

## 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>	9.9	11.1	5.2	-9.8	-2.6	-3.2	-13.1
<b>MSCI World</b>	11.0	14.0	9.1	5.1	3.5	0.0	4.5
<b>Relative</b>	-1.1	-2.9	-3.9	-14.9	-6.1	-3.2	-17.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	30.4	14.6
<b>MSCI World</b>	26.2	15.1

## Market Commentary

Global equity markets performed poorly in September, with the majority generating a negative return over the month. The S&P 500, FTSE 100 and Euro STOXX 50 were down 3.8%, 1.5% and 2.3% respectively. September saw the resurgence of Covid-19 cases across the developed world, as localised lockdowns were enforced across the UK and Europe. In the US, the presidential race began to build momentum with some polls showing Trump to be gaining ground in key swing states, such as Florida. In the UK, Rishi Sunak delivered a statement on the Winter Economy Plan which promised yet more fiscal stimulus and Brexit negotiations plodded along with little progress. The pound was down 1.6% against the euro and down 3.4% against the US dollar. The yield on US, UK and German 10-year bonds nudged lower by 2, 8 and 13 basis points respectively. Brent crude oil fell 8.2% over the month due to mounting fears that a second wave would stall the global economy.

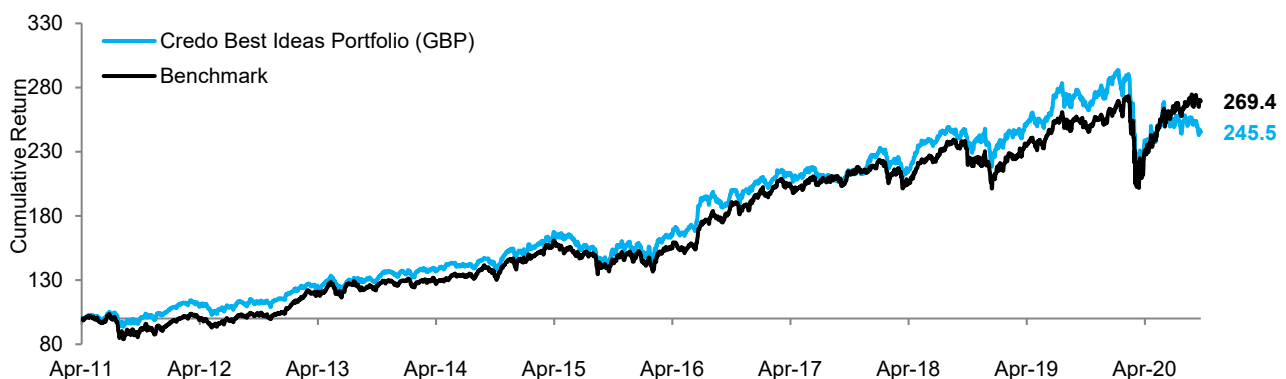
### Key Contributors to Return

Imperial Brands' shares increased by 9.1% after the company was upgraded by several sell-side analysts on expectations of deploying cash into share buybacks. Alibaba's shares increased by 2.4% after the company held its annual conference where it highlighted its high-growth cloud computing business unit is expected to be profitable by year-end.

### Key Detractors from Return

Ardale Global Education's shares declined by 26.1% after the company missed earnings expectations amid an announcement of a circa \$1.5bn acquisition, raising investors' concerns on balance sheet health. BP's shares declined by 14.8% along with European energy producers reflecting concerns about demand as economic indicators signal a challenging outlook.

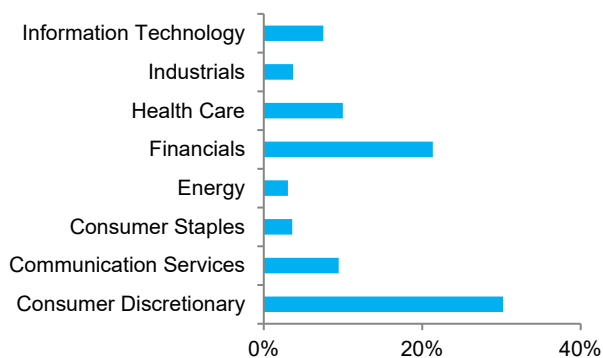
## Performance Since Inception (14/04/2011)<sup>2</sup>



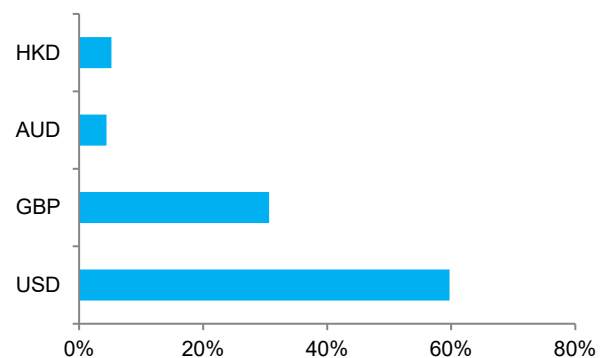
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$24.5	10.7x	9.0x	0.0%
BP plc	225p	0.0x	20.3x	7.1%
HCA Healthcare Inc	\$124.7	11.3x	11.0x	0.0%
<b>Total Portfolio Average</b>		<b>24.3x</b>	<b>16.1x</b>	<b>1.6%</b>
<b>MSCI World</b>		<b>28.8x</b>	<b>20.0x</b>	<b>2.1%</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

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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 30/09/2020 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>	7.6	8.0	4.4	-5.2	1.1	-6.2	-15.3
<b>MSCI World</b>	8.4	10.5	7.7	10.4	7.9	-3.4	1.7
<b>Relative</b>	-0.8	-2.5	-3.3	-15.6	-6.8	-2.8	-17.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	37.1	15.2
<b>MSCI World</b>	34.0	15.3

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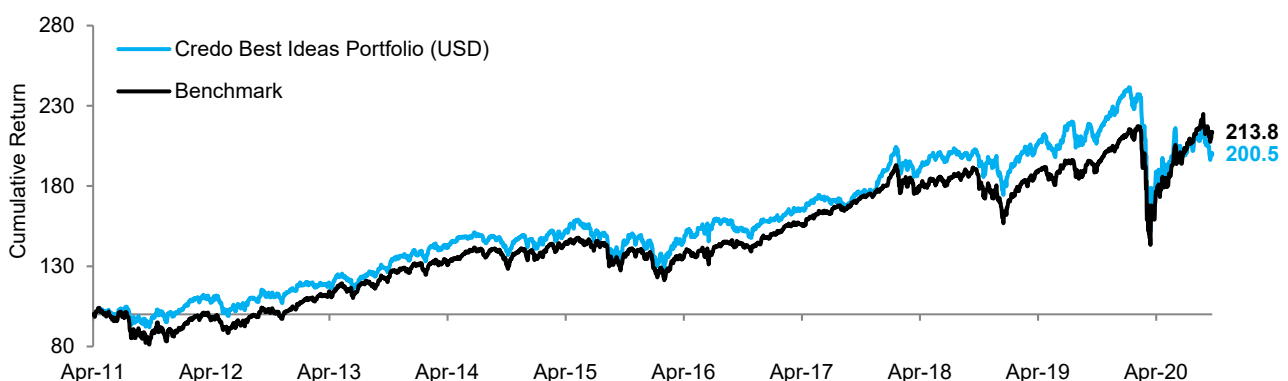
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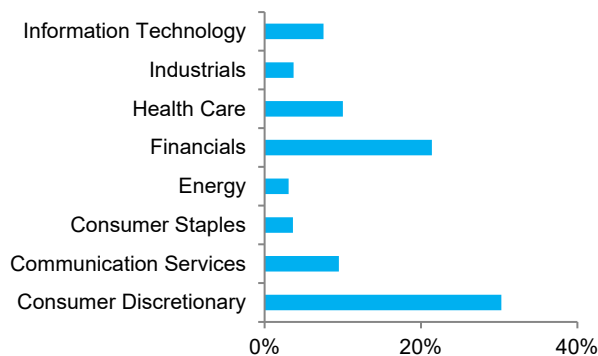
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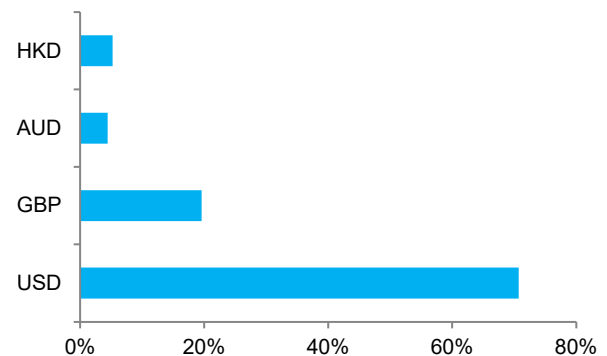
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