

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	11.6	10.0	10.3	13.0	7.7	7.1	7.1
MSCI World	11.0	9.5	10.1	0.9	2.0	5.1	5.1
Relative	0.6	0.5	0.2	12.1	5.7	2.0	2.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	30.4	14.8
MSCI World	26.2	15.1

Market Commentary

After a particularly turbulent year for investors, global equity and fixed income markets had a strong start to 2023. The S&P 500, Euro STOXX 50 and FTSE 100 all finished the month up by 6.3%, 9.9% and 4.3%, respectively in their local currencies. Although the pressures of inflation, monetary policy and geo-political conflict continued to weigh in on investors, optimism spurred amongst positive news of stabilising gas prices, relaxation of Covid restrictions and resilient labour markets. Fixed income markets continued their correlation with global equity markets, although in a more forgiving direction for investors thus far. Yields fell on US, UK and German 10-year bonds by 37, 34 and 29 basis points, respectively. The pound gained 2.0% on the US dollar and gained 1.5% on the euro.

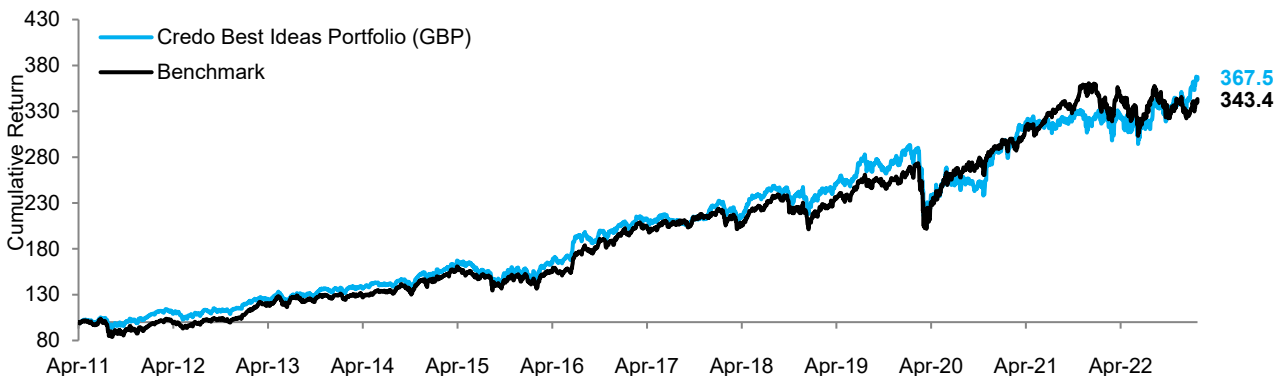
Key Contributors to Return

Frontdoor’s shares increased by 30.7% after the release of data that points to a moderation in the cost inflation which crimped its margins during the previous year, and growing home inventories which normally boost demand for the warrantees it sells. Alibaba’s shares increased by 25.1% after its interest in Ant Group emerged unchanged from the announcement of the restructured voting arrangements surrounding that company, and signs of positive retail trends resulting from China’s altered Covid policy.

Key Detractors from Return

Cigna’s shares declined by 4.4% after California’s Department of Health Care Services outlined plans to enact a new tax on the managed care industry to support its budget-constrained Medi-Cal programme from 1 January 2024. British American Tobacco’s shares declined by 3.9% after the US Federal Drug and Administration issued marketing denial orders in respect of two of its Vuse vaping products and moved its proposed ban on menthol in cigarettes from the “proposed rule” to the “final rule” stage.

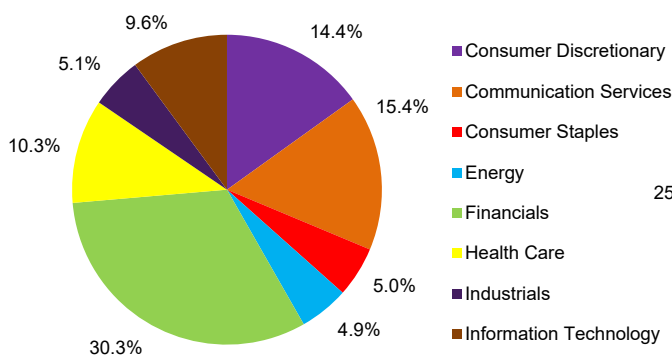
Performance Since Inception (14/04/2011)²



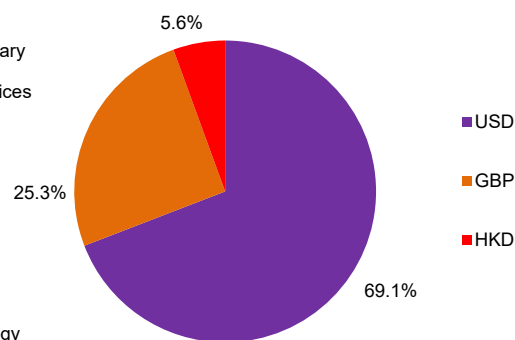
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
British American Tobacco plc	3096p	9.0x	7.8x	7.0%
Chubb Ltd	\$227.5	14.9x	12.5x	1.5%
Meta Platforms Inc-Class A	\$149	13.5x	13.8x	0.0%
Total Portfolio Average		19.7x	14.8x	1.2%
MSCI World		17.8x	16.4x	2.2%

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

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 31/01/2023 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				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
Best Ideas Portfolio	9.3	7.2	7.9		3.6	15.6	9.0	9.0
MSCI World	8.4	6.5	7.6		-7.5	9.7	7.1	7.1
Relative	0.9	0.7	0.3		11.1	5.9	1.9	1.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	37.1	15.3
MSCI World	34.0	15.1

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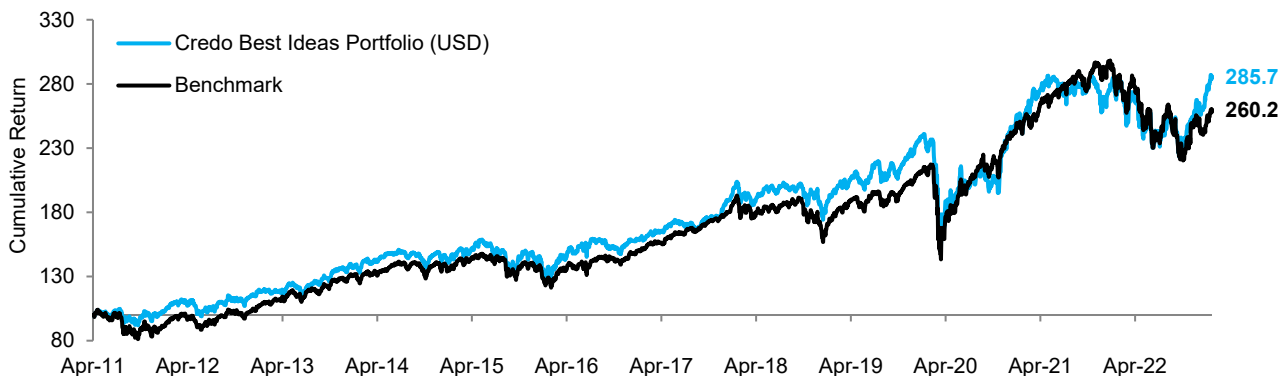
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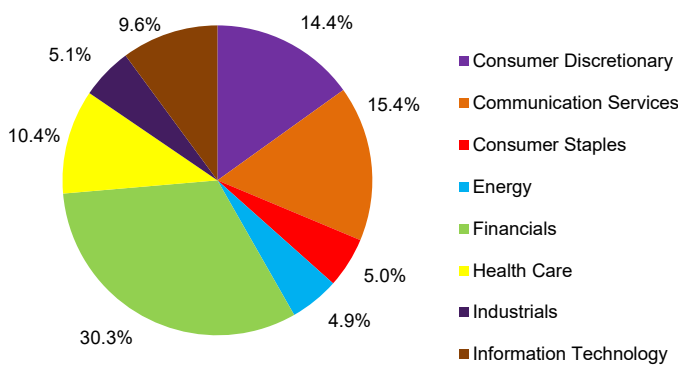
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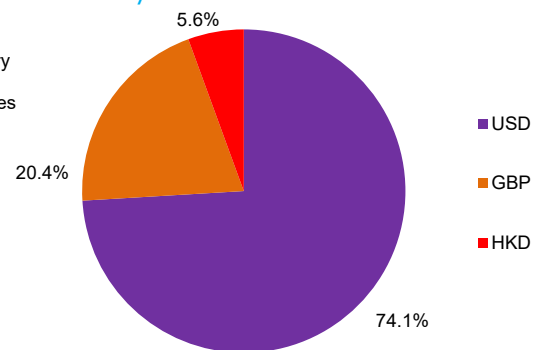
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