

CF Ruffer Equity & General Fund

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



During the month the CF Ruffer Equity & General ('REG') fund's O accumulation shares decreased by 2.0%. This compared with a fall of 2.7% 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 or companies 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 two years we have identified value mainly in special situations, most often higher risk businesses which in our view have been mispriced stocks.

The valuation differential between the high quality companies and the higher risk businesses has increased significantly over the recent period. Therefore, we have been allocating more capital to the latter. In our view, the current intrinsic value of our portfolio is significantly higher than its market price but REG is likely to behave in a more volatile manner versus its history. This has been enhanced by the fact that since August when volatility spiked, we have reduced our protection via put options on the various indices.

During the last few months volatility and falling markets have allowed us to put some of our cash to work. Commodity related stocks have been out of favour and hence we have been looking into them. Glencore has been the most controversial case. We followed the management and participated at the recent placing. It is clearly a high risk stock and commodities have to move higher for it to work but Glencore is a strong franchise with enough asset value to potentially use and reduce its high leverage.

Another recent purchase has been Solera, the global leader in software and services to the automobile claims processing industry. Solera has been optimising returns with high financial leverage. Thus, when it missed Wall Street's guidance, its share price collapsed and subsequently we established a position during the summer. In mid-September Solera agreed to be acquired by a private equity fund.

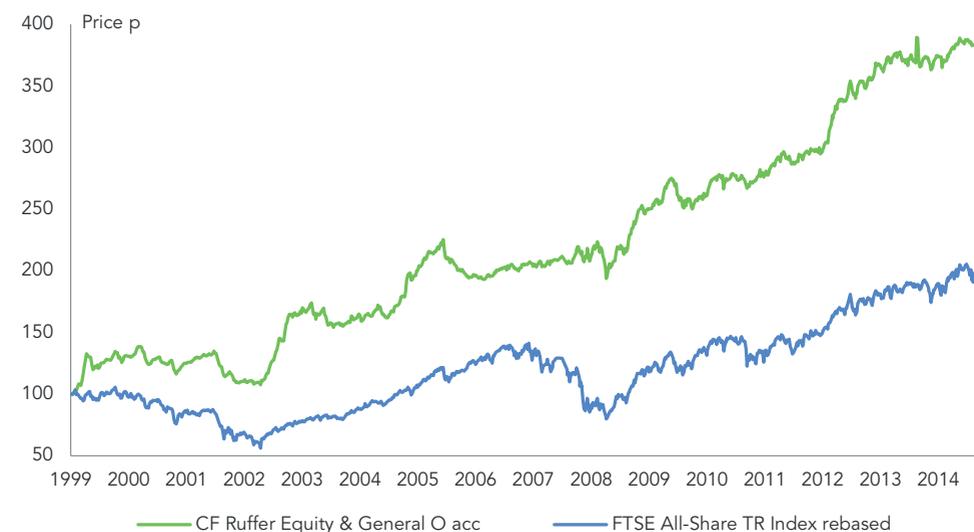
In addition, during the summer months we started buying SABMiller. The weakness in emerging markets offered an opportunity to buy a trophy asset at a weak point and at an acceptable valuation versus its history.

Finally, we recently initiated a position in DuPont (DD). We have been following DD during the last 10 years but despite the low valuation, our 'x-ray' analysis, ie the qualitative characteristics of how the business has been managed, had stopped us from becoming shareholders. Most recently though, a weak share price and potential changes in the structure of the business due to credible activism led us to buy part of DD.

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 %	September 2015	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-2.0	-0.5	-0.4	24.2	43.8	84.4

Percentage growth (O acc)	%	Share price as at 30 September 2015	p
30 Sep 2014 – 30 Sep 2015	-0.4	O accumulation	369.35
30 Sep 2013 – 30 Sep 2014	4.3	O income	342.71
30 Sep 2012 – 30 Sep 2013	19.4	C accumulation	372.86
30 Sep 2011 – 30 Sep 2012	8.7	C income	343.89
30 Sep 2010 – 30 Sep 2011	6.5		

Source: Ruffer LLP

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.

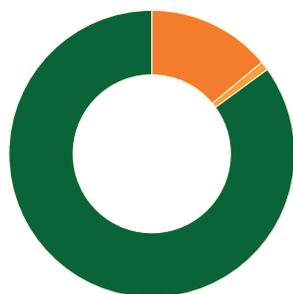
The fund's prospectus and key investor information documents are provided in English and available on request or from www.ruffer.co.uk. Please note that CF Ruffer Investment Funds is a UK UCITS. The CF Ruffer Equity & General Fund is not registered for distribution in any country other than the UK.

CF Ruffer Equity & General Fund as at 30 September 2015

Portfolio structure



Asset allocation	%		%
• Cash	28	• North America equities	36
• Gold and gold equities	1	• UK equities	22
• Options	1	• Europe equities	6
		• Australasia equities	3
		• Japan equities	2
		• Illiquid strategies	1



Currency allocation	%
• Sterling	85
• US dollar	14
• Other	1

10 largest of 94 equity holdings

Stock	% of fund	Stock	% of fund
Leucadia National	3.5	HRG Group	2.3
Science Group	3.0	Continental Building Products	1.8
Precision Castparts	2.8	Groupe Bruxelles Lambert	1.7
Runge	2.7	News Corp	1.5
Hornby	2.7	Waterman	1.5

Source: Ruffer LLP

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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 **£200.2m**

Fund information

%	O class	C class
Ongoing Charges Figure*	1.58	1.26
Annual management charge	1.50	1.20
Maximum initial charge	5.0	5.0
Yield	0.00	0.06
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 30 September 2015, assets managed by the Ruffer Group exceeded £17.7bn, of which over £8.9bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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