

# Charity Assets Trust

Positive absolute returns with low volatility for charities

During April the fund price rose by 0.4%. This compared with an increase of 2.7% in the FTSE All-Share Index and a fall of 1.5% in the FTSE Government All-Stocks Index (both figures are total returns in sterling).

Investors began the month with two, as yet, unanswered questions. Firstly, is the US Federal Reserve sincere in its patient stance on monetary policy? In response, investors have seemingly given the Fed the benefit of the doubt, assuming that it has once again experienced (and learnt from) the dangers of tightening monetary policy faster than the market is comfortable with and, rather than raise interest rates it is now poised to begin easing. Buoyed by this premise, risk assets continued their exceptionally strong start to 2019 and the equities in the fund were the key positive contributors to performance. Much of the return was driven by our high-quality, growth stocks, including Walt Disney and Sony, which both made double digit gains over the month.

The second uncertainty concerned whether the underlying growth in the global economy justifies the continued recovery in risk assets. Positive data from the US, most notably a strong first quarter GDP print, went some way to answering this, calming prior fears of a rapid deceleration in growth. Further afield, we have seen evidence that stimulus in China is helping to soften the blow from their troublesome deleveraging process. Subsequently, investors have become comfortable with the notion that the global economy is still growing, albeit at a disinflationary pace. This notion benefitted the economically-sensitive names in the fund, and the European employment agency, Adecco was a particular positive contributor to performance. These names can continue to be strong if a rebound in economic growth gathers momentum and the extreme pessimism of January subsides further. Better-than-expected economic data was accompanied by the apparent postponement of key geopolitical risks, such as the Brexit deadline and US trade antics. Consequently, as risk appetite grew, real interest rates trended upwards for much of the month. Although not enough to call the Federal Reserve's patient stance into question, this did weigh on our protective assets, in particular the inflation-linked bonds and gold equities. Acknowledging that such an environment could continue to weigh on the gold price, we slightly reduced our exposure in this area.

On the whole, investor attitude now implies that the US Federal Reserve is in the process of engineering a soft landing for the economy, something it has failed to do in three of the last four rate hiking cycles. Below target inflation numbers are currently affording the central bank the luxury of remaining on pause. In the short term we can foresee a situation in which economic growth is unimpressive and this will provide further justification to keep interest rates low. Such a benign environment would typically support growth stocks and in light of this, we have been adding to these equities within the fund. However, the situation ultimately seems unsustainable. If the continued strength in key underlying metrics, such as unemployment and wage inflation, were to feed through to the Federal Reserve's core price measure, the market may once again take fright as it accounts for the prospect of additional interest rate rises. With sentiment this vulnerable, we retain our potent protective assets.

Please note that the Charity Assets Trust is an unregulated collective investment scheme (UCIS) available only to eligible charities as defined overleaf.



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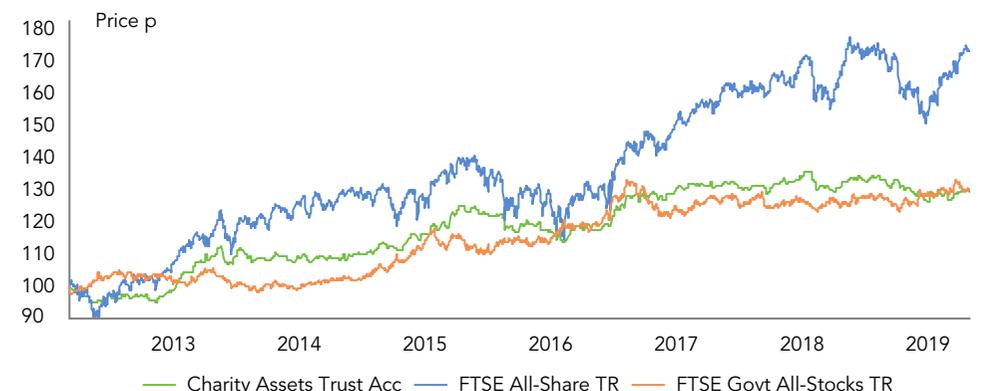
## Investment objective

The fund aims to achieve low volatility and positive returns from an actively managed portfolio of different asset classes, including equities, bonds and currencies. Pervading this objective is a fundamental philosophy of capital preservation.

## Responsible Investment Policy

The fund has strict restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against UN Global Compact principles, MSCI's ESG Metrics and the managers also monitor the fund's carbon metrics.

## Performance since launch on 8 March 2012



Performance %	April 2019	Year to date	1 year	3 years	5 years
Accumulation units	0.4	2.7	-2.1	9.4	19.6

Percentage growth	%	Unit price as at 30 April 2019	p
31 Mar 2018 – 31 Mar 2019	-1.0	Accumulation	130.03
31 Mar 2017 – 31 Mar 2018	-0.6	Income	113.36
31 Mar 2016 – 31 Mar 2017	10.5		
31 Mar 2015 – 31 Mar 2016	-2.5		
31 Mar 2014 – 31 Mar 2015	11.6		

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.

# Charity Assets Trust as at 30 Apr 2019

## Asset allocation



## Asset allocation %

Asset allocation	%
● Cash	16.5
● Long-dated index-linked gilts	14.1
● Non-UK index-linked	11.4
● Short-dated bonds	7.7
● Gold and gold equities	5.7
● Illiquid strategies and options	5.7
● Index-linked gilts	1.6

## Currency allocation



## Currency allocation %

Currency allocation	%
● Sterling	75.2
● Yen	6.9
● US dollar	5.9
● Gold	5.8
● Euro	1.9
● Other	4.3

## 10 largest of 63 equity holdings\*

Stock	% of fund
Walt Disney Company	2.3
iShares Physical Gold	1.7
Sony	1.6
Tesco	1.6
General Motors	1.3
Barrick Gold	1.3
Wheaton Precious Metals	1.2
Dai-ichi Life Insurance	1.2
Kinross Gold	1.1
ORIX	1.1

## 5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.5% 2050	5.6
UK Treasury index-linked 0.125% 2068	4.4
US Treasury 1.125% TIPS 2021	4.4
US Treasury TIPS 1.25% 2020	2.7
US Treasury 1.75% TIPS 2019	2.6

\*Excludes holdings in pooled funds  
Source: Ruffer LLP.  
Pie chart totals may not equal 100 due to rounding.

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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 **£114.9m**

## Fund information

	%
Ongoing Charges Figure	1.15
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.99
Minimum investment	£500
Ex dividend dates	15 January, 15 April, 15 July, 15 October
Pay dates	15 March, 15 June, 15 September, 15 December

Dealing Weekly forward, every Wednesday where this is a business day  
Plus the last business day of the month

Cut off Close of business on Wednesday

Unit classes Accumulation and income

	Accumulation	Income
ISIN	GB00B740TC99	GB00B7F77M57
SEDOL	B740TC9	B7F77M5

Manager and investment adviser Ruffer AIFM Limited

Trustee BNY Mellon Fund & Depository (UK) Ltd

Custodian Bank of New York Mellon SA/NV

Administrator Bank of New York Mellon (International) Limited

Auditors Ernst & Young UK LLP

Legal advisers Simmons & Simmons LLP

Structure Common Investment Fund established under section 24 of The Charities Act 1993

**Eligible charities** are those registered as a charity with the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator and/or Inland Revenue Charities, Bootle, Merseyside (including charities established in Northern Ireland), or exempt from registration with the Charity Commission by virtue of the Charities Act 1993 (as amended).

## Fund Manager

### Christopher Querée

INVESTMENT DIRECTOR

Previously Director at Le Masurier, James & Chinn, now absorbed within the HSBC Group. He spent thirteen years there, with responsibility for offshore private clients before moving to Chiswell Associates in 2001, focusing on charity fund management. He holds an MBA from Henley Management College and joined the Ruffer Group in 2004.



## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2019, assets managed by the Ruffer Group exceeded £21.2bn.

## Dealing line

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