

# Charity Assets Trust

Positive absolute returns with low volatility for charities

During April, the fund price fell by 0.9%. This compared with a rise of 0.3% in the FTSE All Share Index and a fall of 2.8% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

April turned out not to be the kindest month. After a dismal first quarter, when investors lost money in both bonds and global equities, April gave us more of the same, only worse. Bond yields resumed their upward march as inflation hit new highs, making this year the worst period for benchmark US 10-year treasuries since 1788 - just before George Washington became president! Equity markets also disappointed with the S&P 500 off 8.8% in the month and the Nasdaq dropped 13.3%. The UK equity market outperformed again, holding steady in April. This is due to the sectoral composition – with a heavy bias to energy, miners and value - rather than a vote of confidence in the UK economy. Sterling fell almost 5% against the dollar, although admittedly most other currencies were also weak versus the greenback.

Against this backdrop, the fund performed relatively well in April. Looking further back at year-to-date performance, there is some cause for satisfaction – up 4.6% when almost all asset classes are well into negative territory. This month's gold stars for achievement went once again to the protection assets: interest rate options and credit protections. An honourable mention should go to the fund's equity holdings as energy stocks and what we call 'value defensives' (telecoms, healthcare and pharmaceuticals) made gains. Importantly of course, in any kind of bear market, it is what you don't own that matters more than what you do own. Our avoidance not just of profitless tech, but also of outrageously profitable (but expensive) tech, has allowed our equities in aggregate to make a positive return so far in 2022.

Having predicted the return of inflation for many years, we now doubt the resolution of central banks to raise rates sufficiently far to choke it off. However, there is little doubt that interest rates are set to rise further. This means the key question right now is what will break first, the market or the economy? With unemployment at record lows, it seems most likely to us that stock markets, bonds and credit snap before the economy hits recession, but we cannot be certain of this. There is also the risk that the bursting of over inflated bubbles in one part of the market can drag everything else down. Accordingly, we remain cautiously positioned with 34% in equities and now almost half of that in more defensive stocks. Should a recession be triggered, we have positions in credit protection that should benefit the portfolio as corporate defaults rise.

The world has turned out to be more uncertain and more unpleasant than we expected at the start of the year. However, even as we watch what seems like a slow-motion car crash in equities, we remain confident that we can continue to protect charities' capital and make a reasonable return.

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.



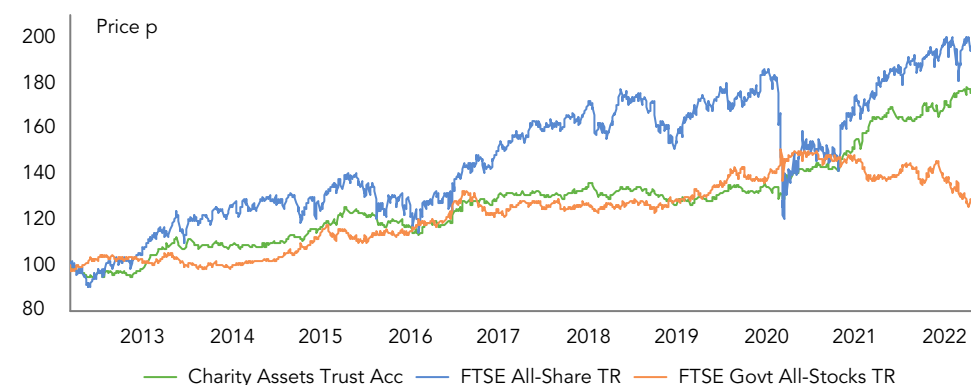
## Investment objective

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 April 2022	p
April 2022	-0.9	<b>Accumulation</b>	<b>176.19</b>
Year to date	4.6	<b>Income</b>	<b>146.83</b>
1 year	6.5		
3 years	35.6		
5 years	33.9		
10 years	81.3		

12 month performance to March %	2018	2019	2020	2021	2022
Charity Assets Trust Acc	-0.6	-0.8	4.3	21.8	8.0
FTSE All-Share TR	1.2	6.4	-18.5	26.7	13.0
FTSE Govt All-Stocks TR	0.5	3.7	9.9	-5.5	-5.1

Source: Ruffer LLP, FTSE International (FTSE) †

# Charity Assets Trust as at 29 Apr 2022

## Asset allocation



### Asset allocation %

● Illiquid strategies and options	12.9
● Gold exposure and gold equities	9.7
● Long-dated index-linked gilts	9.6
● Non-UK index-linked	9.2
● Short-dated bonds	9.0
● Cash	8.6
● Index-linked gilts	6.8
● UK equities	13.4
● North America equities	6.9
● Japan equities	6.3
● Europe equities	5.2
● Asia ex-Japan equities	1.1
● Other equities	1.4

### Currency allocation %

● Sterling	64.7
● US dollar	14.3
● Yen	8.2
● Australian dollar	5.3
● Euro	0.1
● Other	7.4

## Currency allocation



## 10 largest equity holdings\*

Stock	% of fund
BP	2.6
Shell	2.4
Cigna	1.2
ORIX	1.2
Banco Santander	1.1
Bayer	1.1
Alibaba Group ADR	1.1
American Express	1.0
Vodafone Group	1.0
AstraZeneca	0.9

## 5 largest bond holdings

Stock	% of fund
US Treasury 0.625% TIPS 2023	4.8
UK Treasury index-linked 0.125% 2024	4.7
US Treasury 0.375% TIPS 2023	3.2
United 2.5% 17/07/24	2.9
UK Treasury index-linked 0.125% 2068	2.5

\*Excludes holdings in pooled funds

Source: Ruffer LLP.

Pie chart totals may not equal 100 due to rounding.

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Fund size **£215.6m**

## Fund information

	%
Ongoing Charges Figure	1.08
Annual management charge	1.0 + VAT
Maximum initial charge	1.0
Yield	1.37
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 and leads Ruffer's US team and co-manages two of Ruffer's flagship funds. Previous roles included oil and gas companies and 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 31 March 2022, assets managed by the Ruffer Group exceeded £26.0bn.

## Dealing line

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