

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 1.2%. This compared with a fall of 5.3% in the FTSE All-Share Total Return Index.

August started and finished in an interesting way. On the 10th of the month Berkshire Hathaway agreed to acquire Precision Castparts (PCP). We had been doing work on PCP during the last few months and had been building a position. PCP, a supplier to the aerospace industry, is a business with high barriers to entry and strong margins. It has grown during the last decade via a series of acquisitions under the leadership of Mark Donegan, a CEO who has excelled in efficient manufacturing. In today's world where it is hard to achieve top line growth, the ability to engage in deal-making with focused integration and effective cost cutting can build shareholder value. Mr Buffett is paying a seemingly high valuation for a strong franchise and a CEO who could become a useful asset to Berkshire over time. The ability to buy permanent cash flows in their totality at the current zero interest rates is structurally powerful – few can do it and certainly Mr Buffett has a unique advantage.

This leads us to the last part of the month. Fund management has become very popular, in particular during the last few years when major markets all over the world, starting with the US, have been used by the authorities to enhance economic activity. Too many people are currently in the business of capital allocation, using various technical models to out-manoeuvre their peers. It does not really matter whether it is called risk-parity or something else; at zero interest rates and at the current valuation for most asset classes, volatility and sudden severe corrections should be expected. This is a good time for REG when we can use our cash.

We view cash as our protection against, and ammunition in, falling markets. It was a relatively small part of the portfolio during the winter of 2008/first quarter of 2009 when we were buying stocks almost every day and since then it has gradually increased. We rarely have a strong view about the direction of the market and we are focused on identifying specific micro opportunities where our estimate of the business value is materially higher than the market price. We feel more comfortable in falling markets where historically we have been gradual buyers of equities. We try to make sure to have enough cash and/or protection to be able to keep buying stocks at the worst possible period for markets.

Since 2014 most equities with the best business models have traded at unattractive prices, while the more dangerous/riskier businesses have been offered at interesting valuations. It has required a lot of work to 'risk-adjust' our shareholdings and avoid mistakes. Currently many of the 'riskier' businesses are trading at even more attractive prices and some of the more solid franchises are starting to be more reasonably valued. August was an active period for REG; we reduced our cash and options and were buying stocks, especially during the last few days of the month. We added to our existing positions as well as initiating shareholdings in a few businesses we have been following over the years.

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 % | August 2015 | Year to date | 1 year | 3 years | 5 years | 10 years |
|-----------------------|-------------|--------------|--------|---------|---------|----------|
| O accumulation shares | -1.2 | 1.5 | 1.3 | 27.5 | 50.7 | 110.5 |

| Percentage growth (O acc) | % | Share price as at 28 August 2015 | p |
|---------------------------|------|----------------------------------|---------------|
| 30 Jun 2014 – 30 Jun 2015 | 3.4 | O accumulation | 376.80 |
| 30 Jun 2013 – 30 Jun 2014 | 7.8 | O income | 349.63 |
| 30 Jun 2012 – 30 Jun 2013 | 17.8 | C accumulation | 380.28 |
| 30 Jun 2011 – 30 Jun 2012 | 5.7 | C income | 350.94 |
| 30 Jun 2010 – 30 Jun 2011 | 9.4 | | |

Source: Ruffer LLP

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.

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 28 August 2015

Portfolio structure



| Asset allocation | % | | % |
|--------------------------|----|--------------------------|----|
| • Cash | 28 | • North America equities | 36 |
| • Gold and gold equities | 1 | • UK equities | 21 |
| • Options | 1 | • Europe equities | 6 |
| | | • Japan equities | 3 |
| | | • Australasia equities | 3 |
| | | • Illiquid strategies | 1 |



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

10 largest of 95 equity holdings

| Stock | % of fund | Stock | % of fund |
|---------------------|-----------|-------------------------------|-----------|
| Leucadia National | 3.3 | HRG Group | 2.3 |
| Runge | 2.6 | JPMorgan Chase | 1.7 |
| Hornby | 2.6 | Groupe Bruxelles Lambert | 1.7 |
| Precision Castparts | 2.6 | Continental Building Products | 1.6 |
| Science Group | 2.4 | News Corp | 1.6 |

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 £213.6m

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 | 0.24 |
| 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 31 August 2015, assets managed by the Ruffer Group exceeded £18.2bn, of which over £8.8bn was managed in open-ended Ruffer funds.

Dealing line

0345 601 9610

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