

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 0.2%. This compares with an increase of 0.7% in the FTSE All-Share Total Return Index.

The LF Ruffer Equity and General fund (REG) seeks to generate equity-like returns over the long-term, take less risk than the market and avoid permanent loss of capital. Since inception the return has been 116.5% versus 86.1% for the FTSE All-Share Total Return Index. The result over the last 11 years has been a portfolio with relatively low volatility (approximately half that of the market) and no annual losses. It should be remembered however, that while we try hard first and foremost to preserve our capital, it is almost certain that we will lose money at some point in time.

We seek to identify potential mis-pricing of businesses in out of favour sectors, and in restructurings/ turnarounds. The 'margin of safety' has been the cornerstone of our practice. In times of crisis when fear kicks in, it is probable that we allocate capital in 'statistically' cheap stocks, mainly using numerical criteria (as we did in 2008/2009 and during the euro crisis in 2011). For example, in the first half of 2009 our top positions included well-known brands such as Kraft, Phillip Morris International and Johnson & Johnson. Asked back then what we knew better than the market when to own these well-known stocks, the answer was simply that, in our view, they were significantly undervalued. Our investment process has not changed: we intensely look for asymmetric returns, owning businesses we understand well, with favourable risk-reward. Thus, currently, as the markets have moved significantly higher and we believe most quality or well-known companies to be overvalued, our portfolio is more idiosyncratic. REG's top positions are mostly special situations; these restructuring cases involve 'value and change' and backing the right people. Picking people and management who can make a difference depends on very subjective judgement, hence it is an area where competition (via 'human' or artificial intelligence) will continue to be somewhat less fierce.

Our history since late 2007 clearly shows that we enjoy buying stocks 'on sale' while we find strong markets tougher; the substantial out-performance of 'growth' versus 'value' stocks has been a drag on our performance. Nevertheless, our 'alpha' has been generated by our stock selection. REG has been active in a variety of areas, from risk adjusting its equity positions, being opportunistic in finding value among global equities, and investing in companies of all sizes. Our equity book has delivered approximately a 16% annual return (gross of fees) versus 8.6% for the FTSE All Share Total Return Index (attribution data from November 2010 to September 2018).

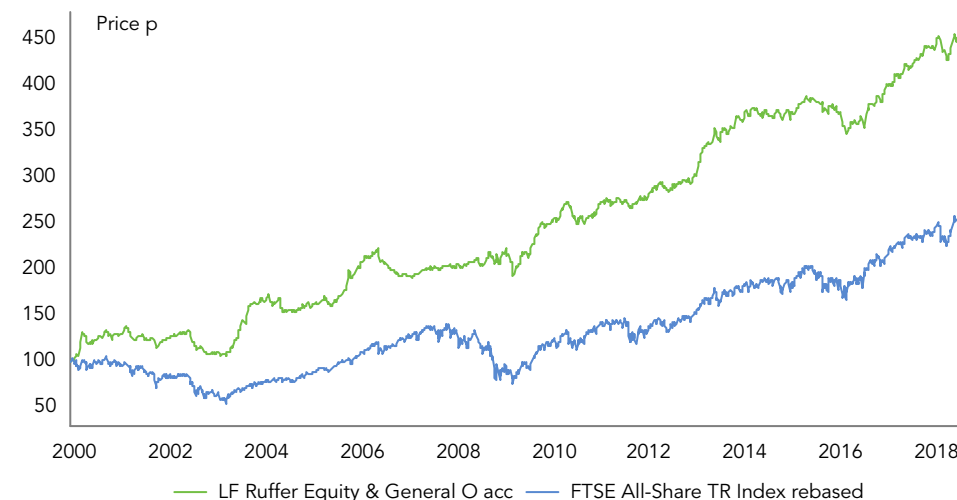
We view cash as protection, and potential ammunition in falling markets. Our balanced approach and focus on adjusting our return for the risk we take, means that we hold more cash, as stocks offer less value and vice versa (in late 2008/early 2009 our cash balance was at a minimum as we were intensely buying stocks every day). Furthermore we opportunistically use options to hedge our geographic equity exposure. Finally, we have recently initiated a position in gold – we see this as insurance against extreme outcomes, complementing our collection of human capital.

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 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 %	September 2018	Year to date	1 year	3 years	5 years	10 years
O accumulation shares		-0.2	0.1	1.8	20.8	110.4

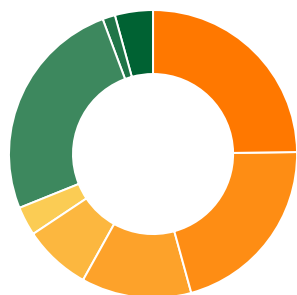
Percentage growth (O acc)	%	Share price as at 28 September 2018	p
30 Sep 2017 – 30 Sep 2018	1.8	O accumulation	446.00
30 Sep 2016 – 30 Sep 2017	14.2	O income	413.81
30 Sep 2015 – 30 Sep 2016	3.9	C accumulation	454.27
30 Sep 2014 – 30 Sep 2015	-0.4	C income	418.40
30 Sep 2013 – 30 Sep 2014	4.3		

Source: Ruffer LLP, FTSE International (FTSE) †

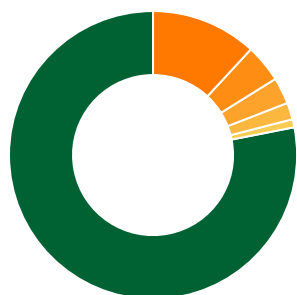
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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

LF Ruffer Equity & General Fund as at 28 Sep 2018

Portfolio structure



Asset allocation	%		%
● Gold and gold equities	4.3	● North America	24.8
● Options	1.4	● UK equities	21.0
● Cash	25.5	● Europe equities	12.5
		● Australasia	7.5
		● Japan equities	3.2



Currency allocation	%
● Sterling	78.2
● US dollar	12.0
● Gold	4.3
● Yen	1.8
● Euro	0.9
● Other	2.9

10 largest of 84 equity holdings

Stock	% of fund	Stock	% of fund
Runge	7.4	Jefferies	2.2
Science Group	6.4	Driver	1.9
iShares Physical Gold	3.5	Milestone Japan Value Fund	1.9
Vivendi	3.5	Tortoise MLP Fund	1.8
ExxonMobil	2.3	GlaxoSmithKline	1.6

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

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 **£137.8m**

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	

	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 31 August 2018, assets managed by the Ruffer Group exceeded £22.1bn.

Dealing line

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*Refers to accumulation shares

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