Macroeconomic Commentary[1]

Global equity markets proved resilient during the third quarter of 2026 despite elevated geopolitical tensions, rising energy prices and higher interest rates. US equities maintained their outperformance, supported by robust economic growth, resilient corporate earnings and ongoing investment in AI and digital infrastructure. The technology-heavy Nasdaq gained 2.6% over the quarter, while the S&P 500 advanced by 2.3%, reaching new highs as earnings expectations improved. European markets delivered mixed returns. The FTSE 100 rose by 1.8%, benefiting from its exposure to energy, mining and financial companies, while the Euro STOXX 50 declined by 0.6% as investors assessed the impact of higher interest rates and a less compelling earnings outlook compared to the US. Inflationary concerns intensified during the quarter as energy prices rose sharply. Brent crude oil rose by 45.0%, reflecting tensions in the Middle East, the risk of supply disruption and a higher geopolitical risk premium. Fixed income markets faced a more challenging environment. Strong economic activity, persistent inflation and further monetary tightening prompted investors to reassess interest-rate expectations, pushing bond yields higher. The US 10-year Treasury yield rose by 82 basis points during the quarter, while the UK 10-year gilt yield increased by 67 basis points. In currency markets, sterling was broadly unchanged against the US dollar over the quarter and appreciated by 0.8% against the euro.

Fund Performance

The Credo Growth Fund delivered a strong return of 5.1% during the third quarter of 2026, outperforming the comparator (IA Flexible Investment Sector), which returned 1.8% over the same period[2]. Performance was driven primarily by the Fund's exposure to several high-quality technology, cybersecurity and financial services businesses that continued to benefit from favourable earnings trends and strong operating momentum.

The result reflected broad strength across several of the Fund's larger technology, cybersecurity and financial holdings. The portfolio also benefited from continued demand for AI-related infrastructure and security solutions, although performance moderated in September after the strong gains seen in July and August.

Portfolio Positioning and Strategy

The Fund remains focused on high-quality businesses with durable competitive advantages, capable management teams and attractive long-term growth prospects. The strategy remains primarily bottom-up allocating capital to companies that we believe can compound earnings and cash flows over time.

At the end of the quarter, the Fund managed approximately £106.1 million across 73 holdings. Equities represented 95.1% of net assets, while the ten largest holdings accounted for 37.8%. This positioning reflects conviction in the Fund's core investments while retaining diversification across businesses and end markets.

The portfolio retained meaningful exposure to AI and semiconductor infrastructure, cybersecurity, financial services and alternative asset management. Selective positions in defence and industrial companies provided additional exposure to businesses supported by strong order books and visible demand.

---

(1) Source: Bloomberg.
(2) Source: FE Analytics. Performance of the Credo Growth Fund Class A Retail Shares over the period 26/06/2026 to 25/09/2026..

The largest positions at the end of the period were Palo Alto Networks (4.7%), CrowdStrike Holdings (4.7%), Nvidia (4.2%), Amazon.com (4.0%), BlackRock (3.9%), Taiwan Semiconductor Manufacturing (3.8%), Microsoft (3.7%), ASML Holding (3.3%), Goldman Sachs (3.0%), and JPMorgan Chase (2.4%). Together, these holdings represent the Manager's highest-conviction investments across cybersecurity, semiconductors, cloud computing and financial services.

Portfolio Activity

Trading during the quarter was focused on re-allocating capital towards higher-conviction opportunities and adjusting position sizes following changes in valuation and prospective returns.

Notable purchases included Axon Enterprise, Tesla, Micron Technology, Ferrari, Marriott International, Corning, Rathbones, Alphabet and Quanta Services. Axon was increased for its exposure to the continued digitisation of public-safety workflows, while Micron, Corning and Quanta Services broadened the Fund's participation in semiconductor, connectivity and power-infrastructure investment. Ferrari and Marriott added differentiated consumer exposure, and Alphabet was increased at a valuation considered attractive relative to its long-term growth prospects.

The Fund also added selectively to existing technology and cybersecurity holdings. These purchases reflected continued confidence in demand for AI infrastructure, cloud software and cyber resilience, while position sizes were managed to balance conviction with valuation risk.

The most notable sales included Games Workshop, Meta Platforms, EssilorLuxottica, Flutter Entertainment and GEK Terna, alongside reductions in ON Holding and Wise. Games Workshop and GEK Terna were exited following strong performance, while Meta Platforms was materially reduced as capital was redirected to ideas with more attractive prospective returns. The reductions in Flutter Entertainment, EssilorLuxottica, ON Holding and Wise reflected relative valuation and portfolio allocation considerations rather than a change in the Fund's overall investment discipline.

Outlook

Geopolitical developments, energy prices and the path of interest rates are likely to remain important sources of volatility. Against this backdrop, we continue to favour companies with pricing power, strong balance sheets and the capacity to fund growth internally. The opportunity set remains attractive in cybersecurity, semiconductor and digital infrastructure, as well as selected financial and industrial businesses. We will remain disciplined on valuation and position sizing, particularly where market expectations already imply sustained high growth.

The portfolio is therefore positioned to participate in structural growth while maintaining diversification across sectors and business models. Our focus remains on owning exceptional companies where durable competitive advantages and cash-flow growth can support attractive long-term returns.

Roy Ettlinger, Portfolio Manager

Important Notice: The information and opinions expressed in this document have been compiled from sources believed to be reliable. This document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning Credo Capital Limited (authorised and regulated by the FCA in the UK) (Credo) and/or its UCITS Fund, Credo Growth Fund, referred to in this document. The Fund is regarded as a Collective Investment Scheme in Securities (CIS) and should be considered as a medium to long-term investment. CIS is traded at the ruling price and can engage in scrip lending and borrowing although the Fund does not. A schedule of fees, charges and maximum commissions for the Fund is available on request from FundRock Management Company S.A., (the Management Company). A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. Performance for the Fund is calculated using net NAV to NAV numbers with income reinvested. Full performance calculations are available from the Manager upon request. The performance for each period reflects the performance for investors who have been fully invested for that period. Individual investor performance may differ as a result of the actual investment date, the date of reinvestments and dividend withholding tax. For any additional information such as the Minimum Disclosure Documents, prospectus, and supplements, please go to www.credogroup.com. 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. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this document. There can be no assurance that the future results or events will be consistent with any such opinions, forecasts or estimates. 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. Companies in the Credo Group and their respective directors, members, employees and members of their families may have positions in the securities or derivatives thereof referred to in this document. No part of this document may be reproduced or distributed in any manner without the written permission of Credo. FundRock Collective Investments (RF) (Pty) Ltd (FR) is the Representative Office in South Africa for the Credo Growth Fund. FR is part of the Apex Group Ltd. The Credo Growth Fund is approved under section 65 of the Collective Investment Schemes Control Act 45 of 2002.

The Fund is domiciled in Ireland and is authorised by the Central Bank of Ireland (CBI). The Fund is recognised in the UK under the Overseas Funds Regime but is not a UK authorised fund. The management company is FundRock Management Company S.A. which is domiciled in Luxembourg and is authorised by the Commission de Surveillance du Secteur Financier (CSSF). UK investors should be aware that if they invest in the Fund, they will not be able to refer a complaint against its management company or its depositary to the UK's Financial Ombudsman Service (FOS). Any claims for losses relating to the management company or the depositary will not be covered by the Financial Services Compensation Scheme (FSCS), in the event that either person should become unable to meet its liabilities to investors. A UK investor will be able to make a complaint to the Fund and the management company, and some investors will have a right to access the alternative dispute resolution schemes in Ireland and Luxembourg. A UK investor will not have a right to access a compensation scheme in Ireland in the event that either the Fund's management company or the depositary should become unable to meet its liabilities to investors.