

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	12.1	13.2	10.2		26.7	8.4	-0.8	10.5
MSCI World	11.8	14.7	11.9		21.9	7.7	-1.2	7.0
Relative	0.3	-1.5	-1.7		4.8	0.7	0.4	3.5

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	30.4	14.8
MSCI World	26.2	15.1

Market Commentary

Global equity markets maintained their upward momentum in May for a fourth month in a row as the progress of the ongoing vaccine rollout around the world allowed many economies to steadily reopen. Most major equity indices made gains over the month, with the S&P 500, Euro STOXX 50 and the FTSE 100 up 0.7%, 2.5% and 1.1% respectively. However, markets were constrained by concerns of rising inflation due to increased consumer demand and rising input costs. In the US, the Federal Reserve acknowledged it may need to consider tapering its bond purchases at some point but advised it believes the recent jump in inflation will prove to be transitory. In the UK, Prime Minister Boris Johnson's roadmap for lifting lockdown restrictions progressed to the next stage with the reopening of indoor hospitality. The yields on UK and US 10-year bonds decreased by 5 and 3 basis points respectively. The pound was up 2.8% against the US dollar and 1.1% against the euro.

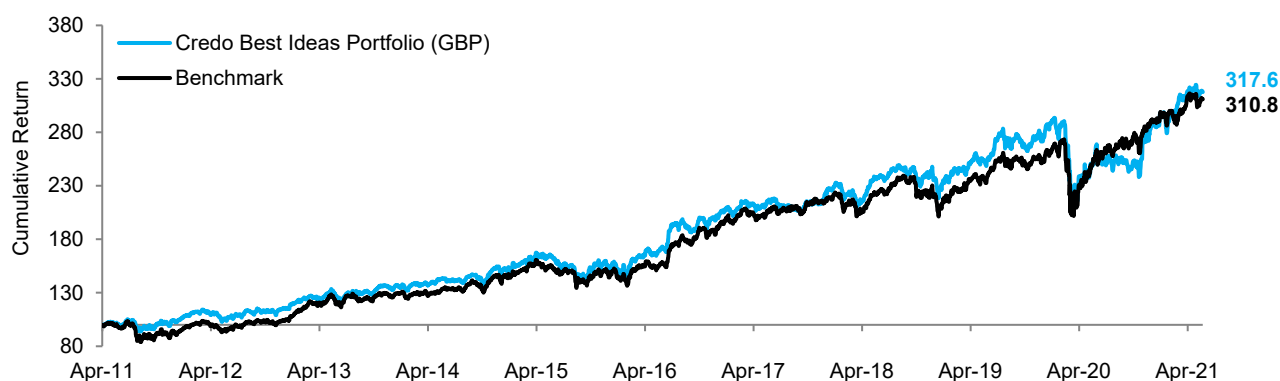
Key Contributors to Return

Imperial Brands' shares increased by 7.5% after the company reported solid results for the first half of the year while maintaining guidance. Raytheon Technologies' shares increased by 7.2% along with other aerospace stocks after Airbus announced increased production targets while Boeing noted progress on legal settlements for the 737.

Key Detractors from Return

Flutter Entertainment's shares declined by 11.0% after the CEO of FanDuel announced he will step down, with Flutter confirming this will affect the timing of the potential US listing of the business. Alibaba Group's shares declined by 7.4% after management guided to elevated investments across a range of areas, potentially putting a temporary cap on margin growth.

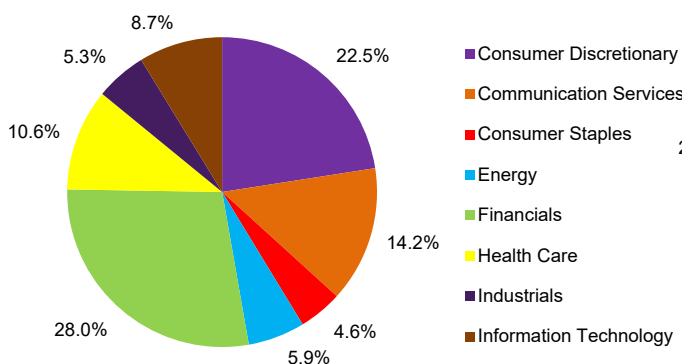
Performance Since Inception (14/04/2011)²



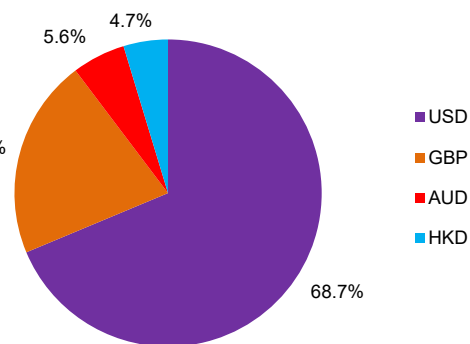
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$36.4	12.7x	10.7x	0.0%
BP plc	306p	n/a	9.1x	4.9%
Frontdoor Inc	\$53.7	41.7x	30.1x	0.0%
Total Portfolio Average		28.8x	16.4x	1.3%
MSCI World		29.7x	19.6x	1.7%

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 31/05/2021 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	10.9	13.2	13.0		45.2	10.4	1.9	15.0
MSCI World	10.3	14.2	14.4		40.6	9.7	1.4	11.4
Relative	0.6	-1.0	-1.4		4.6	0.7	0.5	3.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	37.1	15.4
MSCI World	34.0	15.2

Market Commentary

Global equity markets maintained their upward momentum in May for a fourth month in a row as the progress of the ongoing vaccine rollout around the world allowed many economies to steadily reopen. Most major equity indices made gains over the month, with the S&P 500, Euro STOXX 50 and the FTSE 100 up 0.7%, 2.5% and 1.1% respectively. However, markets were constrained by concerns of rising inflation due to increased consumer demand and rising input costs. In the US, the Federal Reserve acknowledged it may need to consider tapering its bond purchases at some point but advised it believes the recent jump in inflation will prove to be transitory. In the UK, Prime Minister Boris Johnson's roadmap for lifting lockdown restrictions progressed to the next stage with the reopening of indoor hospitality. The yields on UK and US 10-year bonds decreased by 5 and 3 basis points respectively. The pound was up 2.8% against the US dollar and 1.1% against the euro.

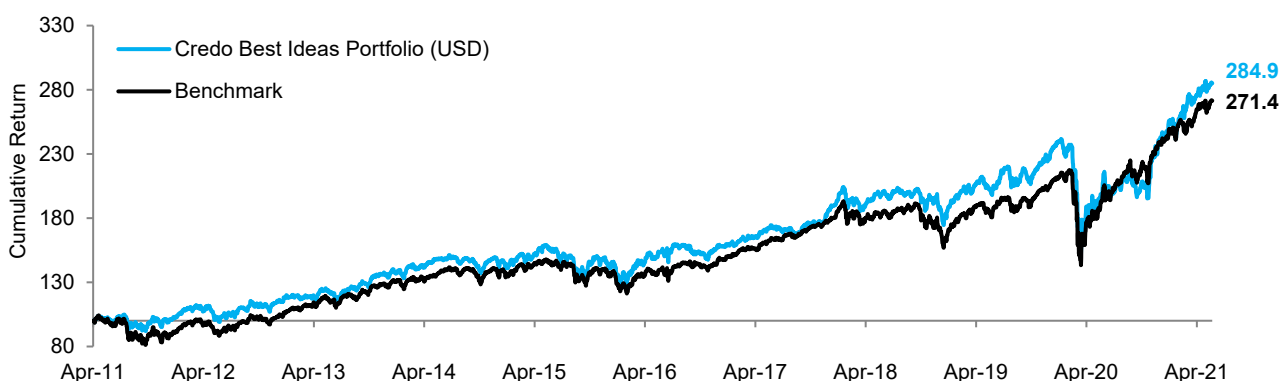
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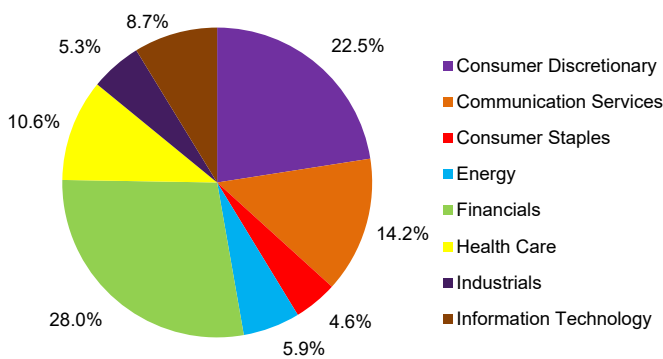
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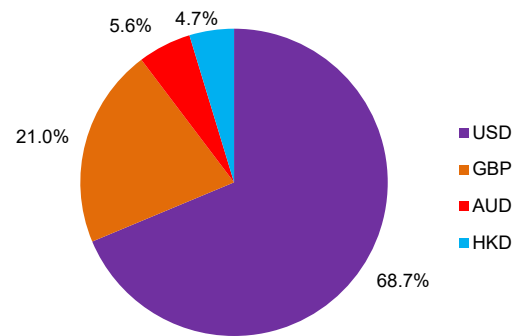
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