

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				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
Best Ideas Portfolio	12.5	13.4	12.1		11.3	7.5	5.6	15.6
MSCI World	11.6	13.1	13.4		10.5	6.4	6.0	17.4
Relative	0.9	0.3	-1.3		0.8	1.1	-0.4	-1.8

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

Market Commentary

June saw global equity markets make positive ground, as the S&P 500, the Euro STOXX 50 and the FTSE 100 were all up 7.0%, 6.0% and 3.9% respectively. The Fed and ECB indicated that a monetary stimulus could be on the horizon as they were faced with weakening economic data. In the UK, headlines were dominated by the Conservative leadership battle which saw 10 candidates being whittled down to just two; the favourite, Boris Johnson, and the Secretary of State, Jeremy Hunt. Against this backdrop, the pound was up 0.5% against the US dollar but down 1.3% against the euro. The yield on US, UK and German 10-year bonds all nudged lower by 12, 5 and 13 basis points respectively. Brent crude oil rose 6% over the month as tensions between the US and Iran intensified after two oil tankers were attacked in the Strait of Hormuz.

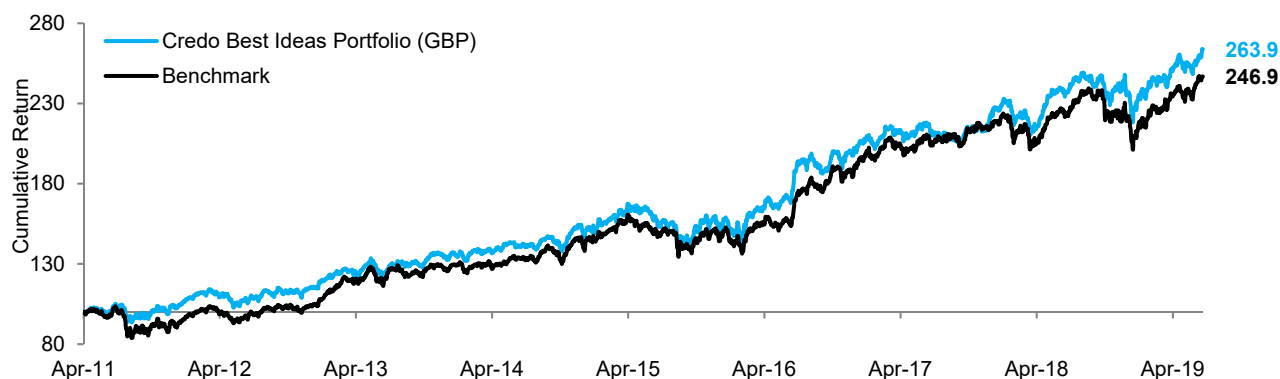
Key Contributors to Return

Merlin Entertainments' shares increased by 18.5% following the news that the company had received a £4.8bn bid from a consortium of investors led by the Lego founding family. AIA Group's shares increased by 14.4%, alongside a market-wide rally in Hong Kong stocks, after the government suspended a controversial bill that spurred large protests in the city.

Key Detractors from Return

Imperial Brands' shares declined by 3.6% after continued reports of the company losing market share within the e-cigarette category. Crown Resorts' shares declined 0.6% after Melco Resorts acquired a 20% stake in the company, making a competitive bid to acquire the whole company less likely.

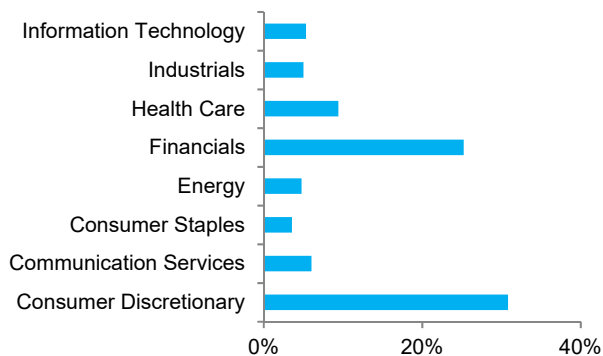
Performance Since Inception (14/04/2011)²



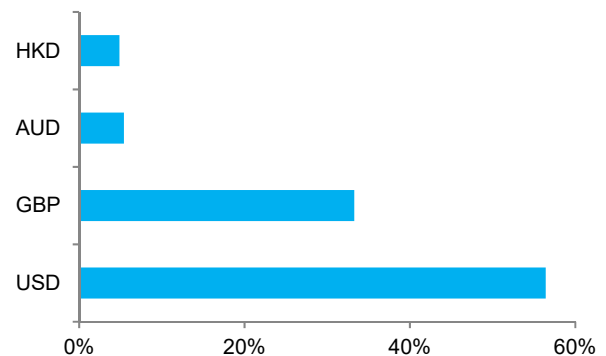
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$45.1	16.4x	14.5x	0.0%
BP plc	549p	10.4x	11.9x	5.9%
HCA Healthcare Inc	\$135.2	14.1x	12.4x	1.2%
Total Portfolio Average		16.5x	13.9x	2.4%
MSCI World		18.3x	15.6x	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.

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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 30/06/2019 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				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
Best Ideas Portfolio	9.5	7.3	10.9		7.6	5.3	6.1	15.3
MSCI World	8.3	6.6	11.8		6.3	4.0	6.6	17.0
Relative	1.2	0.7	-0.9		1.3	1.3	-0.5	-1.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.6
MSCI World	22.0	12.9

Market Commentary

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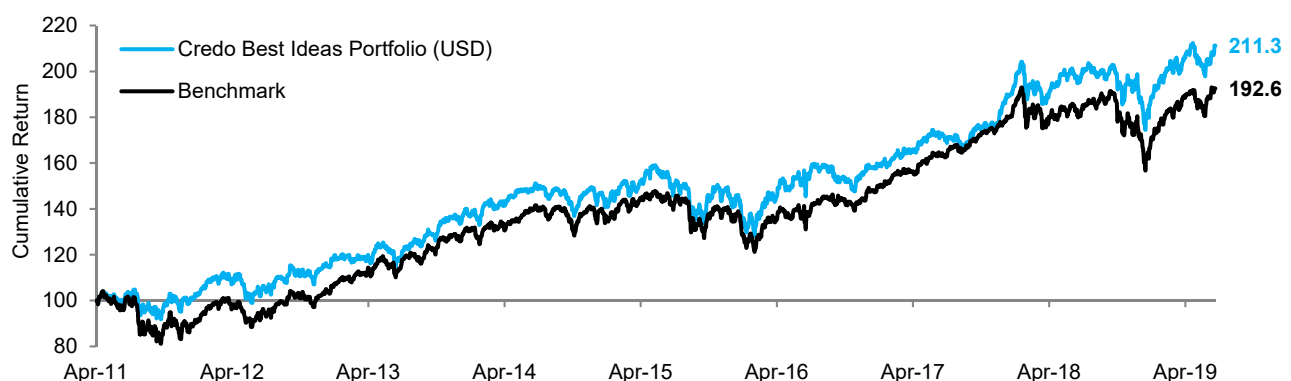
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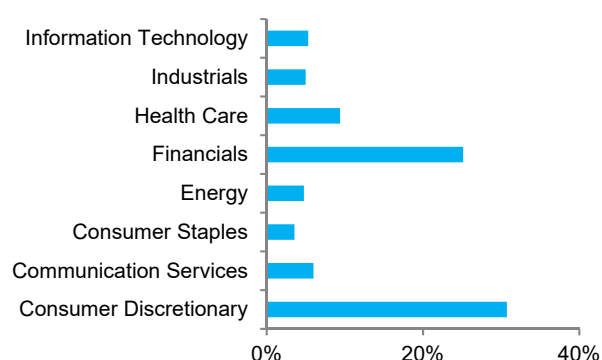
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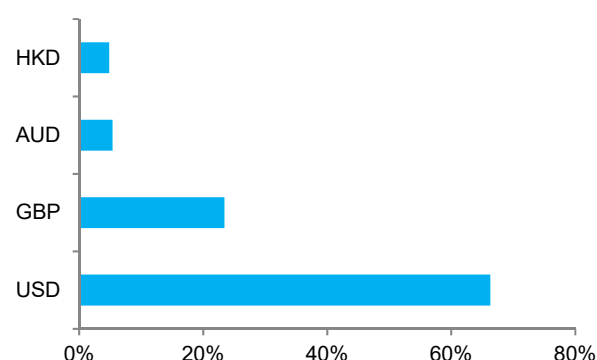
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