Responsible Investment Report

Q4 2023

Contents

Responsible investment at Ruffer

AT RUFFER, WE ARE COMMITTED TO BEING GOOD STEWARDS OF OUR CLIENTS' ASSETS.

To do that, and to generate good investment performance, we need to analyse environmental, social and governance (ESG) issues. They represent both sources of value and investment risks. Incorporating these considerations into our investment approach forms part of our responsibility to our clients.

Whether it's climate change or indigenous rights, executive pay or workforce safety, we believe our considered approach helps us make better investment decisions.

To the advantage of our clients' portfolios.
For the benefit of the companies we invest in.
And to the good of the environment and society.

HOW WE DO IT

INTEGRATION

ESG risks and opportunities are considered as part of our investment process.

ENGAGEMENT

Directly engaging with companies is a part of our investment process.

VOTING

Equity investing comes with rights and responsibilities.

We take this seriously.

We are signatories and supporters of

PRI Principles for Responsible Investment | IIGCC Institutional Investors Group on Climate Change | Climate Action 100+ Global Investors Driving Business Transition | Transition Pathway Initiative

CDP Disclosure Insight Action | IFRS Sustainability Alliance | Race to Zero | UK Stewardship Code

Overview of the quarter

IN A YEAR WHEN MARKET CHATTER WAS DOMINATED BY THE ADVENT OF GENERATIVE AI, IT IS IMPORTANT TO REMEMBER THAT PEOPLE STILL COUNT. Workers' fears of displacement by machines are nothing new. In *The Mill on the Floss*, George Eliot contrasts an industrial machine with the rash man who, venturing too near, is dragged into the workings and 'converted into unexpected sausages.' Machine efficient and ingenious; human irrational, vulnerable and expendable. Even the person who invented the wheel and axle probably had to suffer the slings and arrows of outraged porters, done out of their jobs.

But, for now at least, people remain crucial for productivity, as we noted in the 2023 Ruffer Review. One of our engagements in focus over the past quarter was with a Spanish bio-pharmaceuticals company which had a particularly high staff turnover rate. Where people are constantly leaving or joining a company, it can play havoc with product innovation. So we wanted to find out whether this was an industry-wide issue and what they were doing to retain personnel. We will be continuing our dialogue with them, as we will with our other engagements in focus, Ryanair and ArcelorMittal.

Elsewhere in this quarter's report, we discuss our continuing work with other organisations to create the market infrastructure needed to help managers make more informed investment decisions. During COP28, we supported a broad call for companies to adopt better climate-related reporting, to help channel capital where it can do most good. We also engaged with a research provider to gain a fuller understanding of the fairness and balance of its methodologies.

6 on social issues

5 on governance issues

1 with a data provider

2 collaborative

4 on climate change

15 company engagements

Supporting climate reporting standards at COP28

Before COP28, the annual UN climate conference, we declared our support for the adoption of the International Sustainability Standards Board's (ISSB) climate-related reporting standards. The full statement, which follows, demonstrates the strong support amongst companies, investors, stock exchanges and a number of other market participants to advance active responses to the risk of climate change.

"Climate risks are increasingly having a real effect on companies and capital. Therefore – in response to calls for climate action at COP28 – we support the establishment of market infrastructure to enable consistent, comparable climate-related disclosures at a global level. We are committed to advancing the adoption and use of the ISSB's Climate Standard as the climate global baseline."

At Ruffer, we have long advocated improved environmental disclosures. As a supporter of CDP, we have participated in non-disclosure campaigns to encourage companies we invest in to submit environmental data in a way which allows us to compare them with peers. This year, the ISSB published two standards setting out the general requirements for a company to disclose information about its sustainability related risks and opportunities that should help users to make decisions on providing resources to the company. They build on the recommendations of the Taskforce on Climate-related Financial Disclosures and require entities to publish information about climate risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.

We have in the past encouraged companies to complete voluntary disclosures such as the CDP climate change questionnaires, and we will continue to do so. But market infrastructure in the form of regulatory frameworks, internal audit practices and corporate reporting software would help to ensure the development and use of helpful information about sustainability-related risks and opportunities. We think public disclosure of standardised, comparable data would encourage companies to improve their practices, not least because performance against peers would be plain to see. Furthermore, the availability of higher quality information should contribute to the efficient allocation of capital.

We joined almost 400 organisations from 64 jurisdictions in supporting the climate-related reporting standards. More information about the ISSB and the statement we supported can be found on the IFRS website.

Engaging with data provider MSCI on Glencore

The United Nations Global Compact (UNGC) is a set of voluntary principles covering human rights, labour, the environment and corruption, launched in 2000. The principles were designed to be universally applicable, to support the UN's Sustainable Development Goals and to provide a common ground for companies, governments and non-government organisations to conduct business activities. The UNGC is neither prescriptive nor legally binding.

Human rights, labour, environment and corruption are often considered ESG issues. If reports surface which link a company's business activities to these issues, it may be flagged as a controversy which could impair company value. Ruffer reviews controversies as part of its ESG analysis of companies.

In early 2023, MSCI ESG Research – one of our research providers – reassessed Glencore's involvement in the management of the Cerrejón coal mine, as part of its controversy screening and monitoring. MSCI determined Glencore had failed UNGC's Principle 1 (businesses should support and respect the protection of internationally proclaimed human rights) and placed it on its watch list for UNGC's Principle 7 (businesses should support a precautionary approach to environmental challenges) for water management.

The reassessment was triggered by two factors. Firstly, MSCI changed its methodology for evaluating controversies. Secondly, Glencore's degree of ownership of the Cerrejón mine had increased, after it bought out two prior co-owners. By taking on full ownership, Glencore is now deemed to be directly accountable for the controversy.

In response, Glencore wrote to shareholders and published a statement on its corporate website. We took the opportunity to meet with the company to discuss this issue, as well as other aspects of the business. Glencore argued MSCI's change of heart was due to the adjustments to its methodology combined with the change in ownership and what Glencore believed to be flawed analysis of Cerrejón's involvement in, or contribution to, the alleged human rights and water management infractions.

We followed up by meeting with MSCI to discuss the concerns raised by Glencore and to ask for additional clarity on the governance and oversight process. MSCI raised three main issues on controversies. Firstly, they are normally perceived as detrimental to a company's reputation, so have the potential to impact company value. So it's understandable that companies react defensively when called out for actions or behaviour that portray them negatively. Secondly, the assessment of failure of the UNGC is MSCI's own, based on a transparent methodology that is publicly available. The UNGC provides no guidance on what constitutes a pass or a fail. Finally, while MSCI provides an assessment of controversies, it does not advocate action or inaction – this remains at the discretion of the parties that use its research.

We asked whether MSCI had considered additional material provided by Glencore or relied only upon non-governmental organisations and media reporting. MSCI said it placed greater weight on publicly available information – regardless of credibility or source – than information provided by the company. We understand this decision on weighting was escalated to the highest committee within MSCI ESG Research. We suggested this process would benefit from both independent (expert) members opining on information and analysis and additional transparency on how, and by whom, conclusions were reached.

When using research from companies such as MSCI, we need to ensure the information is based on robust methodologies we agree with. It is no easy task to provide balanced and fair information, especially when the various sources have their own intentions or motives. MSCI provides information built on a published methodology on potential controversies. But we believe that, as an influential organisation in the ESG space, it should continually assess and enhance its own methodologies to ensure it provides a fair and balanced view.

Stewardship activities in brief

ARCELORMITTAL

OBJECTIVE

To gain insight into the operations, production and health and safety practices of ArcelorMittal's steel plant in Ghent and see the company's decarbonisation efforts in action.

OUTCOME

Clearly, safety is a key focus for the company, demonstrated by signage, automation of risky processes, and the requirement for workers to wear personal protective equipment and follow safety instructions. We discussed the company's three main levers for reducing carbon emissions intensity: recycling scrap steel and improving efficiency of existing assets; installing direct reduced iron technology; and capturing and storing carbon. Our key takeaway: the team recognises the need and opportunity to decarbonise. However, it should focus on operational efficiency and productivity whilst remaining competitive on price, quality and volume.

NEXT STEPS

None specifically related to this meeting. We maintain our relationship with ArcelorMittal through various engagements, both individually and through collaborations.

OBJECTIVE

To understand the company's response to a fatal incident in Kazakhstan; to follow up on the CEO's recent statement on its approach to health and safety; to encourage the widest possible scope for its independent review of safety practices, from governance and oversight to asset-level performance and including contractors and sites where it doesn't have operational control; to ask when a final report or progress update could be expected.

OUTCOME

ArcelorMittal said its initial response was to provide financial support to the immediate families of the deceased and assist the government of Kazakhstan's investigation into the mine disaster. ArcelorMittal noted that safety performance worsened during the pandemic but had since improved outside the Commonwealth of Independent States. As the appointment of a suitable party to conduct the safety audit is not yet confirmed, the company cautiously suggested a further update by the 2024 AGM.

NEXT STEPS

With insights from the company's plant in Belgium, we understand that operations and activities in a highly regulated advanced country may differ markedly to operations in a less developed or differently regulated country. Pending the results of the investigation and any possible charges, ArcelorMittal clearly cannot give further guidance at this time. We will continue discussions with the company, both individually and collaboratively, and await the independent health and safety review.

OBJECTIVE

To discuss the company's approach to health and safety as part of a wider investor group; to ask the company to publish granular safety data at site or asset level in order to allow shareholders greater insight into performance.

OUTCOME

At the start of 2023, the company undertook an internal survey of global safety perceptions, and the summary results had been shared with the Board and action plans or weaknesses were being devolved to asset level leaders. The company responded that it would be possible to incrementally provide more granular detail in reporting, and it would look to improve its reporting if it was identified as an issue by the third party audit.

NEXT STEPS

We plan to follow up with ArcelorMittal in 2024 and look forward to both the independent analysis of the Kazakhstan mine disaster and an update on the third party audit.

BALFOUR BEATTY

OBJECTIVE

To discuss the long tenure of key members of the executive committee and to encourage them to continue in their capacity as management for as long as possible.

OUTCOME

The company assured us there are no plans for the management team to change in the near future. We were pleased to hear that, as they have grown the business and created shareholder value through buybacks and dividends. They have also managed risks exemplarily.

NEXT STEPS

Continue our relationship with the company.

BILLINGTON HOLDINGS

OBJECTIVE

To provide some input into the remuneration policy, at the company's request; to encourage the company to continue to focus on true measures of profitability, such as free cash flow.

OUTCOME

Our comments were taken on board by the company, though it will probably continue to use profit before tax as its preferred measure of profitability. We are relatively sanguine about this measure and prefer it to earnings per share.

NEXT STEPS

We will wait for the remuneration policy to be formally proposed ahead of the company's next AGM.

BOOHOO

OBJECTIVE

To visit Boohoo's newly automated distribution centre in Sheffield; to get an update on its expansion of operations globally; to understand how the company is working to improve ESG credentials across its supply chain.

OUTCOME

We learned about the group's CottonConnect Partnership, aimed at helping farmers grow cotton more sustainably by improving irrigation and replacing chemicals with natural pesticides. The initiative also yields social benefits, with higher profits for farmers and fewer children dropping out of school.

NEXT STEPS

No further engagement planned, as we don't currently own shares in the company.

COTY

OBJECTIVE

To clarify aspects of ISS voting recommendations ahead of the AGM, specifically the remuneration policy and board director re-elections; to understand why Director Mariasun Aramburuzabala failed to attend 75% or more of board meetings.

OUTCOME

On remuneration, contrary to ISS best practice, Coty's Board had decided to award total pay in shares, rather than follow a boilerplate annual bonus plus long-term incentive plan model. The company had talks with ISS on pay structure, but they were unproductive and ceased. We agreed it was best for the company to drop short-term incentives in favour of resetting the business for the long term. On board attendance, Coty assured us Aramburuzabala didn't meet the threshold purely because of hastily arranged special meetings that conflicted with her diary. She was briefed before the meetings and her thoughts shared with the wider board or committee.

NEXT STEPS

We voted in line with management on both the remuneration policy and the re-election of the board. We will continue to engage with the company on a variety of topics.

GLENCORE

OBJECTIVE

To understand Glencore's response to MSCI's decision to flag the company for failure to comply with the UN Global Compact; to understand why the company has not adopted the Initiative for Responsible Mining Assurance standards.

OUTCOME

The company felt it had provided information about its Cerrejón coal mine to MSCI upon request but pointed to changes in the agency's methodology and flawed analysis as the reason for the assessment. On supply chain certification, Glencore meets responsible sourcing requirements as defined by the London Metals Exchange, is a supporter of the Global Battery Alliance and is part of a blockchain consortium monitoring cobalt supply from miner to customer.

NEXT STEPS

We have since engaged with MSCI on the Cerrejón mine issue. We plan to wait for the outcome of corporate activity to understand how the company shifts its strategy. A potential demerger of coal assets would affect the company's decarbonisation approach.

GRIFOLS

OBJECTIVE

To discuss the company's approach to human capital, focusing on high employee turnover rates, learning and development policies and staff costs; to understand whether resources allocated to developing and retaining human capital were improving productivity.

OUTCOME

The company recognised that turnover at plasma centres is generally high (not helped by the impact of covid-19), because the industry is a good entry point to working in healthcare. To reduce turnover, the company has been focusing on training, as well as improving well-being policies. However, there is no measurement of return on employee training.

NEXT STEPS

Given this was our first conversation with the company since investing, we intend to continue to build our relationship with Grifols and, in time, set key performance indicators for some productivity measures.

HIPGNOSIS SONGS

OBJECTIVE

To express our discontent on the proposed sale of assets to a related party, deficiencies in governance and communication over an extended period and our lack of confidence in the Board and the investment advisor.

OUTCOME

Following our meeting, we voted against the re-election of the majority of Board members. We also voted against related party transaction and against the continuation of the fund.

NEXT STEPS

The results of the AGM have catalysed a strategic review under the new Chair and new advisors. We continue to be actively engaged with the company and will continue to build a relationship with the new team.

KINOVO

OBJECTIVE

To provide input on the remuneration policy, at the company's request; to encourage Kinovo to focus on cash generation, retaining the team currently in place, and creating value for shareholders.

OUTCOME

The company were happy to receive our suggestions and took our comments on board.

NEXT STEPS

We will wait for the remuneration policy to be formally proposed ahead of the company's next AGM.

MARKS & SPENCER

OBJECTIVE

To seek more information on the decision to demolish the company's flagship store, rather than retrofit it; to gain insight into how M&S was approaching the public relations angle of the debate, to ensure its rationale for demolishing was communicated effectively in the public forum.

OUTCOME

Environmental activists have raised concerns about embodied carbon, but M&S's research showed that, given the energy efficiency plans, the embodied carbon on the new building would be offset within 11 years, well within the building's planned life. The flagship store is old and massive, making it disproportionately energy intensive. M&S's preference is to refurbish, and the Chelmsford site highlighted this, but the poor structure of the Oxford Street buildings makes a retrofit unfeasible. On the communication, M&S said it had an extensive engagement plan and was communicating directly to architects and environmentalists on the work that went into the decision. We were pleased to see the extensive consultations M&S took when considering the next phase of the flagship store. The company recognised that, from a financial perspective, the flagship's contribution as a major store in the chain has declined, but it still has asset value and could become a growth asset.

NEXT STEPS

We intend to monitor the newsflow around the debate and the outcome of M&S's challenge of the decision by the Department of Housing and Communities to reject its plans to demolish.

RYANAIR

OBJECTIVE

To discuss the company's efforts on the use of sustainable aviation fuel (SAF); to ask for an update on emissions reduction targets being validated by the Science Based Targets initiative (SBTi); to discuss the company's partnership with Trinity College Dublin to leverage research and development on carbon savings in feedstock and SAF certification; to encourage clearer disclosure of the SAF percentage uplift figure and lifecycle carbon intensity so that the market can observe progress more clearly.

OUTCOME

On SBTi, the company said it had formally submitted its targets, but the validation process was slow-moving. Ryanair had been engaging with SBTi when guidance for the aviation sector was being prepared. The company gave a detailed update on its partnership with Trinity College Dublin, and how research was focused on getting a better understanding of CO2 savings in feedstock. On better disclosures around SAF uplift figures, we explained that, whilst we can infer the numbers from CDP disclosures, it would help investors if the company published data itself. Ryanair said it would likely be required to include SAF uplift figures in its Sustainability Report given the incoming Corporate Sustainability Reporting Directive (CSRD) regulations.

NEXT STEPS

We remain impressed by the company's approach to SAF and emission reductions more broadly and think it is well placed to reinforce its competitive advantage through the transition. We will monitor the company's disclosures as well as the SBTi database for an update on the validation of Ryanair's emissions reduction targets. We will also wait to see whether the next Sustainability Report considers our requests for better data disclosures.

SUNCOR ENERGY

OBJECTIVE

To discuss the company's commitment to decarbonisation, safety performance and financial provisions for carbon capture assets; to ask about the company's involvement with the Pathways Alliance.

OUTCOME

Though the new CEO is focusing on safety performance, operating efficiency and remuneration, the company confirmed its decarbonisation approach remained part of its strategic plans. On carbon capture, the CEO confirmed that business scenario planning allowed for carbon capture, utilisation and storage, but uncertainty on government policy, timing and required financial commitment from the industry meant making a provision on the audited financial accounts would be premature at this time. Suncor is a member of the Pathways Alliance and is very supportive of the collaboration efforts to sequester carbon.

NEXT STEPS

We plan to monitor whether safety performance has improved in light of recent changes. We also want to continue discussions with the company on carbon pricing mechanisms and the impact on culture around safety.

VARIOUS

OBJECTIVE

To push companies to commit to and set 1.5°C -aligned science-based targets, as part of our involvement with CDP's Science-Based Targets Campaign.

OUTCOME

Letters that we co-signed were sent by CDP to over 2,100 high-impact companies.

NEXT STEPS

We will continue to engage with our portfolio companies individually to promote the adoption of science-based targets to reduce carbon emissions.

Engagements in focus

ARCELORMITTAL

ArcelorMittal is a long-term holding for Ruffer. We have engaged with the company – both individually and collaboratively via the Climate Action 100+ initiative as a co-lead investor – focusing mainly on the company's decarbonisation strategy. This quarter, one of the other co-leads of the Climate Action 100+ working group sought interest from investors to engage on health and safety.

On a recent field trip to the company's steel manufacturing site at Ghent in Belgium, we had observed health and safety practices directly, which gave us some confidence in health and safety outcomes. However, historical performance, in terms of fatalities, lost-time injury frequency rate and total recordable injury rate, show a mixed picture. Also, given the company's vertically integrated business model, the array of health and safety risks is diverse and extends beyond the perimeter of facilities and assets.

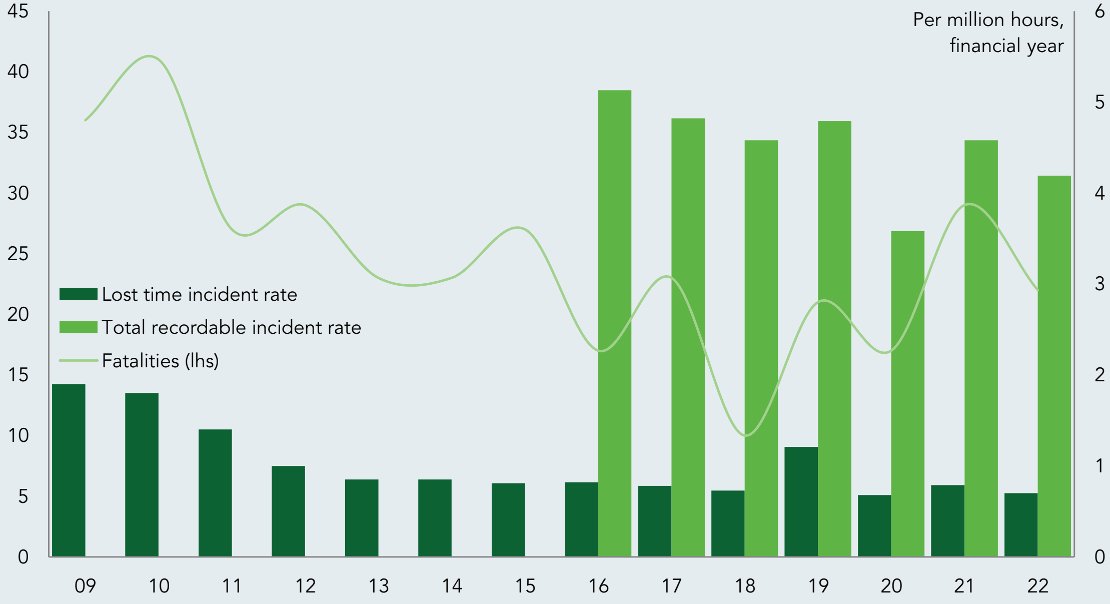
As the investor group began to coalesce around a number of objectives for the engagement, an explosion and fire in an underground coal mine at the company's Kostenko site (which was subsequently transferred to the Kazakhstan government) caused the deaths of 46 people. The incident understandably diverted the company's attention to responding to the tragedy and gave pause to our proposed engagement objectives.

At its third quarter 2023 investor call, ArcelorMittal's CEO began his update by acknowledging the catastrophic accident, stating the company is doing "everything in our power" to support the bereaved. He also announced a third party safety audit to "take a hard look inside our group, identify the gaps that exist and strengthen our safety actions, processes and culture to ensure that we prevent all serious accidents." Following this, a group of investors, including Ruffer, met with the company to discuss the accident in Kazakhstan and begin the engagement on the broader health and safety topic.

The underground explosion at Kostenko was reportedly due to ignition of a methane leak. The root cause is the subject of an independent investigation conducted by the government of Kazakhstan, with a report expected in due course. However, given prior company statements, we wanted to understand if it had invested in underground methane detection equipment and, more broadly, asked about its approach to capital spending on safety. Specifically, we asked whether it could isolate spending on safety at the Kostenko asset. ArcelorMittal confirmed methane detection was installed and noted its approach to safety spend was based on zero-based budgeting – if a need was identified, budget would be created.

We then discussed ongoing health and safety. The company had announced a global safety perception survey in the first quarter of 2023, and we asked whether the results had been shared with the Board of Directors, and what learnings or actions would follow from this survey. In brief, the summary results had been shared with the Board, and action plans or weaknesses were being devolved to asset level leaders. In addition, we sought comfort that the third party audit would cover all aspects of safety: governance and oversight, policy and practice, performance and disclosure, capital and operating expenditure linked to safety and health activities. We said we would like the company to publish granular safety data at site or asset level in order to allow shareholders greater insight into performance. The company responded that it would be possible to incrementally provide more granular detail in reporting, and it would look to improve its reporting if it was identified as an issue by the third party audit.

We plan to follow up with ArcelorMittal in 2024 and look forward to both the independent analysis of the Kazakhstan mine disaster and an update on the third party audit.



MSCI ESG Research, Ruffer. Source: ArcelorMittal Safety Performance

GRIFOLS

We initiated a position in Grifols, a bio-pharmaceutical company focused on plasma-based therapeutics, in the first half of 2023. As well as gaining some understanding of the company's production costs and balance sheet figures, we wanted to discuss Grifols' approach to human capital.

Grifols had reported particularly high staff turnover levels in the previous two years, and we wanted to know whether it was an industry-wide or company-specific issue and how the company was looking to address and reduce turnover. We learned that plasma centres serve as a good entry point for pursuing a career in the healthcare industry, which in part explains the high level of turnover. Covid-19 exacerbated this issue as healthcare workers were in short supply and there was significant wage pressure. Grifols has invested in staff training and is rolling out wellbeing policies to help reduce turnover and incentivise employees to remain at the company. Despite these efforts, Grifols is not currently monitoring any sort of return on employee training. We pointed out that, by monitoring returns on its programmes, it would be better placed to more efficiently allocate capital to boost productivity and improve employee retention.

Our view is that employee retention and reducing turnover – both elements of human capital – are inextricably linked to product innovation and research and development (R&D) efficiency. The company is trading at a low price to R&D ratio compared with its peers, so we asked how the company was planning to change market perception. Having historically been seen as an industrial business focused on plasma supply, Grifols has evolved, through a number of acquisitions, to pioneer research on the use of plasma proteins. However, the current focus for the company is on improving its balance sheet – once this has been normalised, Grifols wants to refocus on the growth story to emphasise its innovation potential.

We want to continue to build our relationship with Grifols and work with the company to suggest key performance indicators that could help signpost the progress it is making to reduce turnover, boost productivity and communicate to the market that its R&D efforts are currently undervalued.

RYANAIR

Our investment in Ryanair hinges on the company's role as a leader in the aviation industry. In our opinion, it is well placed to use its size and influence – not to mention its superior financial flexibility – to deliver on the industry's objectives to transition to a low-carbon economy. Initiating our position, we intended to build a long-term relationship with the company (and the wider industry) to gain a better understanding of the challenges and bottlenecks it faces in its pursuit of Net Zero. As part of this long-term engagement plan, we met with the company at the end of 2023 to hear more about its efforts on the use of sustainable aviation fuel (SAF) and to get a progress update on the validation of its emissions targets by the Science Based Targets Initiative (SBTi). We were interested to hear more about the results of Ryanair's partnership with Trinity College Dublin. Finally, we encouraged the company to disclose SAF percentage uplift figures and lifecycle carbon intensity more prominently so that the market can observe its progress more clearly.

Ryanair continues to make important progress on SAF adoption. It has memorandums of understanding in place to cover 75% of its 2030 target for SAF to make up 12.5% of all fuel used to fly its planes. Given the severe undersupply of SAF, this target is very ambitious – the EU sustainable fuel mandate will require a 6% uplift by 2030, and most other airlines are targeting close to 10%. Ryanair is working closely with SAF producers such as OMV, Neste and Repsol to secure supply and bring SAF premiums down. Incentives to pick up SAF are materialising through various EU legislative packages, which Ryanair is taking full advantage of.

Ruffer is a supporter of SBTi, and we encourage companies we invest in to set science-based targets to reduce emissions and have these validated by SBTi where possible. Ryanair has been involved in preparing guidance for the aviation sector and has submitted its targets formally. The validation process has been slow-moving since the guidance was updated at the beginning of the year. The company also gave a detailed update on its research partnership with Trinity College Dublin which has a dual focus: to gain a better understanding of the lifecycle intensity of SAF; and to accelerate the certification of new SAF pathways.

Finally, on better disclosures around SAF uplift figures, we explained that, whilst we can infer the numbers from CDP disclosures, it would be helpful for investors to see the company publishing data itself. The company noted incoming CSRD regulations would probably require it to include SAF uplift figures in its Sustainability Report.

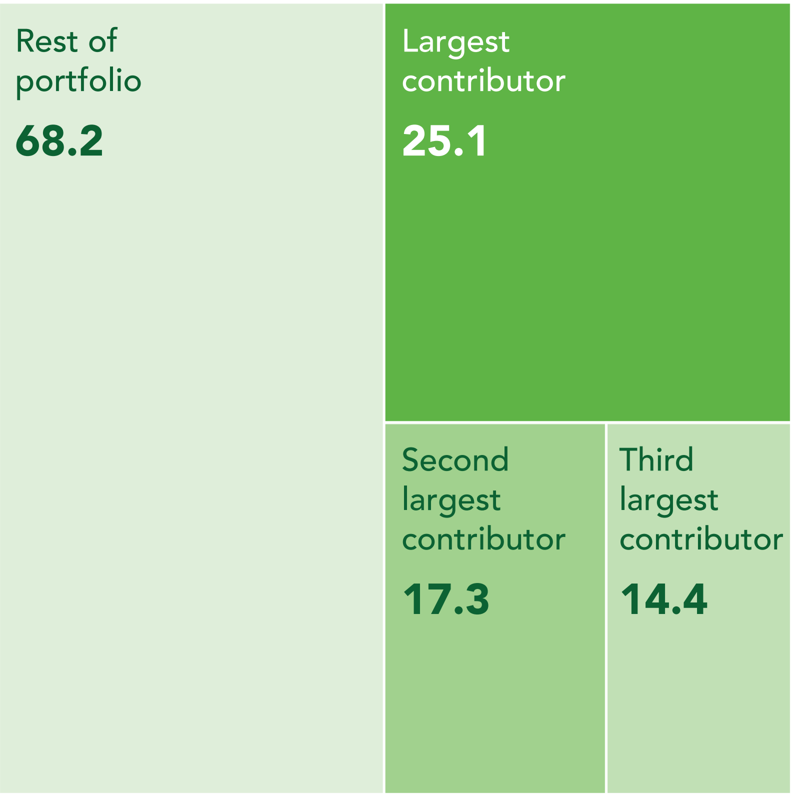
We continue to be impressed by the company's approach to SAF and emission reductions more broadly and think it is well placed to reinforce its competitive advantage through the energy transition.

Charity Assets Trust

The fund's carbon footprint

One of the tools we use to inform our approach to carbon-intensive businesses, including fossil fuel companies, is monitoring the carbon footprint of the fund. We calculate the weighted average carbon intensity of the fund on an ongoing basis. This metric, recommended by the Task Force on Climate-related Financial Disclosures, measures a portfolio's exposure to carbon-intensive companies. It allows for decomposition and attribution analysis, meaning that we can identify the largest company contributors to this metric. We use this to inform our management of the fund and our subsequent engagements with companies.

WEIGHTED AVERAGE CARBON INTENSITY %



Source: MSCI ESG research, Ruffer calculations, data as at 31 December 2023

ESG ratings

The overall ESG rating ascribed by MSCI ESG Research to a company is just one of the additional responsible investment inputs we consider when assessing the merits of an investment case. It provides a quantitative proxy by which to measure improvement.

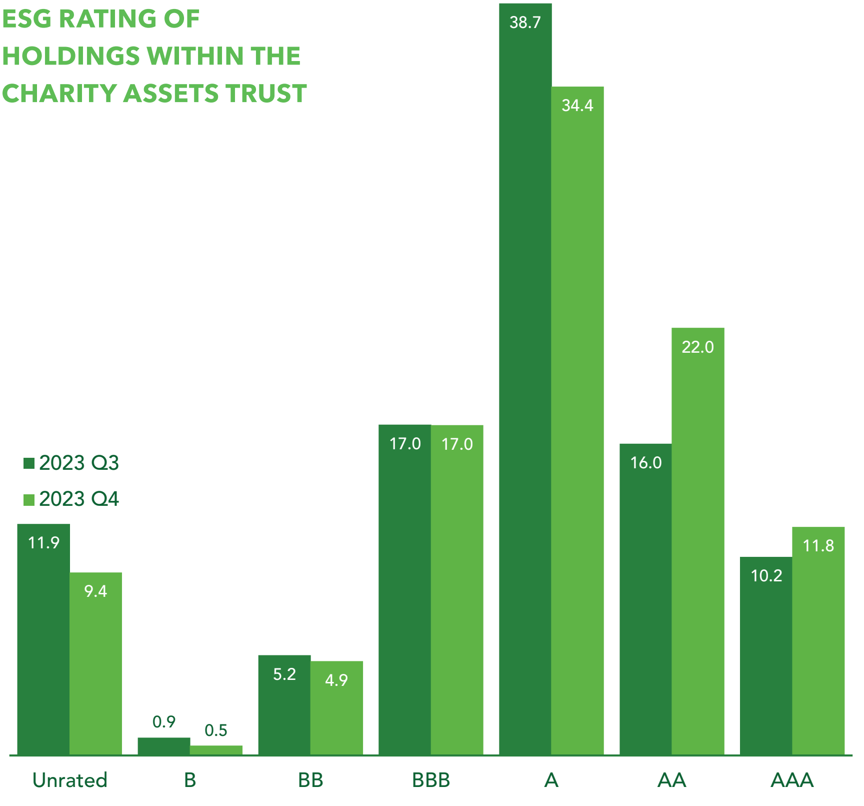
The rating is not absolute; rather, it is relative to the standards and performance of a company's industry peers. It is used to help ensure that as far as possible the fund invests in companies which are considered 'best in class' within their sector. Additionally, there are some portfolio companies that are not rated by MSCI; these are primarily our listed impact and energy investment trusts.

Crucially, we do not use this metric as a hard block. Rather, it is used as a flag to help guide our investment decision making and engagement activities. This allows us to do our own analysis on the investment case, rather than being entirely reliant on rigid metrics that may not re lect a company's evolution. Please see the previous section for examples of this in action.

KEY CHANGES IN Q4 2023

The ESG ratings of the fund remained broadly similar over the quarter, although there has been a subtle shift towards more AA and AAA rates companies, which is pleasing to see.

ESG RATING OF HOLDINGS WITHIN THE CHARITY ASSETS TRUST



Source: MSCI ESG Research as at 31 December 2023. Totals may not equal 100 due to rounding

Catholic screen results

At the end of each quarter, we run the fund's equity holdings through MSCI ESG Research Manager (our third party ethical screening provider).

This report highlights the proportion of the fund that would have been in breach if the fund applied a Catholic faith-based screen as outlined below.

Abortifacients	Producer	**TRUE**
Abortifacients	Intended use abortifacients producer	**TRUE**
Abortion provider		**TRUE**
Stem cell research	Foetal tissue	**TRUE**
Stem cell research	Embryonic	**TRUE**
Stem cell research	Use of foetal cell lines	**TRUE**
Stem cell research	Human embryonic stem cell cloning	**TRUE**
Stem cell research	Enabling technology	**TRUE**
Contraceptives	Maximum percentage of revenue derived 5%	**TRUE**

At the end of the latest quarter there were six companies that breached any of the above screens.

COMPANY A, REPRESENTING 0.14% OF THE TOTAL FUND HOLDING, FAILED ON

Stem cell research	Embryonic
Stem cell research	Use of foetal cell lines

COMPANY B, REPRESENTING 0.12% OF THE TOTAL FUND HOLDING, FAILED ON

Stem cell research	Embryonic
Stem cell research	Use of foetal cell lines
Stem cell research	Enabling technology

COMPANY C, REPRESENTING 0.07% OF THE TOTAL FUND HOLDING, FAILED ON

Stem cell research	Use of foetal cell lines

COMPANY D, REPRESENTING 0.13% OF THE TOTAL FUND HOLDING, FAILED ON

Stem cell research	Foetal tissue
Stem cell research	Embryonic
Stem cell research	Use of foetal cell lines
Stem cell research	Human embryonic stem cell cloning

COMPANY E, REPRESENTING 0.17% OF THE TOTAL FUND HOLDING, FAILED ON

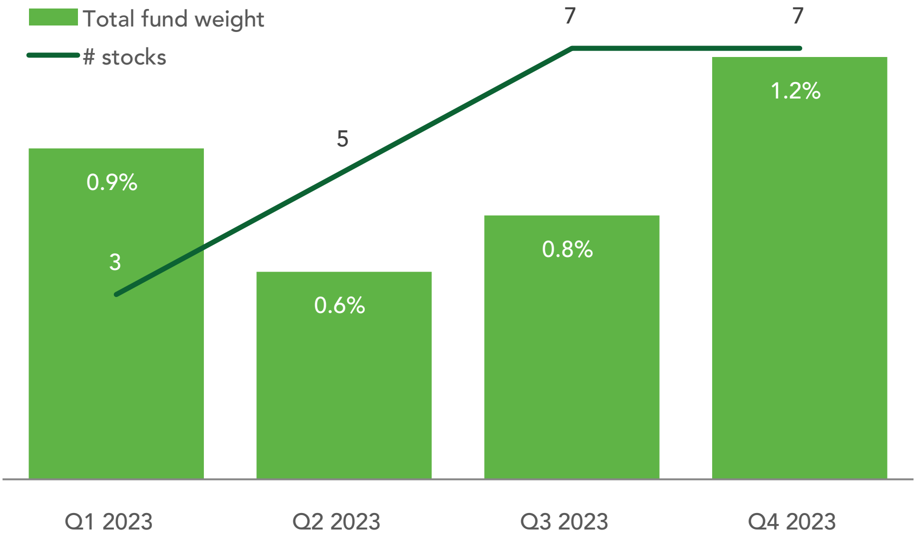
Abortifacients	Producer
Abortifacients	Intended use abortifacients producer
Stem cell research	Embryonic
Stem cell research	Use of foetal cell lines

COMPANY F, REPRESENTING 0.12% OF THE TOTAL FUND HOLDING, FAILED ON

Stem cell research	Embryonic
Stem cell research	Use of foetal cell lines

Therefore, as of 31 December a total of 1.20% of the total fund's holding would have been excluded had the fund applied the screen.

This chart documents how this has changed over the past 12 months.



About Ruffer

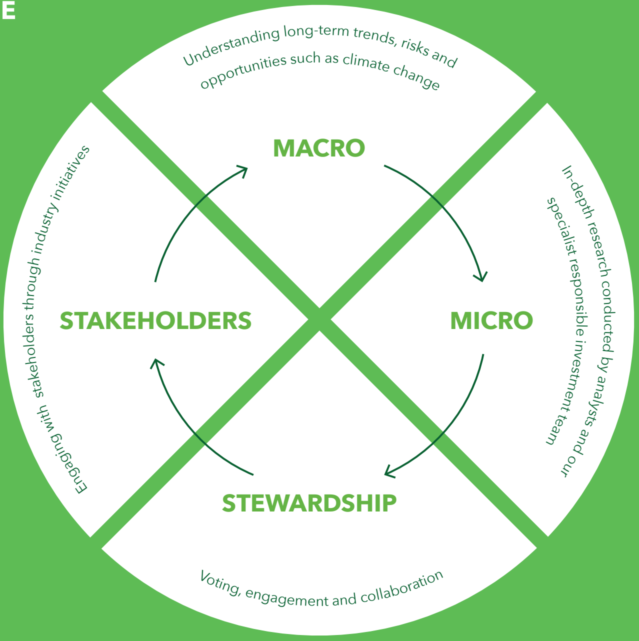
OUR AIM IS TO DELIVER CONSISTENT POSITIVE RETURNS – WHATEVER HAPPENS IN FINANCIAL MARKETS

To invest well, we need to take on risk. With risk comes great responsibility. Our preoccupation is with not losing money, rather than charging headlong for growth. It's by putting safety first that we have made good money for our clients. Through boom and bust. For over 28 years. If we keep doing our job well, we will protect our clients' capital – and increase its real value.

We believe investing responsibly will lead to better long-term outcomes for our clients

ESG factors form one part of our fundamental analysis. We have a collaborative research process between the research analysts, members of the responsible investment team, and responsible investment specialists. To fulfil our duty to act as responsible stewards of our clients' assets, we use our judgement to determine when to engage and how to vote at shareholder meetings to best protect the economic interests of our clients, while remaining cognisant of the impact on all stakeholders. Engagement with the companies we invest in not only gives us an opportunity to deepen our understanding of the business, but also is an effective tool to achieve meaningful change.

OUR RESPONSIBLE INVESTMENT FRAMEWORK



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