Best Ideas Portfolio (GBP)
June 2022

CREDO

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]

	Annualised						
Return (%)	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	10.7	8.0	5.7	-1.5	-3.7	-3.1	-3.1
MSCI World	10.8	9.1	8.5	-2.9	-9.6	-5.3	-11.6
Relative	-0.1	-1.1	-2.8	1.4	5.9	2.2	8.5

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

Market Commentary

After May's relatively flat month, negative sentiment resumed in the markets throughout June, with the S&P 500 officially slipping into a bear market. The month concluded as the worst first half to a year for developed market equities, in over 50 years. This has largely emanated from severe and persistent inflationary pressures and the subsequent rate hikes, recession fears and the continued Russia-Ukraine conflict. The S&P 500, Euro STOXX 50 and FTSE 100 all finished the month down by 8.3%, 8.7% and 5.5%, respectively. Following months of price appreciation, Brent Crude oil finished the month down by 3.0%. The yields on US, UK and German 10-year bonds all increased by 17, 13 and 21 basis points, respectively. The pound fell 3.5% against the US dollar and fell 2.3% against the euro.

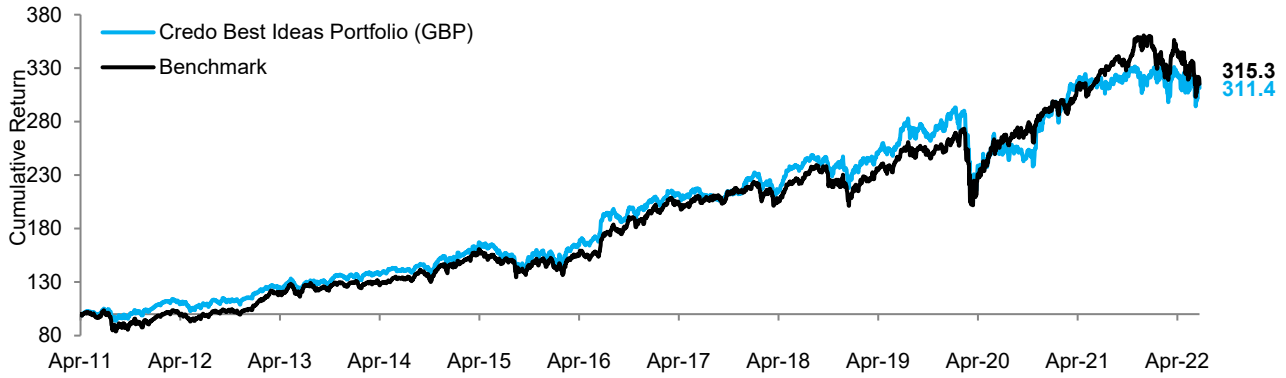
Key Contributors to Return

Alibaba Group's shares increased by 18.8% along with other Chinese internet stocks after a string of positive economic and regulatory developments, following months of lockdowns coupled with a crackdown on the technology sector. AIA Group's shares increased by 5.2% after China cut its quarantine requirements for arrivals and began a process of reopening, encouraging investors that the lockdown-induced economic shock has passed.

Key Detractors from Return

HCA Healthcare's shares declined by 20.2% after hospital peer Universal Health Services lowered its earnings outlook for the year citing low patient volumes coupled with elevated labour costs. Meta Platforms' shares declined by 17.0% along with other technology stocks after reports of continued surging inflation in the US, depressing economic growth expectations and the outlook for the sector amid rising rates.

Performance Since Inception (14/04/2011)[2]



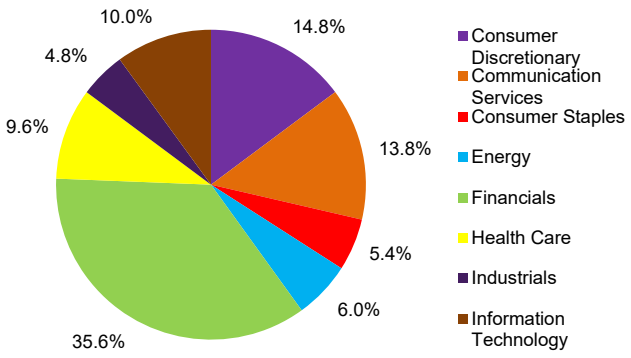
Best Ideas Portfolio (GBP)
June 2022

CREDO

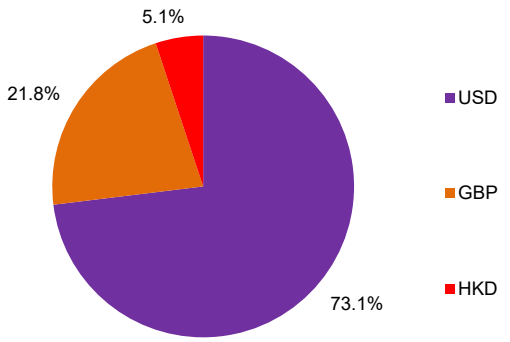
Sample Portfolio Statistics[2]

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Alibaba Group Holding – SP ADR	$113.7	15.7x	14.6x	0.0%
BP plc	388p	9.5x	4.9x	4.6%
Interactive Brokers Group	$55.0	19.2x	13.3x	0.7%
Total Portfolio Average		**15.9x**	**12.8x**	**1.4%**
MSCI World		**16.5x**	**14.4x**	**2.3%**

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

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, FRN 192204; is an Authorised Financial Services Provider in South Africa; FSP No: 9757 and is a member of the London Stock Exchange.

(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 30/06/2022 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

Best Ideas Portfolio (USD)
June 2022

CREDO

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 (USD)[1,2]

	Annualised						
Return (%)	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	8.1	6.9	4.4	-13.0	-10.7	-6.5	-12.7
MSCI World	8.0	7.7	7.0	-14.3	-16.2	-8.7	-20.5
Relative	0.1	-0.8	-2.6	1.3	5.5	2.2	7.8

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

Market Commentary

After May's relatively flat month, negative sentiment resumed in the markets throughout June, with the S&P 500 officially slipping into a bear market. The month concluded as the worst first half to a year for developed market equities, in over 50 years. This has largely emanated from severe and persistent inflationary pressures and the subsequent rate hikes, recession fears and the continued Russia-Ukraine conflict. The S&P 500, Euro STOXX 50 and FTSE 100 all finished the month down by 8.3%, 8.7% and 5.5%, respectively. Following months of price appreciation, Brent Crude oil finished the month down by 3.0%. The yields on US, UK and German 10-year bonds all increased by 17, 13 and 21 basis points, respectively. The pound fell 3.5% against the US dollar and fell 2.3% against the euro.

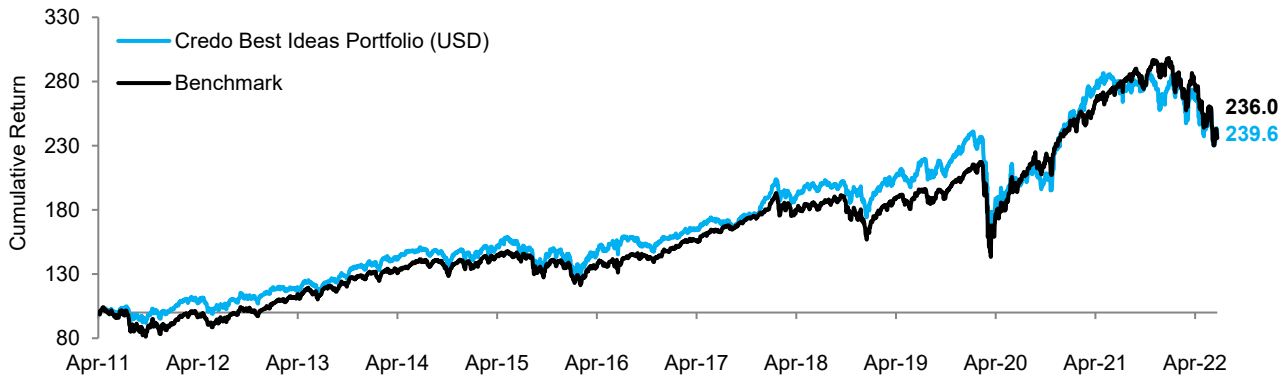
Key Contributors to Return

Alibaba Group's shares increased by 18.8% along with other Chinese internet stocks after a string of positive economic and regulatory developments, following months of lockdowns coupled with a crackdown on the technology sector. AIA Group's shares increased by 5.2% after China cut its quarantine requirements for arrivals and began a process of reopening, encouraging investors that the lockdown-induced economic shock has passed.

Key Detractors from Return

HCA Healthcare's shares declined by 20.2% after hospital peer Universal Health Services lowered its earnings outlook for the year citing low patient volumes coupled with elevated labour costs. Meta Platforms' shares declined by 17.0% along with other technology stocks after reports of continued surging inflation in the US, depressing economic growth expectations and the outlook for the sector amid rising rates.

Performance Since Inception (14/04/2011)[2]



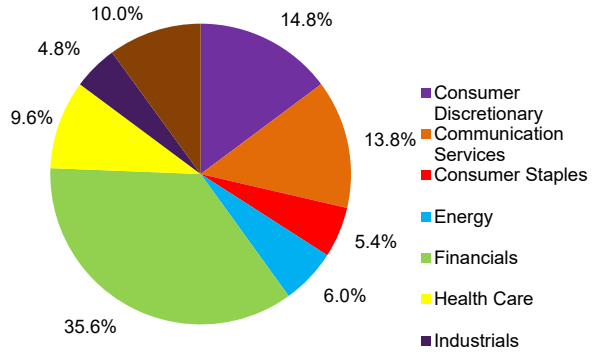
Best Ideas Portfolio (USD)
June 2022

CREDO

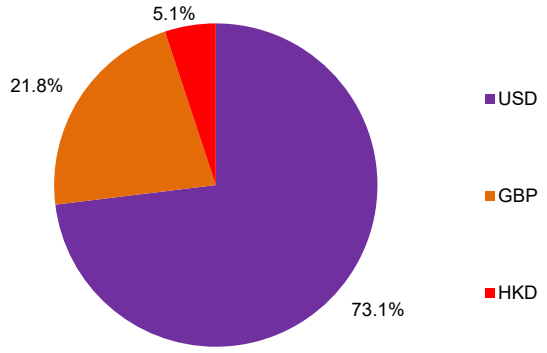
Sample Portfolio Statistics[2]

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Alibaba Group Holding - SP ADR	$113.7	15.7x	14.6x	0.0%
BP plc	388p	9.5x	4.9x	4.6%
Interactive Brokers Group	$55.0	19.2x	13.3x	0.7%
Total Portfolio Average		**15.9x**	**12.8x**	**1.4%**
MSCI World		**16.5x**	**14.4x**	**2.3%**

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

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, FRN 192204; is an Authorised Financial Services Provider in South Africa; FSP No: 9757 and is a member of the London Stock Exchange.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, designed to track the holdings of the Credo Best Ideas Portfolio. Portfolio incorporates all additions and removals, rebalancing all holding 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 30/06/2022 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal