FIXED INCOME PORTFOLIOS

The Credo Fixed Income Portfolios are high conviction portfolios containing a select number of corporate and government bonds across two currencies (GBP & USD) and different risk profiles (Conservative & Enhanced Yield).

These aim to produce an income return in excess of bank rates and are designed to give investors exposure to predominantly international corporate bond markets. Within each currency, the different portfolios target a different risk and return profile. The portfolio utilised will be set in line with an investor's investment objectives with the consideration of any broader, associated portfolios.

These actively managed portfolios are an excellent way for investors to gain exposure to corporate bonds, and these solutions can be utilised as a stand-alone portfolio or as part of a broader asset allocation strategy. Credo's fixed income team has delivered a superior long term track record through rigorous credit analysis.

INVESTMENT STRATEGY

The objective is to deliver surplus returns through stringent credit analysis. Credo has delivered a strong long-term track record through its strategy of buying corporate debt in high quality companies. While cognisant of client requirements and mandate permitting, Credo portfolios are mainly focused on delivering the best risk adjusted returns, backed by empirical research, which can be found in the sweet spot between low quality credits with the highest risk and the top rated bonds with lower returns (typically categorised with a BBB credit rating).

The portfolio is expected to have a low turnover in order to minimise trading costs and so investors should expect to receive the quoted prospective return until the bonds mature (dependent on the corporate going concern and call risk). We will only advocate a switch during the term of the bond if investors are more than compensated for all related costs and for a better risk-adjusted return in an alternative bond, or if there is a significant change in the underlying credit fundamentals.

To increase the yield, mainly in the enhanced yield portfolios, our preference is to move down the capital structure (buying a subordinated bond) in a stronger company as opposed to taking a senior risk in a weaker company.

The portfolios are structured to have a laddered maturity schedule over the investment time horizon. This maturity profile minimises the impact of market timing, enabling the portfolio to regularly reinvest at prevailing interest rates and help facilitate withdrawals as per client requirements.

INVESTMENT PHILOSOPHY

- We believe that wealth is best created and preserved through patient and disciplined investing, with a focus on the long term.
- We view risk as permanent losses of capital and not in terms of short-term volatility.
- We prioritise the avoidance of defaults in fixed income investing, given the asymmetric pay-off profile pertaining to the asset class.
- When adding to portfolio risk in the pursuit of enhancing the overall yield, we prioritise financial strength of each counterparty over the seniority of the debt instruction in question.

CHARACTERISTICS

- Invests in a diversified portfolio of corporates bonds.
- A medium timeframe until the bonds' respective maturities with an average timeframe of 3-5 years.
- The portfolio is likely to include some exposure to high yield bonds.
- The portfolio is likely to contain a substantial weighting to the financial sector (i.e. banks and insurers).
- To increase the yield, the portfolio will have a higher weighting to subordinated debt and can include callable bonds.

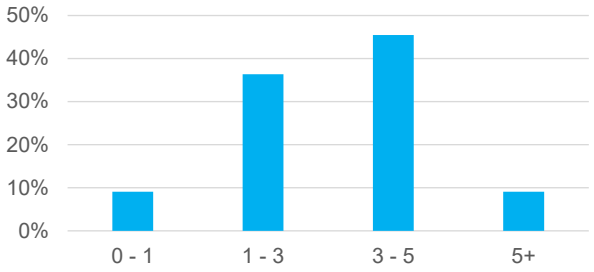
Enhanced Yield Portfolio (GBP)
November 2026

CREDO

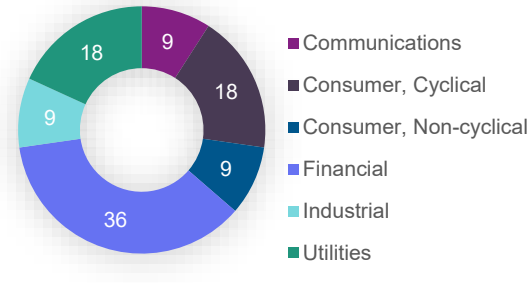
SAMPLE HOLDINGS

Name	Avg Credit Rating	Maturity	Call	Coupon (%)	Running Yield (%)	Price	YTW (%)
Barclays Plc	BBB	Nov 32	Nov 27	8.41	8.19	102.7	5.6
Ford Motor Credit	BBB-	Oct 28	-	5.63	5.66	99.3	5.9
Hsbc Holdings Plc	BBB+	Nov 34	Aug 29	8.20	7.80	105.2	6.1

DURATION



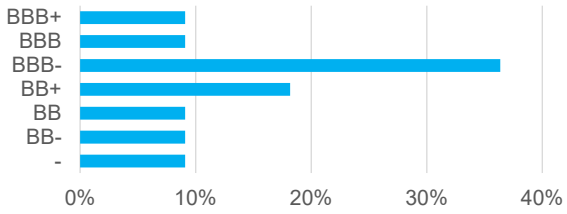
SECTOR (%)



SUMMARY

Expected Return	6.8%
Expected Income Yield	7.0%
Expected Duration	3.8
Number of Holdings	11

CREDIT RATING



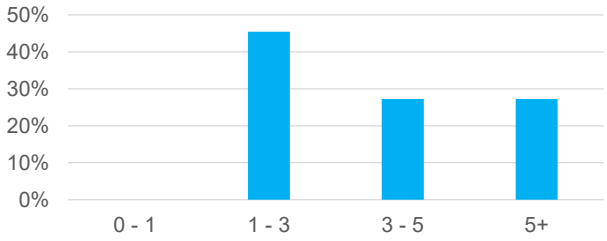
Enhanced Yield Portfolio (USD)
November 2026

CREDO

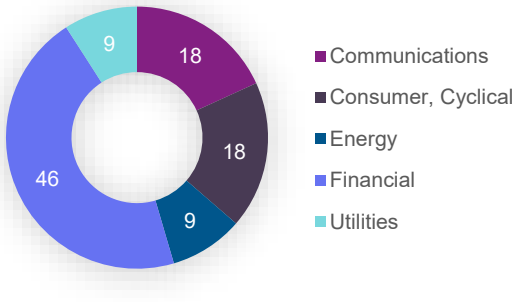
SAMPLE HOLDINGS

Name	Avg Credit Rating	Maturity	Call	Coupon (%)	Running Yield (%)	Price	YTW (%)
Aberdeen Group Plc	BBB	Jun 28	-	4.25	4.35	97.7	5.7
Ford Motor Company	BB+	Apr 30	Jan 30	9.63	8.73	110.2	6.1
BP Plc	BBB+	-	Dec 33	6.45	6.48	99.6	6.5

DURATION



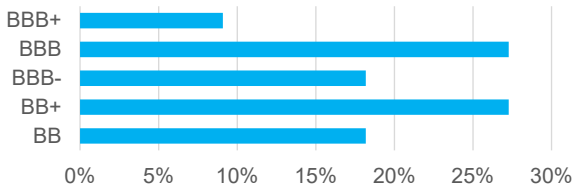
SECTOR (%)



SUMMARY

Expected Return	6.4%
Expected Income Yield	6.2%
Expected Duration	3.8
Credit Rating	BBB-
Number of Holdings	11

CREDIT RATING



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