

Charity Assets Trust

Positive absolute returns with low volatility for charities

During June, the fund price fell by 0.2%. This compared with a rise of 1.5% in the FTSE All-Share Index and a decrease of 0.6% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

As we reach the halfway point in this tumultuous year, it is worth taking stock of what has happened so far, and how we were able to both preserve capital through the initial market crisis and also benefit from the more recent rally. After a positive start to 2020, stock markets plunged in March on escalating fears of the global impact of COVID-19, with credit markets exhibiting a similar panic. In the fastest decline in stock market history, equity markets fell by a third in just 22 days, hitting their lows on 23 March, the very day the UK officially went into lockdown.

Cue the cavalry. Stock markets rallied in the second quarter as central banks, very much led by the US, swung into their now habitual role of supporting asset prices. The size of the monetary and fiscal intervention is unprecedented in peacetime history and we wait to see whether it is sufficient to keep businesses and employment afloat, but for now at least, it has been a big enough bazooka to reassure investors. In April and May equity markets duly recorded one of their fastest recoveries. The US Federal Reserve was pumping money into the system, even buying junk (high yield) bonds and everything was back to normal, except of course it isn't.

What of the Ruffer portfolio through all of this? Whilst we in no way foresaw the coronavirus pandemic, with our core focus on capital preservation, if we are doing our job properly we would hope to navigate such crises in relatively good shape. We always hold protection in our portfolio against difficult times and have been particularly nervous of markets in recent years. It was pleasing, therefore, that the protective assets did their job as markets tumbled in March to leave the fund virtually unscathed in the first quarter.

Since then stock markets have rallied, though whether this is based on a sober assessment of the true impact of the virus, or a sugar rush from central bank liquidity, is open to question. Having protected capital in the dark times, it is a cause for some satisfaction that we were able to make money from that stable base in the recovery. With no increase in risk (we retain a low but potent exposure to equities and still hold significant credit protections) we made decent returns as markets recovered, especially in April and May. A gain of 5.3% in the second quarter leaves us comfortably in positive territory year to date. Looking forward, uncertainty rules of course, but our equities are biased towards recovery and value, and so did well as hope returned to markets and should flourish if this continues. However, in what may be a harbinger of things to come, inflation-linked bonds and gold have driven recent performance just as much as, if not more than, equities.

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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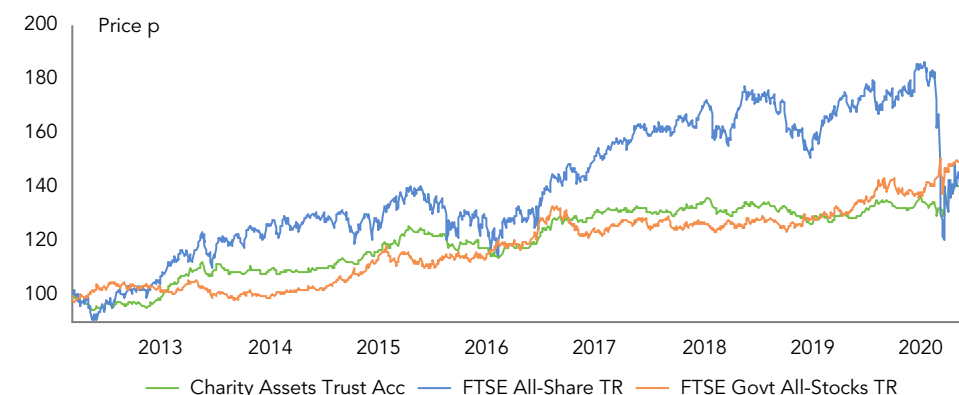
Investment objective

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 2020 | Year to date | 1 year | 3 years | 5 years |
|--------------------|-----------|--------------|--------|---------|---------|
| Accumulation units | -0.2 | 4.9 | 8.7 | 8.8 | 15.9 |

| Percentage growth | % | Unit price as at 30 June 2020 | p |
|---------------------------|------|-------------------------------|--------|
| 30 Jun 2019 – 30 Jun 2020 | 8.7 | Accumulation | 142.35 |
| 30 Jun 2018 – 30 Jun 2019 | -1.8 | Income | 121.84 |
| 30 Jun 2017 – 30 Jun 2018 | 1.9 | | |
| 30 Jun 2016 – 30 Jun 2017 | 6.9 | | |
| 30 Jun 2015 – 30 Jun 2016 | -0.3 | | |

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 Jun 2020

Asset allocation



Asset allocation %

| | |
|-----------------------------------|------|
| ● Non-UK index-linked | 20.1 |
| ● Gold and gold equities | 14.2 |
| ● Illiquid strategies and options | 13.2 |
| ● Long-dated index-linked gilts | 12.1 |
| ● Cash | 11.6 |

| | |
|--------------------------|-----|
| ● UK equities | 8.3 |
| ● North America equities | 7.4 |
| ● Japan equities | 6.6 |
| ● Europe equities | 5.3 |
| ● Asia ex-Japan equities | 1.1 |

Currency allocation %

| | |
|-------------|------|
| ● Sterling | 66.8 |
| ● Gold | 13.8 |
| ● Yen | 9.6 |
| ● US dollar | 3.4 |
| ● Euro | 3.0 |
| ● Other | 3.4 |

Currency allocation



10 largest equity holdings*

| Stock | % of fund |
|------------------------|-----------|
| iShares Physical Gold | 6.3 |
| Newcrest Mining | 3.2 |
| Kinross Gold | 1.7 |
| Equinor | 1.6 |
| ArcelorMittal | 1.5 |
| Newmont Mining | 1.5 |
| Royal Bank of Scotland | 1.5 |
| Sony | 1.5 |
| Countryside Properties | 1.5 |
| Walt Disney Company | 1.5 |

5 largest bond holdings

| Stock | % of fund |
|--------------------------------------|-----------|
| UK Treasury index-linked 0.5% 2050 | 4.4 |
| UK Treasury index-linked 0.125% 2068 | 3.9 |
| US Treasury 1.75% TIPS 2028 | 3.5 |
| US Treasury 0.25% TIPS 2050 | 3.2 |
| US Treasury 0.875% TIPS 2029 | 3.2 |

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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.

Fund size **£105.2m**

Fund information

| | % |
|--------------------------|--|
| Ongoing Charges Figure | 1.15 |
| Annual management charge | 1.0 + VAT |
| Maximum initial charge | 1.0 |
| Yield | 1.72 |
| 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

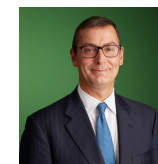
Eligible charities are those registered as a charity with the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator and/or Inland Revenue Charities, Bootle, Merseyside (including charities established in Northern Ireland), or exempt from registration with the Charity Commission by virtue of the Charities Act 1993 (as amended).

Fund Managers

Christopher Querée

INVESTMENT DIRECTOR

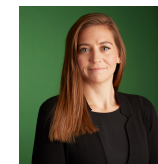
Previously Director at Le Masurier, James & Chinn, now absorbed within the HSBC Group. He spent thirteen years there, with responsibility for offshore private clients before moving to Chiswell Associates in 2001, focusing on charity fund management. He holds an MBA from Henley Management College and 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 May 2020, assets managed by the Ruffer Group exceeded £19.5bn.

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