

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	11.5	10.0	11.1	16.5	-0.5	1.2	1.2
MSCI World	12.0	11.7	15.7	18.9	-1.7	-4.6	-4.6
Relative	-0.5	-1.7	-4.6	-2.4	1.2	5.8	5.8

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

Market Commentary

Following a strong year for equity markets in 2021, January witnessed a tough start to 2022. The US Federal Reserve acknowledged that inflation is unlikely to be transitory and they expect to raise interest rates multiple times throughout the year. Additionally, geopolitical tensions surrounding Eastern Europe added to uncertainty and market dislocation. Growth stocks saw the most volatility in the month, especially 'Work from Home' stocks which benefited from changing consumer patterns evident during the pandemic. The S&P 500 and Euro STOXX 50 both finished the month down by 5.2% and 2.7% respectively, whereas the FTSE 100 gained 1.1%. In fixed income markets, the yields on US, UK and German 10-year bonds increased by 27, 33 and 19 basis points respectively. The pound fell 0.6% against the US dollar and rose 0.7% against the euro.

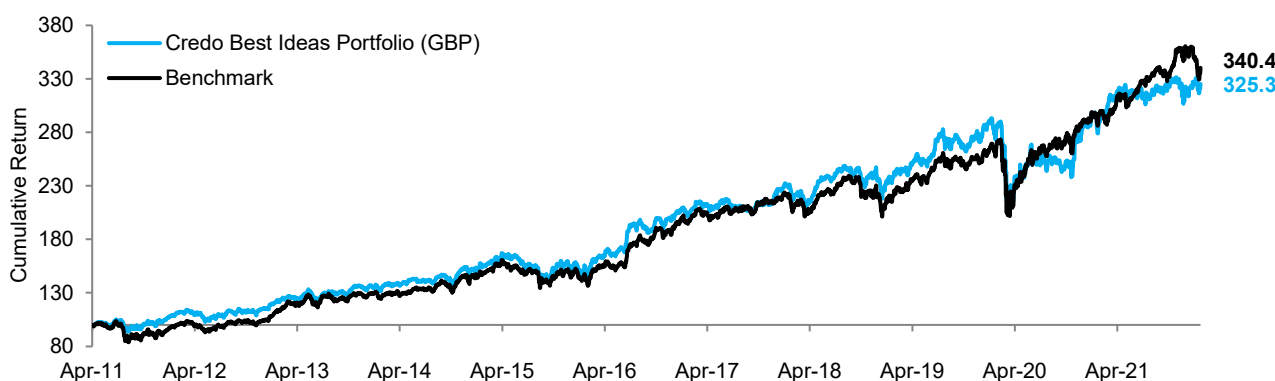
Key Contributors to Return

BP's shares increased by 15.8% along with the price of Brent Crude oil as sustained global demand corresponded with supply worries over geopolitical tensions in Ukraine. Wells Fargo's shares increased by 12.2% after both the company's results for the quarter and guidance for the next year exceeded consensus estimates.

Key Detractors from Return

The Walt Disney Company's shares declined by 7.7% after streaming peer Netflix reported disappointing subscriber numbers for the fourth quarter as well as reduced expectations for next year. Microsoft's shares declined by 7.6% along with other technology stocks after the US Federal Reserve indicated potentially earlier and faster rate hikes, prompting a rotation towards Value stocks.

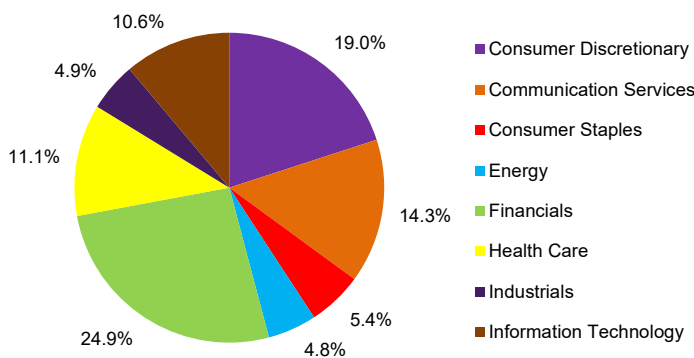
Performance Since Inception (14/04/2011)²



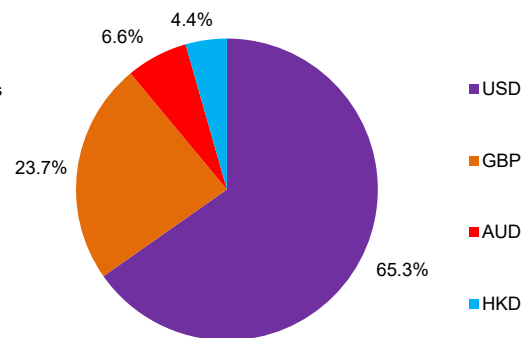
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Alibaba Group Holding-Sp Adr	\$125.8	18.4x	14.0x	0.0%
BP plc	383p	17.6x	7.1x	4.3%
Frontdoor Inc	\$36.3	20.6x	16.5x	0.0%
Total Portfolio Average		20.4x	16.0x	1.2%
MSCI World		21.4x	18.0x	1.8%

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 31/01/2022 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	9.8	11.7	12.1	14.2	-2.2	0.4	0.4
MSCI World	10.0	13.2	16.6	16.5	-3.4	-5.3	-5.3
Relative	-0.2	-1.5	-4.5	-2.3	1.2	5.7	5.7

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

Market Commentary

Following a strong year for equity markets in 2021, January witnessed a tough start to 2022. The US Federal Reserve acknowledged that inflation is unlikely to be transitory and they expect to raise interest rates multiple times throughout the year. Additionally, geopolitical tensions surrounding Eastern Europe added to uncertainty and market dislocation. Growth stocks saw the most volatility in the month, especially 'Work from Home' stocks which benefited from changing consumer patterns evident during the pandemic. The S&P 500 and Euro STOXX 50 both finished the month down by 5.2% and 2.7% respectively, whereas the FTSE 100 gained 1.1%. In fixed income markets, the yields on US, UK and German 10-year bonds increased by 27, 33 and 19 basis points respectively. The pound fell 0.6% against the US dollar and rose 0.7% against the euro.

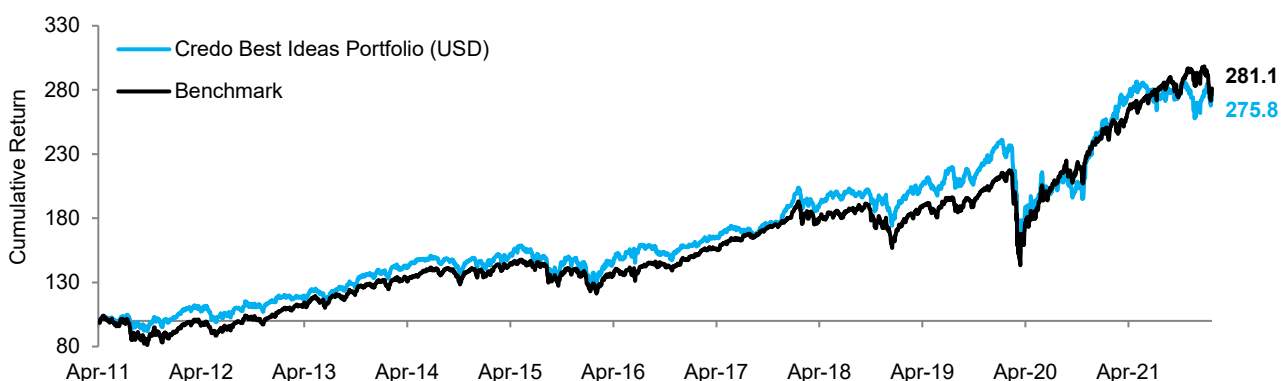
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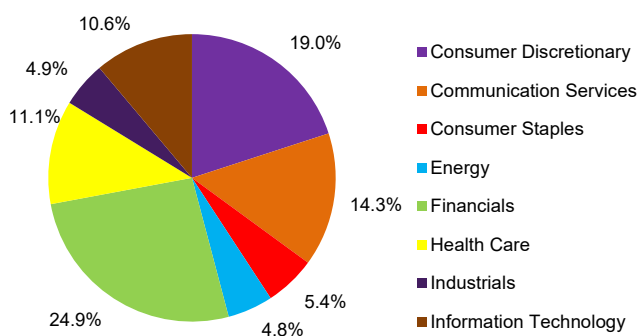
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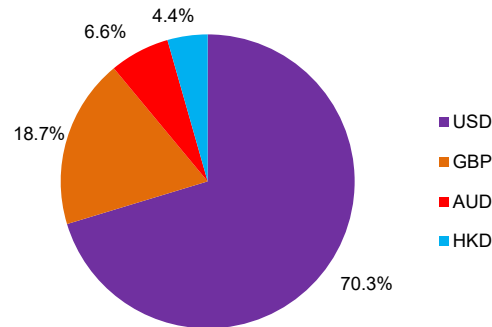
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