

Charity Assets Trust

Positive absolute returns with low volatility for charities

During June, the fund price rose by 1.9%. This compared with an appreciation of 3.7% in the FTSE All-Share Index and an increase of 0.2% in the FTSE Government All-Stocks Index (both figures are total returns in sterling).

Financial markets continued to reflect 'A Tale of Two Cities' during June. Faltering momentum in the US compounded with already moribund European data and trade war concerns to create an increasingly uncertain economic outlook. With deflationary fears arguably threatening the 'worst of times' for the economy, bond yields fell across the developed world. The paradox remains that falling yields have created an assumption of perpetually low interest rates, which continues to buoy equity markets to levels more appropriate for the 'best of times', despite the lacklustre economic momentum which threatens earnings.

It is a sign of the times that a nod from the European Central Bank, signalling its readiness to resume its quantitative easing programme, was enough to push the value of global bonds carrying a negative yield to a new high of over \$13 trillion. France joined a growing array of sovereign nations that investors are now willing to pay to hold their money for a decade.

Only six months ago, US economic momentum had seemingly put the Federal Reserve on a path of normalisation. At the margin at least, it seemed that there was some imperative to raise interest rates to counter potential inflationary pressures. Now, the Fed has become more focused on the uncertainties, moving in short order from being 'patient' in raising interest rates to being ready to cut them if necessary, thus completing their U-turn. We saw in the fourth quarter of last year that equity markets are highly sensitive to the prospect of higher interest rates. For now, this threat has been removed. Monetary conditions will remain benign with an interest rate cut from the Fed expected in July and the prospect of more emergency liquidity if needed. In the short-term this could further ratchet up asset prices, but ultimately it distorts valuations and increases structural risk.

The fund retains its exposure to global equities that will benefit should the Fed and other central banks keep the show on the road. These drove positive returns during the month, led by the US. Gold too provided a positive thrust to performance. With global bond yields falling and a weakening US dollar, gold has offered an increasingly attractive alternative store of value and the fund's holdings in gold mining companies have acted as a geared play on a firmer bullion price. The fund's index-linked bond positions benefited from a benign environment for conventional bonds. Inevitably, this further reduced tensions in the corporate credit space. As a result, the fund's positions to protect in a deteriorating credit environment were a marginal detractor from performance. This remains a price worth paying in our view. At the point when collective wisdom concludes that this may indeed not be 'the best of times', we fear that the lack of liquidity in parts of the corporate bond market will be fully unmasked, with unpleasant consequences for broader asset classes.

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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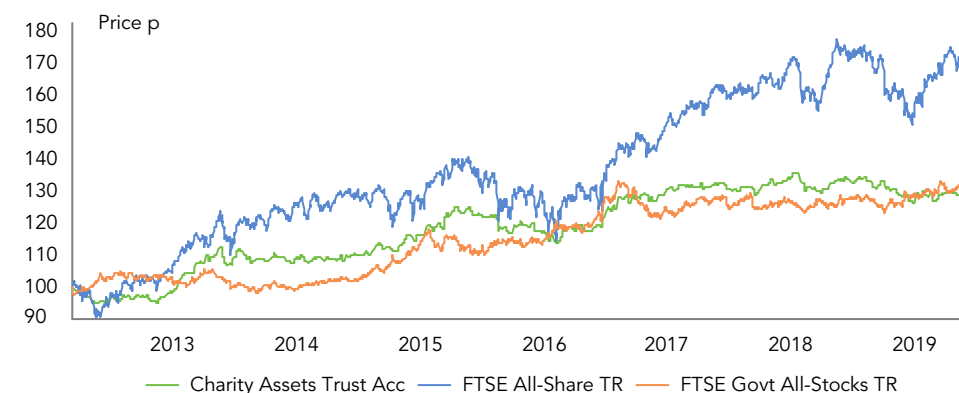
Investment objective

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 %	June 2019	Year to date	1 year	3 years	5 years
Accumulation units	1.9	3.6	-1.8	7.0	18.5

Percentage growth	%	Unit price as at 28 June 2019	p
30 Jun 2018 – 30 Jun 2019	-1.8	Accumulation	131.09
30 Jun 2017 – 30 Jun 2018	1.9	Income	114.28
30 Jun 2016 – 30 Jun 2017	6.9		
30 Jun 2015 – 30 Jun 2016	-0.3		
30 Jun 2014 – 30 Jun 2015	11.1		

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 28 Jun 2019

Asset allocation



Asset allocation %

● Cash	18.3
● Long-dated index-linked gilts	13.1
● Non-UK index-linked	10.9
● Short-dated bonds	7.1
● Gold and gold equities	6.6
● Illiquid strategies and options	5.6
● Index-linked gilts	1.5

Currency allocation



Currency allocation %

● Sterling	75.3
● Yen	8.9
● Gold	7.0
● US dollar	3.7
● Euro	1.8
● Other	3.3

10 largest of 64 equity holdings*

Stock	% of fund
Walt Disney Company	2.5
Sony	2.0
iShares Physical Gold	1.9
Barrick Gold	1.5
Wheaton Precious Metals	1.5
General Motors	1.4
Tesco	1.3
Kinross Gold	1.3
ORIX	1.2
Dai-ichi Life Insurance	1.2

5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.5% 2050	5.2
UK Treasury index-linked 0.125% 2068	4.2
US Treasury 1.125% TIPS 2021	4.1
US Treasury TIPS 1.25% 2020	2.5
US Treasury 1.75% TIPS 2019	2.4

*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 **£132.2m**

Fund information

	%
Ongoing Charges Figure	1.15
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.97
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 May 2019, assets managed by the Ruffer Group exceeded £20.6bn.

Dealing line

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