

## 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>

|                             | Annualised   |         |         |        |          |         |      |
|-----------------------------|--------------|---------|---------|--------|----------|---------|------|
| Return (%)                  | S. Inception | 5 Years | 3 Years | 1 Year | 3 Months | 1 Month | YTD  |
| <b>Best Ideas Portfolio</b> | 11.8         | 10.7    | 11.5    | 19.3   | -2.1     | -1.1    | 11.6 |
| <b>MSCI World</b>           | 11.7         | 11.9    | 10.0    | 20.9   | 2.5      | 2.7     | 12.8 |
| <b>Relative</b>             | 0.1          | -1.1    | 1.5     | -1.6   | -4.5     | -3.9    | -1.2 |

| Risk (%)                    | Largest Drawdown | Volatility (Annualised) |
|-----------------------------|------------------|-------------------------|
| <b>Best Ideas Portfolio</b> | 30.40            | 14.8                    |
| <b>MSCI World</b>           | 26.20            | 15.1                    |

## MARKET COMMENTARY

Following a strong May, global equity markets saw mixed returns in June. In the US, the DJIA, S&P 500 and NASDAQ all recorded positive returns of 1.2%, 3.6% and 6.0% respectively and measured in their local currencies. This was driven by a strong earnings season for US technology companies. Whereas in Europe, financial markets responded negatively to the announcement of a snap election in France by French President Emmanuel Macron. The Euro STOXX 50, CAC 40 and FTSE 100 all recorded negative returns of -1.7%, -6.2% and -1.0% respectively and measured in their local currencies. In fixed income markets, yields on US, UK and German 10-year bonds declined by 10.2, 14.6 and 16.4 basis points. The European Central Bank (ECB) became the latest developed market central bank to cut interest rates and the Bank of England (BoE) and Federal Reserve (Fed) are both expected to cut rates by the end of the year. The pound was down 0.8% and 1.2% against the US dollar and euro, respectively.

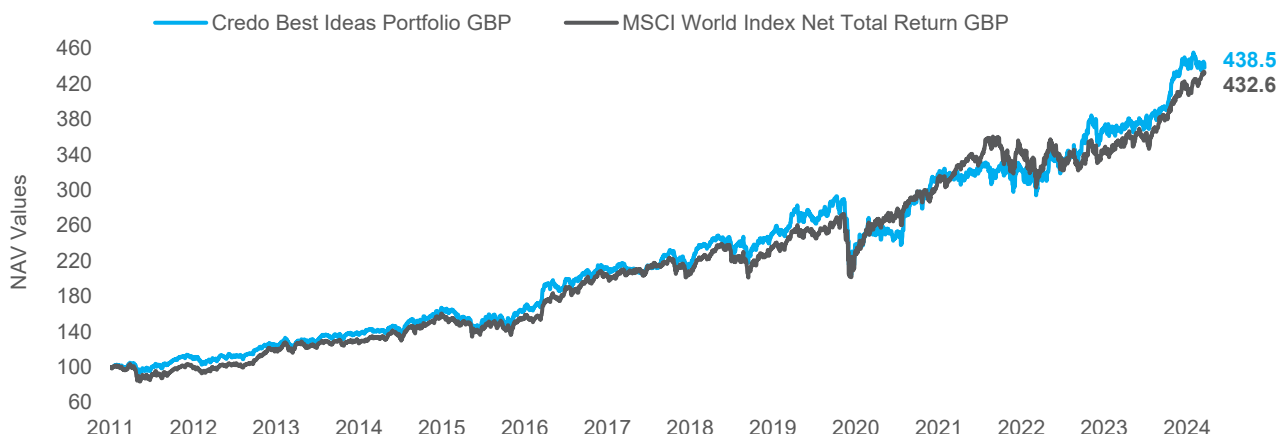
### Key Contributors to Return

Meta Platforms' shares increased by 8.9% after lawmakers discussed restricting algorithms in social media content distribution for children which could benefit Meta Platform at the expense of TikTok's highly effective algorithm. Microsoft Corp's shares increased by 8.4% after Apple and OpenAI's newly announced partnership could benefit the company's cloud business and profit sharing with OpenAI.

### Key Detractors from Return

Alibaba Group's shares declined by 5.4% after China's largest ecommerce groups experienced their first ever drop in combined gross merchandise volumes of 7% during the annual June shopping festivals in China. RTX Corp's shares declined by 6.2% after Airbus lowered its aircraft production guidance which in turn could imply lower orders for RTX Corp's commercial aircraft business.

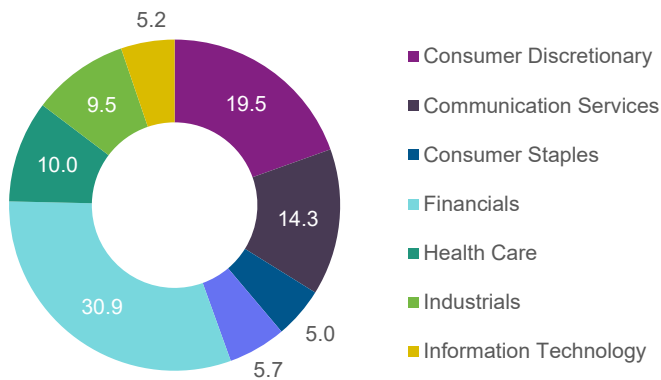
## PERFORMANCE SINCE INCEPTION<sup>2</sup>



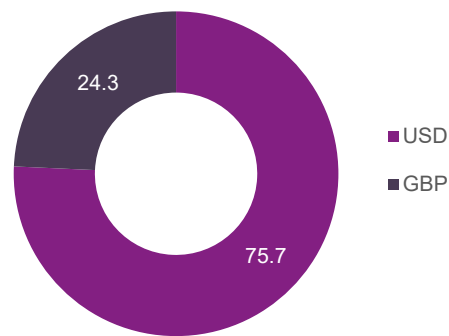
**SAMPLE PORTFOLIO STATISTICS<sup>2</sup>**

|                                     | Current Price | Trailing 12 Month P/E | 12 Month Forward P/E | Dividend Yield |
|-------------------------------------|---------------|-----------------------|----------------------|----------------|
| <b>British American Tobacco plc</b> | 2430p         | 6.4x                  | 6.5x                 | 9.6%           |
| <b>Chubb Ltd</b>                    | \$255.1       | 11.0x                 | 11.7x                | 1.4%           |
| <b>Meta Platforms Inc-Class A</b>   | \$504.2       | 26.1x                 | 23.2x                | 0.2%           |
| <b>Total Portfolio Average</b>      |               | <b>25.8x</b>          | <b>13.8x</b>         | <b>1.8%</b>    |
| <b>MSCI World</b>                   |               | <b>22.0x</b>          | <b>19.8x</b>         | <b>1.8%</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 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 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 28/06/2024 close. All portfolio performance is calculated using Bloomberg PORT.

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### PORTFOLIO PERFORMANCE (USD)<sup>1,2</sup>

|                             | Annualised   |         |         |        |          |         |      |
|-----------------------------|--------------|---------|---------|--------|----------|---------|------|
| Return (%)                  | S. Inception | 5 Years | 3 Years | 1 Year | 3 Months | 1 Month | YTD  |
| <b>Best Ideas Portfolio</b> | 9.9          | 10.6    | 8.2     | 17.6   | -1.9     | -1.8    | 10.6 |
| <b>MSCI World</b>           | 9.6          | 11.8    | 6.9     | 20.2   | 2.6      | 2.0     | 11.7 |
| <b>Relative</b>             | 0.3          | -1.2    | 1.4     | -2.6   | -4.5     | -3.8    | -1.2 |

| 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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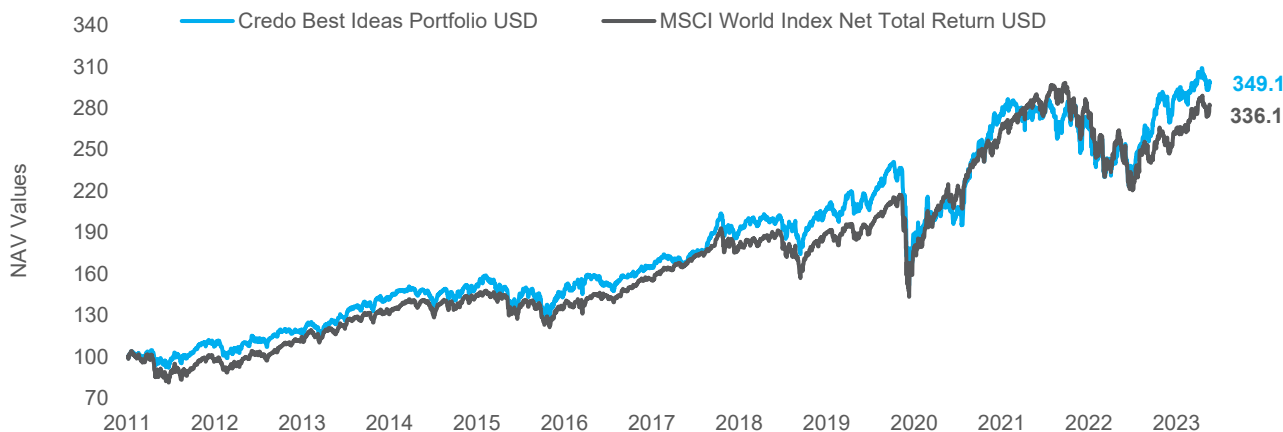
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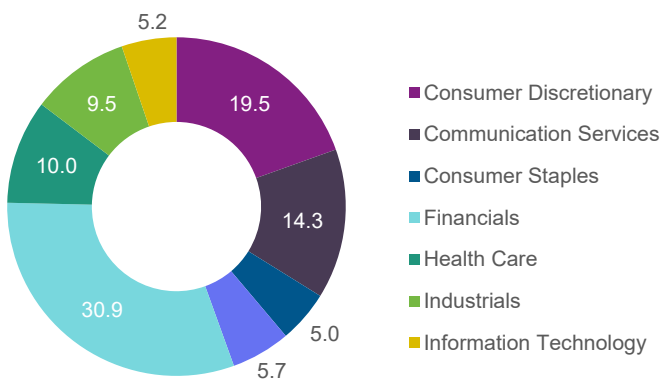
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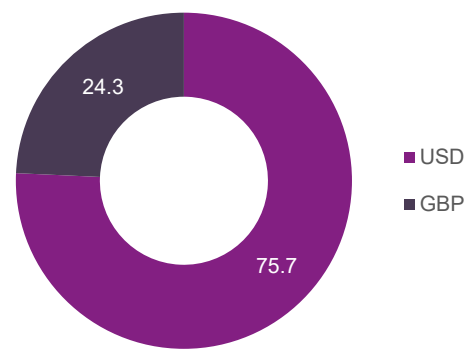
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**SECTOR ALLOCATION (%)**



**CURRENCY ALLOCATION (%)**



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