

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 0.7%. This compares with an increase of 2.8 % in the FTSE All-Share Total Return Index.

After years of strong markets, we have been identifying asymmetric risk-reward primarily in special situations. As a consequence, our portfolio is currently more volatile involving many idiosyncratic ideas where our estimate of the business value is significantly higher than the market price. We keep 'collecting outstanding leaders': a key pillar of our investment process.

We have been adding to our shareholding in Leucadia (recently renamed Jefferies Financial Group, (JEF)), which is characterised by hidden value. JEF, 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; the National Beef, a beef processing company; Berkadia, a joint venture with Berkshire Hathaway specialising in commercial mortgage banking; and Garcadia, an auto dealership. During the last year, JEF has been monetising part of the portfolio at attractive prices. More recently in particular, the shareholding in National Beef has been significantly reduced and Garcadia has been sold at a significantly higher premium than their tangible book value. Furthermore, Jefferies' (the investment bank) operating performance and returns have been improving. It has been diversifying its income stream and gaining market share – Jefferies has been one of the few winners in the brutally competitive world of investment banking since the financial crisis. Nevertheless, assuming the price of the recent deals in JEF's portfolio, the implied price of the investment bank is estimated to be less than half its tangible book value. JEF has been buying back its stock and we have been adding to our position.

In addition, we have been increasing our shareholding in DowDupont (DWDP). This is an investment in a special situation: a break-up of a portfolio consisting mainly of chemicals. We have followed DuPont and Dow Chemical for more than ten years. We started buying DuPont after the former CEO, Ellen Kullman, left and Ed Breen succeeded her in late 2015. Subsequently, Dow and DuPont merged with the goal of reducing costs and restructuring the portfolio leading to the eventual spin off of three separate companies. We are now going through the 'countdown' of the spin off process and we back Ed Breen to deliver value to shareholders. He has done it before very successfully – Mr Breen was responsible for the impressive restructuring of Tyco which led to the spin offs of Covidien, TE Connectivity and ADT.

'Value' has been very much out of favour and 'growth' has been the winner during the last few years, but history would suggest that the odds for mean reversion are high. In our view, the current intrinsic value of our portfolio is significantly higher than its market price, your manager has his pension in the fund and this is exactly how we think about it – long term. REG should be seen as a vehicle to invest in global equities via a conservatively balanced, opportunistic, value-based approach.

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 %	May 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	0.7	1.1	6.6	16.4	28.9	112.6

Percentage growth (O acc)	%	Share price as at 31 May 2018	p
31 Mar 2017 – 31 Mar 2018	4.8	O accumulation	450.59
31 Mar 2016 – 31 Mar 2017	13.5	O income	418.07
31 Mar 2015 – 31 Mar 2016	-5.5	C accumulation	458.49
31 Mar 2014 – 31 Mar 2015	2.2	C income	422.71
31 Mar 2013 – 31 Mar 2014	10.8		

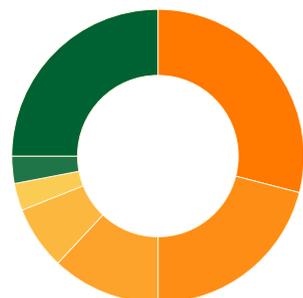
Source: Ruffer LLP, FTSE International (FTSE)

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.

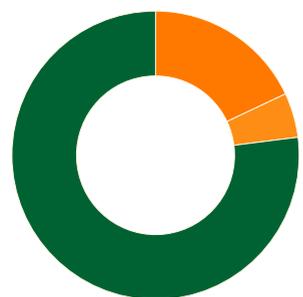
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

LF Ruffer Equity & General Fund as at 31 May 2018

Portfolio structure



Asset allocation	%
• North America	29
• UK equities	21
• Europe equities	12
• Australasia	7
• Japan equities	3
• Gold and gold equities	3
• Cash	25



Currency allocation	%
• Sterling	77
• US dollar	18
• Other	5

10 largest of 86 equity holdings

Stock	% of fund	Stock	% of fund
Runge	6.9	Imperial Oil	2.3
Science Group	5.8	GlaxoSmithKline	2.1
Vivendi	3.1	Balfour Beatty	2.0
iShares Physical Gold	2.6	ExxonMobil	2.0
Jefferies	2.4	Milestone Japan Value Fund	1.9

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 **£144.8m**

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 & General Fund.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 May 2018, assets managed by the Ruffer Group exceeded £22.4bn, of which over £14.1bn was managed in open-ended Ruffer funds.

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