

## 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				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
<b>Best Ideas Portfolio</b>	11.4	9.6	14.0		20.0	1.6	3.3	8.8
<b>MSCI World</b>	11.0	9.9	11.2		13.5	3.7	3.3	9.5
<b>Relative</b>	0.4	-0.3	2.8		6.5	-2.1	0.0	-0.7

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

## Market Commentary

June was largely a positive month for global equities with the S&P 500, NASDAQ, Euro STOXX 50 and FTSE 100 all up 6.6%, 6.7%, 4.4% and 1.4% respectively, in their local currencies, which was propelled by positive corporate earnings and renewed investor confidence around the global economic recovery. However, core inflation accelerated throughout the month causing central banks to further increase policy rates. The European Central Bank increased its rate to 3.5%, while the Bank of England raised the base rate to 5.0%. Yields on US, UK and German 10-year bonds saw rises of 19, 21 and 11 basis points respectively. Among commodities, Brent Crude Oil and Copper saw rises of 4.5% and 3.5% respectively, whereas Gold fell 2.2% during the month. The pound rose by 2.6% against the US dollar but fell 0.1% against the euro.

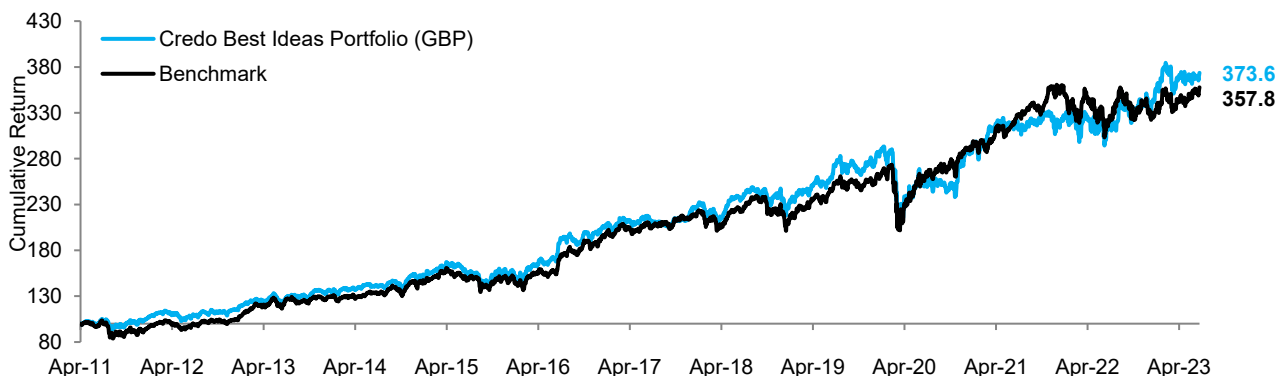
### Key Contributors to Return

HCA Healthcare's shares increased by 12.1% after comments from US health insurers suggested there is an ongoing trend of older adults catching up on hip and knee surgeries delayed during the pandemic. Cigna's shares increased by 11.0% after management reaffirmed its full year outlook for 2023 of consolidated adjusted income from operations of at least \$24.7 per share.

### Key Detractors from Return

Flutter Entertainment's shares increased by only 0.4% in a strong market and in the absence of any major news. The Walt Disney Company's shares declined by 1.1% after the company announced that Christine McCarthy (CFO since Jun 2015) stepped down from her role effective 1 July 2023.

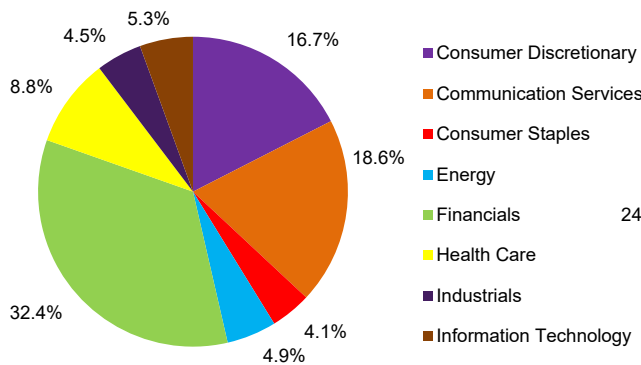
## Performance Since Inception<sup>2</sup>



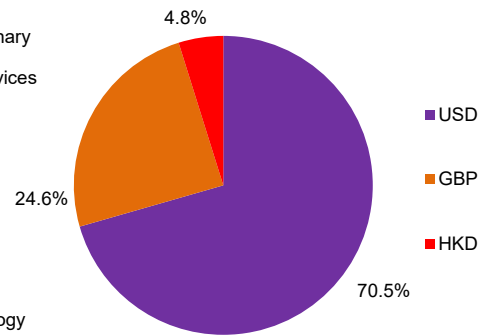
### Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
British American Tobacco plc	2608p	7.0x	6.6x	8.9%
Chubb Ltd	\$192.6	12.3x	10.1x	1.8%
Meta Platforms Inc-Class A	\$287	25.9x	19.9x	0.0%
<b>Total Portfolio Average</b>		<b>19.4x</b>	<b>14.8x</b>	<b>1.3%</b>
<b>MSCI World</b>		<b>18.8x</b>	<b>17.1x</b>	<b>2.1%</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. Inception date: 14/04/2011.

(2) Source: Bloomberg pricing as of 30/06/2023 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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	9.4	8.8	14.8	24.9	4.5	5.9	14.2
<b>MSCI World</b>	8.8	9.1	12.2	18.5	6.8	6.0	15.1
<b>Relative</b>	0.6	-0.3	2.6	6.4	-2.3	-0.1	-0.9

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

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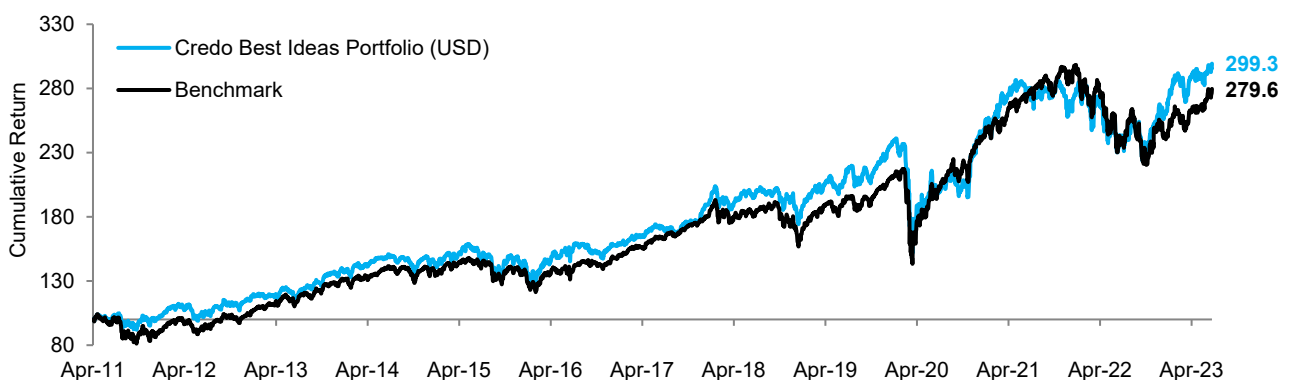
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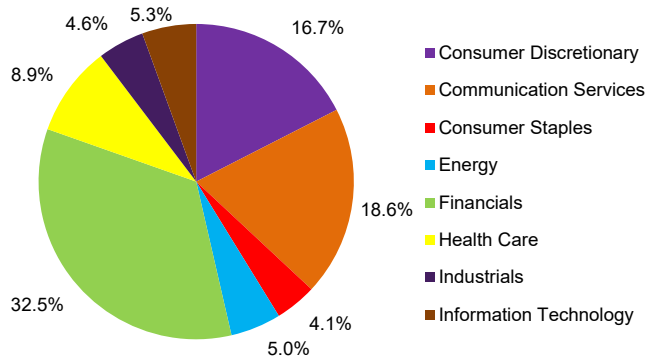
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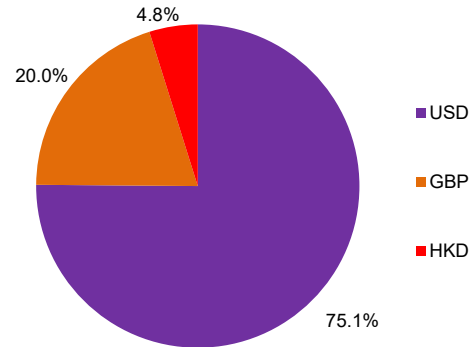
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