

## 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			1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years				
<b>Best Ideas Portfolio</b>	11.9	10.9	9.3	26.6	1.1	3.2	11.7
<b>MSCI World</b>	12.5	13.8	12.7	26.2	9.4	3.6	17.1
<b>Relative</b>	-0.6	-2.9	-3.4	0.4	-8.3	-0.4	-5.4

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

## Market Commentary

Global equity markets continued their advance throughout August, as the S&P 500, the Euro STOXX 50 and the FTSE 100 were up 3.0%, 2.6% and 2.1% respectively, despite a surge in Covid Delta variant cases. There was also increasing evidence that immunity wanes over time, resulting in several countries announcing booster vaccine programmes. Federal Reserve Chairman, Jerome Powell, re-iterated the Fed's dovish stance and view that the current increasing inflation is transitory. Despite the dovish tone from the Fed, the yield on US, UK and German 10-year bonds all increased by 9, 15 and 8 basis points respectively over the month. August was also a landmark month with regards to geo-politics, as it saw the formal removal of foreign troops from Afghanistan after two decades of conflict. The pound was down 0.6% against the euro and down 1.1% against the US dollar.

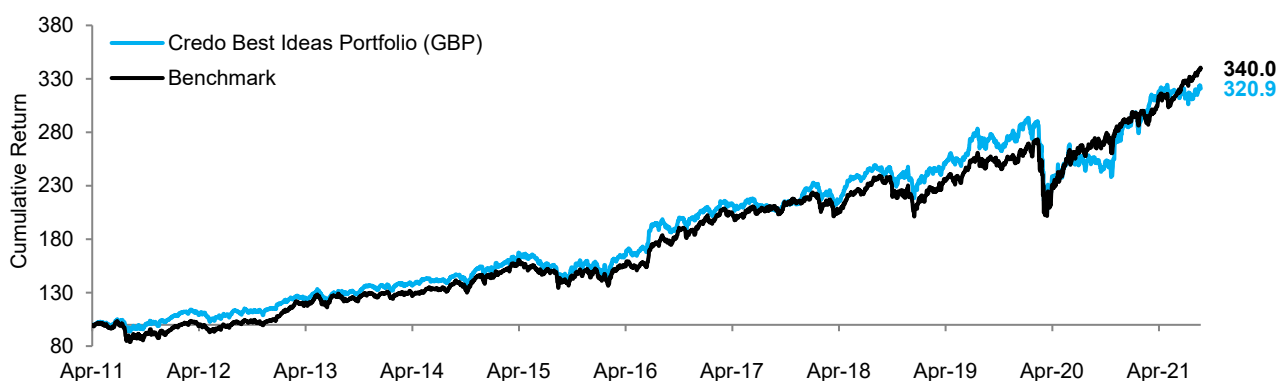
### Key Contributors to Return

Flutter Entertainment's shares increased by 14.8% after the company reported its half-yearly results, which beat expectations and raised guidance for the full year. Prudential's shares increased by 12.0% after the company reported positive results, highlighting the resilience of the Asian business despite pandemic-induced challenges.

### Key Detractors from Return

Alibaba Group's shares declined by 14.5% along with shares of other Chinese technology companies after the approval of a new privacy law and amidst a flurry of comments by officials on upcoming stringent regulations. Frontdoor's shares declined by 10.9% after the company reported lower than expected revenues, driven by weakness in the real estate channel, normally a significant source of new customers.

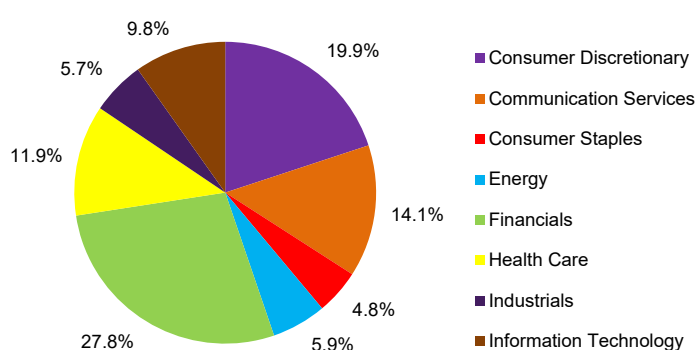
## Performance Since Inception (14/04/2011)<sup>2</sup>



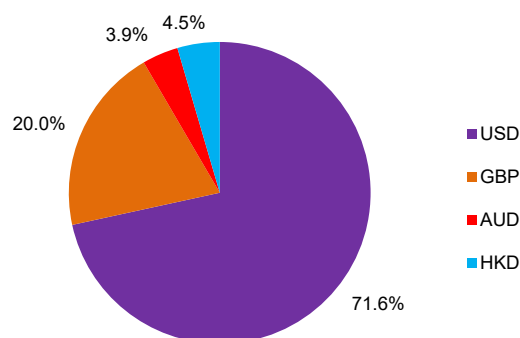
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$37	14.0x	8.4x	0.0%
BP plc	297p	9.4x	7.0x	5.3%
Frontdoor Inc	\$43.6	30.3x	23.4x	0.0%
<b>Total Portfolio Average</b>		<b>18.8x</b>	<b>14.8x</b>	<b>1.4%</b>
<b>MSCI World</b>		<b>24.2x</b>	<b>19.3x</b>	<b>1.7%</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 31/08/2021 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>	10.4	12.3	11.6	30.5	-2.2	2.1	12.5
<b>MSCI World</b>	10.7	14.8	15.0	29.8	5.9	2.5	17.9
<b>Relative</b>	-0.3	-2.5	-3.4	0.7	-8.1	-0.4	-5.4

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	37.1	15.3
<b>MSCI World</b>	34.0	15.1

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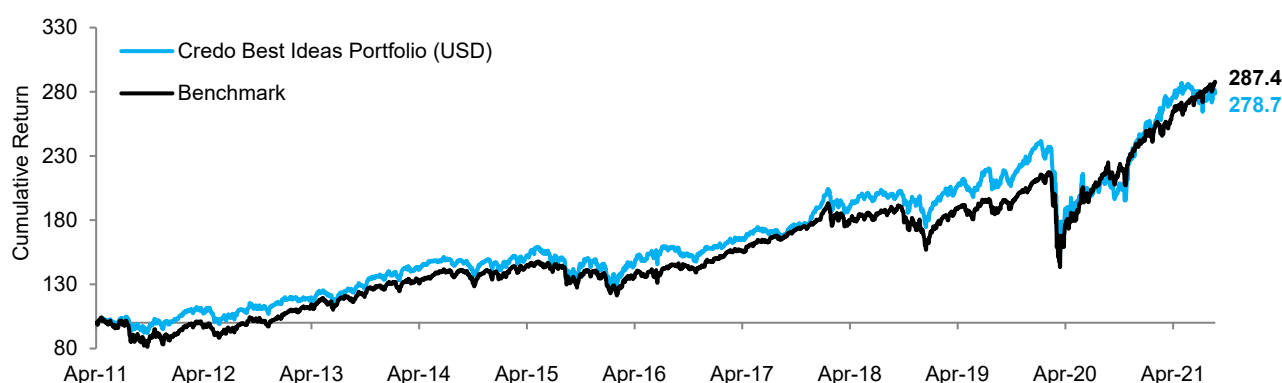
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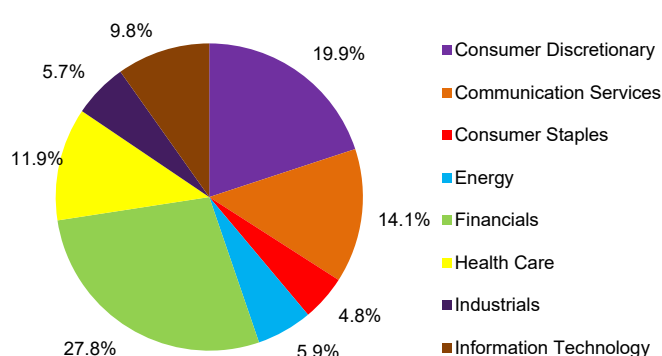
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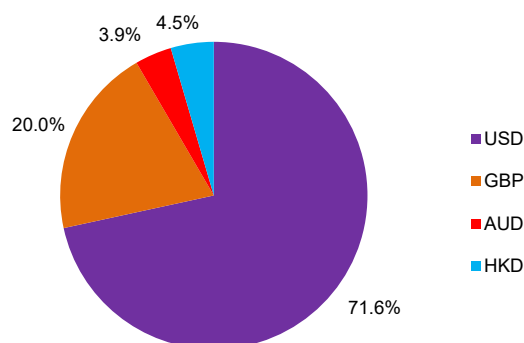
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