

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 Month	1 Month	YTD
Best Ideas Portfolio	12.3	12.3	11.5	8.8	-0.7	5.5	0.5
MSCI World	11.3	12.0	11.5	6.5	-2.3	3.1	-1.9
Relative	1.0	0.3	0.0	2.3	1.6	2.4	2.4

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.0
MSCI World	19.0	12.7

Market Commentary

April was a positive month for major developed market indices, with some recovering significantly from losses captured during the first quarter. The UK's first-quarter GDP estimate came in lower than expected at 0.1%, and subsequent moves in interest rate futures implied lower expectations for rates. The country's currency fell to 1.38 sterling per US dollar and the FTSE 100 finished the period up 6.8%. Across the pond, President Trump's focus on denuclearisation has thrown uncertainty on the future of the Iran nuclear deal, with his approach conflicting with those of his European counterparts. The S&P 500 made a muted gain of 0.4%, while the Euro STOXX 50 rose 6.0%. In fixed income, the 10-year yields for US treasuries, UK gilts and German bunds ended the period on 3.0%, 1.4% and 0.6% respectively, against a backdrop of continued tightening by the Federal Reserve.

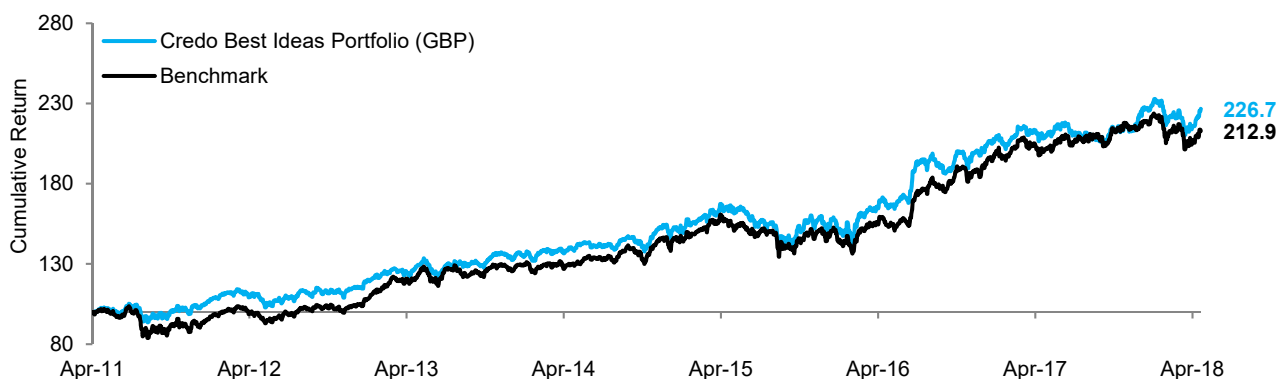
Key Contributors to Return

J Sainsbury's shares increased by 29.4%, reacting positively to news the company has agreed a merger with Walmart. Whitbread's shares increased by 15.7% after activist investors, Elliott, built over a 6% stake in the company, apparently to increase pressure on management to complete a de-merger of the Costa business, which was subsequently announced.

Key Detractors from Return

Arch Capital's shares declined by 6.4%, reacting negatively to news that a competitor had cut premiums, giving back the upside generated by the tax reform bill in the US. United Technologies' shares declined by 4.5% after sanctions imposed by the US on a Russian aluminium producer sent the aluminium price up sharply, potentially increasing input costs for United Technologies.

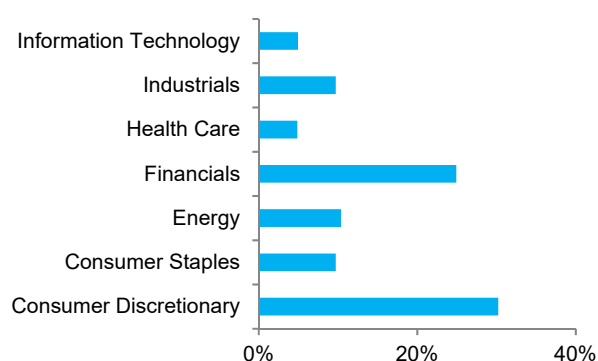
Performance Since Inception (13/04/2011)²



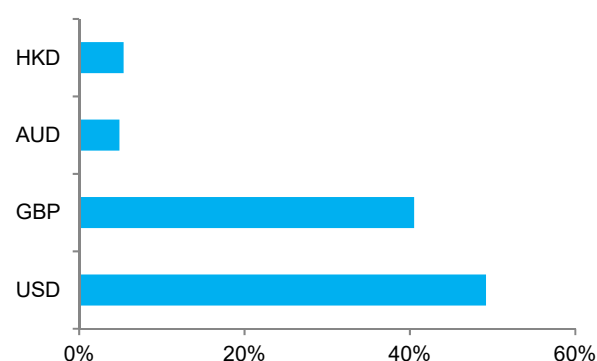
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$47.6	18.5x	15.1x	0.0%
AutoZone Inc	\$624.5	13.3x	11.4x	0.0%
Microsoft Corp	\$93.5	25.3x	23.6x	1.8%
Total Portfolio Average		23.0x	19.7x	2.3%
MSCI World		18.7x	15.4x	2.5%

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 30/04/2018 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	9.9	9.8	7.8	15.9	-3.5	3.5	2.5
MSCI World	8.7	9.3	7.5	13.2	-5.2	1.1	-0.1
Relative	1.2	0.5	0.3	2.7	1.7	2.4	2.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.5
MSCI World	22.0	12.8

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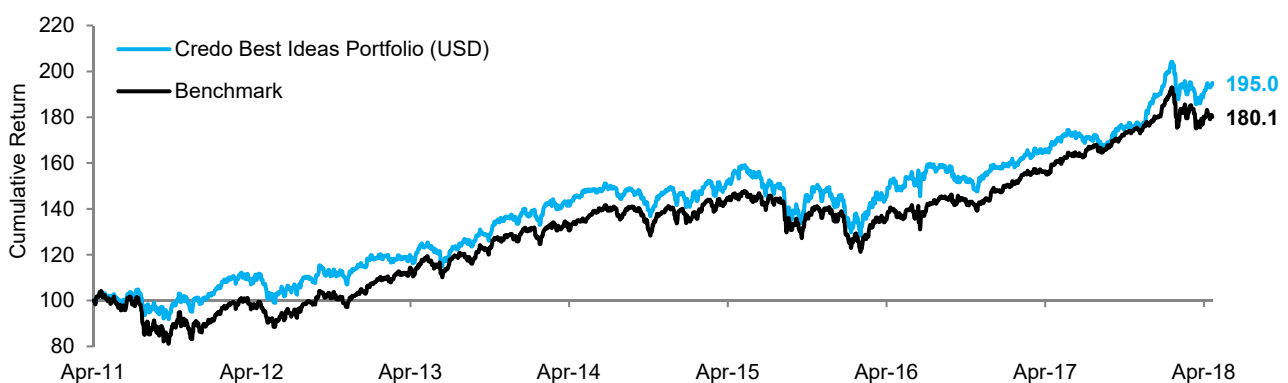
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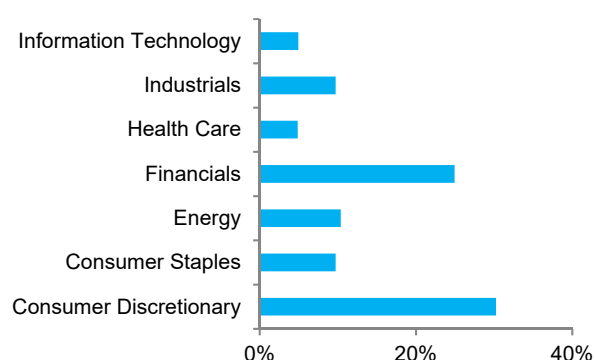
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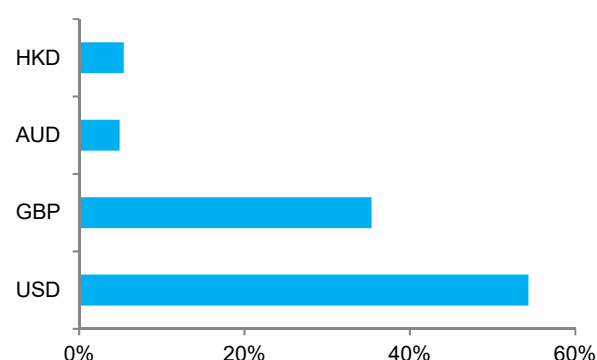
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