

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	11.9	10.9	11.2		36.6	5.1	1.8	13.8
MSCI World	12.5	12.9	15.5		32.9	5.5	4.0	19.2
Relative	-0.6	-2.0	-4.3		3.7	-0.4	-2.2	-5.4

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

Market Commentary

After a poor start to the month, global equity markets gained some momentum through October and finished with healthy gains. The S&P 500 reached an all-time high and was up 7.0% over the month. The Euro STOXX 50 and the FTSE 100 were up 5.2% and 2.2% respectively. Energy prices reached record highs due to supply chain constraints around the world and increased consumer demand. This added to inflationary pressures, although US Treasury Secretary, Janet Yellen, said this is still seen as a temporary result of the supply chain bottlenecks. In fixed income markets, the yields on US, UK and German 10-year bonds increased by 6, 1 and 9 basis points respectively. Brent crude oil increased by 8.0% due to rising global demand being met with tight supply as a result of the global lockdowns. The pound was up 1.5% against the US dollar and down 0.2% against the euro.

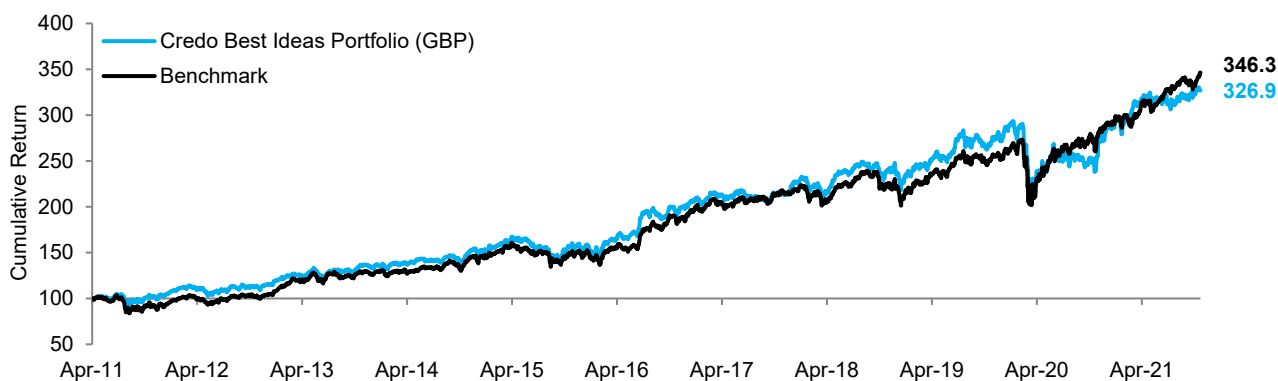
Key Contributors to Return

Microsoft's shares increased by 17.6% after the company beat consensus estimates due to pandemic-induced demand for cloud, PCs, and gaming consoles. Chubb's shares increased by 12.6% after reporting better than expected underwriting margins across its North American business coupled with higher buybacks.

Key Detractors from Return

Frontdoor's shares declined by 11.0% after reporting disappointing sales growth and full-year outlook due to continued challenges in the real estate channel. Flutter Entertainment's shares declined by 6.0% in the run-up to reporting third quarter results as investors await clarity on the impact of the company's exit from the Netherlands due to new regulation.

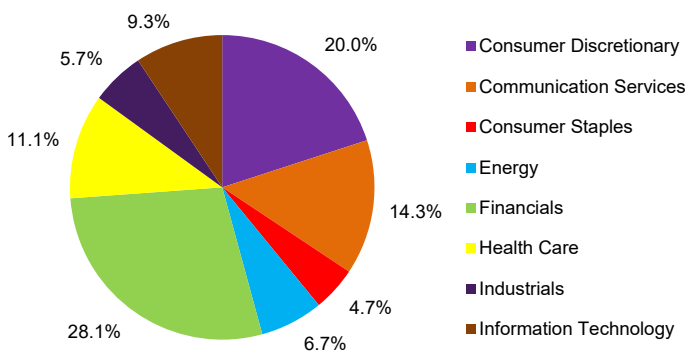
Performance Since Inception (14/04/2011)²



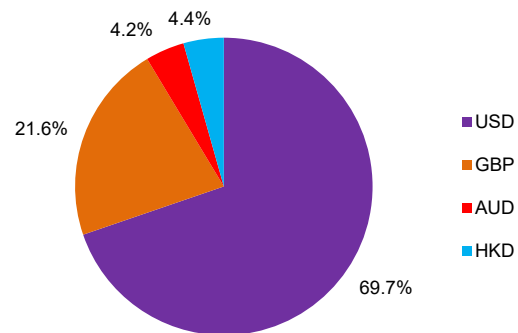
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Alibaba Group Holding ADR	\$164.9	25.0x	16.5x	0.0%
Chubb Ltd	\$195.4	16.5x	14.0x	1.6%
HCA Healthcare Inc	\$250.5	13.8x	13.6x	0.8%
Total Portfolio Average		20.1x	16.1x	1.4%
MSCI World		23.5x	19.2x	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 31/10/2021 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	10.3	13.7	13.9		44.3	3.4	3.4	13.9
MSCI World	10.6	15.5	18.2		40.4	3.8	5.7	19.4
Relative	-0.3	-1.8	-4.3		3.9	-0.4	-2.3	-5.5

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

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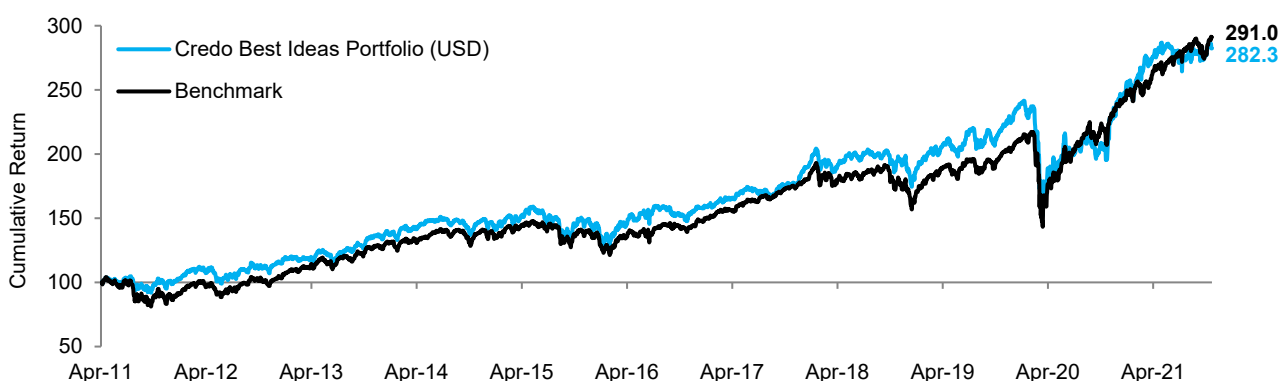
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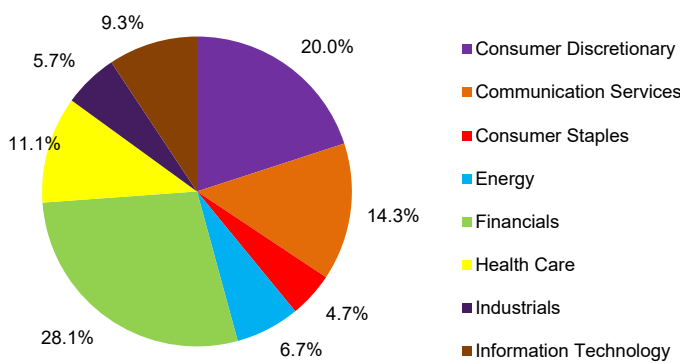
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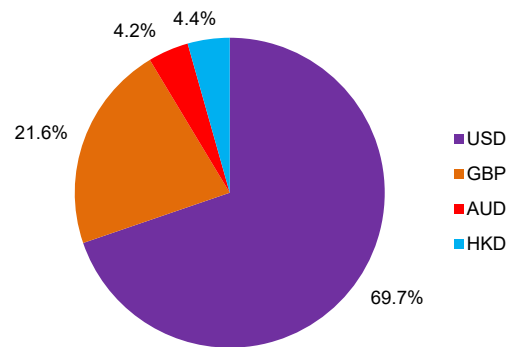
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