

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 (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	4.6	2.9	1.0	25.7	14.4	15.3	13.2
MSCI World	5.6	2.6	0.9	31.1	15.4	16.5	12.4
Relative	-1.0	0.3	0.2	-5.4	-1.0	-1.2	0.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.2
MSCI World	19.0	12.9

Market Commentary

May saw the continuation of a succession of major geopolitical events including the election of pro-EU candidate Emmanuel Macron as French President, a major terror attack in Manchester in the UK, President Trump's first overseas trip and the G7 summit in Sicily. Most developed equity markets rose, with the DJIA, EUROSTOXX 50, FTSE 100 and Nikkei 225 increasing by 0.7%, 1.3%, 4.9% and 2.4% respectively. In fixed income, major government bond yields fell with UK 10-year gilts falling 4bps to 1.05% and US 10-year Treasury yields decreasing 8bps to 2.20%.

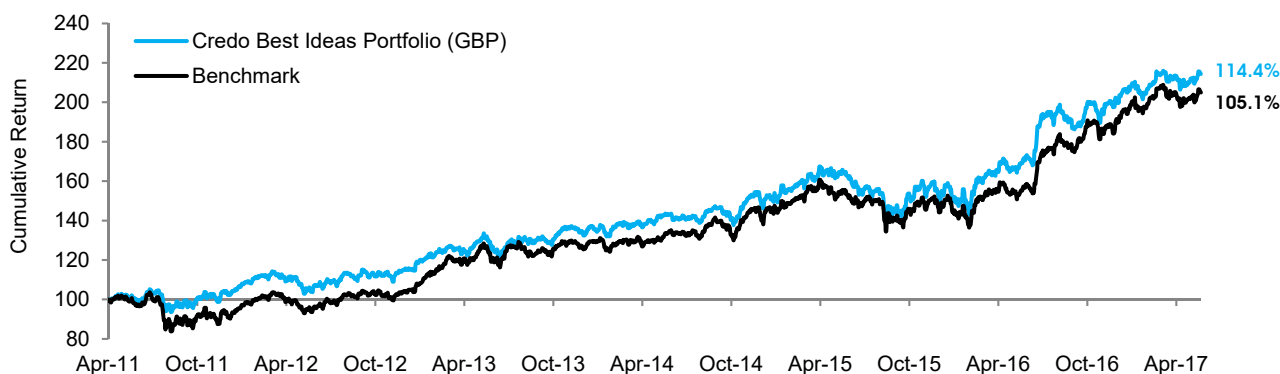
Key Contributors to Return

McKesson's shares increased by 17.9% after strong fourth quarter results which beat consensus sell-side expectations. GlaxoSmithKline's shares increased by 11.2% after clinical trials appeared to reduce the threat of a rival HIV drug being declared superior to GlaxoSmithKline's own.

Key Detractors from Return

AutoZone's shares declined by 12.5% after weak third quarter results driven by store sales growth which was lower than sell-side expectations. Wells Fargo's shares declined by 4.4% after news at their Capital Markets Day that the meeting of efficiency targets will be delayed.

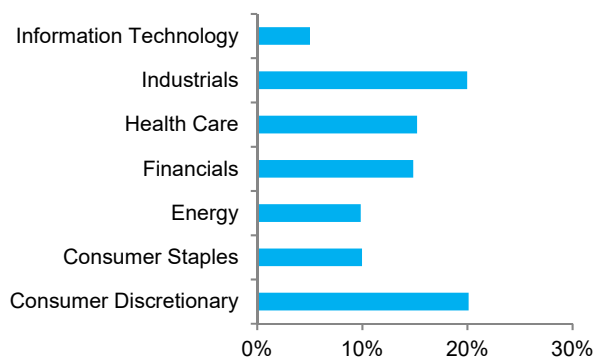
Performance Since Inception (14/04/2011)²



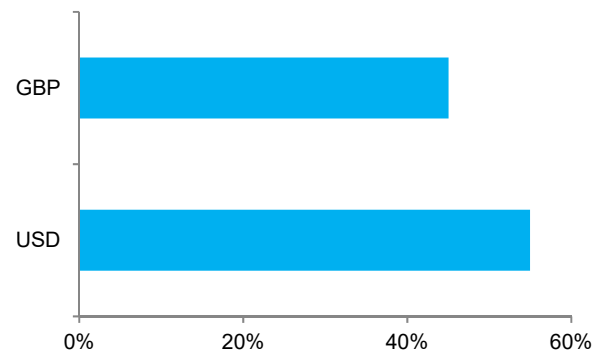
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	467p	24.5x	16.1x	6.7%
Chubb Ltd	\$143.2	14.5x	13.6x	2.0%
Royal Dutch Shell plc	2144p	19.3x	14.0x	6.9%
Total Portfolio Average		20.5x	16.4x	2.6%
MSCI World		21.5x	16.6x	2.4%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- We view risk as permanent losses of capital and not in terms of short-term volatility.

Important Notice

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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.

(2) Source: Bloomberg pricing as of 31/05/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	9.1	2.5	4.9	12.2	5.1	11.4	9.3
MSCI World	10.2	2.1	4.7	16.4	5.7	12.4	8.2
Relative	-1.1	0.4	0.2	-4.2	-0.6	-1.0	1.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.9
MSCI World	22.0	13.3

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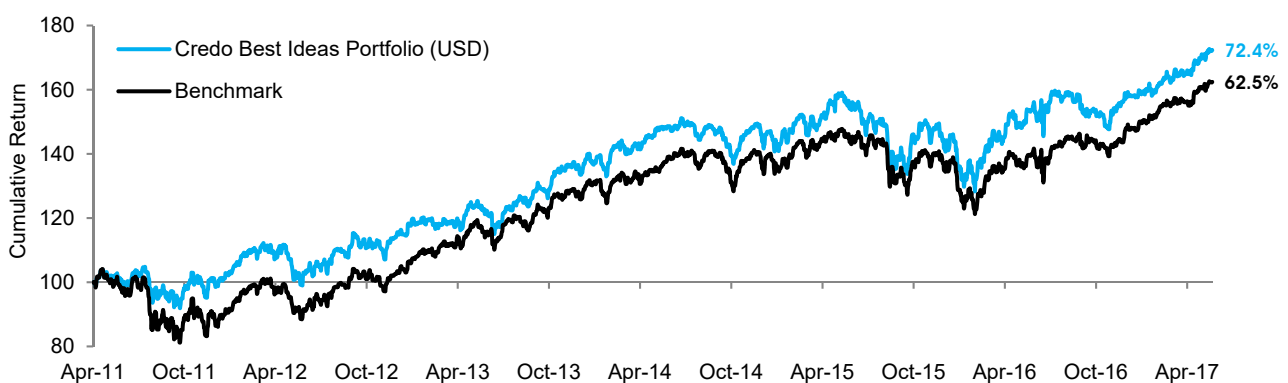
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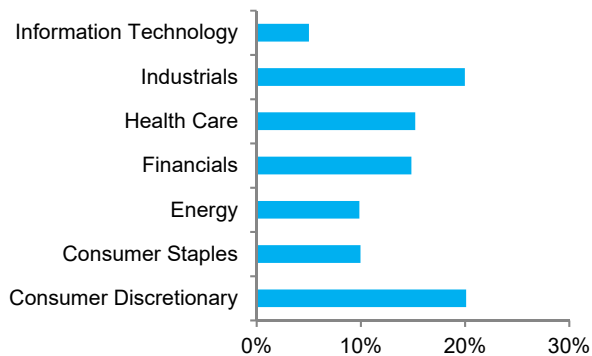
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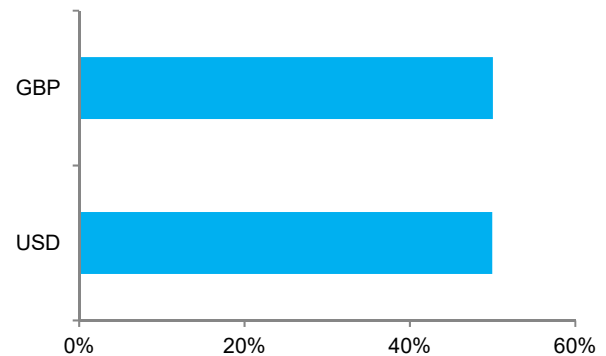
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