

LF Ruffer Equity & General Fund

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



During the quarter the fund's O accumulation shares declined 1.4%. This compares with a decline of 2.9% in the FTSE All-Share Total Return Index.

During the summer, this year's trend continued, following the US Federal Reserve's massive intervention since April, ie 'momentum' and 'growth' doing well while our stocks, the more 'real/value', have lagged. In August, the 'momentum' trend accelerated further and the market often exhibited extremes – many stocks that keep working have tended to go to an extreme valuation (eg Salesforce, at higher than \$200bl mcap was up c 20% when it reported numbers, it trades at P/E c 70 next year and it recently replaced Exxon in the Dow Jones Industrial Average; there are many more examples eg Zoom at c 100 P/E, as well as Tesla at more than 100x earnings). On the other hand, the market offers many undervalued stocks – in particular, the ones without momentum remain undervalued. For example, many somewhat smaller stocks listed in the UK (but often with global revenues) are very cheap, hence the UK represents more than 30% of our portfolio. And a new investment, Titan Cement in Europe, is significantly undervalued at >15% free cash flow yield (while perceived to be a Greek stock, it recently listed in Belgium and most of its profits come from the US).

As the market is currently very bifurcated, we continue to find opportunities. In my view, the Fed has pushed market participants to embrace risk, in essence not to be prudent. Our strategy in REG has focused on having protection on the indices (mainly the SPX which has large tech exposure and very narrow leadership (Amazon, Google, Facebook, Apple)) and on investing in undervalued stocks after intense business analysis – we have been investing in 'value' while hedging part of our market exposure. We aim to be prudent, even though in the short term our strategy has been out of favour, and hence the more recent period has been quite arduous.

Regarding our recent activity, we have initiated a position in Nutrien, an Ag business with a solid retail franchise which helps pay the dividend of c 5% (effectively being paid to wait under fine management until the Ag cycle turns). We bought Dassault Aviation, a cheap stock, a special situation where we get the core business almost for free. We have also added to Autohellas (a strong franchise with very solid management, trading c 4x normalised earnings; we have followed this since 2006), BAT, tobacco has been very out of favor and this is a well-run business with c8% dividend yield and VP, a UK small cap, a high quality family business renting industrial equipment.

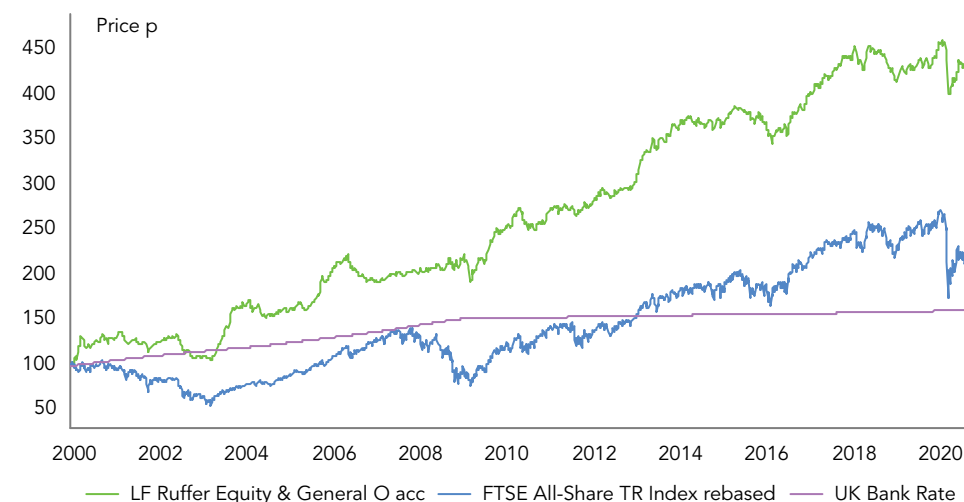
Finally, as we continue to find investment opportunities with asymmetric risk reward in this bifurcated market, in September 2020 our cash balance has declined to somewhat less than 10%, but our hedging on the indices/protection is relatively high, c 30% of the fund. It is important that we keep our focus on our investment process and methodically follow our discipline even though our mark to market performance is more volatile. In my view, the intrinsic value of our portfolio is significantly higher than the current market price. I have my pension in the fund (and recently investing more capital) and this is exactly how we think about it – long term. REG should be seen as a vehicle to invest in global equities via a conservatively balanced, opportunistic, value-based approach.

The fund's prospectus and key investor information documents are provided in English and available on request or from 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 %	Q3	Year to date	1 year	3 years	5 years	10 years
O accumulation shares	-1.4	-5.8	-1.4	-1.6	16.7	67.9

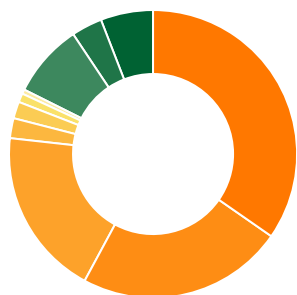
Percentage growth (O acc)	%	Share price as at 30 September 2020	p
30 Sep 2019 – 30 Sep 2020	-1.4	O accumulation	431.20
30 Sep 2018 – 30 Sep 2019	-1.9	O income	399.22
30 Sep 2017 – 30 Sep 2018	1.8	C accumulation	441.85
30 Sep 2016 – 30 Sep 2017	14.2	C income	404.10
30 Sep 2015 – 30 Sep 2016	3.9		

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 30 Sep 2020

Portfolio structure



Asset allocation	%		%
● Gold and gold equities	5.9	● UK equities	34.3
● Options and protection	3.5	● North America	23.1
● Cash	8.1	● Europe equities	18.8
		● Japan equities	2.1
		● Japan index-linked	2.0
		● Australasia	1.0
		● Asia ex-Japan equities	0.4



Currency allocation	%
● Sterling	77.4
● Gold	5.9
● US dollar	5.4
● Euro	4.5
● Yen	4.1
● Other	2.7

10 largest of 97 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	9.0	Alleghany	2.2
Titan Cement	5.0	Attraqt	2.2
Berkshire Hathaway	4.2	Milestone Japan Value Fund	2.1
iShares Physical Gold	3.3	Vivendi	2.0
Zegona Communications	2.4	Balfour Beatty	2.0

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 **£127.3m**

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	0.20
Minimum investment	£1,000	
Ex dividend dates	15 Mar, 15 Sep	
Pay dates	15 May, 15 Nov	
Dealing	Weekly forward, every Wednesday where this is a business day Plus the last business day of the month	
Cut off	10am on Wednesday (where it is a business day) and the last business day of the month	
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	

*Refers to accumulation shares

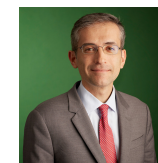
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Fund Manager

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 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 2020, assets managed by the Ruffer Group exceeded £19.9bn.

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

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