

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	10.6	8.8	5.3		0.2	-3.5	2.9	-11.3
MSCI World	10.8	10.5	7.5		9.5	4.5	7.1	-1.1
Relative	-0.2	-1.7	-2.2		-9.3	-8.0	-4.2	-10.2

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	30.4	14.5
MSCI World	26.2	15.1

Market Commentary

Although the impact of the coronavirus pandemic continued to dominate the headlines, May saw an extended rebound in global equity markets. A clear contrast to the negative macroeconomic data prevalent in the real economy. Volatility declined as investors became more optimistic about a successful vaccine and countries started to ease their lockdown restrictions. The S&P 500, FTSE 100 and Euro STOXX were all up 4.8%, 3.4% and 4.9% respectively. Oil prices made significant gains over the month, with Brent crude oil up 36.0%, driven by eased lockdown restrictions and oil production cuts. In the UK, the Chancellor of the Exchequer confirmed that the furlough scheme would be extended until October with businesses taking on some of the contributions from August. The yields for US and German 10-year bonds increased by 1 and 14 basis points respectively while the yield on UK 10-year bonds decreased by 5 basis points. The pound was down 2.0% against the US dollar and 3.3% against the euro.

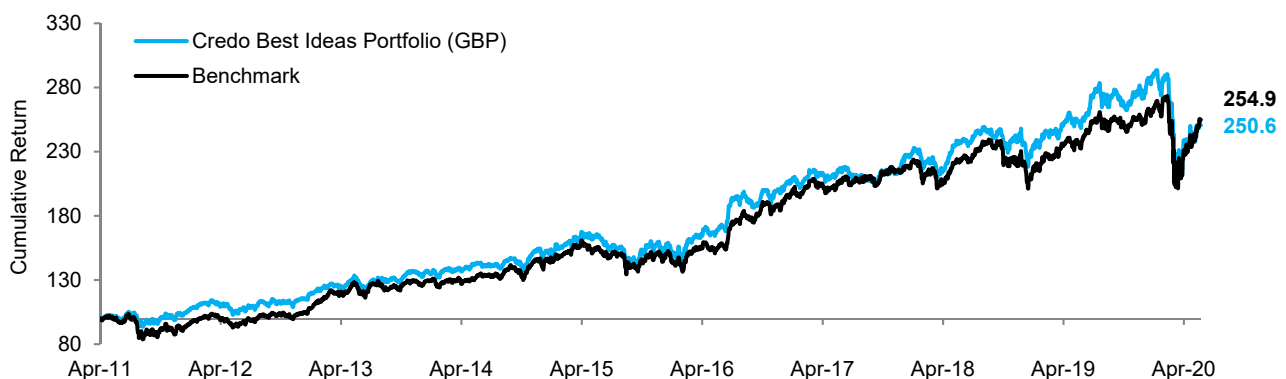
Key Contributors to Return

Frontdoor's shares increased by 17.9% after the company reported better than expected results with customer retention proving resilient in the face of COVID-19. Arch Capital's shares increased by 17.4% after early judicial rulings alleviated fears of unlimited business interruption exposure, as the pricing cycle continued to harden and better than expected US housing market data.

Key Detractors from Return

AIA Group's shares declined by 12.7% along with other Hong Kong listed stocks after China announced plans to enforce a national security law amid renewed protests. Imperial Brands' shares declined by 11.5% after the company cut its dividend and reduced guidance for the year.

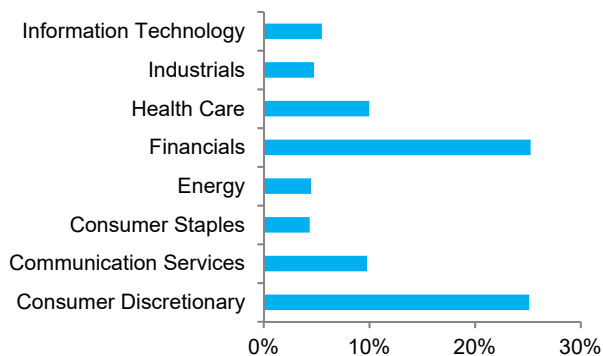
Performance Since Inception (14/04/2011)²



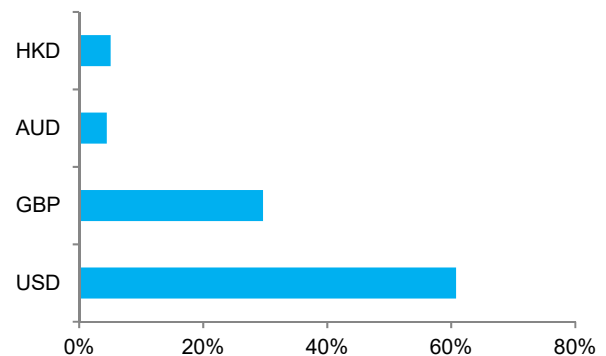
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$33.5	12.4x	11.7x	0.0%
BP plc	306p	16.4x	21.7x	11.1%
HCA Healthcare Inc	\$106.9	10.7x	13.1x	0.0%
Total Portfolio Average		17.0x	16.8x	2.4%
MSCI World		20.9x	19.8x	2.4%

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

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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 31/05/2020 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	7.7	4.7	4.4	-1.4	-6.5	0.9	-17.0
MSCI World	7.5	5.8	5.9	6.8	0.9	4.8	-8.2
Relative	0.2	-1.1	-1.5	-8.2	-7.4	-3.9	-8.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	37.1	15.1
MSCI World	34.0	15.2

Market Commentary

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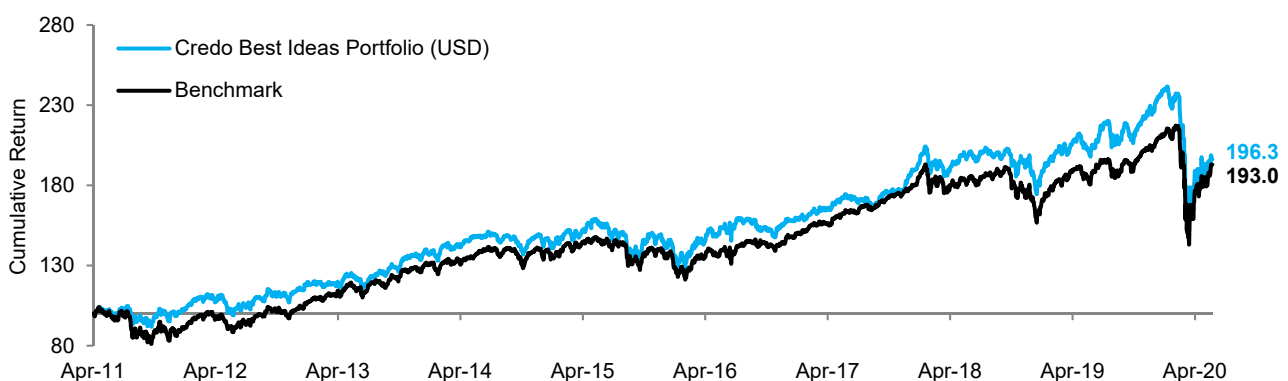
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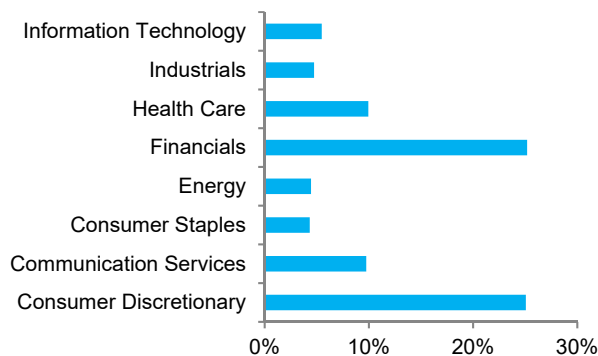
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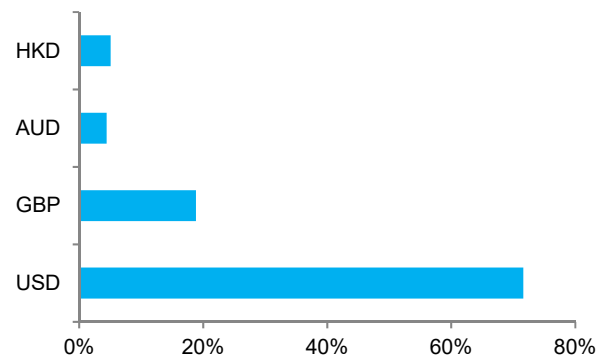
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