

## 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)<sup>1,2</sup>

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
<b>Best Ideas Portfolio</b>	2.4	1.1	-2.1	9.7	13.1	13.6	12.3
<b>MSCI World</b>	8.6	2.4	2.9	18.4	15.2	15.8	12.4
<b>Relative</b>	-6.2	-1.3	-5.0	-8.7	-2.1	-2.2	-0.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	17.3	12.1
<b>MSCI World</b>	19.0	12.7

## Market Commentary

August was a tumultuous month for US coastal cities following Hurricane Harvey, with initial estimates for damages over \$100bn. Despite this the S&P 500 rose 0.3% during the period. In continental Europe, the Euro STOXX 50 fell 0.7% as the euro saw continued strength after a lack of dovish comments from ECB president Mario Draghi at Jackson Hole. Brexit remains a key issue in the UK with reports of delayed trade talks. Sterling fell from its 2017 high in July to end the month at 1.29 against the US dollar, whilst the FTSE 100 rose 1.7%. In fixed income, bond yields fell across major markets with 10 year rates in the US, UK, and Germany falling to 2.12%, 1.03%, and 0.36% respectively.

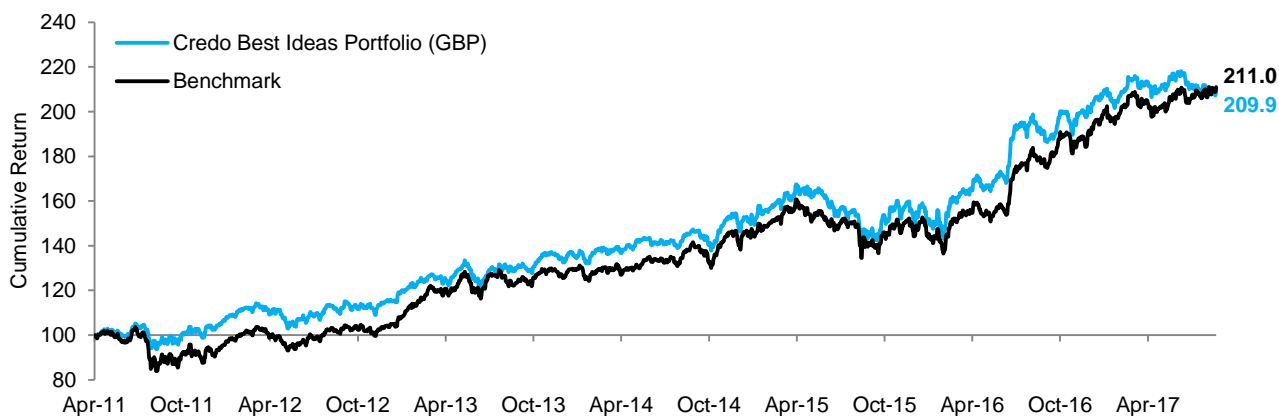
### Key Contributors to Return

Rolls Royce's shares increased by 7.8% benefitting from positive first half results at the beginning of the month. ServiceMaster's shares increased by 7.2% continuing the gains made in July after positive second quarter results.

### Key Detractors from Return

Nielsen's shares declined by 8.9% giving back most of the strong gains of the previous month following their second quarter results. McKesson's shares declined by 7.6% after poor results from competitors followed weak first quarter results reported by McKesson at the end of July.

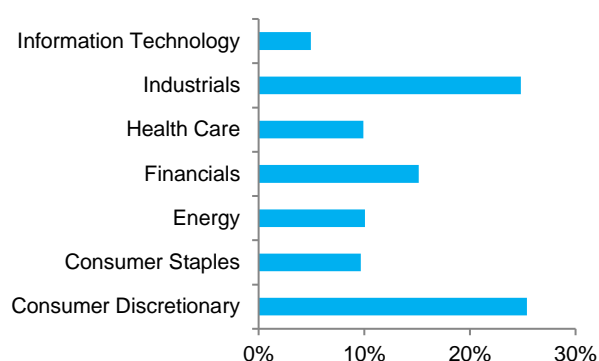
## Performance Since Inception (14/04/2011)<sup>2</sup>



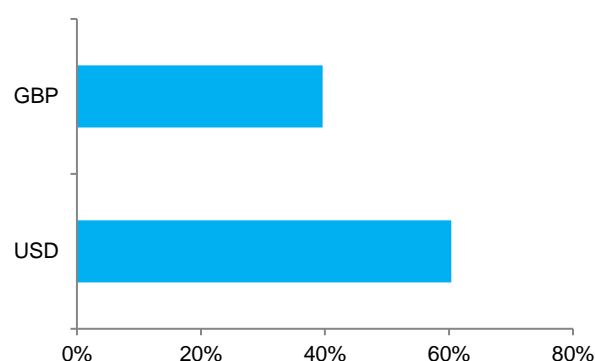
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Babcock Intl Group plc	813p	13.2x	9.5x	3.5%
BP plc	445p	29.5x	16.8x	6.9%
Nielsen Holdings plc	\$38.9	24.6x	14.0x	3.5%
<b>Total Portfolio Average</b>		<b>15.3x</b>	<b>13.9x</b>	<b>2.9%</b>
<b>MSCI World</b>		<b>20.6x</b>	<b>16.4x</b>	<b>2.5%</b>

## 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 31/08/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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## Portfolio Performance (USD)<sup>1,2</sup>

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
<b>Best Ideas Portfolio</b>	6.8	-1.2	-2.1	7.9	4.3	9.2	8.5
<b>MSCI World</b>	13.5	0.1	2.9	16.2	5.9	11.1	8.4
<b>Relative</b>	-6.7	-1.3	-5.0	-8.3	-1.6	-1.9	0.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	19.3	12.8
<b>MSCI World</b>	22.0	13.1

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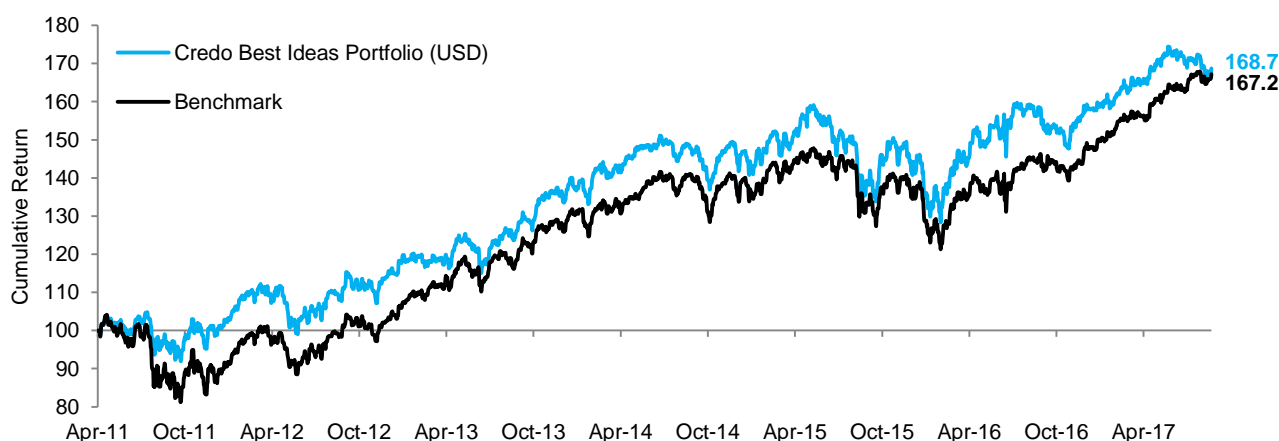
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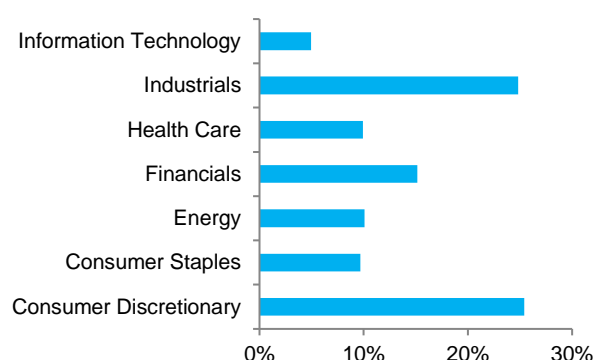
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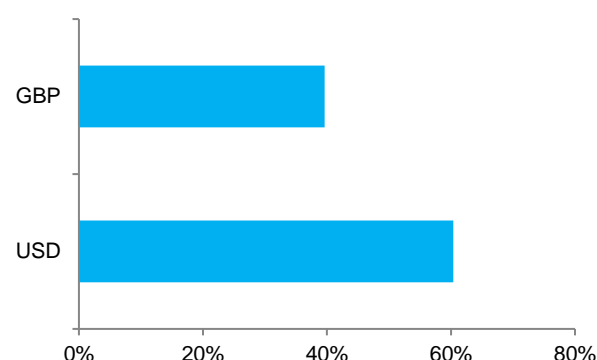
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