

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 (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	12.3	12.3	11.9	4.9	2.6	-2.5	-1.3
MSCI World	11.7	12.9	12.4	5.7	0.2	-1.4	-1.0
Relative	0.6	-0.6	-0.5	-0.8	2.4	-1.1	-0.3

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.0
MSCI World	19.0	12.6

Market Commentary

February saw global equity indices tumble, as investor fear (as measured by the VIX index) hit its highest level since China's stock market crash in August 2015. In the US, the S&P 500 fell 3.7%. This during a month where new Federal Reserve chair Jerome Powell attended his first congressional hearings. In Europe, the UK's FTSE 100 finished 3.4% down, while the Euro STOXX 50 fell 4.6%. In Asia, the Shenzhen CSI 300 was down 5.9% as President Xi moved to scrap term limits, opening up the possibility he may rule indefinitely. In fixed income, the major 10-year sovereign yields remained relatively unchanged as US treasuries, UK gilts and German bunds finished 2.9%, 1.5% and 0.7% respectively.

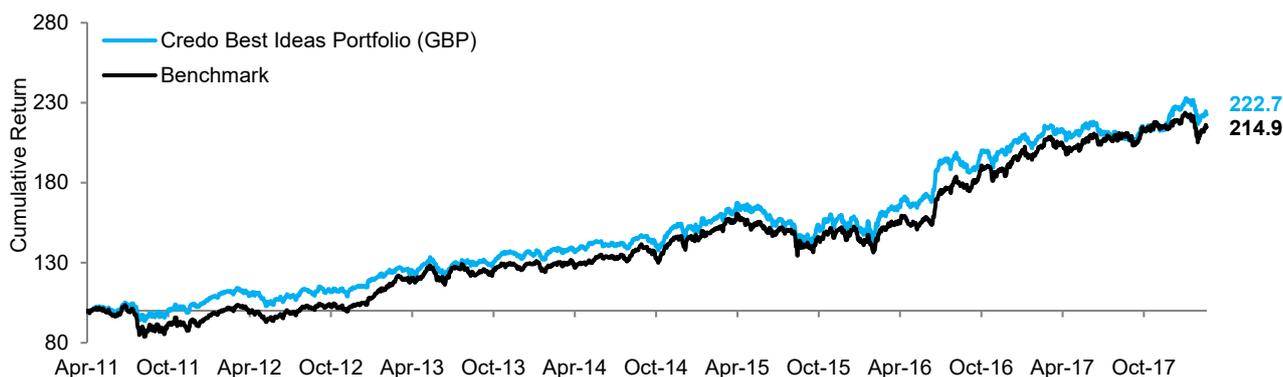
Key Contributors to Return

Merlin Entertainments' shares increased by 3.5%, reacting positively to news that activist investor ValueAct had built a stake in the company. Sainsbury's shares increased by 2.6%, with slightly more positive sentiment towards the sector from the sell side analysts.

Key Detractors from Return

AutoZone's shares declined by 13.2% after fourth quarter results that missed consensus expectations. Nielsen's shares declined by 12.8% after poor fourth quarter results in the Buy segment.

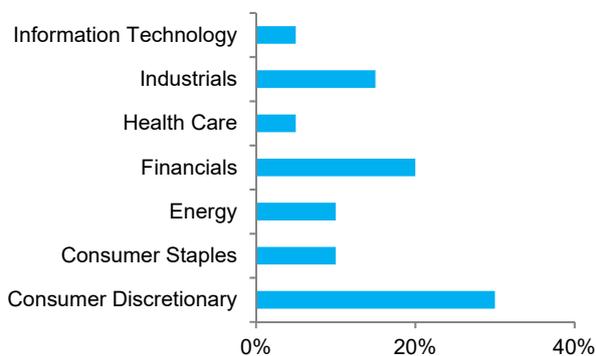
Performance Since Inception (14/04/2011)²



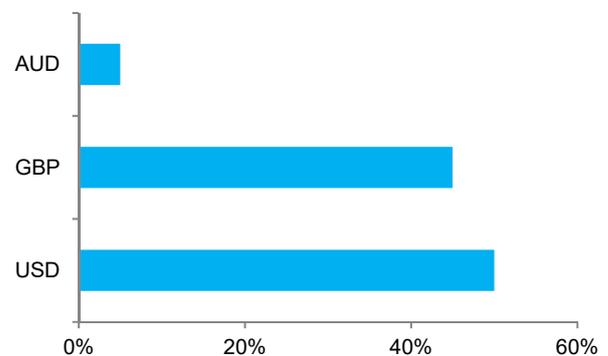
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
AutoZone Inc	\$664.7	14.6x	12.5x	0.0%
BP plc	475p	28.1x	14.5x	6.0%
Nielsen Holdings plc	\$32.6	18.9x	13.3x	4.2%
Total Portfolio Average		21.2x	17.5x	2.6%
MSCI World		19.7x	15.9x	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

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(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 28/02/2018 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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 (USD)^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	9.9	10.2	8.0	16.7	4.9	-5.0	0.9
MSCI World	9.1	10.7	8.2	17.4	2.3	-4.1	0.9
Relative	0.8	-0.5	-0.2	-0.7	2.6	-0.9	0.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.6
MSCI World	22.0	12.9

Market Commentary

February saw global equity indices tumble, as investor fear (as measured by the VIX index) hit its highest level since China's stock market crash in August 2015. In the US, the S&P 500 fell 3.7%. This during a month where new Federal Reserve chair Jerome Powell attended his first congressional hearings. In Europe, the UK's FTSE 100 finished 3.4% down, while the Euro STOXX 50 fell 4.6%. In Asia, the Shenzhen CSI 300 was down 5.9% as President Xi moved to scrap term limits, opening up the possibility he may rule indefinitely. In fixed income, the major 10-year sovereign yields remained relatively unchanged as US treasuries, UK gilts and German bunds finished 2.9%, 1.5% and 0.7% respectively.

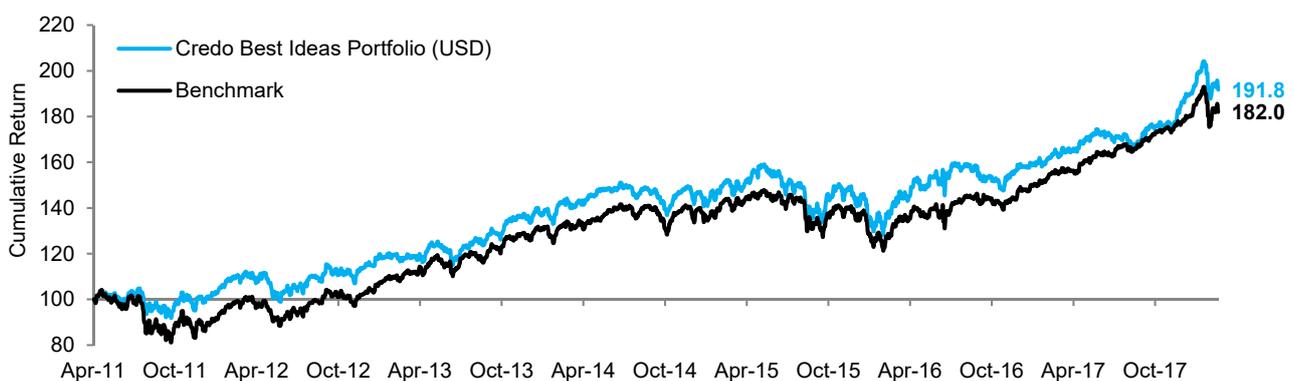
Key Contributors to Return

Merlin Entertainments' shares increased by 3.5%, reacting positively to news that activist investor ValueAct had built a stake in the company. Sainsbury's shares increased by 2.6%, with slightly more positive sentiment towards the sector from the sell side analysts.

Key Detractors from Return

AutoZone's shares declined by 13.2% after fourth quarter results that missed consensus expectations. Nielsen's shares declined by 12.8% after poor fourth quarter results in the Buy segment.

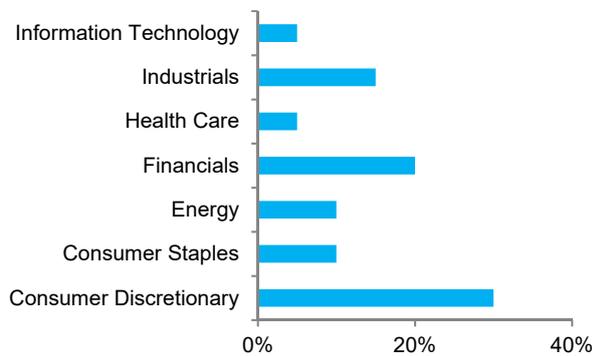
Performance Since Inception (14/04/2011)²



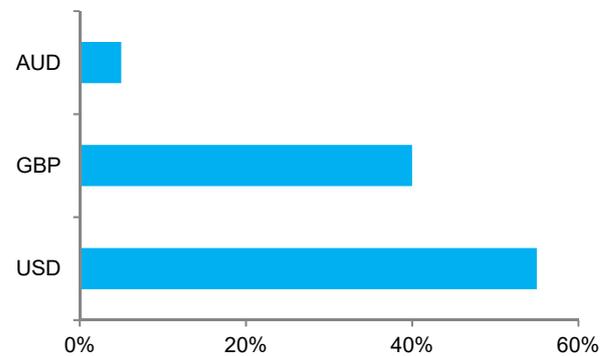
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
AutoZone Inc	\$664.7	14.6x	12.5x	0.0%
BP plc	475p	28.1x	14.5x	6.0%
Nielsen Holdings plc	\$32.6	18.9x	13.3x	4.2%
Total Portfolio Average		21.2x	17.6x	2.6%
MSCI World		19.7x	15.9x	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

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, designed to track the holdings of the Credo Best Ideas Portfolio. Portfolio incorporates all additions and removals, rebalancing all holding 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 28/02/2018 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal