

LF Ruffer Equity & General Fund

An actively-managed fund emphasising absolute growth with diversity of risk



During the month, the fund's O accumulation shares rose by 0.9%. This compares with a fall of 1.9% in the FTSE All-Share Index.

Our investment 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 and special situations. After years of strong markets, few sectors are out of favour enough to be characterised by significant asymmetry and as a result we find value mostly in special situations and CEOs who think and act like owners. As a consequence, our portfolio is currently somewhat more volatile and involves many idiosyncratic ideas where our estimate of the business value is significantly higher than the market price. Here is a brief recap of our top holdings:

Runge is an Australian software provider to the mining/commodities industry. Richard Mathews and his team have made us money in the past and despite the weak commodities environment, they have been investing into new products. This is a volatile stock but Runge could become a much larger company over time and is likely to eventually be acquired.

Science Group (SAG) is a research and development consultancy firm, a solid cash generative business. SAG has significant property value, net cash and has been an astute acquirer of businesses. We back its chairman (and main shareholder) Martyn Ratcliffe, an entrepreneur with a unique combination of operational acumen and focus on capital allocation.

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 and buying back its stock.

Vivendi (VIV) is a conglomerate. Its key asset is UMG, the music publisher, benefiting from streaming. VIV is run by Vincent Bollore, an industrialist with the instinct of a value investor. Vivendi is characterised by hidden value with an exceptional money maker in charge.

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.

Ibox is a very cash generative business, a stock in which we have made money before. We recently bought its shares again after a severe warning, which prompted the return of the former CEO. It is likely to eventually be acquired.

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.

We expect higher volatility in the next few years and are putting even higher emphasis on the 'jockey': we believe strong CEOs who have significant stakes in their firms will keep building long term value, particularly through the more turbulent times.

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 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.9	0.9	11.8	20.5	39.1	120.5

Percentage growth (O acc)	%	Share price as at 31 January 2018	p
31 Dec 2016 – 31 Dec 2017	11.2	O accumulation	449.92
31 Dec 2015 – 31 Dec 2016	7.8	O income	417.45
31 Dec 2014 – 31 Dec 2015	0.1	C accumulation	457.36
31 Dec 2013 – 31 Dec 2014	1.0	C income	421.66
31 Dec 2012 – 31 Dec 2013	21.1		

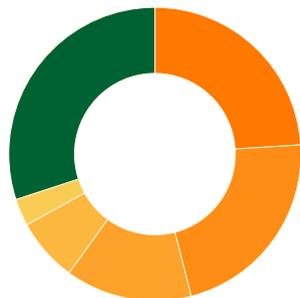
Source: Ruffer LLP, FTSE International (FTSE)

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 LF Ruffer Investment Funds is a UK UCITS. The LF Ruffer Equity & General Fund is not registered for distribution in any country other than the UK.

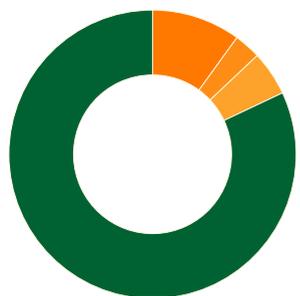
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

LF Ruffer Equity & General Fund as at 31 January 2018

Portfolio structure



Asset allocation	%
North America	24
UK equities	22
Europe equities	14
Australasia	7
Japan equities	3
Cash	30



Currency allocation	%
Sterling	82
US dollar	10
Euro	3
Other	5

10 largest of 81 equity holdings

Stock	% of fund	Stock	% of fund
Runge	7.4	Idox	1.7
Science Group	7.1	Milestone Japan Value Fund	1.7
Imperial Oil	3.0	Leucadia National	1.7
Vivendi	2.9	Autohellas	1.5
Balfour Beatty	2.0	Phillips 66	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 **£151.3m**

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	0.04
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	Link Fund Solutions Limited
Depository	The Bank of New York Mellon (International) Limited
Auditors	Grant Thornton UK LLP
Structure	Sub-fund of LF 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 LF 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 2018, assets managed by the Ruffer Group exceeded £22.7bn, of which over £14.0bn was managed in open-ended Ruffer funds.

Dealing line

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