

## Credo Dynamic

Mixed Investment 40-85% Shares

### Introduction

The fund's goal is to deliver an attractive long-term risk-adjusted return through a diversified multi-asset portfolio of global equities, fixed income and liquid alternative investments with a focus on sterling assets. It aims to achieve equity-like returns over the long term but with lower downside risk. The fund seeks to steadily compound returns over the long term through a core portfolio of investments, while also identifying opportunities to enhance returns across different areas of the market.



This is an offshore fund and so is not subject to the UK sustainability disclosure and labelling regime. Please [click here](#) to go to the FCA website, where you will find further information on the regime for retail customers.

### Why RSMR Rate this Fund

- Dynamic multi-asset approach with flexibility to adjust risk and asset allocation as market conditions evolve.
- Broad diversification across asset classes to provide differentiated return streams and lower correlation through market cycles.
- Distinctive fixed income expertise, using direct corporate bond selection to enhance returns while maintaining greater control over liquidity, fees and credit exposure.
- Experienced and agile investment team, supported by flexible and opportunistic decision-making approach.

### Fund Process

The fund follows a flexible multi-asset approach, investing across equities, fixed income and listed alternatives. Portfolio construction is driven primarily by bottom-up investment opportunities, supported by broader top-down views on the macroeconomic environment, valuation and market conditions.

Macroeconomic factors such as inflation expectations, interest rate policy, geopolitical developments and changes in risk premia are incorporated into portfolio discussions, although these are used mainly as contextual inputs rather than formal allocation drivers. The fund does not maintain a structural bias towards either value or growth investing, with positioning adjusted dynamically depending on where the managers identify the most compelling opportunities.

The fund is managed using a core-and-satellite framework. The core allocation, typically representing around half of the portfolio, focuses on diversified, higher quality and lower turnover investments designed to deliver stable long-term compounding and broad market exposure. The satellite allocation is used more tactically to adjust the overall risk-return profile as market conditions evolve. This includes increasing or reducing equity exposure, allocating to higher yielding areas of fixed income, taking advantage of discounts within investment trusts and adding exposure to specialist and thematic opportunities.

Asset allocation remains flexible within the fund's parameters. Equity exposure is managed within the IA Mixed Investment 40–85% Shares sector constraints, while position limits across individual securities and collective investments support diversification and risk control.

Fixed income is implemented primarily through direct corporate bond selection rather than third-party funds, allowing the managers greater control over credit exposure, liquidity and fees. The focus is mainly on higher quality issuers, while selectively positioning within issuers' capital structures to enhance yields. Duration is managed conservatively through a relatively short-dated bond profile, supporting portfolio resilience and reinvestment flexibility. Turnover within the fixed income allocation is relatively high as bonds are actively rolled and repositioned based on relative value opportunities and changing market conditions.

Equity exposure is implemented through a blend of active funds, investment trusts, ETFs and selectively chosen individual equities. Passive strategies are generally used within the core allocation to provide efficient market exposure, while active funds, investment trusts and individual equities are used more selectively to add alpha, access specialist areas of the market, and exploit valuation opportunities, particularly where discounts to NAV appear attractive.

Alternatives form a meaningful part of the portfolio and are used primarily to provide diversification and differentiated return streams. These include infrastructure, renewable energy, commodities, private equity and specialist alternative strategies. The managers place particular emphasis on low correlation assets, inflation protection, and valuation opportunities, especially within investment trusts trading at material discounts to NAV. Commodity-related exposures, including precious metals and energy-linked investments, are also used opportunistically to diversify returns and capture longer-term structural themes.

Investment decisions are made collaboratively within the team, although final responsibility rests with the lead manager. Holdings are monitored continuously and reassessed as valuations, fundamentals and market conditions evolve. The relatively small and experienced team structure allows the managers to act quickly and adjust portfolio positioning efficiently when opportunities or risks emerge.

### Evaluation

The fund's flexible multi-asset approach is designed to perform across a broad range of market environments through diversified return streams, active asset allocation and security selection. While the fund does not maintain a structural bias towards either value or growth investing, positioning is adjusted dynamically depending on where the managers identify the most attractive opportunities.

The fund is expected to perform best in moderately directional markets where valuation dispersion and idiosyncratic opportunities are more pronounced. Stable credit markets and moderate equity volatility also tend to support the approach. Relative performance may be more challenged during periods of strong equity market performance where lower equity exposure may weigh on returns relative to peers.

## Application

The Credo Dynamic fund is suited to investors looking for actively managed, flexible multi-asset exposure with a long-term investment horizon, and an allocation that goes beyond a traditional equity/bond framework. The fund offers a balanced, diversified approach that can complement more traditional equity and fixed income strategies. It may be used as a core multi-asset holding or a satellite allocation for more dynamic positioning across market cycles. The fund aims to deliver equity-like returns over the long term with lower risk, but investors should be comfortable with periods of relative underperformance versus more directional equity or bond-heavy strategies.

## Our Opinion

The fund benefits from a flexible, conviction-driven multi-asset approach led by an experienced and close-knit management team that has worked together since the fund's launch, who are supported by a global equity research team. A key differentiator is the team's agility and streamlined decision-making structure, allowing them to respond quickly to changing market conditions.

Fixed income is a particular strength, underpinned by over two decades of in-house credit experience. The portfolio managers are directly involved in corporate bond selection across Credo's wider platform, strengthening the team's credit analysis capabilities and supporting identification of attractive risk-adjusted opportunities across credit markets.

The fund maintains a high active share and differentiated positioning, built through a hybrid process combining bottom-up security selection with macro awareness. A strong internal risk disciplines diversification across asset classes, and continuous monitoring ensure the fund remains aligned with its objective and retains flexibility across market cycles.



### Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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