

# 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 declined by 0.1%. This compares with an decrease of 0.2% in the FTSE All-Share Total Return Index.

Our investment process for managing REG has remained consistent since 2007, but the content of our portfolio has varied significantly, depending on what we have judged to be the most asymmetric investment opportunities among global equities. We invest in 'out of favour' sectors and special situations and more recently, have been identifying 'value' mainly in the latter. These are stocks characterised by higher volatility but most importantly by asymmetric risk-reward. Thus, while REG's volatility has increased, in our view the current intrinsic value of our portfolio is significantly higher than its market price.

Here is a brief summary 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 in new products. Mining has been relatively underpenetrated in software and is now gradually embracing digital solutions. This is a volatile stock but more than 20% of the market cap is in cash. Runge could become a much larger company over time and may 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.

Jefferies Financial Group (JEF) 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. During the last year, JEF has been monetising part of the portfolio at attractive prices. 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.

Vivendi is a conglomerate. Its key asset is UMG, the music publisher, benefiting from streaming. Vivendi is characterised by hidden value with Vincent Bolloré, an exceptional money maker, in charge.

Driver Group has been run by Gordon Wilkinson, who has executed a very successful turnaround. We expect even better operational performance by this excellent CEO, and over time, it would not be surprising if Driver becomes part of a larger group.

We believe in strong leaders, who have significant stakes in their firms and who will keep building long-term value, particularly through the more turbulent periods. At the same time we are gradually allocating capital to 'out of favour' gold bullion – it complements our collection of human acumen and will probably enhance REG's protection against extreme macro outcomes.

## 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 %	June 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-0.1	1.0	7.1	17.6	31.2	118.9

Percentage growth (O acc)	%	Share price as at 29 June 2018	p
30 Jun 2017 – 30 Jun 2018	7.1	O accumulation	450.20
30 Jun 2016 – 30 Jun 2017	17.4	O income	417.71
30 Jun 2015 – 30 Jun 2016	-6.4	C accumulation	458.21
30 Jun 2014 – 30 Jun 2015	3.4	C income	422.44
30 Jun 2013 – 30 Jun 2014	7.8		

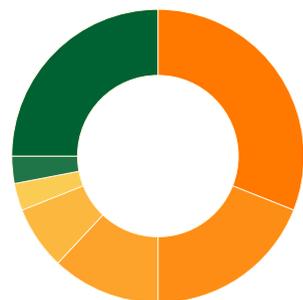
Source: Ruffer LLP, FTSE International (FTSE)<sup>1</sup>

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 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.

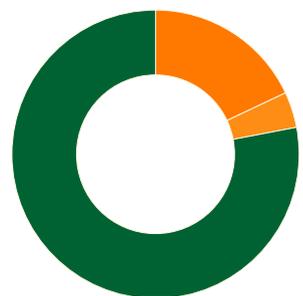
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

# LF Ruffer Equity & General Fund as at 29 June 2018

## Portfolio structure



Asset allocation	%
• North America	31
• UK equities	19
• Europe equities	12
• Australasia	7
• Japan equities	3
• Gold and gold equities	3
• Cash	25



Currency allocation	%
• Sterling	78
• US dollar	18
• Other	4

## 10 largest of 83 equity holdings

Stock	% of fund	Stock	% of fund
Runge	6.6	GlaxoSmithKline	2.1
Science Group	5.8	ExxonMobil	2.0
Jefferies	3.9	Balfour Beatty	1.9
Vivendi	3.1	Driver	1.9
iShares Physical Gold	2.9	Milestone Japan Value Fund	1.8

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 £143.8m

## 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	
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 Ernst & Young

Structure Sub-fund of LF Ruffer Investment Funds (OEIC)  
UK domiciled UCITS  
Eligible for ISAs

## 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 30 June 2018, assets managed by the Ruffer Group exceeded £22.3bn.

## Dealing line

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## Enquiries

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\*Refers to accumulation shares

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