

## 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)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	12.7	13.4	12.4	10.5	8.7	-2.2	19.0
<b>MSCI World</b>	11.7	12.9	12.5	6.8	8.9	-1.7	20.6
<b>Relative</b>	1.0	0.5	-0.1	3.7	-0.2	-0.5	-1.6

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

## Market Commentary

Global equity markets performed poorly in August, with the S&P 500, the Euro STOXX 50 and the FTSE 100 all down 1.6%, 1.1% and 4.1% respectively. Renewed escalation of trade tensions prompted profit-taking in global equity markets as investors turned to safe-haven assets. Global bond yields continued to fall, as the yield on UK and German 10-year bonds decreased by 13 and 26 points respectively, while the yield on US 10-year bonds dropped by 52 points. US economic data showed that the weakness in the manufacturing sector could be spreading to other areas of the economy but, so far, the strength of the labour market and rising wages continue to outweigh trade and recession concerns. In the UK, Boris Johnson's decision to prorogue parliament in a bid to force through a No-Deal Brexit caused further political tensions. Sterling was flat against the US dollar.

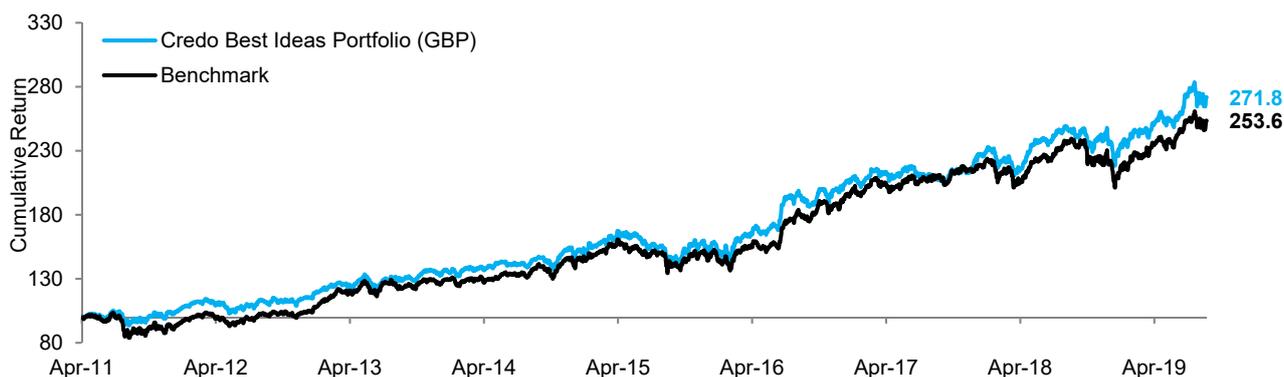
### Key Contributors to Return

Frontdoor's shares increased by 12.5% after the company raised its 2020 gross and EBITDA margin guidance, alleviating investors' concerns on weather, tariff impacts and demonstrating better than expected cost management. Flutter Entertainment's shares increased by 3.5% after the company reported positive underlying trends in the business in the first half of the year.

### Key Detractors from Return

Prudential's shares declined by 18.5% alongside a fall in insurance stock indices worldwide, reflecting a challenging macroeconomic environment. The company was particularly affected due to its high exposure to Asia amidst increasingly violent protests in Hong Kong. Adtalem Global Education's shares declined 9.8% after its otherwise positive full-year performance revealed underlying weakness in new enrolment numbers.

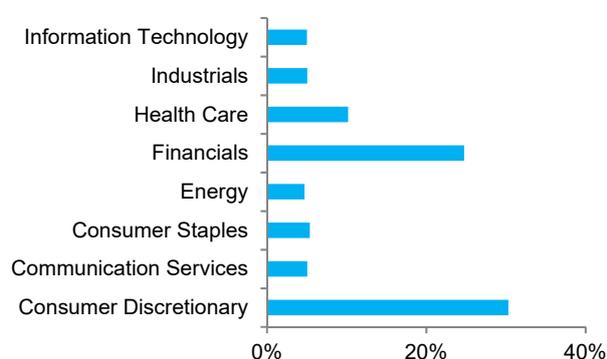
## Performance Since Inception (14/04/2011)<sup>2</sup>



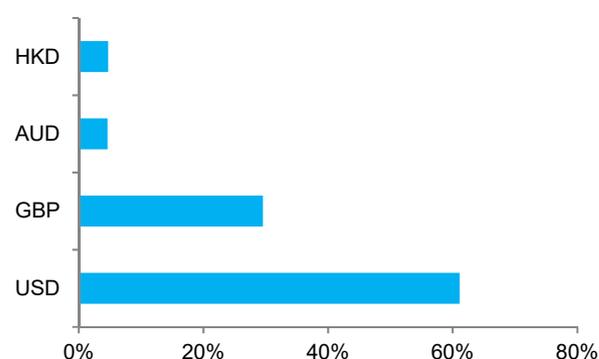
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$42.7	14.8x	13.8x	0.0%
BP plc	500p	9.7x	10.6x	6.8%
HCA Healthcare Inc	\$120.2	12.2x	10.9x	1.3%
<b>Total Portfolio Average</b>		<b>17.7x</b>	<b>14.4x</b>	<b>2.5%</b>
<b>MSCI World</b>		<b>18.2x</b>	<b>15.4x</b>	<b>2.6%</b>

## Sector Allocation



## Currency Allocation



## Investment Philosophy

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

- We believe that wealth is best created and preserved through patient and disciplined investing, with a focus on the long term
- We follow a value-based approach to investing
- We seek to invest in high quality companies that are attractively priced relative to their future business prospects
- We believe that the market's short-term focus creates opportunities for those willing to concentrate on underlying business performance
- 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 31/08/2019 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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## Portfolio Performance (USD)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	9.2	7.1	10.2	4.5	5.2	-2.6	14.3
<b>MSCI World</b>	7.9	6.1	9.6	0.3	4.9	-2.0	15.2
<b>Relative</b>	1.3	1.0	0.6	4.2	0.3	-0.6	-0.9

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

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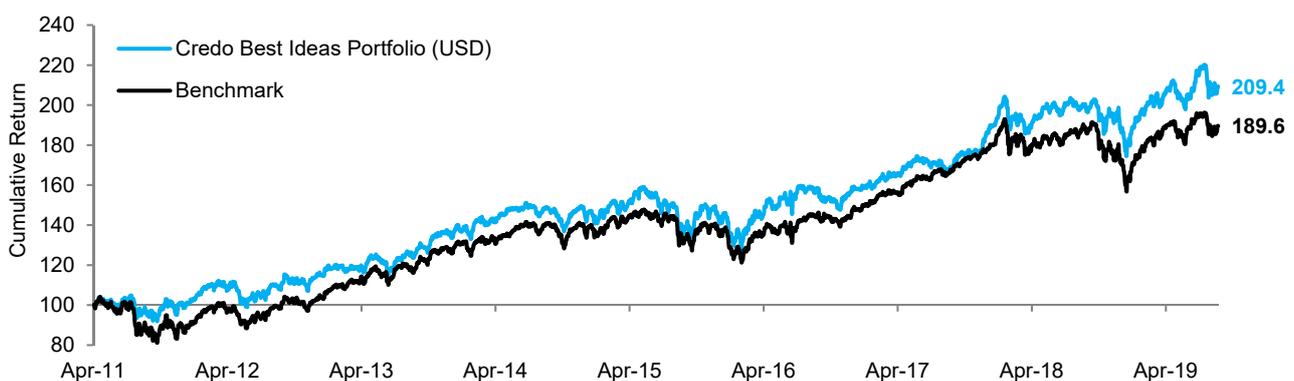
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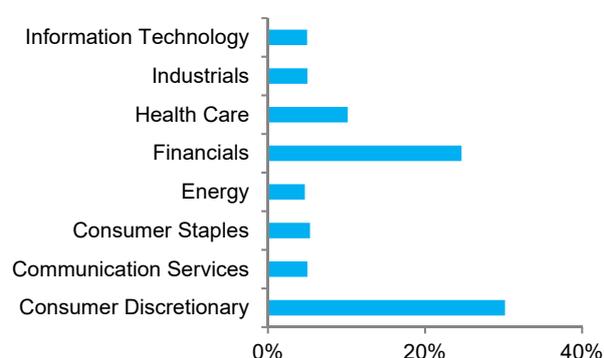
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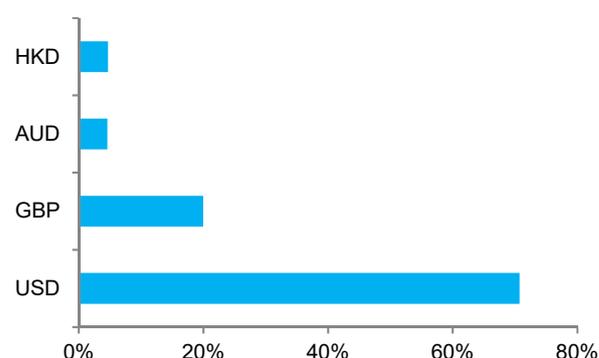
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