

Charity Assets Trust

SHARE PRICE PERFORMANCE SINCE LAUNCH ON 8 MARCH 2012



Global asset markets started the year almost unanimously priced for a perfect soft landing, following the strong rally in both equities and bonds into the year end. This left scope for disappointment in January if either assumption of early interest rate cuts or steady growth were dialled back. In the end it was bonds that gave way as doubts emerged over the speed of likely US rate cuts, whilst equities in aggregate continued to make gains. Tensions in the Middle East remained high, leading to the oil price rising 6% and freight costs rising sharply to more than double the post-covid low seen in October. As yet this has had no impact on inflation expectations, with markets now convinced that this dragon has been slain.

The backup in bond yields, especially in the UK, meant that our remaining holding in long-duration UK inflation-linked bonds was a drag on performance. Having chosen to add risk into portfolios through a significant increase in bond duration in the final quarter of 2023, we took the profits on this position by the year end, adding instead to our net equity exposure this month, in light of continued US economic resilience. We believed yields had fallen too far, too fast, given our concerns over the likely stickiness and volatility of inflation, and so started this year with just a core holding in UK inflation-linked bonds. This was the largest detractor to performance in the month, but we see this as temporary volatility in a core element of our long-term inflation protections. Gold and gold equities also fell back in January.

Global equities were positive overall in January, with the S&P 500 hitting an all-time high during the month. However, it is worth remembering this merely constitutes a recovery from the 2022 bear market, with equities still broadly flat over the last two years and in our view does little to support the current, almost euphoric, levels of stock market positioning. Once again, as we saw last year, equity gains in January remained narrowly based. The S&P 500 rose 1.7% in the month, but the equal weighted version was in negative territory. There has also been what might be considered a worrying concentration of performance within the dominant mega-cap tech stocks. NVIDIA and Meta recorded double digit gains, but Tesla fell 20%, and Apple and Alphabet were flat to down. Elsewhere, investors continued to shun value, with the cheapest markets (China, emerging markets and the UK) all down on the month. For us, the UK appears anomalously undervalued while China now seems to be pricing in despair.

Overall, the big questions for investors remain unresolved. Most equity markets have now recovered their 2022 losses and are increasingly priced on the assumption that inflation will fall to target and stay there, without a decline in profit margins or economic growth. Bond markets appear to be more realistically pricing in a regime of higher interest rates, even if they show periods of over optimism. Has the Fed 'put' now been restored, with the central bank free to cut rates if growth falters, or will sticky and volatile inflation leave them facing more difficult choices? In other words, are equities and bonds still positively correlated or have we returned to the 'Goldilocks' conditions of the pre-covid era? We remain unconvinced that inflation has vanished for good and that there will be no lasting impact from higher interest rates. Therefore protection remains key to the Ruffer portfolio.

C CLASS JANUARY 2024

Performance C acc %	GBP
January	-2.5
Year to date	-2.5
1 year	-8.4
3 years pa	2.8
5 years pa	4.8
10 years pa	4.3
Since inception pa	4.3

Share price, p	
C GBP acc	164.75
C GBP inc	132.30
Dividend yield	2.52

	Net	Gross
Duration (years)	2.3	2.6
Equity exposure %	21.7	17.7

C acc GBP	Volatility %	Sharpe	Sortino
3 years	6.7	0.1	0.1
5 years	6.8	0.5	0.8
10 years	6.0	0.6	0.9
Since inception	5.9	0.6	1.0

12 month performance to 31 December 2023

%	2019	2020	2021	2022	2023
CAT C acc	7.3	11.9	11.0	7.4	-6.7
FTSE All-Share TR £	19.2	-9.8	18.3	0.3	7.9
FTSE Gt All-Stocks TR £	6.9	8.3	-5.2	-23.8	3.7

One to twelve month performance figures are cumulative, all others are annualised. Source: Ruffer LLP, FTSE International. 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.

INVESTMENT OBJECTIVE

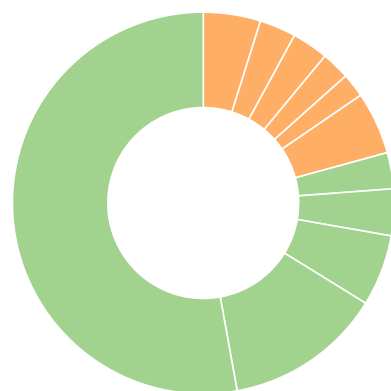
The fund will follow an 'absolute return' investment strategy. This means the Manager will not endeavour to track or 'outperform' a specific benchmark or stock market index, but instead seek to generate consistent positive returns regardless of the prevailing market conditions. The Manager expresses its absolute return approach through two principal investment objectives for the fund: 1) preservation of capital, which the Manager defines as not losing money on a rolling 12 month basis and 2) delivering consistent positive returns (through a combination of capital and income) greater than the return on cash (as defined by the Bank of England Bank Rate).

RESPONSIBLE INVESTMENT POLICY

The fund has strict restrictions on investment in alcohol, armaments, gambling, pornography, predatory lending, 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.

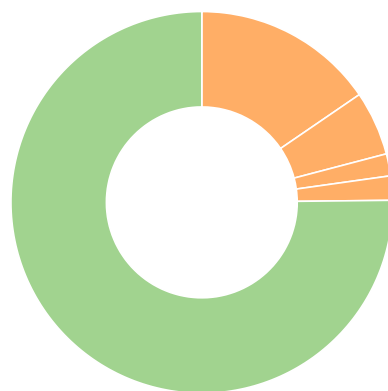
Charity Assets Trust 31 Jan 24

ASSET ALLOCATION



Asset allocation	%
Short-dated bonds	52.8
Credit and derivative strategies	13.4
Long-dated index-linked gilts	6.0
Gold exposure and gold equities	4.0
Cash	3.1
Energy equities	4.9
Commodity exposure	3.1
Consumer discretionary equities	3.1
Technology equities	2.4
Consumer staples equities	2.0
Other equities	5.3

CURRENCY ALLOCATION



Currency allocation	%
Sterling	75.2
Yen	15.5
US dollar	5.5
Euro	1.9
Other	2.1
Geographical equity allocation	%
UK equities	7.0
Europe equities	3.7
Asia ex-Japan equities	3.5
North America equities	3.2
Other equities	0.3

5 LARGEST EQUITY HOLDINGS

Stock	% of fund
BP	3.1
TSMC ADR	1.4
Alibaba Group ADR	0.8
Prosus	0.8
TotalEnergies	0.7

Largest equity holdings exclude Ruffer funds | Source: Ruffer LLP | Totals may not equal 100 due to rounding

RUFFER LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 December 2023, assets managed by the Ruffer Group exceeded £23.7bn.

FUND SIZE £547.4M

FUND INFORMATION

Annual management charge %	1.0 + VAT	
Maximum initial charge %	1.0	
Minimum investment (or equivalent in other currency)	£500	
Ongoing Charges Figure %	1.15	
Cut offs	12.00pm on Wednesday (where this is a business day) and the last business day of the month	
Dealing frequency	Weekly forward, every Wednesday where this is a business day, plus the last business day of the month	
Ex dividend dates	15 Jan, 15 Apr, 15 Jul, 15 Oct	
Pay dates	15 Mar, 15 Jun, 15 Sep, 15 Dec	
Investment adviser	Ruffer AIFM Limited	
Investment manager	Ruffer AIFM Limited	
Administrator	Bank of New York Mellon (International) Limited	
Custodian	Bank of New York Mellon SA/NV	
Trustee	BNY Mellon Fund & Depository (UK) Ltd	
Legal advisers	Eversheds Sutherland (International) LLP	
Auditors	Ernst & Young UK LLP	
Structure	Common Investment Fund established under section 24 of The Charities Act 1993	
Unit classes	Accumulation and income	
Share class	ISIN	SEDOL
C GBP acc	GB00B740TC99	B740TC9
C GBP inc	GB00B7F77M57	B7F77M5

ENQUIRIES

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FUND TEAM



Jasmine Yeo
FUND MANAGER

Joined Ruffer in 2017, having graduated with a degree from Warwick Business School. She is a member of the CISI, and co-manager of two of Ruffer's flagship funds and Ruffer's investment trust.



Ian Rees
FUND MANAGER

Joined Ruffer in 2012, after graduating from the University of Bath with an honours degree in economics. He is a CFA charterholder and co-manager of three of Ruffer's flagship funds.



Jos North
FUND MANAGER

Joined Ruffer in 2012 and now leads Ruffer's UK institutional business, including UK defined benefit, defined contribution and local government pension schemes, and UK charities. He is a member of the CISI and co-manages two of Ruffer's flagship funds.



Ajay Johal
FUND SPECIALIST

Joined Ruffer in 2014 from Barclays Wealth, moving to the charities team in 2019. He holds a degree in history and sociology from the University of Warwick and is a member of the CISI.

GLOSSARY

Volatility measures the extent to which returns vary over a given period. High volatility means returns have been more variable over time

Duration measures the sensitivity of a bond or fixed income portfolio's price to changes in interest rates. The higher the duration, the more sensitive the price or portfolio is to changes in interest rates

UK Bank Rate the rate the Bank of England charges banks and financial institutions for loans with a maturity of one day

Sharpe ratio measures the performance of an investment, adjusting for the amount of risk taken (compared to risk-free). The higher the ratio, the better the returns compared to the risk taken

Sortino ratio measures the extra return an investment makes for each unit of bad risk (the chance of losing money below a certain target)

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