

CF Ruffer Equity & General Fund

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



During the month the fund's O accumulation shares decreased by 1.7%. This compared with a rise of 2.8% in the FTSE All-Share Total Return Index.

Expensive securities that are perceived to be 'safe' continue to be rewarded; yields on the 10 year US Treasury bond recently briefly touched their lowest on record since 1790; the 10 year Japanese, German and Swiss government bond yields are in negative territory. We would argue that bonds are in a bubble and that current prices imply significant losses at some point in the future. We have been consistent in avoiding bonds and we sold out most of our holdings in their equity proxies in 2013, on valuation grounds. In particular this year the fund has been penalised for these decisions. Similarly with gold –we do not own gold (or gold equities) because we are unable to value them. It clearly feels good owning gold when its price is going up but when it falls we are very uncomfortable not to be able to estimate its intrinsic worth.

We went into the referendum mostly in sterling (c 87%). While, in retrospect, a lower weighting in sterling would have protected the portfolio against Brexit, we rarely speculate on currencies.

Other than parts of the UK market (economy sensitive, financials, small/midcaps), the American/global markets initially declined but surprisingly without panic; subsequently markets rapidly reverted close to their highs. It seems probable that coordinated intervention of central banks was key. The morning after the UK vote, we met with the CEO of a large US multinational which specialises in IT. As expected, the odds for Brexit had been low for most American CEOs and thus a period of pause in new investments in the UK but also in broader Europe is now likely. The most interesting comment involved the management's focus on the effect of the potential decline of the US stock market due to Brexit. As the CEO noted, falling markets would rapidly temper client confidence and hence impact the real economy. The importance of the financial world to the real economy has never been higher. This is why central banks are so sensitive to quickly intervene and not let markets find a more natural equilibrium. This is a challenge for us: our protection is unlikely to kick in during a short market drop nor does it give us sufficient opportunity to use our cash ammunition (this has happened a few times since 2014). It is when the markets decline over a period of time (eg 2008/9 and 2011) that we can find opportunities to gradually deploy our cash that will deliver the greatest potential returns over time.

Approximately 20% of REG involves UK stocks, mainly special situations (around half UK focused companies and half more internationally exposed businesses). Even though the majority of the fund's decline during the month stemmed from the UK, this remains the most interesting part of our portfolio. We have added to our shareholding in Science Group (SAG). SAG is an exporter with >70% of its revenues outside of the UK, thus it benefits from sterling weakness. It has significant property value and net cash and is currently offered at less than 6x operating earnings.

We put particular emphasis on the 'jockey' and believe CEOs who have significant stakes in their firms will make a difference in the long term. We admire their intensity and back historically capable money makers such as Martyn Ratcliffe at Science Group.

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.

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 2016	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-1.7	-3.6	-6.4	4.4	30.0	70.6

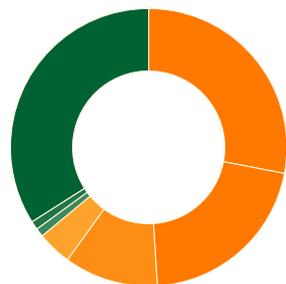
Percentage growth (O acc)	%	Share price as at 30 June 2016	p
30 Jun 2015 – 30 Jun 2016	-6.4	O accumulation	358.18
30 Jun 2014 – 30 Jun 2015	3.4	O income	332.35
30 Jun 2013 – 30 Jun 2014	7.8	C accumulation	362.38
30 Jun 2012 – 30 Jun 2013	17.8	C income	334.24
30 Jun 2011 – 30 Jun 2012	5.7		

Source: Ruffer LLP

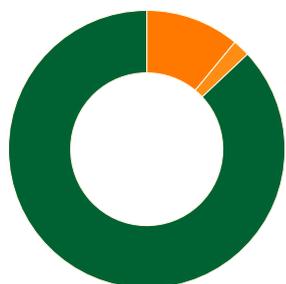
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

CF Ruffer Equity & General Fund as at 30 June 2016

Portfolio structure



Asset allocation	%		%
• Cash	34	• North America	28
• Illiquid strategies	1	• UK equities	21
• Options	1	• Europe equities	11
		• Australasia	4



Currency allocation	%
• Sterling	87
• US dollar	11
• Other	2

10 largest of 78 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	3.7	Continental Building Products	1.7
Runge	3.5	ExxonMobil	1.7
Novartis	2.5	Leucadia National	1.6
Groupe Bruxelles Lambert	2.3	Microgen	1.5
BP	1.8	Castings	1.5

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 **£159.4m**

Fund information

%	O class	C class
Ongoing Charges Figure*	1.59	1.28
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

Enquiries

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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 June 2016, assets managed by the Ruffer Group exceeded £18.5bn, of which over £10.1bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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