

LF Ruffer Equity & General Fund

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

During the last few months, the emergence of AI has been instrumental in reviving the animal spirits in the US market. Capital has been allocated to a small number of 'growth' stocks which have driven the very strong performance of the Nasdaq and the S&P 500, while the Dow Jones Industrial Average has significantly lagged. All this is reminiscent to the covid era during the summer of 2020: 'momentum' and 'growth' doing well while our stocks, the more 'real/value', lagged. Back then it was Salesforce and Zoom, now it is Nvidia at c50 P/E. On the other hand, the market offers undervalued stocks – in particular, the ones without momentum remain undervalued. For example, stocks listed in the UK (but often with global revenues) are very cheap, hence the UK represents approximately a third of our portfolio.

While 2022 was an unusual period of normalisation (almost an exception since 2008), over the last many years the Fed has pushed market participants to be embracing risk, in essence not to be prudent. And AI in 2023 has been a 'Pavlov' moment for risk taking. Our strategy in REG has focused on having protection on the indices (eg the SPX which has large tech exposure and very narrow leadership (Amazon, Google, Facebook, Apple, Nvidia, Microsoft)) 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 as the market is currently more bifurcated, we continue to find opportunities. For example, we have increased our shareholding in tobacco stocks, namely British American Tobacco (BAT) and Philip Morris International (PMI). We see them as complementary: BAT is a deep value case while PM, a higher quality compounder and they are both characterised by very attractive dividend yields. Similarly, we have built a position in the telecom industry with Orange and Vodafone. The former is likely to be a lower risk stock offering a c7% dividend yield, while Vodafone is a deep value case potentially involving corporate activity. We have also initiated a small position in Bank of America – this is a strong franchise and an undervalued stock complementing well our portfolio of high quality and currently out of favor financials. Finally, we have been taking profits in our Greek stocks. As mentioned before, the last few years have been the first time we have felt positive towards the Greek market. In 2020 the market cap of the Athens Stock Exchange represented approximately 25% of Greek GDP, a third of the relative value of many European markets and many Greek stocks were significantly undervalued. While Greece has been run by a pro-business leader and fundamentals seem to keep improving, more recently the stock market has been very strong, hence we have reduced our exposure, always focusing on risk adjusted returns.

It is important 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 higher than the current market price. I have my pension in the fund and this is exactly how we think about it – long term. REG should be seen as a vehicle to invest in global equities in a conservative, value-based approach.

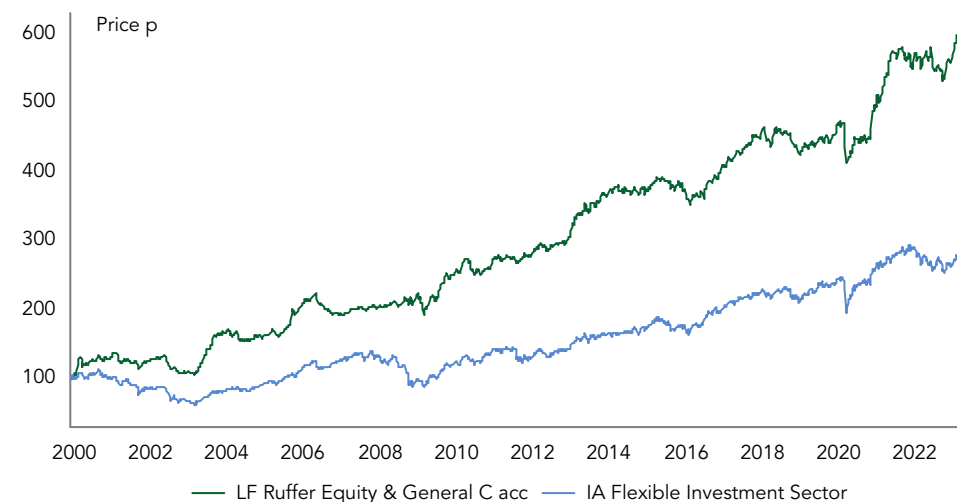
Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally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



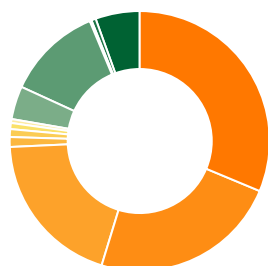
C accumulation shares	Performance %	Share price as at 30 June 2023	p
Q2	-2.1	C accumulation	567.72
Year to date	0.6	C income	512.90
1 year	3.1		
3 years	26.8		
5 years	23.9		
10 years	65.0		

12 month performance to June %	2019	2020	2021	2022	2023
LF Ruffer Equity & General C acc	-3.1	0.9	27.4	-3.4	3.1
IA Flexible Investment Sector	2.9	0.4	19.8	-7.2	3.6

Source: Ruffer LLP, Morningstar

LF Ruffer Equity & General Fund as at 30 Jun 2023

Portfolio structure



Asset allocation	%		%
● Gold exposure, gold equities	5.5	● UK equities	31.3
● Options and protection	0.5	● Europe equities	23.4
● Credit	0.3	● North America equities	19.5
● Short dated bonds and cash equivalents	11.8	● Japan equities	1.2
● Cash	4.2	● Central, South America equities	1.0
		● Asia ex-Japan equities	0.8
		● Australasia equities	0.5



Currency allocation	%
● Sterling	76.5
● US dollar	10.4
● Yen	4.6
● Euro	1.6
● Australian dollar	0.5
● Other	6.4

10 largest of 95 equity holdings

Stock	% of fund	Stock	% of fund
Science Group	6.4	Pfizer	1.7
Coty	2.5	Bayer	1.6
Titan Cement	2.3	Unilever	1.5
Groupe Bruxelles Lambert	1.9	Jet2	1.5
Dassault Aviation	1.7	ConvaTec	1.5

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 **£227.7m**

Fund information

	%
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 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 May 2023, assets managed by the Ruffer Group exceeded £25.2bn.

Dealing line

0345 601 9610

Enquiries

Ruffer LLP +44 (0)20 7963 8218
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 2023