

## 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>	12.1	12.7	11.0	12.1	-4.1	-2.0	16.7
<b>MSCI World</b>	11.3	12.2	9.8	11.1	-3.1	-2.6	18.8
<b>Relative</b>	0.8	0.5	1.2	1.0	-1.0	0.6	-2.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	17.3	12.2
<b>MSCI World</b>	19.0	12.9

## Market Commentary

October was largely a positive month for global equity markets. The S&P 500, Euro STOXX 50 and Hang Seng were up 2.2%, 1.1% and 3.3% respectively, while the FTSE 100 was down 1.9%. Markets responded well to Donald Trump's announcement of "Phase One" of a possible trade deal with China but the Fed cut interest rates a further 25 basis points on concerns that the US economy may still be slowing. In the UK, the Brexit departure date was extended to 31 January 2020 after Parliament refused to approve Boris Johnson's new deal before the prior 31 October 2019 deadline. The pound was up 5.3% against the US dollar and up 3.0% against the euro. The yield on UK 10-year bonds increased by 0.03% and the US 10-year yield increased 0.14%.

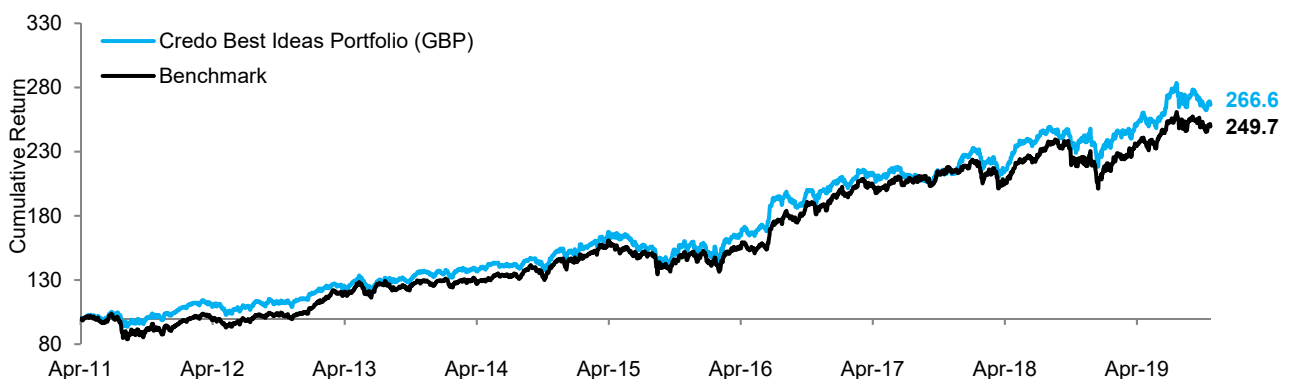
### Key Contributors to Return

Cigna's shares increased by 17.6% after major healthcare companies reported strong results, spurring a rally in the share prices of health insurers. HCA Healthcare's shares increased by 10.9% after the company reported positive results in the third quarter along with improved expectations for 2019 earnings and 2020 growth in EBITDA.

### Key Detractors from Return

Adtalem Global Education's shares declined 21.8% after the company reported first quarter revenue below consensus estimates. Imperial Brands' shares declined by 7.4% after the company lowered expectations for earnings due to increased competition and regulatory scrutiny in Next Generation Products and the CEO tendered her resignation.

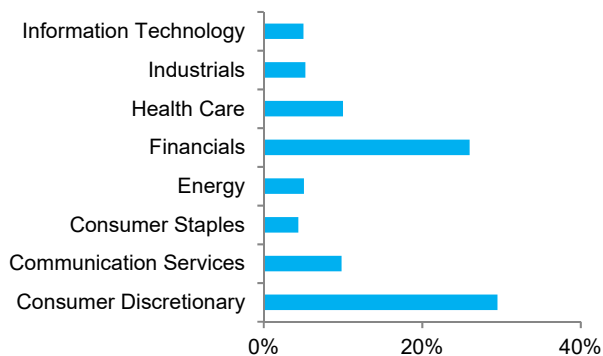
## Performance Since Inception (14/04/2011)<sup>2</sup>



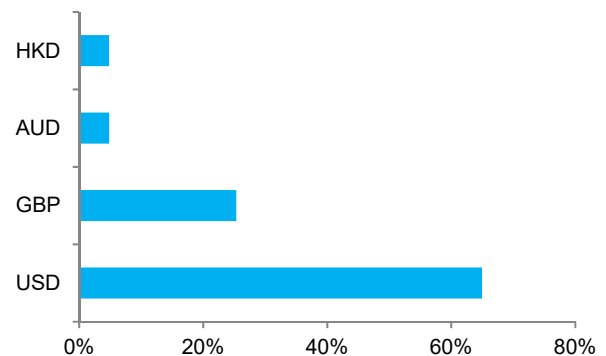
Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$29.8	10.8x	10.8x	0.0%
BP plc	489p	11.4x	11.5x	6.5%
HCA Healthcare Inc	\$133.5	13.4x	11.7x	1.2%
<b>Total Portfolio Average</b>		<b>18.6x</b>	<b>14.7x</b>	<b>2.5%</b>
<b>MSCI World</b>		<b>19.2x</b>	<b>16.1x</b>	<b>2.5%</b>

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe that wealth is best created and preserved through patient and disciplined investing, with a focus on the long term
- We follow a value-based approach to investing
- We seek to invest in high quality companies that are attractively priced relative to their future business prospects
- We believe that the market’s short-term focus creates opportunities for those willing to concentrate on underlying business performance
- We view risk as permanent losses of capital and not in terms of short-term volatility

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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 31/10/2019 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			1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years				
<b>Best Ideas Portfolio</b>	9.5	8.5	13.6	14.1	1.4	3.0	19.0
<b>MSCI World</b>	8.3	7.6	11.9	12.7	2.6	2.5	20.6
<b>Relative</b>	1.2	0.9	1.7	1.4	-1.2	0.5	-1.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	19.3	12.6
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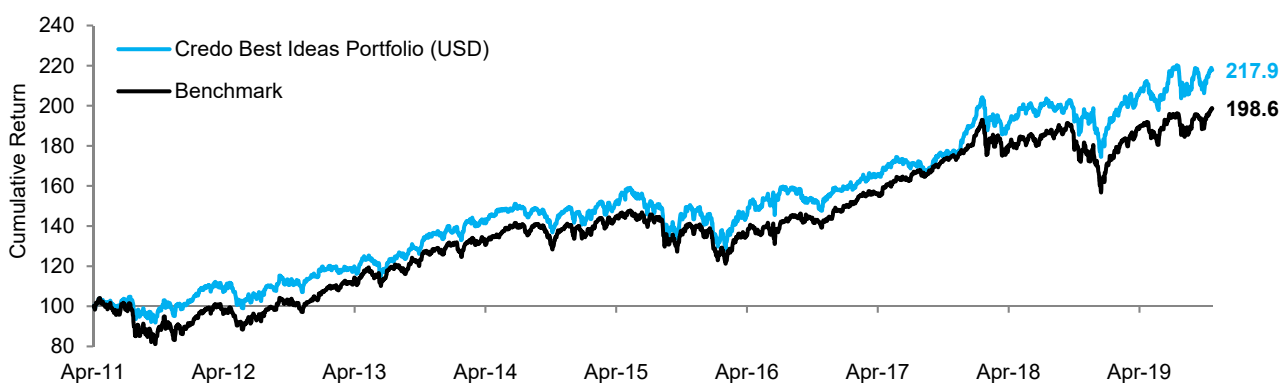
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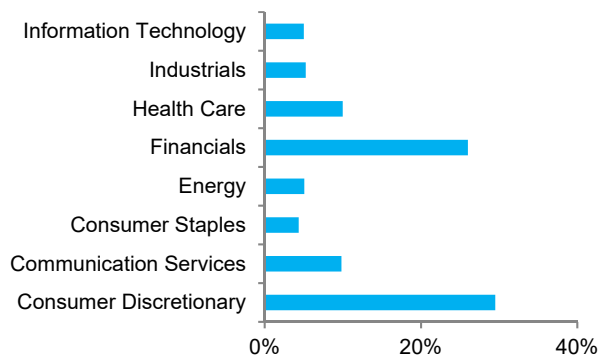
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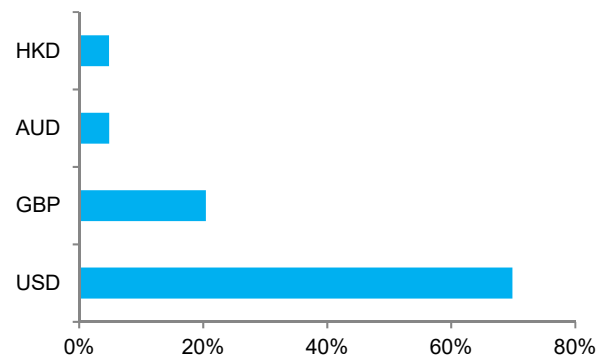
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