

Charity Assets Trust

Positive absolute returns with low volatility for charities

During September the fund price fell 0.2%. This compared to a fall of 1.7% in the FTSE All-Share Index and a rise of 1.0% in the FTSE Govt All Stocks Index (all figures are total return in sterling).

As is often the case, September heralded a distinct change of tone in markets. Global equities registered only their second negative month since March, and gold gave back some of its strong gains so far this year. These falls were broadly countered by gains in the fund's index-linked bonds and foreign currency exposure. The reversal in markets was triggered by a number of risks that have been bubbling under the surface yet were ignored during the frothy days of August. The US Congress remains at an impasse in negotiations on further stimulus and partisan issues have moved up the agenda with the presidential election now in plain sight. In Europe, covid-19 cases are increasing again, while Brexit brinkmanship has returned with a vengeance. If the Brexit discourse is a re-run of last year and a deal can be agreed, the fund's UK stocks will do well (as will sterling) at a time when index-linked gilts may be under pressure – an example of trying to be not wrong rather than precisely right.

Japan stood out in September not just because it was one of the few equity markets that registered a positive return but because it did so at a time of political change. The relatively seamless transition from Shinzo Abe to Yoshihide Suga, formerly his chief cabinet secretary, was in stark contrast to the political ructions elsewhere. We have written previously how rock solid balance sheets and high cash balances in Japanese companies have meant that they are ideally placed to ride through the events of this year. Compare this with the dividend cuts and capital raising seen closer to home. Suga has vowed to re-energise the third arrow of Abenomics: structural reforms. While this might not be shock and awe for investors, the effects may be meaningful. The announcement to speed up the digitisation of Japan's economy through a new Digital Ministry boosted some of the fund's core Japanese holdings. Fujitsu and NEC are fund holdings that will benefit from an increase in IT spending. The latter was purchased over the summer and gained over 10% in September. Japanese equities remain an important part of the portfolio and make up over a quarter of our equity exposure.

Taking stock three quarters of the way through the year, the investment strategy has delivered thus far – we protected investors through the turmoil of the first quarter and captured much of the bounce in the following six months. Looking ahead there are clear uncertainties with the US election, Brexit negotiations and, of course, the path of the virus. We need to tread a fine line between capturing opportunities for growth and keeping the portfolio protected in distorted markets, but the results so far are encouraging.

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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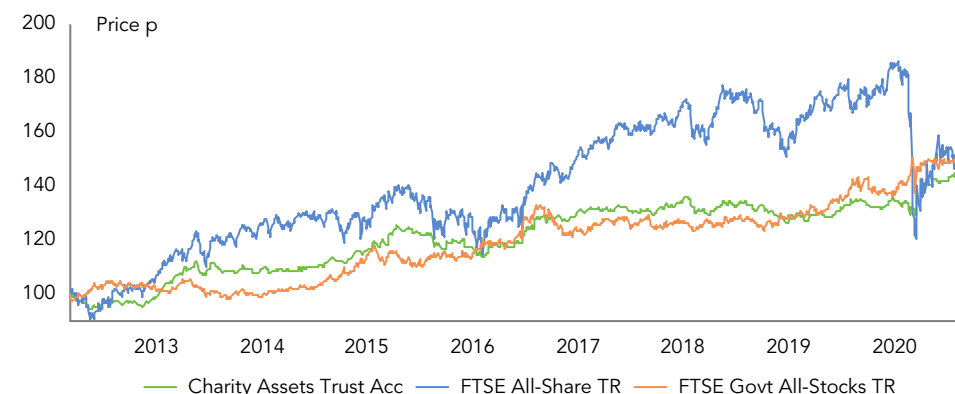
Investment objective

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 %	September 2020	Year to date	1 year	3 years	5 years
Accumulation units	-0.2	5.4	6.7	9.8	22.0

Percentage growth	%	Unit price as at 30 September 2020	p
30 Sep 2019 – 30 Sep 2020	6.7	Accumulation	143.02
30 Sep 2018 – 30 Sep 2019	0.3	Income	122.02
30 Sep 2017 – 30 Sep 2018	2.6		
30 Sep 2016 – 30 Sep 2017	1.7		
30 Sep 2015 – 30 Sep 2016	9.3		

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 Sep 2020

Asset allocation



Asset allocation %

● Non-UK index-linked	16.7
● Cash	11.0
● Illiquid strategies and options	11.0
● Index-linked gilts	10.4
● Long-dated index-linked gilts	10.4
● Gold and gold equities	9.8
● UK equities	10.0
● Japan equities	8.4
● North America equities	6.2
● Europe equities	5.2
● Asia ex-Japan equities	0.9

Currency allocation %

● Sterling	75.8
● Gold	9.7
● US dollar	8.2
● Yen	3.0
● Euro	0.2
● Other	3.1

Currency allocation



10 largest equity holdings*

Stock	% of fund
iShares Physical Gold	3.0
Kinross Gold	2.1
Lloyds Banking Group	2.0
Newmont Mining	1.8
Countryside Properties	1.5
Sony	1.4
Equinor	1.4
Wheaton Precious Metals	1.3
General Motors	1.2
NatWest Group	1.2

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	10.4
UK Treasury index-linked 0.5% 2050	3.9
UK Treasury index-linked 0.125% 2068	3.3
US Treasury 1.75% TIPS 2028	3.2
US Treasury 0.875% TIPS 2029	2.8

*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 **£114.7m**

Fund information

	%
Ongoing Charges Figure	1.15
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.55
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

ISIN	Accumulation	Income
GB00B740TC99		GB00B7F77M57

SEDOL	B740TC9	B7F77M5
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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

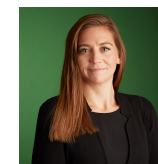
Previously Director at Le Masurier, James & Chinn, now absorbed within the HSBC Group. He spent thirteen years there, with responsibility for offshore private clients before moving to Chiswell Associates in 2001, focusing on charity fund management. He holds an MBA from Henley Management College and 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 August 2020, assets managed by the Ruffer Group exceeded £19.9bn.

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