

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	11.7	12.3	15.1	4.1	-0.1	4.1	4.1
MSCI World	10.6	11.9	14.3	1.0	-2.1	4.7	4.7
Relative	1.1	0.4	0.8	3.1	2.0	-0.6	-0.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.3
MSCI World	19.0	13.0

Market Commentary

January saw global equity markets make positive ground following recent weak performance. All major equity indices made gains over the month, with the S&P 500, FTSE 100 and Nikkei 225 up 8.0%, 3.6% and 3.8% respectively. Despite this turnaround, the same underlying geopolitical issues still seemed to persist. However, this time, added to the mix, was the US Government shutdown. As the 29th March approaches, progress with regards to Brexit was lacking. There was temporary optimism as MPs voted in favour of replacing the backstop, the insurance policy designed to avoid a hard border in Ireland in the event of a no deal. However, the EU seems adamant that there would be no change to the deal already agreed. Despite this gridlock, the pound rose 3.0% against the euro. Amongst other currencies, the pound rose 2.9% against the US dollar. In the fixed income market, the yield on US, UK and Germany 10-year bonds decreased 5, 6 and 9 basis points respectively.

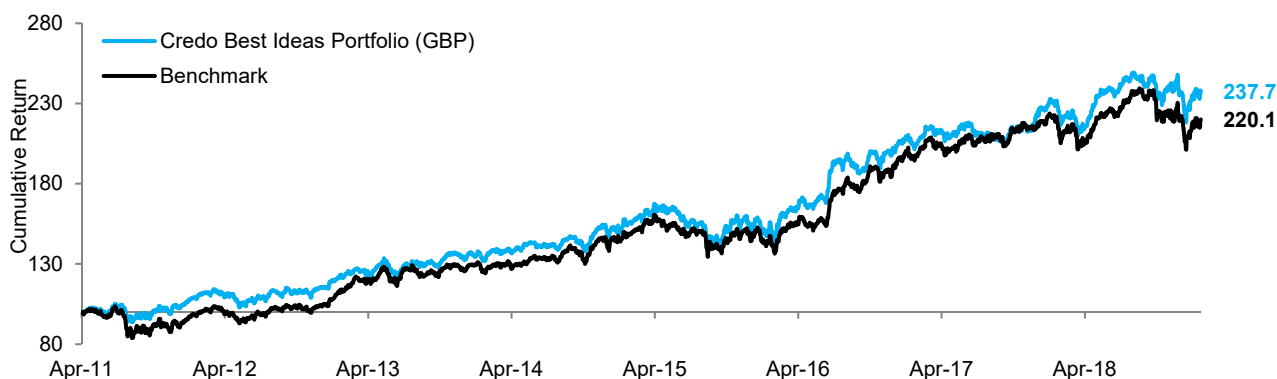
Key Contributors to Return

Las Vegas Sands' shares increased by 12.1% after the market continued to report strong Macau numbers and strong results from competitors. HCA Healthcare's shares increased by 12.0% after reporting strong quarterly results, which beat consensus estimates at both the revenue and profit level.

Key Detractors from Return

Paddy Power Betfair's shares declined by 2.1% after the Department of Justice reversed its interpretation on the federal law prohibiting the operation of certain types of betting businesses in the US. Crown Resort's shares only increased by 0.8% with more defensive names failing to participate in the market rally.

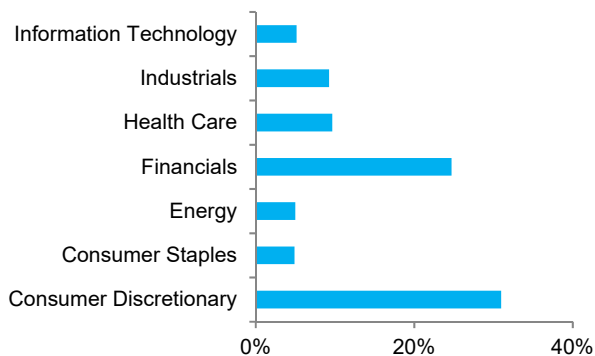
Performance Since Inception (14/04/2011)²



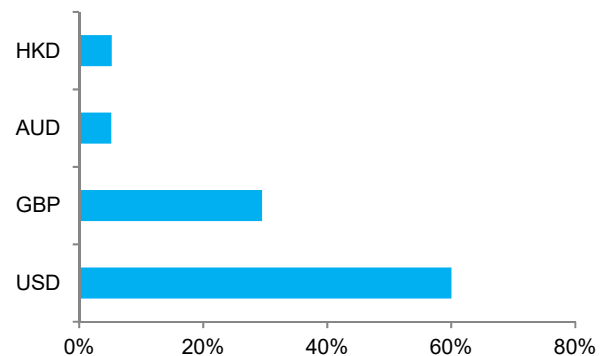
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$48.9	17.3x	15.8x	0.0%
BP plc	520p	8.7x	12.3x	6.2%
Las Vegas Sands Corp	\$58.4	17.1x	17.6x	5.3%
Total Portfolio Average		16.4x	14.0x	2.7%
MSCI World		16.6x	14.6x	2.6%

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 31/01/2019 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	9.0	7.7	12.5	-3.0	2.6	7.0	7.0
MSCI World	7.6	6.9	11.3	-6.5	0.7	7.8	7.8
Relative	1.4	0.8	1.2	3.5	1.9	-0.8	-0.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.7
MSCI World	22.0	13.1

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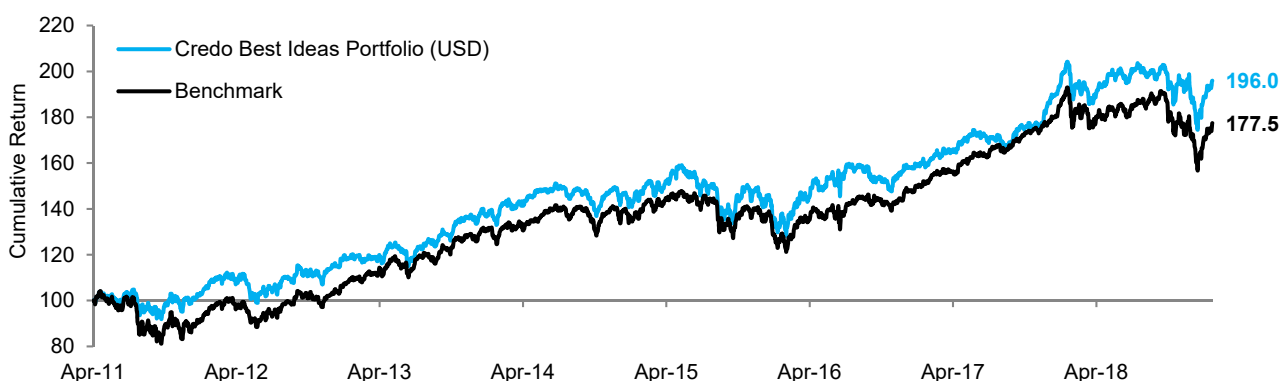
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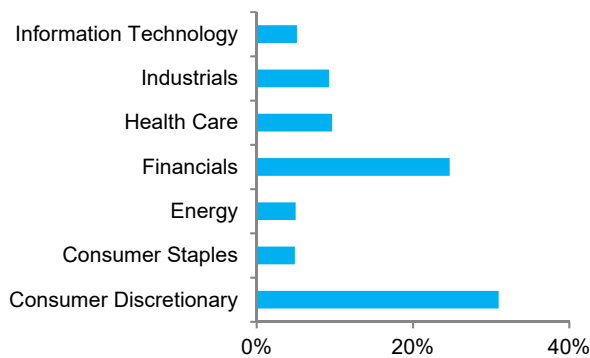
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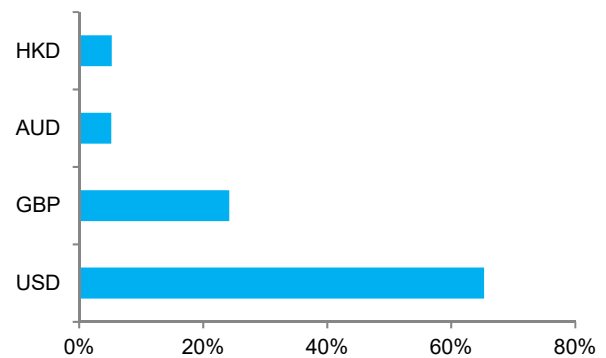
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