

Charity Assets Trust

Positive absolute returns with low volatility for charities

During January, the fund performance was flat for the month. This compared with a fall of 0.8% in the FTSE All-Share index and a fall of 1.7% in the FTSE Govt All Stocks index (all figures total returns in sterling).

In our December report we opined that the market consensus expected the combination of ongoing fiscal largesse and vaccine-induced economic re-opening would continue to drive another positive year for stocks and a rotation from 'growth' to 'value'. Catalysed by the Georgia senate elections, which gave US President Joe Biden control of both houses of Congress and therefore a clearer path to increased government spending, the rotation continued and equity markets reached yet higher all-time highs by the middle of the month. We used this backdrop to take profits in some of our more economically sensitive names preferring more defensive businesses, such as healthcare, in the short term. Over the subsequent two weeks, the reality of 'gray rhinos' (large, known but unaddressed risks) moved back into plain sight. Whilst the vaccines continued to show the efficacy that we had all hoped for, inevitable complications have arisen in their distribution and this called into question the smooth re-opening that markets had begun to price in. Strangely, having botched much of the virus response, the UK is looking to be amongst the world leaders in vaccine distribution. This gives hope for a relatively faster domestic re-opening, even if borders take longer to follow suit.

A weakening US dollar has been one of the drivers behind the performance of equity markets in recent months. If we see a return to US exceptionalism, at least in an economic sense, then this trend might pause. This in part reinforces the increase we made to the US dollar position at the end of 2020 and why we have avoided letting our equity weighting drift higher.

The last week of January saw some extraordinary individual share price action as retail investors ganged up to target individual equities where hedge funds held large short positions. The David and Goliath nature of the story has captured the imagination of the press but taking a step back it reveals some more interesting insights into market dynamics. The appearance of retail investors at the party is often a harbinger of over-exuberant markets and many previous bubbles have coincided with an increase in investors (or should that be speculators) trading on margin – the equivalent here has been the ease of access for retail players to options and other derivative instruments. These events also show that when there is ample liquidity available (cheques dropping through the letterbox) and no way to spend it then geysers will emerge. It is perhaps instructive as to how consumers will behave when lockdown is lifted.

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.



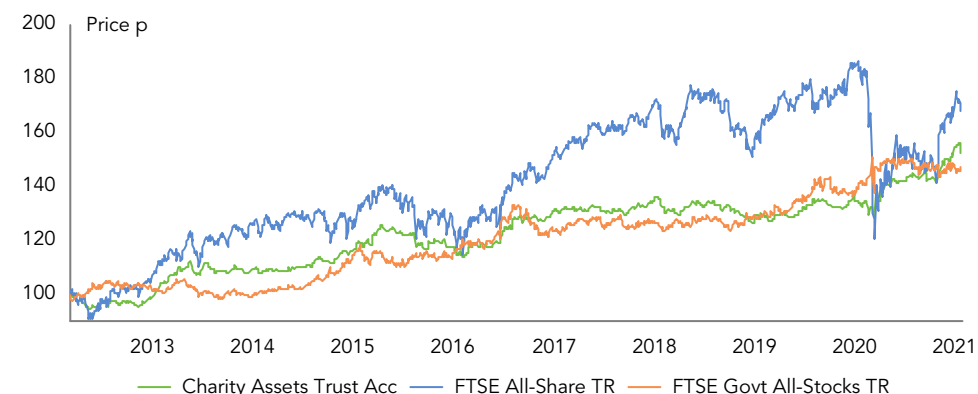
Investment objective

The fund 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



Accumulation units	Performance %	Unit price as at 29 January 2021	p
January 2021	0.0	Accumulation	151.70
Year to date	0.0	Income	128.68
1 year	14.6		
3 years	13.5		
5 years	30.3		

12 month performance to December %	2016	2017	2018	2019	2020
Charity Assets Trust Acc	10.5	3.0	-5.6	7.3	11.9
FTSE All-Share TR	16.8	13.1	-9.5	19.2	-9.8
FTSE Govt All-Stocks TR	10.1	1.8	0.6	6.9	8.3

Source: Ruffer LLP, FTSE International (FTSE) †

Charity Assets Trust as at 29 Jan 2021

Asset allocation



Asset allocation %

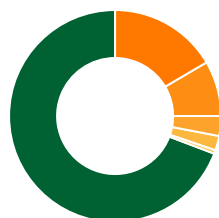
● Non-UK index-linked	15.0
● Illiquid strategies and options	12.1
● Long-dated index-linked gilts	9.8
● Index-linked gilts	8.3
● Gold and gold equities	8.3
● Cash	6.2

● UK equities	13.8
● North America equities	9.7
● Japan equities	9.4
● Europe equities	6.8
● Asia ex-Japan equities	0.5

Currency allocation %

● Sterling	69.3
● US dollar	16.6
● Gold	8.3
● Yen	2.1
● Euro	0.5
● Other	3.2

Currency allocation



10 largest equity holdings*

Stock	% of fund
iShares Physical Gold	3.6
Lloyds Banking Group	2.1
Countryside Properties	1.8
Sony	1.6
Newmont Mining	1.4
Kinross Gold	1.4
NatWest Group	1.4
Barclays	1.2
Walt Disney	1.1
American Express	1.1

5 largest bond holdings

Stock	% of fund
UK Treasury index-linked 1.875% 2022	8.3
UK Treasury index-linked 0.5% 2050	3.6
UK Treasury index-linked 0.125% 2068	3.1
US Treasury 1.75% TIPS 2028	2.9
US Treasury 0.875% TIPS 2029	2.6

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

Fund size **£142.2m**

Fund information

		%
Ongoing Charges Figure		1.15
Annual management charge	1.0 + VAT	
Maximum initial charge		1.0
Yield		1.31
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 & Depositary (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

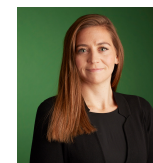
Previously Director at Le Masurier, James & Chinn, now absorbed within the HSBC Group. He spent thirteen years there, with responsibility for offshore private clients before moving to Chiswell Associates in 2001, focusing on charity fund management. He holds an MBA from Henley Management College and 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 December 2020, assets managed by the Ruffer Group exceeded £21.0bn.

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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.

Please note that the Charity Assets Trust is an unregulated collective investment scheme (UCIS) available only to eligible charities as defined overleaf.