

LF Ruffer Equity & General Fund

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



December 2022 Issue 209

During the quarter, REG's C accumulation shares increased by 6.1%. This compares with an increase of 2.6% in the comparator IA Flexible Investment Sector (IAF). During 2022 REG increased by 1.1%, while IAF declined 9%. In 2022 the huge excesses of the last many years mostly disappeared: bonds with negative yields are now less common, solid franchises such as Exxon are not worth less than profitless tech companies and on average valuations are currently more balanced/less extreme. It is healthy that the cost of money is not zero, and as Mr Buffett has wisely said "interest rates are to asset prices like gravity is to the apple; they power everything in the economic universe". Nevertheless, securities of most quality businesses are still not undervalued; in particular the US market is not cheap and we would not be surprised if equities de-rate further over time. Importantly we stick to our knitting: REG seeks to generate equity-like returns over the long term, take less risk than the market and avoid permanent loss of capital. Since we started managing the fund in 2008, the return has been 174% versus 96% for IAF. The result over the last 15 years has been a portfolio with relatively low volatility (approximately half that of the market) and rare annual losses (in 2018). It should be remembered however, that while we try hard to preserve our capital, it is almost certain that we will lose money at some point in time; we aim to outperform and build value during falling markets.

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, during the euro crisis in 2011 and during covid). Our investment process has not changed: we intensely look for asymmetric returns, owning businesses we understand well (having performed intense forensic analysis), with favourable risk-reward. During the last few years, as markets have moved higher and we have viewed most quality companies to be overvalued, our portfolio has been more idiosyncratic. Hence, REG's top positions have been mostly special situations: these restructuring cases involve 'value and change' and backing the right people.

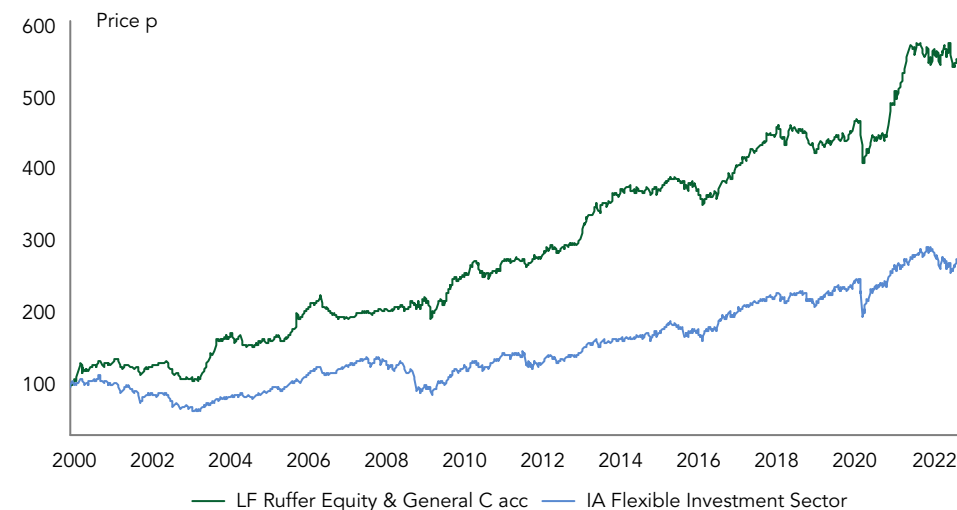
At REG we aim to collect outstanding leaders who run businesses trading at reasonable prices. Top management makes an enormous difference over time – there is a compound effect that drives superior performance under a strong leader (and vice versa). As we have vividly seen in business but even in the history of nations, strong leadership can make miracles happen over time: for example, Lee Kuan Yew was so instrumental, consistently building value in Singapore; Mrs Thatcher and Charles de Gaulle making such difference to the UK and France. Similarly in business we bet on Martyn Ratcliffe and Sue Nabi among others, to build value at Science Group and Coty, respectively. 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. In particular during tough times, we aim to bet on businesses under leadership who will make the most out of the current macro challenges, keep building shareholder value and emerge stronger over time.

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.

Investment objective

To seek to achieve capital growth over the longer term (at least seven years), after all costs and charges have been taken. Underlying this objective is a fundamental philosophy of capital preservation. Capital invested is at risk and there is no guarantee that the objective will be achieved over any time period.

Performance since launch on 1 December 1999



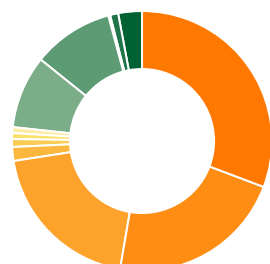
C accumulation shares	Performance %	Share price as at 30 December 2022	p
Q4	6.1	C accumulation	564.53
Year to date	1.1	C income	510.03
1 year	1.1		
3 years	20.6		
5 years	24.6		
10 years	85.7		

12 month performance to December %	2018	2019	2020	2021	2022
LF Ruffer Equity & General C acc	-6.2	10.2	5.3	13.3	1.1
IA Flexible Investment Sector	-6.6	15.6	7.0	11.4	-9.0

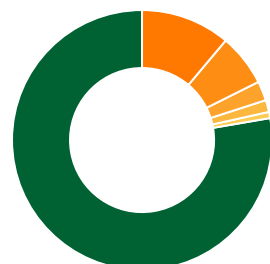
Source: Ruffer LLP, Morningstar

LF Ruffer Equity & General Fund as at 30 Dec 2022

Portfolio structure



Asset allocation	%		%
● Gold exposure and gold equities	2.9	● UK equities	30.8
● Options and protection	1.1	● Europe equities	21.8
● Credit	0.2	● North America	20.0
● Short dated bonds and cash equivalents	10.0	● Japan equities	1.6
● Cash	9.1	● Asia ex-Japan equities	1.0
		● Central and South America	0.8
		● Australasia	0.7



Currency allocation	%
● Sterling	77.8
● US dollar	11.2
● Euro	6.4
● Yen	1.6
● Australian dollar	0.7
● Other	2.3

10 largest of 91 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	5.8	ExxonMobil	1.8
Titan Cement	4.1	Jet2	1.8
Coty	2.2	Groupe Bruxelles Lambert	1.8
Conduit	2.1	M&T Bank	1.7
ConvaTec	1.8	Unilever	1.7

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.

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.

Fund size **£212.7m**

Fund information

%	C class
Ongoing Charges Figure*	1.27
Annual management charge	1.20
Maximum initial charge	5.0
Yield	0.77
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	Accumulation GB00B7VZQV57 Income GB00B6Y8PL75
SEDOL	B7VZQV5 B6Y8PL7
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

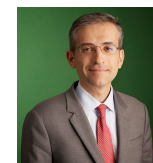
*Refers to accumulation shares

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 manages 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 30 November 2022, assets managed by the Ruffer Group exceeded £26.1bn.

Dealing line

0345 601 9610

Enquiries

Ruffer LLP +44 (0)20 7963 8254
80 Victoria Street rif@ruffer.co.uk
London
SW1E 5JL ruffer.co.uk

This financial promotion is issued by Ruffer LLP, 80 Victoria Street, London SW1E 5JL. Ruffer LLP is authorised and regulated by the Financial Conduct Authority. © Ruffer LLP 2022