

# Charity Assets Trust

Positive absolute returns with low volatility for charities

During November the fund price rose by 0.1%. This compared with a rise of 2.2% in the FTSE All-Share Index and a 1.7% fall in the FTSE Government All-Stocks Index (both figures are total returns in sterling).

The UK is moving towards its fourth general election this decade as voters head to the polls on 12 December. Campaigning has begun in earnest up and down the country and the prevalence of televised debates and interviews, seemingly on an almost daily basis, has made it hard to sift through a lot of the 'noise'. Markets have not been immune to this either but, whilst blindly believing the polls proved to be a chastening experience in 2016 and 2017, the early signs are that it looks as though the Tories are set to be the largest party in Parliament. This would remove a big uncertainty that has been plaguing UK assets and should see a boost to sterling and UK equities, as we saw during November. The fund has added to its UK equity exposure over the course of the month in an attempt to benefit from this outcome. However, with approximately 25% of the fund's currency exposure outside of sterling, as well as our core holding in the index-linked bonds, which benefit from a fall in sterling, the fund remains protected should the pollsters be proved wrong yet again.

But whilst it is not clear at this point what the final results of the election will be, what is clear is that inflationary impulses within the UK are likely to rise materially, regardless of the outcome, as all parties have promised to increase spending. Labour's manifesto promises the most, but the Conservatives and the Liberal Democrats have also made promises to boost spending. An environment of greater fiscal spending, continued loose monetary policy and a tight labour market is one we believe will be inflationary and why the index-linked gilts remain a core part of the fund.

Elsewhere, equity markets were buoyed by better than expected economic data and renewed hopes a trade deal between China and the US can be achieved before the end of the year, with the fund's equities participating in the rally. Disney's new streaming service, Disney+ launched and attained as many subscriber's in a week than most analysts had forecasted for the entire year, sending the stock up over 16% for the month. Meanwhile, the announcement that Elizabeth Warren's plan to hold off on Medicare for All until 2023, if she was to be elected President, sent the fund's US managed healthcare names sharply higher by an average of just under 20%.

As we move towards the end of the year, globally markets appear hopeful two of the largest weights on sentiment – trade wars and UK political uncertainty – will be lifted, providing a boost into year end and beyond. The fund's equity holdings, which are geared towards such an outcome, should be strong drivers of positive returns in this scenario. However, our underlying concern about the structure and fragility of markets – in particular the corporate credit market – remain as high as ever. Therefore we retain our exposure to the protective assets in the fund, which we believe will be crucial to protecting capital in the next downturn, whenever it appears.

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 %	November 2019	Year to date	1 year	3 years	5 years
Accumulation units	0.1	5.1	3.3	4.6	14.1

Percentage growth	%	Unit price as at 29 November 2019	p
30 Sep 2018 – 30 Sep 2019	0.3	Accumulation	132.98
30 Sep 2017 – 30 Sep 2018	2.6	Income	114.69
30 Sep 2016 – 30 Sep 2017	1.7		
30 Sep 2015 – 30 Sep 2016	9.3		
30 Sep 2014 – 30 Sep 2015	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.

# Charity Assets Trust as at 29 Nov 2019

## Asset allocation



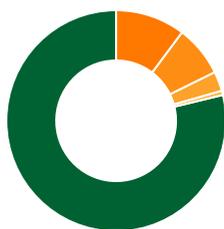
## Asset allocation %

● Non-UK index-linked	17.1
● Long-dated index-linked gilts	10.1
● Cash	8.3
● Short-dated bonds	7.8
● Gold and gold equities	7.6
● Illiquid strategies and options	6.3
● Index-linked gilts	1.7
● UK equities	14.4
● North America equities	12.0
● Japan equities	8.9
● Europe equities	4.3
● Asia ex-Japan equities	1.4

## Currency allocation %

● Sterling	78.7
● Yen	10.3
● Gold	7.5
● Euro	0.8
● Other	2.7

## Currency allocation



## 10 largest of 60 equity holdings\*

Stock	% of fund
iShares Physical Gold	2.6
Walt Disney Company	2.0
Newmont Mining	1.8
Lloyds Banking Group	1.8
General Motors	1.7
Sony	1.7
Fujitsu	1.6
Kinross Gold	1.5
Bristol-Myers Squibb	1.4
Whitbread	1.2

## 5 largest of 15 bond holdings

Stock	% of fund
US Treasury 1.125% TIPS 2021	5.3
UK government 8% 2021	4.8
UK Treasury index-linked 0.125% 2068	3.7
US Treasury TIPS 1.25% 2020	3.6
UK Treasury index-linked 0.5% 2050	3.6

\*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 **£151.2m**

## Fund information

	%									
Ongoing Charges Figure	1.15									
Annual management charge	1.0 + VAT									
Maximum initial charge	1.0									
Yield	2.02									
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									
	<table border="1"> <thead> <tr> <th></th> <th>Accumulation</th> <th>Income</th> </tr> </thead> <tbody> <tr> <td>ISIN</td> <td style="text-align: right;">GB00B740TC99</td> <td style="text-align: right;">GB00B7F77M57</td> </tr> <tr> <td>SEDOL</td> <td style="text-align: right;">B740TC9</td> <td style="text-align: right;">B7F77M5</td> </tr> </tbody> </table>		Accumulation	Income	ISIN	GB00B740TC99	GB00B7F77M57	SEDOL	B740TC9	B7F77M5
	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 Managers

### 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.



### Jenny Renton

INVESTMENT DIRECTOR

Joined Ruffer in 2013. After reading politics at Newcastle University, she worked with oil and gas companies on their corporate and financial strategies before joining the fund team at Ingenious Investments. She is a CFA charterholder.



## Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 October 2019, assets managed by the Ruffer Group exceeded £20.1bn.

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