), an entrepreneur with a unique combination of operational acumen and focus on capital allocation. SAG is a research and development consultancy, a solid cash generative business which benefits from sterling weakness and has significant property value and net cash to build value via opportunistic acquisitions and buying back its shares. Furthermore, Mr Ratcliffe was instrumental in building Microgen in its current structure. After many years as CEO, his decision to retire early in 2016 occurred at a time of strength, with the operating managers now leading the business and consistently exhibiting excellent results. We have recently taken some profits in Microgen. Furthermore, we have reduced our position in McColl's and sold Games Workshop after more than ten years of investment.

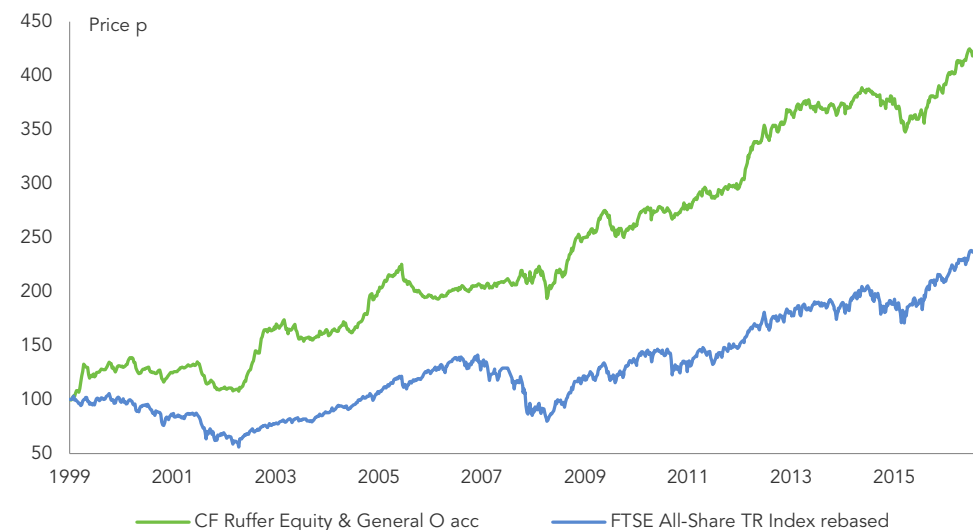
We aim to be patient and back our extraordinary managers. We first met the Vassilakis family who runs Autohellas, the dominant car rental franchise in Greece (and partial owner of Aegean Airlines), in 2006. We bought shares of Autohellas for REG in 2009, and we added in 2011 and 2012. Currently, after more than 700% total return, the stock trades at less than 10x P/E 2017 estimates. Mr Vassilakis has never let a good crisis (and a deep recession) go to waste!

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 %	August 2017	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	1.3	8.1	13.7	16.5	46.7	115.5

Percentage growth (O acc)	%	Share price as at 31 August 2017	p
30 Jun 2016 – 30 Jun 2017	17.4	O accumulation	433.34
30 Jun 2015 – 30 Jun 2016	-6.4	O income	402.07
30 Jun 2014 – 30 Jun 2015	3.4	C accumulation	439.96
30 Jun 2013 – 30 Jun 2014	7.8	C income	405.80
30 Jun 2012 – 30 Jun 2013	17.8		

Source: Ruffer LLP, FTSE International (FTSE)

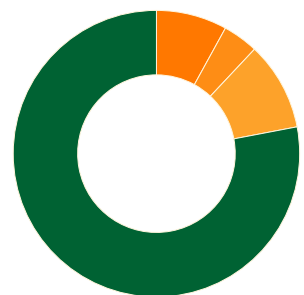
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Equity & General Fund as at 31 August 2017

Portfolio structure



Asset allocation	%
North America	22
UK equities	19
Europe equities	14
Australasia	8
Japan equities	4
Cash	31



Currency allocation	%
Sterling	78
US dollar	8
Euro	4
Other	10

10 largest of 77 equity holdings

Stock	% of fund	Stock	% of fund
Runge	7.8	McColl's Retail Group	1.7
Science Group	5.9	Novartis	1.7
Imperial Oil	4.2	Scandinavian Tobacco	1.7
Vivendi	1.9	Leucadia National	1.6
Balfour Beatty	1.9	Milestone Japan Value Fund	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 **£150.3m**

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 31 August 2017, assets managed by the Ruffer Group exceeded £21.6bn, of which over £12.7bn 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

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

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