

## 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 (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	13.1	13.6	16.7	18.4	8.4	3.7	8.9
<b>MSCI World</b>	12.2	12.7	15.5	12.4	8.8	3.6	6.7
<b>Relative</b>	0.9	0.9	1.2	6.0	-0.4	0.1	2.2

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	17.3	12.1
<b>MSCI World</b>	19.0	12.8

## Market Commentary

July saw global equity markets make positive ground in a month where Trump made diplomatic efforts around Europe, meeting with the UK's Theresa May, Russia's Vladimir Putin and the EU's Jean-Claude Juncker. Strong corporate earnings results saw the S&P 500, the Euro STOXX 50 and the FTSE 100 all up 3.7%, 4.0% and 1.5% respectively. July also saw a reshuffle of the UK Cabinet with both Boris Johnson and David Davies resigning following the Chequers Agreement, which was met with widespread criticism for being too "soft" in terms of EU relations post-Brexit. Against this backdrop, pound sterling was down 0.6% against the US dollar and down 0.7% against the euro. Strong US economic data pushed up 10-year yields. US treasuries ended the period on 3.0%, while UK gilts and German bunds ended on 1.3% and 0.4% respectively. As the US-China trade war heated up, commodity markets took a hit, with copper prices down 4.4% and Brent crude oil down 5.7%.

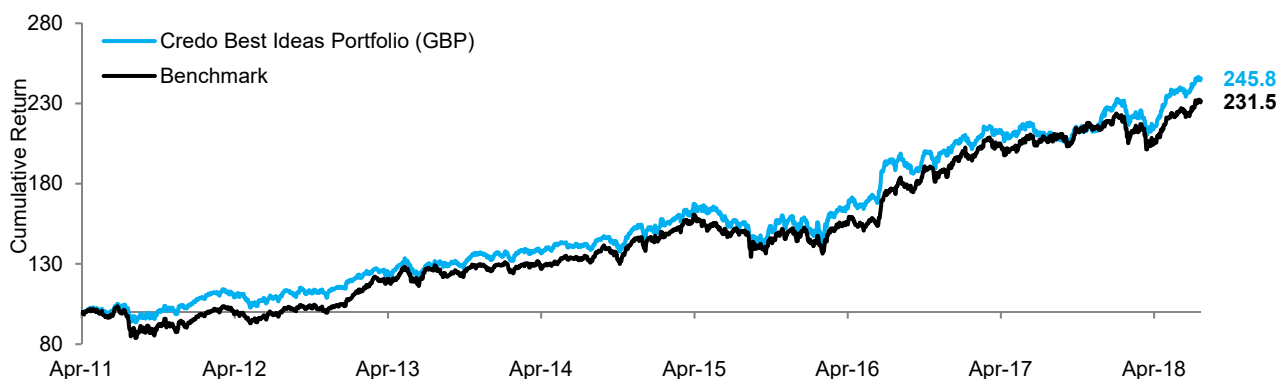
### Key Contributors to Return

HCA Healthcare's shares increased by 21.1%, after positive second quarter results in which the company beat expectations and raised guidance for the full year on the back of stronger volume growth. Arch Capital Group's shares increased by 15.5% alongside the mortgage insurance peers after positive results were reported by the sector.

### Key Detractors from Return

Nielsen's shares declined by 23.8% after negative second quarter results in which management significantly lowered guidance for the full year as a result of deteriorating conditions in the Buy segment. Las Vegas Sands' shares declined by 5.8%, after the publication of weak Macau gaming numbers.

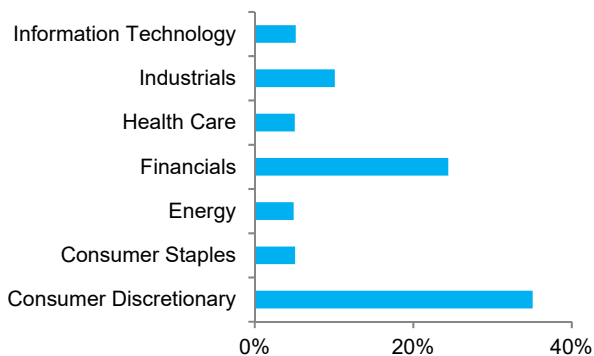
## Performance Since Inception (14/04/2011)<sup>2</sup>



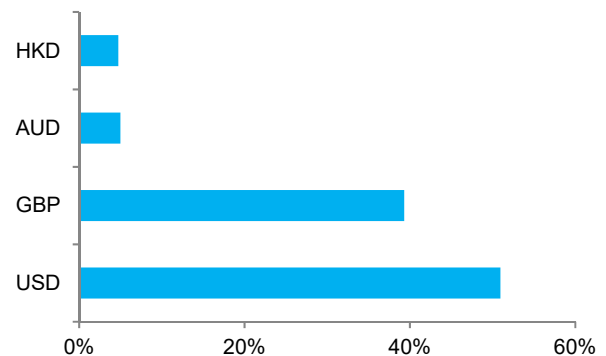
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$54.6	21.0x	17.1x	0.0%
BP plc	573p	10.6x	13.1x	5.5%
Microsoft Corp	\$106.1	28.7x	24.7x	1.6%
<b>Total Portfolio Average</b>		<b>17.9x</b>	<b>14.9x</b>	<b>2.4%</b>
<b>MSCI World</b>		<b>18.3x</b>	<b>15.5x</b>	<b>2.4%</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 31/07/2018 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 (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	10.2	10.5	10.5	18.7	3.9	3.2	6.5
<b>MSCI World</b>	8.9	9.5	8.9	11.9	3.7	3.1	3.6
<b>Relative</b>	1.3	1.0	1.6	6.8	0.2	0.1	2.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	19.3	12.7
<b>MSCI World</b>	22.0	13.0

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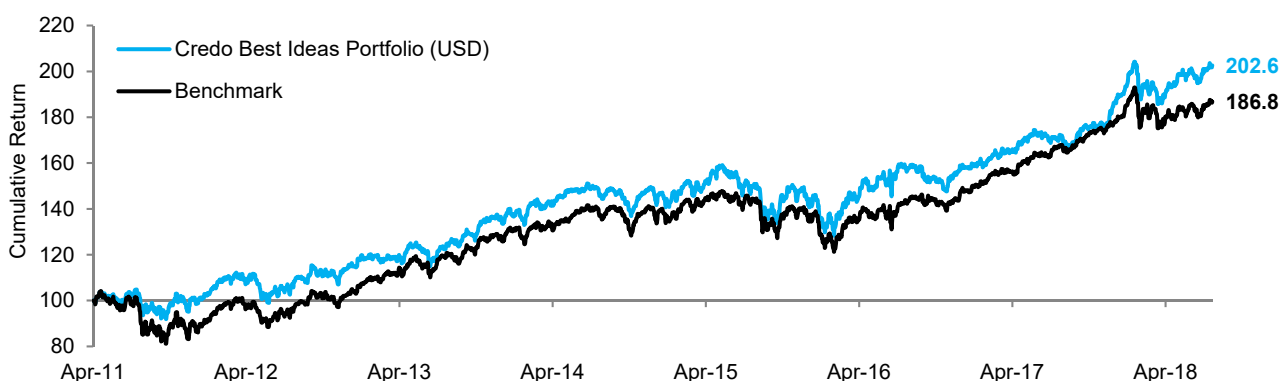
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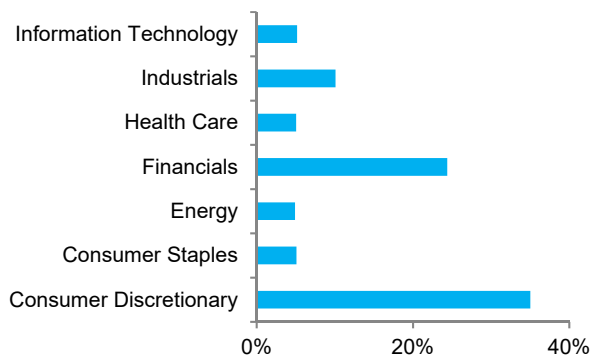
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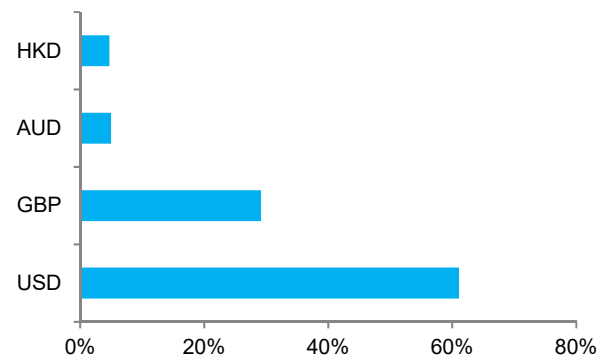
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<b>MSCI World</b>		<b>18.3x</b>	<b>15.5x</b>	<b>2.4%</b>

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