

Charity Assets Trust

Positive absolute returns with low volatility for charities

During May the fund price fell by 1.0%. This compared with a fall of 3.0% in the FTSE All-Share Index and an increase of 2.7% in the FTSE Government All-Stocks Index (both figures are total returns in sterling).

Global markets this month were once again at the behest of trade negotiations between China and the US. The implications for global economic growth are being questioned with the probability of a recession heightened in the market's mind. Consequently, investor risk appetite fell and volatility increased, particularly in equity markets. This risk off move saw the S&P500 fall 6.2% and falling yields globally meant bond markets benefitted. In particular, the US 10 year yield reached 2.2%, levels not seen since mid-2017 and German bund-yields hit the lowest level on record, falling to -0.2%.

The fund's equity exposure was a detractor for the month with economically sensitive names in the US particularly hit. The positive drivers mirrored the wider market with UK index linked gilts the strongest performers, helped by the domestic political pressures on sterling. Gold positively contributed with gold mining equities providing some leveraged exposure to the commodity price. The protection we hold against a severe deterioration in credit markets also performed well as credit spreads in the US and Europe widened. We have been pleased to see the underlying positions respond as we would hope in moments of stress in broader markets. We also continue to manage the currency exposure in the fund, ensuring that as a sterling investor we are actively considering the risks and protective opportunities that foreign currency exposure presents. With ample uncertainty on the UK political landscape, we look to ensure that the fund is not overexposed to a sharp move in the home currency either way. With global uncertainties further afield we have been focusing on how the Japanese yen and US dollar have interacted throughout the proliferation of geopolitical tensions and increased the yen exposure going into June.

Looking forward, the shape of a US-China trade deal remains a 'known unknown'. If no agreement is reached we will clearly see more stress in markets. If the Federal Reserve step in with an accommodative response, or indeed if a successful deal is signed, investors will be relieved. However whatever the geopolitical outcome, the Fed continues to find itself walking a fine line on the path to tightening monetary policy. Economic data continues to look okay; the US GDP print at the end May added weight to this. For now recessionary implications do not appear to be a threat, even if asset owners continue to fear the worst. Or is it indeed the removal of central bank support investors are fearful of? We seemingly face the dichotomy of good news for the economy is bad news for markets because it means policy interest rates will rise.

The underlying positions in the fund are actively managed, ensuring we have adequate exposure to high conviction equities to capture upside while the backdrop allows. However we remain protectively biased; protected against a negative financial market event in the short term and an inflationary environment in the long term. With credit markets increasingly referenced as a source of tension by market players and institutions, we believe the distinctive, uncorrelated protection in the fund will be one of the few hiding places when stress in markets becomes more protracted.

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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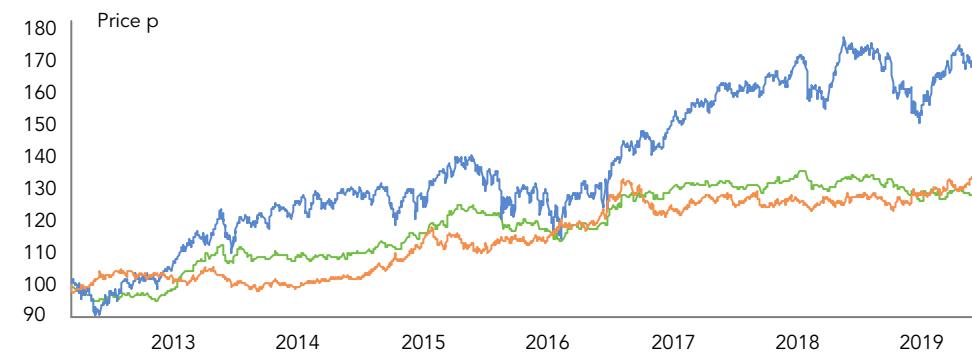
Investment objective

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.

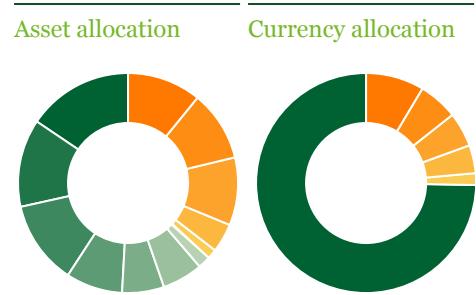
Performance since launch on 8 March 2012



Performance %	May 2019	Year to date	1 year	3 years	5 years
Accumulation units	-1.0	1.7	-3.9	8.4	16.9
Percentage growth	%				
31 Mar 2018 – 31 Mar 2019	-1.0				
31 Mar 2017 – 31 Mar 2018	-0.6				
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:	FTSE International (FTSE) †				
Unit price as at 31 May 2019	p				
Accumulation	128.78				
Income	112.26				

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 31 May 2019



Asset allocation	%
● Long-dated index-linked gilts	15.5
● Cash	13.0
● Non-UK index-linked	12.3
● Short-dated bonds	8.2
● Gold and gold equities	6.2
● Illiquid strategies and options	6.1
● Index-linked gilts	1.7

- North America equities 10.8
- UK equities 10.5
- Japan equities 9.8
- Europe equities 4.3
- Asia ex-Japan equities 1.4
- Other 0.1

Currency allocation	%
● Sterling	74.8
● Yen	8.4
● Gold	6.0
● US dollar	5.0
● Euro	1.7
● Other	4.1

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.

10 largest of 63 equity holdings*

Stock	% of fund
Walt Disney Company	2.4
Sony	1.8
iShares Physical Gold	1.8
Tesco	1.5
Barrick Gold	1.4
Wheaton Precious Metals	1.4
Dai-ichi Life Insurance	1.3
General Motors	1.2
Kinross Gold	1.2
ORIX	1.2

5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.5% 2050	6.1
UK Treasury index-linked 0.125% 2068	5.0
US Treasury 1.125% TIPS 2021	4.8
US Treasury TIPS 1.25% 2020	2.9
US Treasury 1.75% TIPS 2019	2.8

*Excludes holdings in pooled funds

Source: Buffer UI

Pie chart totals may not equal 100 due to rounding

Fund size £114.5m

Fund information

Ongoing Charges Figure	1.1%	
Annual management charge	1.0 + VAT	
Maximum initial charge	1.0%	
Yield		
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	
ISIN	Accumulation GB00B740TC99	Income GB00B7F77M5
SEDOL	B740TC9	B7F77M
Manager and investment adviser	Ruffer AIFM Limited	
Trustee	BNY Mellon Fund & Depositary (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 30 April 2019, assets managed by the Ruffer Group exceeded £20.9bn.

Dealing line

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