

Charity Assets Trust

Positive absolute returns with low volatility for charities

During November, the fund price fell by 1.9%. This compared with a fall of 1.6% in the FTSE All-Share Index and a decrease of 1.2% in the FTSE Government All-Stocks Index (both figures are total returns in sterling).

After a tumultuous October investors must have been hoping that November would provide some respite. However, not only did markets continue to fall, we saw an increase in the one thing we know markets most dislike: uncertainty.

In Europe, there is clearly a lot of uncertainty around Brexit and the impact this is having on sterling and UK assets is clear. In addition, the budget stand-off between Rome and Brussels looks unlikely to reach an amicable end, with a larger-than-allowed budget deficit drawing the ire of the EU but gaining votes domestically in Italy. This could have profound implications as other periphery European countries may wish to employ similar inflationary policies in a bid to boost their economies – and their votes – which would mark a significant inflection point in the use of fiscal policy for the developed world.

Moving further abroad, there is increasing uncertainty regarding the policy action of Jerome Powell, Chair of the US Federal Reserve. He appeared to backtrack from comments made in October that interest rates were ‘a long way’ from neutral (neither stimulating nor constraining the economy), implying more rate hikes. His comments in November, however, suggested that the current interest rate in the US was ‘just below’ the neutral level, indicating that there would be fewer rate hikes than expected in this cycle. The market is now left to decide which speech more accurately reflects the intentions of the Fed and as a result what that means for bond yields, a key input in trying to determine whether current equity prices are over or under valued.

In Argentina, the host of the latest G20 summit, there appeared to be a breakthrough on one of the biggest uncertainties currently plaguing global markets as Donald Trump and Xi Jinping reached a truce regarding the trade war both countries have been involved in. Markets clearly liked this, judging by their immediate reaction. Questions remain over the substance of the truce brokered by the two leaders, not least since the announcement from each country seemed to differ on some key grounds.

We added to portfolio protections this month, particularly long-dated US TIPS. These are priced for around 2% or less inflation for the next 30 years. In a hugely indebted world with rising deficits, unfunded liabilities and electorates agitating for higher wages and government spending this seems the wrong price to us.

Despite the bruises from recent performance, we remain resolutely optimistic about the prospects for our unconventional protections, particularly those against credit markets which we see as highly distorted and likely to fall in dislocative fashion. These have been expensive to carry up to this point, but when the flood arrives we hope they will keep you safe.



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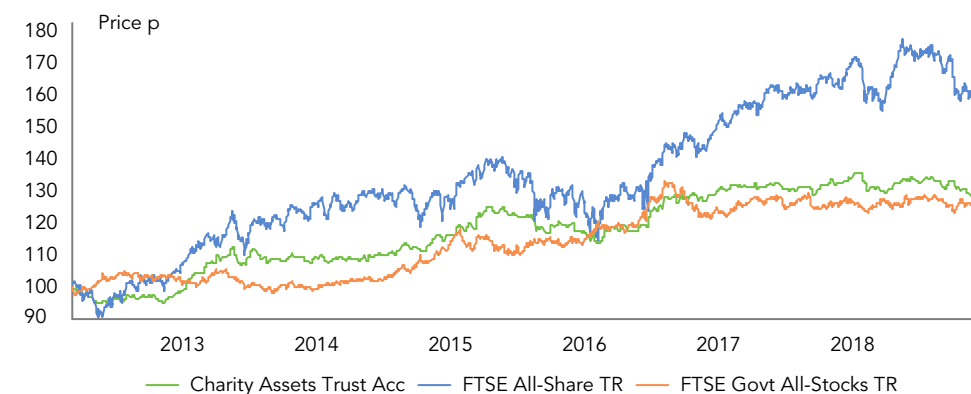
Investment objective

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.

Ethical policy

The fund has an ethical screening policy which restricts investment in alcohol, armaments, gambling, pornography and tobacco.

Performance since launch on 8 March 2012



Performance %	November 2018	Year to date	1 year	3 years	5 years
Accumulation units	-1.9	-4.0	-3.1	7.6	17.5

Percentage growth	%	Unit price as at 30 November 2018	p
30 Sep 2017 – 30 Sep 2018	2.6	Accumulation	128.84
30 Sep 2016 – 30 Sep 2017	1.7	Income	113.42
30 Sep 2015 – 30 Sep 2016	9.3		
30 Sep 2014 – 30 Sep 2015	3.9		
30 Sep 2013 – 30 Sep 2014	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 30 Nov 2018

Asset allocation



Asset allocation %

● Non-UK index-linked	18.4
● Long-dated index-linked gilts	13.7
● Cash	13.3
● Gold and gold equities	7.7
● Index-linked gilts	6.0
● Illiquid strategies and options	5.0
● Japan equities	11.2
● UK equities	11.0
● North America equities	9.5
● Europe equities	2.2
● Asia ex-Japan equities	1.8
● Other	0.1

Currency allocation %

● Sterling	70.3
● US dollar	9.9
● Yen	8.0
● Gold	7.7
● Euro	0.4
● Other	3.7

Currency allocation



10 largest of 58 equity holdings*

Stock	% of fund
iShares Physical Gold	2.7
Dai-ichi Life Insurance	1.9
Sony	1.5
Walt Disney Company	1.5
Tesco	1.5
ORIX	1.5
Barrick Gold	1.3
Kinross Gold	1.2
Dowdupont	1.1
Cigna Corporation	1.1

5 largest of 15 bond holdings

Stock	% of fund
UK Treasury index-linked 0.5% 2050	5.9
US Treasury 1.125% TIPS 2021	5.2
UK Treasury index-linked 0.125% 2019	4.1
UK Treasury index-linked 0.125% 2068	3.8
US Treasury TIPS 1.25% 2020	2.7

*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 **£9.5m**

Fund information

	%
Ongoing Charges Figure	1.14
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.7
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

Cut off Close of business on Wednesday

Unit classes Accumulation and income

ISIN	Accumulation	Income
	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

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 October 2018, assets managed by the Ruffer Group exceeded £21.5bn.

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