

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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	11.2	8.5	9.5	8.5	2.8	-2.3	-1.1
MSCI World	11.7	10.4	14.1	15.3	-4.7	-2.2	-6.7
Relative	-0.5	-1.9	-4.6	-6.8	7.5	-0.1	5.6

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

Market Commentary

February was a challenging month concerning geopolitics and global monetary policy. The S&P 500 and the Euro STOXX 50 both finished the month down by 3.0% and 5.9% respectively, while the FTSE 100 gained 0.3%. The Bank of England raised the UK base rate by 25 basis points to begin reigning in inflation, which currently sits at 5.5%. Investor confidence weakened, with growing market expectations of increased rate hikes from the US Federal Reserve and the European Central Bank. Later in the month, fears were realised as Russia invaded Ukraine. This invasion built on existing negative sentiment in global equity markets and, with a large portion of the supply of commodities in question, the price of oil rose by 11.5%. Yields on US, UK and German 10-year bonds increased by 5, 11 and 12 basis points respectively. The pound ended the month relatively flat against both the US dollar and euro.

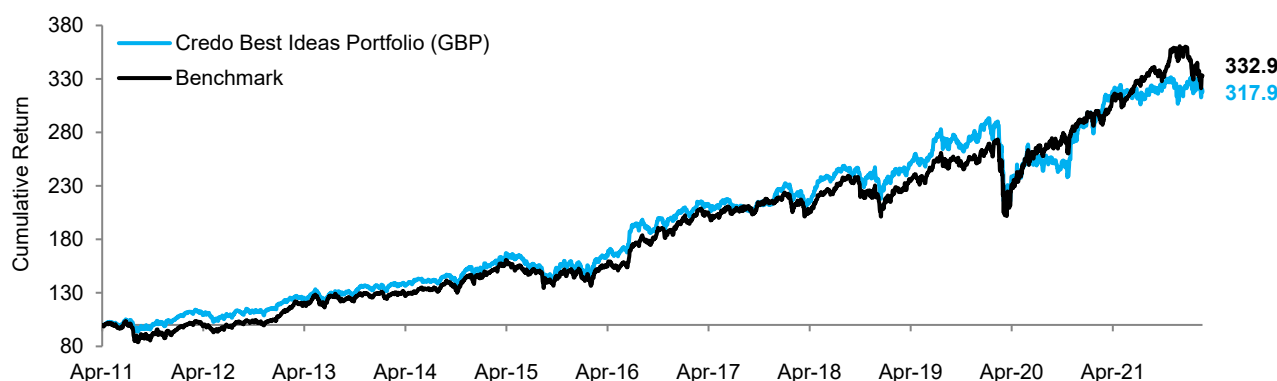
Key Contributors to Return

Raytheon Technologies' shares increased by 14.9% along with shares in other defence contractors, as Russia's invasion of Ukraine fuelled expectations of increased military spending. HCA Healthcare's shares increased by 4.6% after the company reported earnings at the end of last month, with the shares benefiting from flows into Value stocks amid expected interest rate increases.

Key Detractors from Return

Meta Platforms' shares declined by 32.4% after the company reported a sharper than expected decline in profit due to strong competition and the effect of ad-tracking changes introduced by Apple. Frontdoor's shares declined by 17.0% after the company warned of inflationary pressures leading to elevated costs weighing on margins in the coming year.

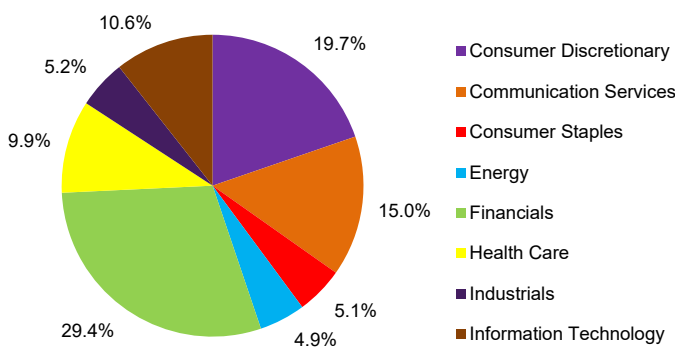
Performance Since Inception (14/04/2011)²



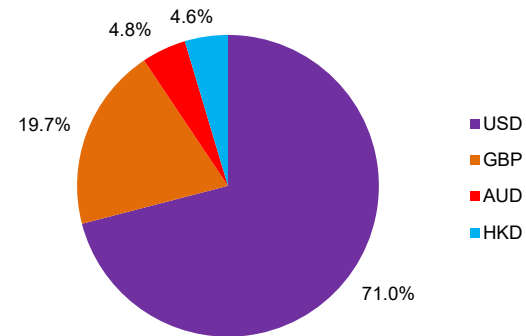
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Alibaba Group Holding – SP ADR	\$105.2	14.4x	11.8x	0.0%
BP plc	364p	10.6x	6.4x	4.4%
HCA Healthcare Inc	\$250.3	14.1x	13.0x	0.9%
Total Portfolio Average		17.5x	14.9x	1.3%
MSCI World		19.6x	17.2x	1.9%

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 28/02/2022 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				1 Year	3 Month	1 Month	YTD
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Best Ideas Portfolio	9.5	10.4	10.1		4.3	3.7	-2.5	-2.1
MSCI World	9.7	12.1	14.4		10.7	-3.7	-2.5	-7.7
Relative	-0.2	-1.7	-4.3		-6.4	7.4	0.0	5.6

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

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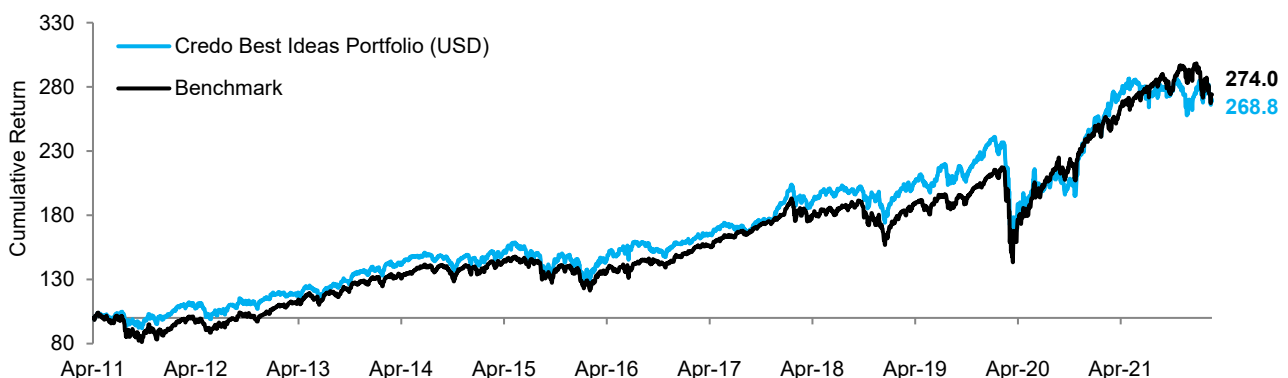
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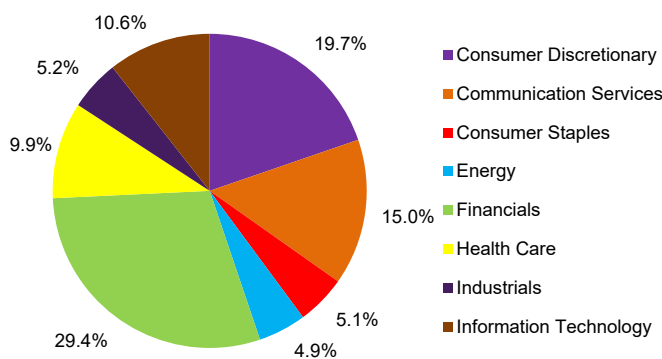
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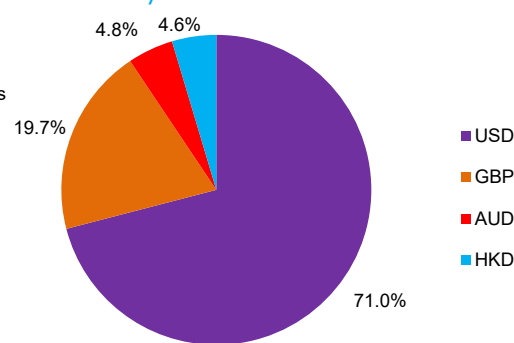
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