

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 Months	1 Month	YTD
Best Ideas Portfolio	11.5	9.3	16.1	21.0	2.5	2.2	11.2
MSCI World	11.1	9.6	12.4	7.4	6.1	2.2	11.9
Relative	0.4	-0.3	3.7	13.6	-3.6	0.0	-0.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	-30.4	15.0
MSCI World	-26.2	15.0

Market Commentary

Global equity markets continued to climb through July fuelled by positive market sentiment as investors were encouraged by a drop in inflation and resilient economic data. The S&P 500, NASDAQ, Euro STOXX 50, and FTSE 100 all finished the month up 3.2%, 4.1%, 1.8%, and 2.3% respectively, and measured in their local currencies. Central banks continued with their hawkish stance, with the Federal Reserve and European Central Bank both increasing rates by a further 25 basis points. Yields on US and German 10-year bonds rose by 12.2 and 10 basis points respectively, whereas the yield on UK 10-year bonds fell by 7.9 basis points. Among commodities, Brent Crude oil rose by 14.2%, which was driven by signs of tightening global supply and rising demand throughout the rest of this year. The pound rose by 1.0% against the US dollar, and by 0.8% against the euro.

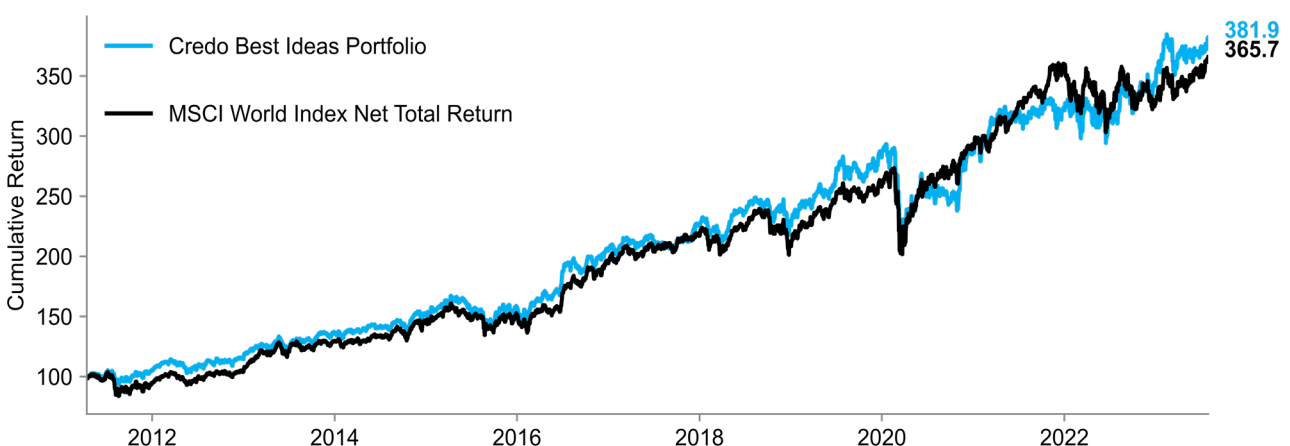
Key Contributors to Return

Alibaba Group Holding's shares increased by 21.2% after China's financial regulator levied fines on several companies, which was taken as a positive signal that the regulatory crackdown on Chinese technology companies is coming to an end. Madison Square Garden Sports' shares increased by 11.9% after it was announced the stock would join the S&P SmallCap 600 Index effective 1 August 2023.

Key Detractors from Return

RTX Corporation's shares declined by 11.2% after it reported problems with its Geared Turbo Fan engines which overshadowed consensus-beating profits in the second quarter and higher guidance for full-year sales. HCA Healthcare's shares declined by 11.1% after full year guidance was raised, seemingly by less than the market had expected.

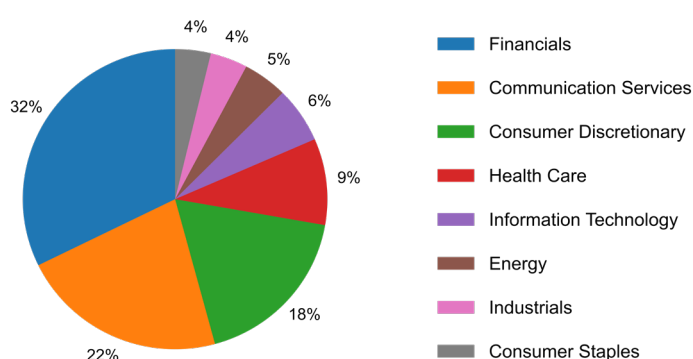
Performance Since Inception²



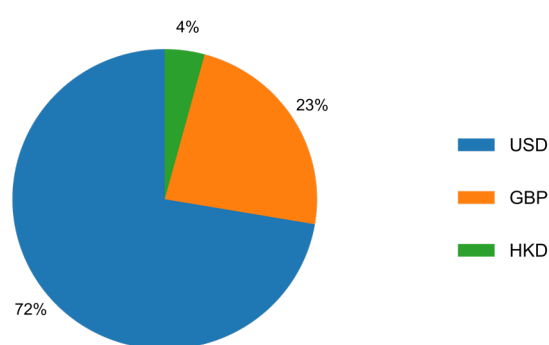
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
British American Tobacco plc	2615p	6.8x	6.8x	8.8%
Chubb Ltd	\$204.4	12.5x	10.4x	1.7%
Meta Platforms Inc-Class A	\$318.6	25.4x	20.7x	0.0%
Total Portfolio Average		19.9x	15.2x	1.3%
MSCI World		19.4x	17.6x	2.0%

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 holding 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 31/07/2023 close. All portfolio performance is calculated using Bloomberg PORT.

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Portfolio Performance (USD)^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Months	1 Month	YTD
Best Ideas Portfolio	9.6	8.9	15.3	27.4	4.8	3.3	17.9
MSCI World	9.0	9.1	11.7	13.5	8.5	3.4	19.0
Relative	0.6	-0.2	3.6	13.9	-3.7	-0.1	-1.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	-37.1	15.8
MSCI World	-34.0	15.4

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Global equity markets continued to climb through July fuelled by positive market sentiment as investors were encouraged by a drop in inflation and resilient economic data. The S&P 500, NASDAQ, Euro STOXX 50, and FTSE 100 all finished the month up 3.2%, 4.1%, 1.8%, and 2.3% respectively, and measured in their local currencies. Central banks continued with their hawkish stance, with the Federal Reserve and European Central Bank both increasing rates by a further 25 basis points. Yields on US and German 10-year bonds rose by 12.2 and 10 basis points respectively, whereas the yield on UK 10-year bonds fell by 7.9 basis points. Among commodities, Brent Crude oil rose by 14.2%, which was driven by signs of tightening global supply and rising demand throughout the rest of this year. The pound rose by 1.0% against the US dollar, and by 0.8% against the euro.

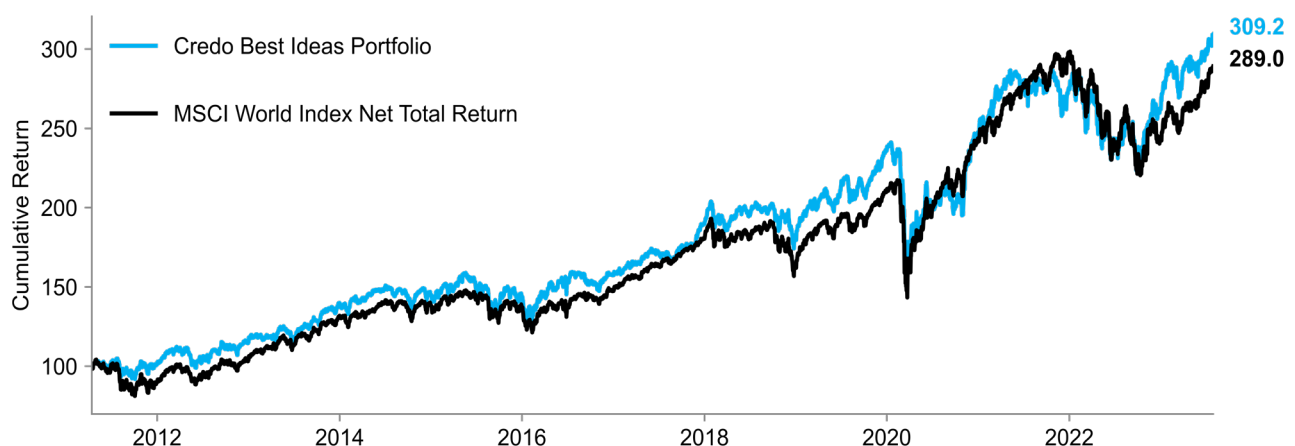
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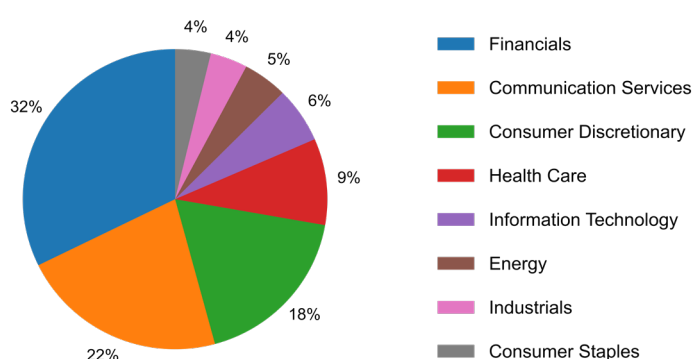
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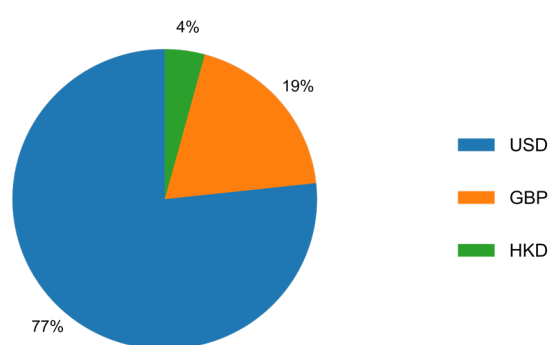
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