

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 | 13.1 | 14.6 | 13.1 | 13.1 | 7.5 | 5.3 | 21.7 |
| MSCI World | 12.1 | 14.2 | 13.4 | 11.4 | 7.8 | 4.5 | 22.7 |
| Relative | 1.0 | 0.4 | -0.3 | 1.7 | -0.3 | 0.8 | -1.0 |

| Risk (%) | Largest Drawdown | Volatility (Annualised) |
|-----------------------------|------------------|-------------------------|
| Best Ideas Portfolio | 17.3 | 12.2 |
| MSCI World | 19.0 | 12.9 |

Market Commentary

July was another positive month for global equity markets, as the S&P 500 and the FTSE 100 were up 1.4% and 2.2% respectively, while the Euro STOXX 50 was largely unchanged. Crucially, July saw Boris Johnson win the Conservative leadership contest and replace Theresa May as Prime Minister of the UK. The pound came under pressure over the month, falling 3.8% against the US dollar and 2.2% against the euro, with Boris Johnson refusing to rule out the possibility of a no-deal Brexit and the Cabinet increasing preparations for such a scenario. The US Federal Reserve reduced the base interest rate by 25 basis points, which was the first interest rate cut in 11 years. Despite this, the yield on US 10-year bonds was largely unchanged, while the yield on UK and German 10-year bonds decreased by 22 and 11 points respectively.

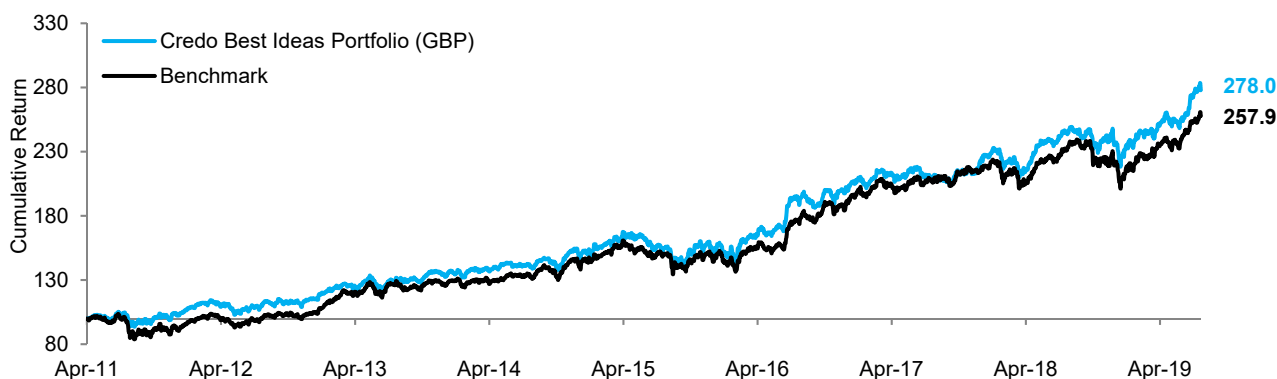
Key Contributors to Return

Imperial Brands' shares increased by 13.4% after the company announced a revised capital allocation policy, including a share buyback programme running throughout the month. Flutter Entertainment's shares increased by 10.3% after speculation that a bid may be made for the company circulated in the media.

Key Detractors from Return

Crown Resorts' shares declined by 4.7% after an Australian TV programme made allegations that the company had broken Chinese laws in the past and facilitated money laundering, which the company has since rejected. AIA Group's shares declined 4.0% alongside an index-wide sell-off, amid uncertainty over US-China trade talks and continuing protests in Hong Kong.

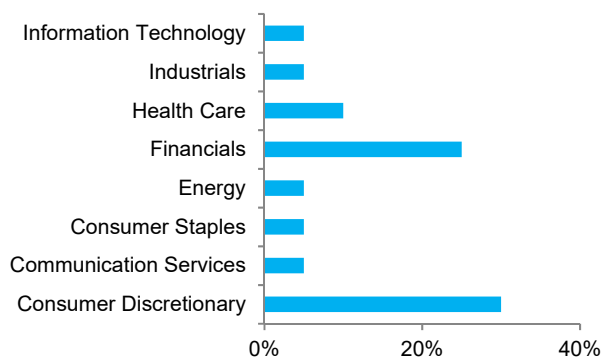
Performance Since Inception (14/04/2011)²



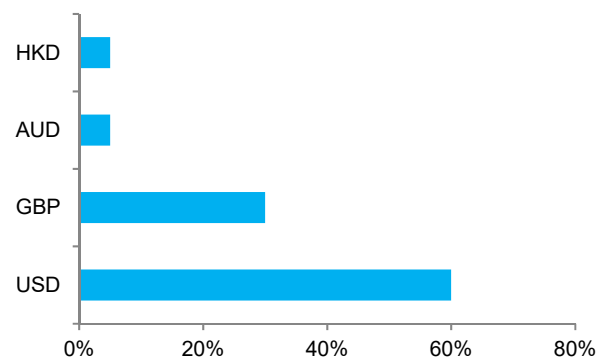
Sample Portfolio Statistics²

| | Current Price | Trailing 12 Month P/E | 12 Month Forward P/E | Dividend Yield |
|--------------------------------|---------------|-----------------------|----------------------|----------------|
| Adtalem Global Education Inc | \$47.4 | 17.2x | 15.1x | 0.0% |
| BP plc | 546p | 10.6x | 11.5x | 6.2% |
| HCA Healthcare Inc | \$133.5 | 13.6x | 12.2x | 1.2% |
| Total Portfolio Average | | 17.9x | 14.2x | 2.6% |
| MSCI World | | 18.5x | 15.7x | 2.5% |

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 31/07/2019 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

| Return (%) | Annualised | | | | | | |
|-----------------------------|--------------|---------|---------|--------|---------|---------|------|
| | S. Inception | 5 Years | 3 Years | 1 Year | 3 Month | 1 Month | YTD |
| Best Ideas Portfolio | 9.6 | 7.9 | 10.8 | 6.0 | 1.4 | 1.7 | 17.3 |
| MSCI World | 8.3 | 7.1 | 10.4 | 3.6 | 0.9 | 0.5 | 17.6 |
| Relative | 1.3 | 0.8 | 0.4 | 2.4 | 0.5 | 1.2 | -0.3 |

| Risk (%) | Largest Drawdown | Volatility (Annualised) |
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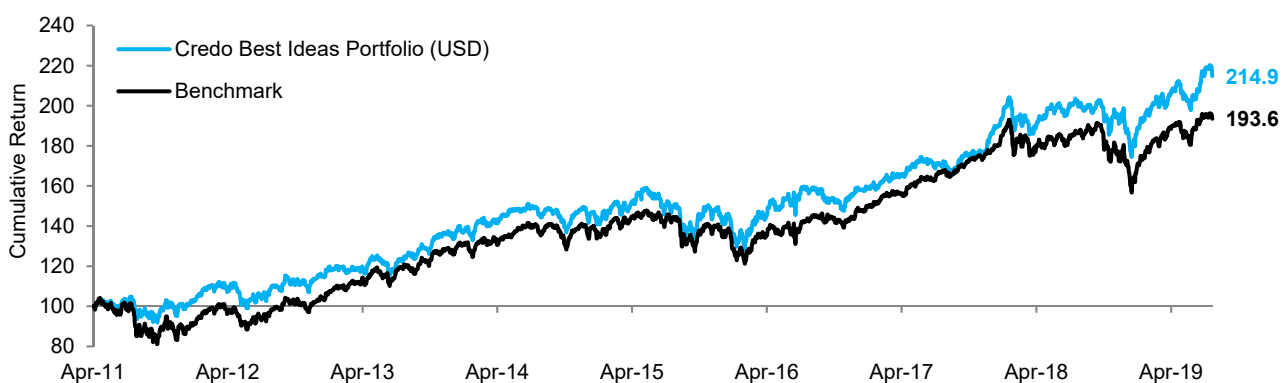
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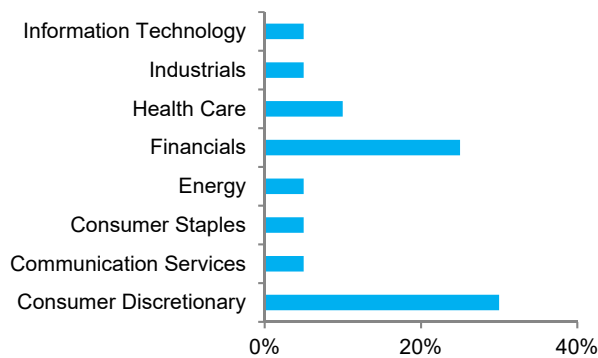
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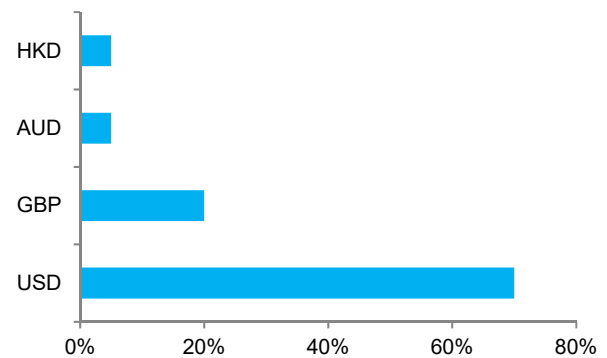
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