

Charity Assets Trust

Positive absolute returns with low volatility for charities

During May the fund price rose by 2.4%. This compares with a rise of 1.1% in the FTSE All-Share Index and a rise of 0.4% in the FTSE Govt All Stocks Index (all figures are total returns in sterling).

It was a month where the market dynamics were driven by inflation. The US saw the largest monthly jump in core CPI since 1981 and this pushed up inflation expectations. The result was a fall in the dollar and rising prices in many financial assets, especially commodities such as copper and gold.

The portfolio was a beneficiary of this, with gold the largest contributor to returns (+0.8%). Bank shares were also a significant contributor (+0.7%), including a new holding in UniCredit (more detail below). May saw the unusual situation of both falling bond yields (so rising bond prices) and rising share prices of financials. This is an odd dynamic that likely reflects both a secular drive by investors to top up underweight positions in financials and a tempering of the strong rise in bond yields seen in the first quarter of 2021.

On the negative side of the ledger were the protective options (-0.1%), which declined as rates fell back and equity markets pushed on. The most spectacular fall in market prices was seen in the cryptocurrency ecosystem, with bitcoin falling by around 35%. The fund's exposure to bitcoin, bought in November, was sold down entirely in early April, before the sell-off.

The bitcoin exposure was added to the fund as a defensive investment, to add diversification to our inflation hedges. Its strong rise thereafter reflected increased institutional and retail interest, and as it hit all-time highs in April we judged its asymmetry to be much lower (and importantly the threat to gold to be lower too). With more attractive risk-adjusted positions elsewhere in the market we sold the remaining exposure.

We have been adding to European equities. We believe Europe will soon receive the baton in the global economic growth relay that began with China powering ahead last year. The US is currently the fastest runner, something reflected in US equity outperformance, but as lockdowns end Europe is very much on the move and will soon take the baton from the US. This spurt of growth should see eurozone bond yields rise, a stronger euro and weaker dollar, and strong performance from European financials. On top of this, the arrival of the fiscal cavalry in the shape of the European Recovery Fund should disproportionately benefit Italy. UniCredit (an Italian bank) is our preferred expression of this, with the tailwind of domestic banking consolidation an additional spur.

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.



May 2021 Issue 111

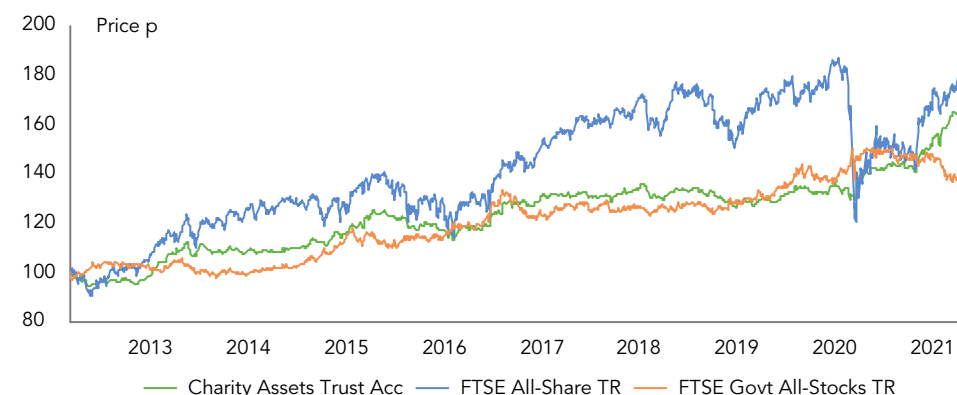
Investment objective

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 28 May 2021	p
May 2021	2.4	Accumulation	169.20
Year to date	11.5	Income	142.96
1 year	18.6		
3 years	26.4		
5 years	42.7		

12 month performance to March %	2017	2018	2019	2020	2021
Charity Assets Trust Acc	10.5	-0.6	-0.8	4.3	21.8
FTSE All-Share TR	22.0	1.2	6.4	-18.5	26.7
FTSE Govt All-Stocks TR	6.6	0.5	3.7	9.9	-5.5

Source: Ruffer LLP, FTSE International (FTSE) †

Charity Assets Trust as at 28 May 2021

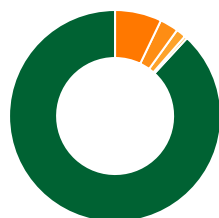
Asset allocation



Asset allocation %

Long-dated index-linked gilts	12.2
Illiquid strategies and options	11.5
Short-dated bonds	11.1
Cash	10.3
Gold and gold equities	7.0
Non-UK index-linked	5.4
Index-linked gilts	4.2
UK equities	16.3
North America equities	7.9
Europe equities	7.1
Japan equities	6.5
Asia ex-Japan equities	0.6

Currency allocation



Currency allocation %

Sterling	88.1
Gold	7.0
Euro	1.7
US dollar	0.3
Other	2.9

10 largest equity holdings*

Stock	% of fund
iShares Physical Gold	3.1
Lloyds Banking Group	2.7
NatWest Group	2.4
Countryside Properties	1.9
Barclays	1.8
Equinor	1.6
Kinross Gold	1.5
Newmont Mining	1.2
Alexion Pharmaceuticals	1.2
BT	1.1

5 largest bond holdings

Stock	% of fund
UK Treasury 0.125% 2023	5.8
UK Treasury index-linked 1.875% 2022	4.2
US Treasury 0.125% TIPS 2022	3.3
UK Treasury index-linked 0.5% 2050	3.2
UK government 8.0% 2021	2.9

*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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Fund size **£163.6m**

Fund information

	%
Ongoing Charges Figure	1.18
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.17
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

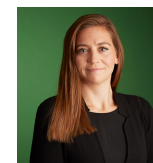
Previously Director at Le Masurier, James & Chinn, now absorbed within the HSBC Group. He spent thirteen years there, with responsibility for offshore private clients before moving to Chiswell Associates in 2001, focusing on charity fund management. He holds an MBA from Henley Management College and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



Ajay Johal

INVESTMENT MANAGER

Joined Ruffer in 2014 from Barclays Wealth. In 2019, he worked as an equity analyst in Ruffer's Hong Kong office, then joined the charities team in London as an Investment



Manager. He holds a degree in history and sociology from the University of Warwick and is a member of the Chartered Institute of Securities & Investment.

Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 30 April 2021, assets managed by the Ruffer Group exceeded £22.4bn.

Dealing line

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