

Strategy & Objective

The Best Ideas Portfolio is a diversified portfolio (not a fund) of global equities, which we believe to be well positioned to outperform the wider equity market over the longer term. The portfolio has a bias towards developed market, large capitalisation stocks.

Portfolio Performance (GBP)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	3.4	-0.1	3.4	29.6	15.3	13.8	13.4
MSCI World	4.7	0.1	4.7	31.7	16.0	14.8	12.6
Relative	-1.3	-0.1	-1.3	-2.1	-0.8	-1.0	0.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.3
MSCI World	19.0	13.0

Market Commentary

After President Trump delivered a “presidential” first address to congress, he subsequently failed to unite the Republican Party in a bid to push through his healthcare bill, raising uncertainty over future tax reform and infrastructure investment. All the while US equity markets, after peaking on the first day of the month, pared gains with the DJIA finishing -0.6% down. The month also saw a number of geopolitical events in Europe, with the Dutch election result rejecting anti-EU populism, and PM May initiating the UK’s exit from Europe through the triggering of Article 50. Local equity markets still ended the period in positive territory, with Euro STOXX 50 and FTSE 100 finishing the month 5.7% and 1.1% higher respectively. In fixed income, the Fed raised rates for the second time in 3 months, and whilst US 10-year Treasury yields rose initially, they finished the month where they started on 2.39%. Elsewhere, UK 10-year gilt yields fell 1bps to 1.14% and German 10-year bunds rose 12bps to 0.33%.

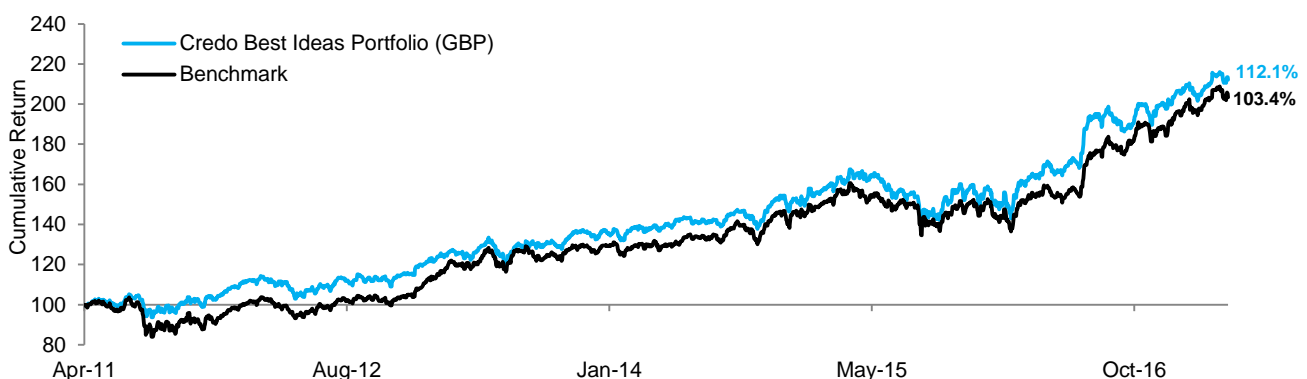
Key Contributors to Return

Las Vegas Sands’ shares increased by 9.2% on the back of robust industry data which was better than expected during the first half of the month. Prudential’s shares increased by 6.8% due to strong full year results that beat consensus estimates.

Key Detractors from Return

Babcock’s shares declined by -7.0% after it announced it was ending its relationship with Britain’s Nuclear Decommissioning Authority. Rolls Royce’s shares declined by -4.2% giving back some of the gains from the sizable rally in the share price in the previous month.

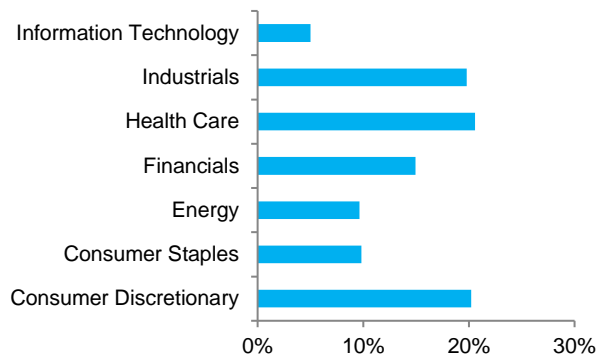
Performance Since Inception (14/04/2011)²



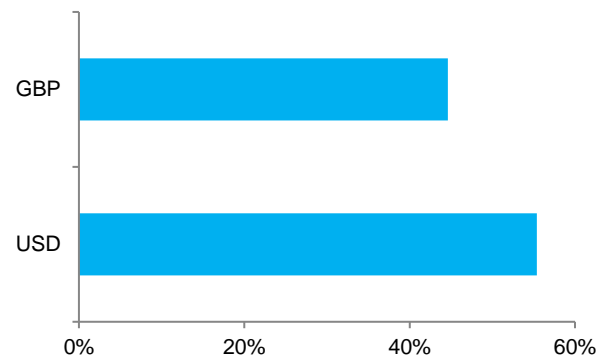
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	458p	185.6x	14.9x	7.1%
Chubb Ltd	\$136.3	14.1x	13.0x	2.0%
Prudential plc	1686p	29.7x	12.1x	2.6%
Total Portfolio Average		19.9x	15.0x	2.8%
MSCI World		22.0x	16.8x	2.4%

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- We view risk as permanent losses of capital and not in terms of short-term volatility.

Important Notice

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(1) Performance figures are based on a notional portfolio, denominated in pound sterling, designed to track the holdings of the Credo Best Ideas Portfolio. Portfolio incorporates all additions and removals, rebalancing all holdings to a 5% weighting in the process. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash, which is assumed to be held in the relevant reporting currency of the portfolio. Portfolio and Benchmark performance is calculated before any fees and includes reinvested dividends net of withholding tax.

(2) Source: Bloomberg pricing as of 31/03/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	5.0	1.0	5.0	13.5	5.1	8.5	8.8
MSCI World	6.4	1.1	6.4	14.8	5.5	9.4	7.8
Relative	-1.4	-0.1	-1.4	-1.2	-0.4	-0.8	1.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	13.1
MSCI World	22	13.4

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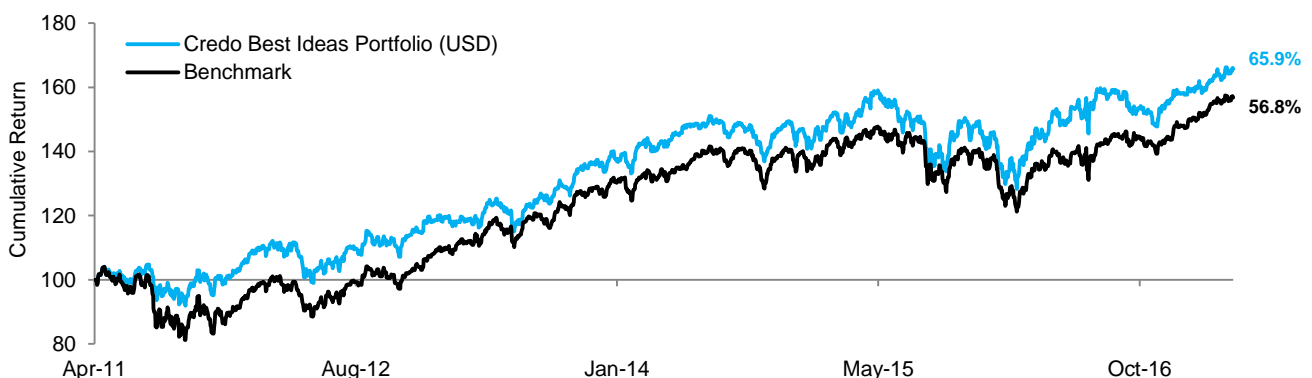
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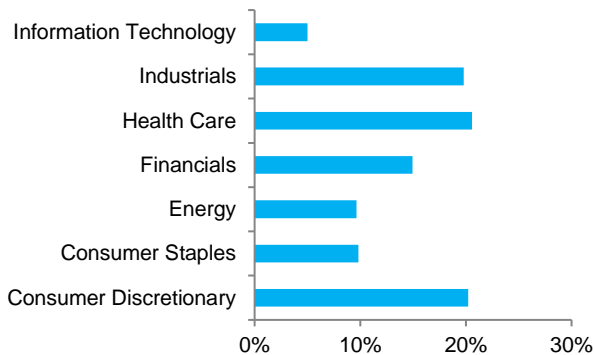
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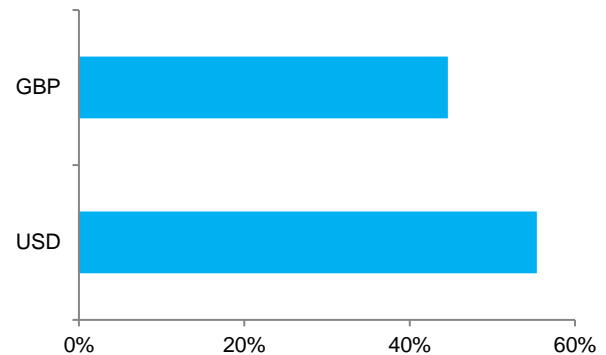
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