

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	2.2%	3.1%	0.9%	2.3%	0.6%	-6.9%	1.1%						2.9%
2014	-2.8%	4.4%	-0.2%	0.9%	2.6%	-1.6%	-0.1%	3.3%	-0.5%	1.6%	5.1%	-2.2%	10.6%
2013	6.0%	2.7%	0.7%	1.0%	2.1%	-4.2%	4.7%	-1.0%	0.0%	5.3%	0.4%	0.7%	19.5%
2012	3.2%	3.2%	-0.2%	-0.5%	-5.0%	2.7%	1.8%	0.9%	0.4%	1.0%	1.9%	0.3%	9.8%
2011				1.9%	0.3%	0.9%	-0.6%	-3.2%	-2.5%	5.7%	1.1%	1.7%	5.1%

Cumulative Total Return	1 Year	3 Year	Since Inception
Best Ideas Portfolio	10.5%	42.2%	57.0%
MSCI World	13.4%	50.4%	50.4%

Market Commentary

Though revisions to US GDP data pared 0.1% off real annual GDP growth since 2012, continuing low unemployment claims suggest ongoing improvement in the labour market. While some blue-chip companies reported underwhelming earnings, 77% have beaten estimates, and the S&P500 closed 1.3% up over the month. Gold slid -6.8%, hitting a new five-year low, as expectations of a US rate hike left investors unwilling to take large positions in the metal. Fervent musings over Grexit faded from the headlines as Athens reached a partial resolution with her creditors. Though sentiment surrounding Greece improved, corporate earnings results were mixed. Nevertheless, the DAX and CAC 40 were up 1.2% and 4.1% over the month, respectively. In the UK, speculation over the timing of interest rate hikes and the tumbling gold price weighed on stocks, however, the FTSE 100 ended up 1.3% over the month. While weak economic data prompted renewed concerns over China's growth, continued government stimulus measures supported stock markets.

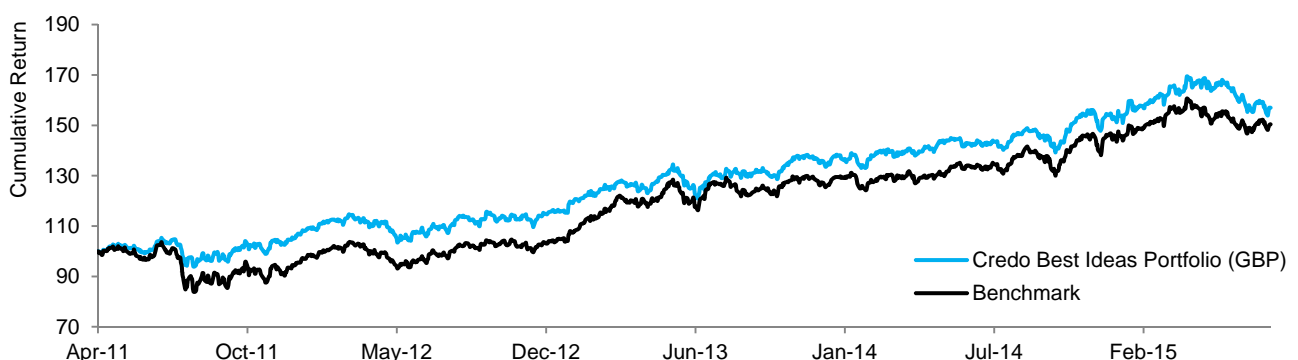
Key Contributors to Return

Imperial Tobacco returned 9.7% over the month as US cigarette sales grew 5.4% year-on-year. Positive sales momentum, reflecting stronger consumer demand, indicates that Imperial may meet their 10% dividend growth target in spite of one-off US brand acquisition costs. Plunging prices for whole milk powder have proved a boon to infant formula producers Danone. Since April 2013 supply has expanded despite anaemic demand, leading futures prices to plunge 75%. This lower cost base has provided ample support for Danone's profit margins. The stock returned 6.4% last month.

Key Detractors from Return

BP fell -5.9% over the month as the company reported a \$5.8 billion loss in the second quarter, following settlement of the 2010 Gulf of Mexico oil spill. Besides the near 40% decline in oil prices since last year, BP struggled due to diminished production in the Gulf of Mexico and a write-down in Libya because of political unrest. Shares in Diageo dropped over the month after it confirmed the SEC was investigating it for artificially boosting revenue through shipping unwanted products, a practice known as 'channel stuffing'. The stock returned -2.8% over the month.

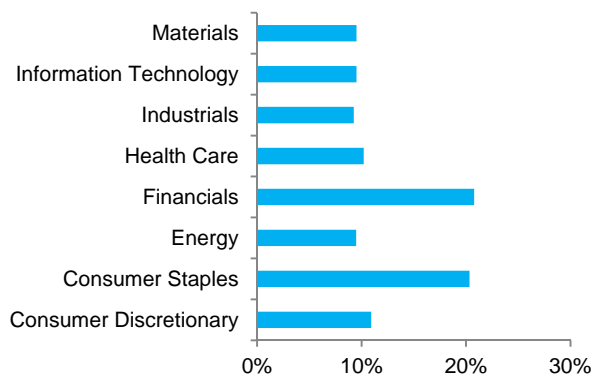
Performance Since Inception (GBP)²



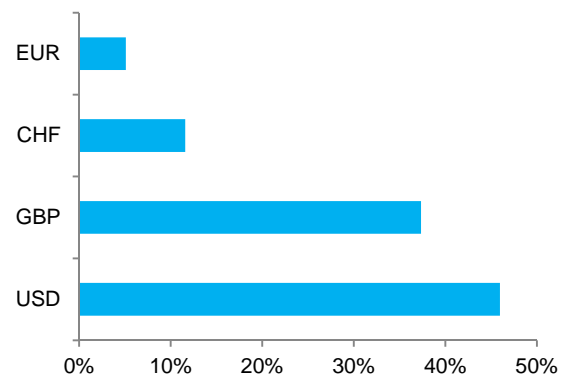
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield	2015 Consensus Price Target
BP	395p	23.8x	15.8x	6.5%	453p
Danone	€61.7	30.6x	21.1x	2.4%	€64.5
Microsoft	\$46.7	17.9x	17.5x	2.7%	\$50.3
Total Portfolio Average		16.4x	16.2x	3.1%	
MSCI World		18.9x	17.5x	2.4%	

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(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. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any fees (which can vary depending on the level of service) but includes net dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/07/2015 close. All portfolio performance is calculated using Bloomberg PORT.

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 (USD)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-1.5%	6.0%	-3.0%	5.7%	0.2%	-4.1%	0.4%						3.2%
2014	-3.4%	6.1%	-0.5%	2.1%	1.9%	0.4%	-1.4%	1.4%	-2.7%	0.2%	2.7%	-2.5%	4.0%
2013	3.6%	-1.7%	0.8%	3.3%	-0.3%	-4.1%	4.6%	1.0%	4.6%	4.5%	2.3%	1.9%	21.9%
2012	4.7%	4.4%	0.2%	1.0%	-9.7%	4.5%	1.8%	2.1%	2.2%	0.8%	1.3%	1.6%	14.9%
2011				4.6%	-1.3%	-1.4%	1.6%	-4.1%	-6.2%	8.9%	-1.5%	0.4%	0.2%

Cumulative Total Return	1 Year	3 Year	Since Inception
Best Ideas Portfolio	2.2%	41.8%	50.8%
MSCI World	4.9%	49.9%	44.5%

Market Commentary

Though revisions to US GDP data pared 0.1% off real annual GDP growth since 2012, continuing low unemployment claims suggest ongoing improvement in the labour market. While some blue-chip companies reported underwhelming earnings, 77% have beaten estimates, and the S&P500 closed 1.3% up over the month. Gold slid -6.8%, hitting a new five-year low, as expectations of a US rate hike left investors unwilling to take large positions in the metal. Fervent musings over Grexit faded from the headlines as Athens reached a partial resolution with her creditors. Though sentiment surrounding Greece improved, corporate earnings results were mixed. Nevertheless, the DAX and CAC 40 were up 1.2% and 4.1% over the month, respectively. In the UK, speculation over the timing of interest rate hikes and the tumbling gold price weighed on stocks, however, the FTSE 100 ended up 1.3% over the month. While weak economic data prompted renewed concerns over China's growth, continued government stimulus measures supported stock markets.

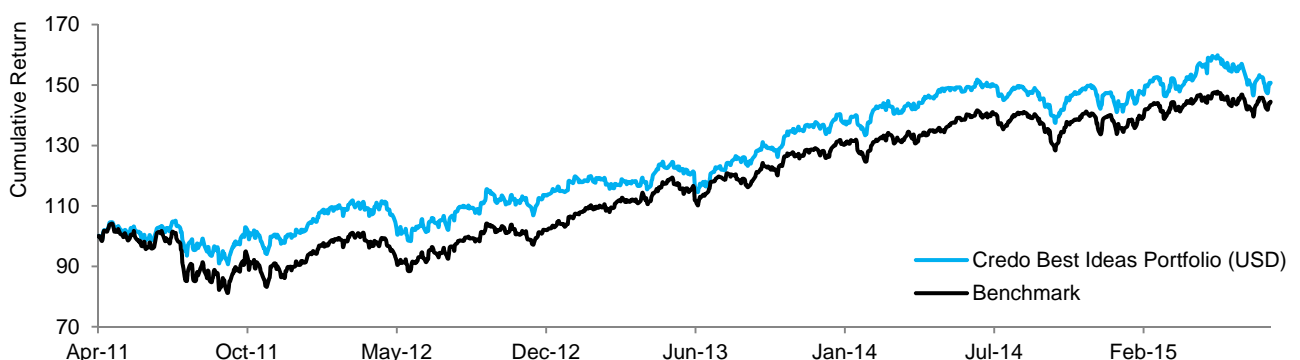
Key Contributors to Return

Imperial Tobacco returned 9.7% over the month as US cigarette sales grew 5.4% year-on-year. Positive sales momentum, reflecting stronger consumer demand, indicates that Imperial may meet their 10% dividend growth target in spite of one-off US brand acquisition costs. Plunging prices for whole milk powder have proved a boon to infant formula producers Danone. Since April 2013 supply has expanded despite anaemic demand, leading futures prices to plunge 75%. This lower cost base has provided ample support for Danone's profit margins. The stock returned 6.4% last month.

Key Detractors from Return

BP fell -5.9% over the month as the company reported a \$5.8 billion loss in the second quarter, following settlement of the 2010 Gulf of Mexico oil spill. Besides the near 40% decline in oil prices since last year, BP struggled due to diminished production in the Gulf of Mexico and a write-down in Libya because of political unrest. Shares in Diageo dropped over the month after it confirmed the SEC was investigating it for artificially boosting revenue through shipping unwanted products, a practice known as 'channel stuffing'. The stock returned -2.8% over the month.

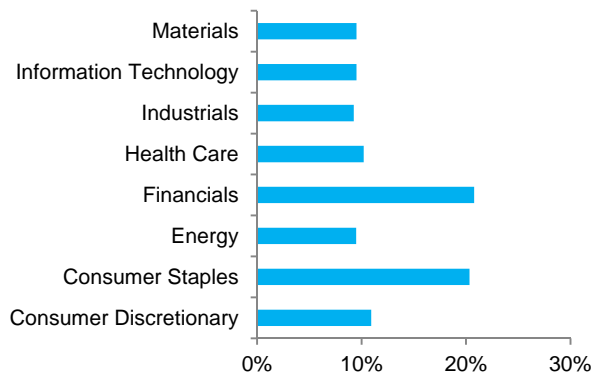
Performance Since Inception (USD)²



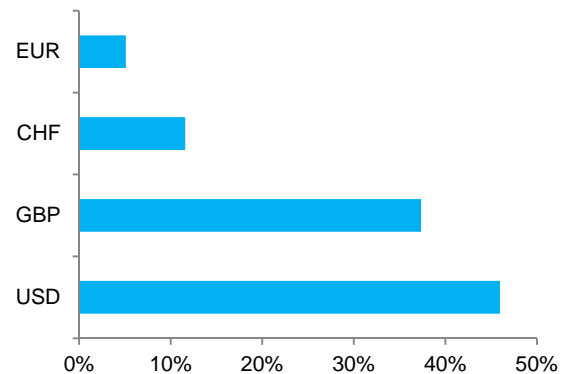
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield	2015 Consensus Price Target
BP	395p	23.8x	15.8x	6.5%	453p
Danone	€61.7	30.6x	21.1x	2.4%	€64.5
Microsoft	\$46.7	17.9x	17.5x	2.7%	\$50.3
Total Portfolio Average		16.4x	16.2x	3.1%	
MSCI World		18.9x	17.5x	2.4%	

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, designed to track the holdings of the Credo Best Ideas Portfolio. Portfolio incorporates all additions and removals. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any fees (which can vary depending on the level of service) but includes net dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/07/2015 close. All portfolio performance is calculated using Bloomberg PORT.