

# Part B – Product-Level Sustainability Report



Charity Asset Trust (CAT010)  
Report Date: 31 December 2025  
Published Date: 30 April 2026

## Introduction

The Sustainability Disclosure Requirements (SDR) is the UK's legislative framework to ensure transparency of sustainable investment product and minimize greenwashing. As part of the regulation, products which utilise a UK Sustainable Investment Label or the terms in ESG 4.3.2R(2) in either the sustainability product's name or in a financial promotion in relation to the sustainability characteristics of that product, are required to produce on an annual basis a Part B public product-level sustainability report. This report provides ongoing, detailed disclosures about a sustainability product's performance and alignment with its stated sustainability characteristics.

As the Alternative Investment Fund Manager of the Charity Assets Trust (the 'Fund'), Ruffer AIFM (the 'Manager') manages the Fund in accordance with the Fund's Scheme Particulars (the 'Scheme') (i.e. the investment objective, policy and strategy) and all applicable regulations. The Manager has not set out an obligation for all funds under its management to be managed with consideration of ESG-related issues. However, the Fund does take sustainability characteristics into account as part of its investment approach as set out in its Scheme.

The Manager adheres to the FCA's Sustainability Reporting Requirements, including compliance with the anti-greenwashing rules and the production of Consumer Facing Disclosures ('CFD') to ensure that it accurately reflects the sustainability characteristics of the Fund. Additionally, the Manager produces this Part B Product Level Sustainability Report to assess the Fund's performance against its stated sustainability characteristics. Specifically, the Fund has been assessed against:

- Adherence to its Sustainable Investment Policy and Strategy
- Performance against relevant sustainability metrics

## Fund Information

Investment Manager	Ruffer LLP
Sub Fund Name	Charity Asset Trust
Registered Charity	number: 1146166
Reporting Period	02 December 2024 to 31 December 2025*
AUM	£528,725,653.94

\* The reporting period has been extended beyond 12 months to allow the end of the reporting period to align with other ESG reporting requirements.

Sustainable investment labels help investors find funds that have a specific sustainability goal. The Fund does not have a UK sustainable investment label because, whilst it considers sustainability factors, the Fund does not have a specific sustainability objective.

## Investment Objective

To seek to achieve positive returns in all market conditions over any 12-month period, after all costs and charges have been taken.

Underlying this objective is a fundamental philosophy of capital preservation.

## Sustainability Approach

Sustainability factors are a source of both opportunity and risk and can impact investment performance. The Investment Manager identifies, manages and monitors sustainability opportunities and risk as part of its investment process.

Sustainability is an important consideration, in equity and bond issuer analysis but also in macroeconomic analysis and therefore issues such as, but not limited to, resource utilisation, energy transition, climate change may be considered and are monitored at least annually by the Investment Manager.

The Investment Manager identifies and monitors sustainability risk using the following methods:

- Initial stock idea generation and associated due diligence.
- Periodic reviews of individual assets.
- Review of company results, stock performance and external presentations.
- Use of internally developed framework to assess sustainability of sovereign bond holdings based on a series of country level factors and indicators.
- Use of third-party specialists and data providers.
- Regular sector and stock market thematic analysis; and
- Active stewardship.

Active stewardship is employed to help mitigate sustainability risk post-investment for relevant assets. The Investment Manager employs a stewardship activity plan in relation to equities, based on a materiality framework to identify and prioritise key topics. These plans address issues or concerns relating to identified sustainability risks which may impact the asset. The stewardship plan may include defined targets and objectives that aim to reduce the level of sustainability risks associated with an investment. By engaging with a company to achieve specific goals, the Investment Manager can improve its understanding of the material sustainability risks it faces, challenging its behaviour in relation to sustainability factors and in turn increasing the company's awareness of regulatory and societal changes. Over time, the Investment Manager considers this is likely to reduce the level of sustainability risk in portfolios that it manages. The Investment Manager's approach to active stewardship is detailed in its Responsible Investment Policy.

The Investment Manager is a signatory and supporter of several responsible investment initiatives which provide detailed guidance, support and development updates enabling them to more actively manage and monitor sustainability risks.

## **Adherence to Sustainability Approach**

During the reporting period, the Investment Manager has actively monitored potential and current investee holdings by producing a standardised ESG summary of risks and recent controversies. The Investment Manager reads company statements, reports and third party reports, has met with advisers and sell-side analysts, engaged with company boards and senior management directly, attended annual general meetings (AGMs), and conducted ad hoc reviews based on both specific and sectoral analysis.

Where the ESG Summary of risks and controversies identifies sustainability risks in the Fund's holdings, the Investment Manager has employed its Stewardship Approach to address the concerns identified. The Investment Manager has engaged with 42 of the Fund's investee companies over the reporting period to reduce the sustainability related risks of the Fund's assets. Engagement over the reporting period has consisted of:

- Encouraging companies to increase their GHG emissions and ESG related disclosures,
- Tabled letters at AGMs where companies are unlikely to meet their carbon targets,
- Querying Health and Safety Policies and circumstances under in which injuries and fatalities have occurred
- Voting against re-election of senior management where ESG related targets have been abandoned

The Investment Manager has remained a signatory to the Principle for Responsible Investment (PRI) Climate Action 100+, Transition Pathway Initiative, IIGCC, Race to Zero and the UK Stewardship Code. The Investment Manager's Stewardship Report which details how it has remained a signatory of the UK Stewardship Code can be found here <https://www.ruffer.co.uk/-/media/ruffer-website/files/downloads/esg/stewardship/2024-ruffer-stewardship-report.pdf>

## Sustainability Metrics

The Investment Manager considers a range of metrics to identify, manage and monitor sustainability risk, focusing on those most relevant to the assessment of risk-adjusted returns. This balances the need to be able to act quickly in markets against the long-term sustainability risk within a portfolio.

The Investment Manager monitors a range of metrics relating to its commitment to the Net Zero Asset Managers Initiative, in particular those tracking progress on its key targets: for example, the percentage of assets in scope that are considered to have a transition plan aligned with the demands of a 1.5°C scenario; the percentage of financed emissions in material sectors that are the subject of engagement actions, and the percentage reduction in emission intensity through time relative to a baseline adjusted for shifts in asset allocation.

The climate-related metrics the Investment Manager currently measures and monitors are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the FCA's Environmental, Social and Governance (ESG) rules. The following are key examples of scenarios that the Investment Manager considers without any defined limitations or thresholds:

1. The possible impact on the equity portfolio of several climate scenarios:
2. The carbon footprint and carbon exposure metrics of the Fund's listed equity and sovereign bond portfolio, using a set of TCFD-aligned metrics to analyse portfolio carbon footprint.
3. A variety of country-level factors that may impact a sovereign bond issuer's credit quality.

As part of the Investment Manager's equity analysis, it conducts, as a minimum, annual assessments of its underlying investments.

This due diligence analysis is both proactive as the Investment Manager develops its thinking and analysis capabilities as well as reactive as the universe it operates in evolves. As data coverage and quality improve, the Investment Manager layers additional factors into its risk/opportunities analysis engine and covers a range of fields currently including but not limited to the likes of; sector quartile rankings, emissions data, MSCI ratings, biodiversity measure such as land use controversies and score and social factors such as UN Global Compact alignment and labour rights and Board compositions.

Integrating ESG presents greater challenges with fixed income, particularly sovereign bonds, than with equities. The Investment Manager considers both the issuer (for example, the United Kingdom) and, where relevant, the issuance (the actual bond, its purpose and its characteristics, such as coupon, tenor and ratings). The Investment Manager's views, and the role bonds play in the portfolio, allows it to consider ESG at the issuer level.

### Adherence to Sustainability Metrics

As of 31 December 2025, 3.33% of the portfolio is specifically not aligning with the transition plan linked to a 1.5 degree scenario and 92.37% of the portfolio (equity) is in material sectors, of which 81.05% of these holdings (based on financed emissions) the Investment Manager has engaged with. Over the reporting period the fund's carbon intensity fell from 71.9 to 62.9 (relative to a baseline level of 100 on 31 Dec 2021).

Climate-related scenarios are drawn from a third party.

- For our equity holdings, Ruffer has selected the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) Regional Model of Investment and Development Model of Agricultural Production and its Impacts on the Environment (REMIND-MAGPIE) model, developed by the Potsdam Institute for Climate Impact Research.
- Inputs are sourced from MSCI ESG Research and Bloomberg, with calculations completed internally based upon Partnership for Carbon Accounting Financials (PCAF) methodology.

The dynamic nature of our portfolio – coupled with limitations on data availability (and carbon metrics) across sovereign bonds, commodities and derivatives, and the uncertainty over how climate change will play out in the long run (2035 and beyond) – presents a challenge when modelling climate scenarios. We model 3°C (hothouse world), 2°C (disorderly and orderly) and 1.5°C (orderly) temperature pathways for the equity portfolio (using MSCI ESG Research data, NGFS scenarios and proprietary software). That gives us some insight into how the equity component of the portfolio might behave. We do not have the benefit of confidence limits around these estimates, so we cannot assign a probability to any possible outcome.

Our primary risk management technique is scenario analysis. We are students of economic history, with a database extending back to the beginning of the 20th century. This allows us to identify historical market shocks such as oil price spikes, inflationary periods or other events which led to significant market losses. We apply these scenarios to the current portfolio and economic conditions, giving an indication of how the portfolio might behave were those prior conditions repeated. We use a similar approach to test the portfolio against a number of prospective market scenarios, principally our view of potential threats to which the portfolio is exposed. We test the portfolio against changes in correlations between and within the asset classes we use to build a portfolio of offsetting assets. The different scenarios can be either actual historical events or stress tests designed by our Macro and Risk teams. Scenarios may or may not be climate-related – they will reflect the Macro team’s observation of the market cycle and over-the-horizon or nearer-term risks.

Ruffer supplements its scenario analysis with climate and energy transition analysis of selected equity securities, generally those considered energy intensive or operating in hard to abate sectors (that is, where it is difficult to reduce emissions). This analysis focuses on disclosure in annual financial and sustainability reports. It considers financial metrics, such as gearing, margins, capital allocation, hurdle rates, research and development spending and, where relevant, proven reserves. It also looks at non-financial metrics, such as human capital, business strategy, published carbon emissions targets and climate transition plans.

Where the annual due diligence has identified sustainability risks, the Investment Manager has employed its stewardship strategy to help address the sustainability related concerns identified. Over the reporting period there was one holding where Due Diligence scores continued to decline, and the Fund therefore subsequently divested from the security.

The Investment Manager runs a proprietary model on an annual basis to consider the sustainability of sovereign bond holdings by assessing their exposure to ESG factors at the country level. No issues were identified during the reporting period.

## **Further Information**

This document is intended for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Fund. Further details of the Investment Manager’s process are set out in the Investment Manager’s Responsible Investment Policy available on the Investment Manager’s website at [www.ruffer.com](http://www.ruffer.com).