

# 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 fell by 3.0%. This compares with a decline of 5.2% in the FTSE All-Share Total Return Index.

We seek to generate equity-like returns over the long-term, take less risk than the market and avoid permanent loss of capital. We balance the fund's risk adjusted equity positions with cash. Since late 2007, our track record clearly shows that we enjoy buying stocks 'on sale' while we find strong markets tougher. Historically we have made most of our money during a crisis (2008/2009 and 2011) and we view cash as protection and potential ammunition in falling markets. For example, in late 2008/early 2009 we had enough ammunition to deploy quickly buying stocks every day. Since 2014, as the markets have been grinding higher and it has been more difficult to find bargains, we have increased our cash reserves. Our cash balance has been around 30% of the portfolio (including our position in gold).

In line with our strategy, during the recent market decline we have been gradually and opportunistically adding to our equity portfolio. For example, we increased our shareholding in Exxon (XOM). We like Exxon's contrarian, long-term approach: while most oil majors now talk to shareholders about capital returns, Exxon's management acts counter-cyclically and is investing in new upstream projects. We have spent time with Exxon's new CEO, Darren Woods, and we expect him to be more operationally driven than his predecessor. Further, Exxon's dividend yield is higher than 4%, a figure last seen approximately 25 years ago.

In addition, we added to our position in DowDupont (DWDP). Its share price has significantly corrected as cyclical stocks have recently been out of favour. This is an investment in a special situation: a break-up of a portfolio consisting mainly of chemical companies. We have followed DuPont and Dow Chemical for more than ten years and 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 when he was responsible for the impressive restructuring of Tyco which led to the spin offs of Covidien, TE Connectivity and ADT.

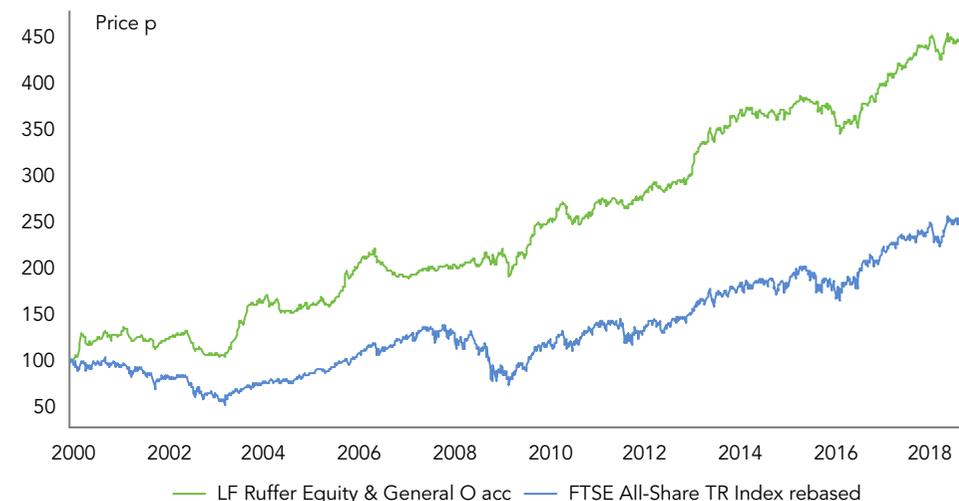
Finally, we have allocated capital to a few US housing and construction-related securities, such as Lennar and Mohawk, which have been under significant pressure following the acceleration in cost inflation and the increase of interest rates by the Federal Reserve. We have followed these businesses for many years and valuations are currently attractive at less than 10 times earnings. We put particular emphasis on the 'jockey' believing that great CEOs who have significant stakes in their firms will keep making a difference in the longer-term. We admire the intensity and back the money makers Stuart Miller and Jeff Lorberbaum of Lennar and Mohawk respectively, who have steered their family businesses successfully over the years, including through the financial crisis.

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.

## 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 %	October 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-3.0	-3.0	-2.6	14.4	17.8	105.7

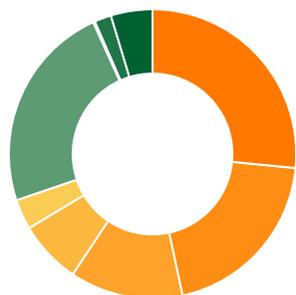
Percentage growth (O acc)	%	Share price as at 31 October 2018	p
30 Sep 2017 – 30 Sep 2018	1.8	O accumulation	432.62
30 Sep 2016 – 30 Sep 2017	14.2	O income	401.39
30 Sep 2015 – 30 Sep 2016	3.9	C accumulation	440.76
30 Sep 2014 – 30 Sep 2015	-0.4	C income	405.95
30 Sep 2013 – 30 Sep 2014	4.3		

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.

# LF Ruffer Equity & General Fund as at 31 Oct 2018

## Portfolio structure



Asset allocation	%		%
● Gold and gold equities	4.6	● North America	26.6
● Options	2.1	● UK equities	20.1
● Illiquid Strategies	0.1	● Europe equities	12.8
● Cash	23.4	● Australasia	7.0
		● Japan equities	3.3



Currency allocation	%
● Sterling	74.1
● US dollar	15.7
● Gold	4.6
● Yen	1.8
● Euro	0.5
● Other	3.3

## 10 largest of 84 equity holdings

Stock	% of fund	Stock	% of fund
Runge	7.0	Tortoise MLP Fund	2.4
Science Group	6.3	Jefferies	2.2
iShares Physical Gold	3.8	Milestone Japan Value Fund	1.9
Vivendi	3.4	Driver	1.8
ExxonMobil	2.4	GlaxoSmithKline	1.7

Source: Ruffer LLP. Pie chart totals may not equal 100 due to rounding.

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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 **£133.7m**

## 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	0.10
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 Ernst & Young LLP

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 and General Fund.



## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 September 2018, assets managed by the Ruffer Group exceeded £21.8bn.

## 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](http://www.ruffer.co.uk)

\*Refers to accumulation shares

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