

# MULTI**ASSET**PORTFOLIOS

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FOR PRIVATE CLIENTS

A person wearing a dark jacket and a grey beanie is sitting on a vast, flat, frozen lake. The lake's surface is highly reflective, mirroring the person and the surrounding landscape. In the background, there are large, rugged mountains covered in snow under a bright, clear sky. The overall color palette is dominated by blues, whites, and greys, creating a serene and expansive atmosphere.

CREDO

Every investment decision counts





# MULTI ASSET PORTFOLIOS

*Smart investing  
with Credo*

The Credo Multi-Asset Portfolios team takes a different approach to many others. It makes investment decisions based on what is backed by long term academic evidence, instead of on current market trends or conditions or sentiment. The Credo Multi-Asset Portfolios combine rigorous research, intellectual honesty, and long term historical data to guide the decision-making process.

**This is evidence-based investing.**



# Want to invest in an objective, unbiased manner? **We do**

Discretionary forecasts are extremely difficult to make. The Multi-Asset Portfolio team acknowledges the inherent randomness in markets and the behavioural biases which strongly influence many decisions. Credo's Multi-Asset Portfolios are centred on the following tenets:

## Rule 1

**Gross Return minus  
Costs = Net Return**

Whilst returns are noisy, cost is one of the few constants in investing. We believe cost reduction throughout the investment process, from strategy selection to portfolio construction, is a primary enabler of better returns.

## Rule 2

**Diversification is the only  
“free lunch” in investing**

A portfolio of assets which are not completely correlated will produce a better risk-adjusted result than the individual assets alone. This is a mathematical truth.

## Rule 3

**A high hurdle  
for portfolio changes**

Alpha is uncertain, but diversification and cost are not - thus we need “a lot” of potential alpha to give up on some diversification and/or cost (as per rules 1 and 2).

# Driven to find a partner for the long term

The Credo Multi-Asset Portfolios offer you a more predictable approach to investing with a safe pair of hands. Credo is an independently owned, private client wealth management group established in 1998 with offices in London and South Africa. Credo is authorised and regulated by the FCA and is a member of the London Stock Exchange. The group has assets under administration in excess of £4bn and employs over 100 staff. Credo's primary aim is to protect and enhance our clients' wealth.

We have a strong culture of building long-term relationships with our clients and we operate in an environment of trust and confidentiality. We have grown our business through word of mouth and treat each and every client relationship with a duty of care and understanding. In addition, our focus on transparency is paramount and we ensure our clients are aware of all fees and charges right from the start of the relationship.

## What do we look for?

In managing the Credo Multi-Asset Portfolios, the investment team look for the following:

- Investment ideas which are backed by long-term evidence
- Sources of return which can be captured through liquid instruments
- Economic rationale behind every idea to certify its performance is repeatable

## What do we avoid?

The investment team who manage the Credo Multi-Asset Portfolios have a very clear mantra in terms of what they don't want. This includes:

- Concentrated positions
- Significant unrewarded risks
- Performance chasing





## Ongoing monitoring on your behalf

We review the portfolio and constituents on an on-going basis. Given our longer-term approach, we focus on consistency of process rather than short-term performance. Underlying investment strategies are monitored using a combination of statistical and fundamental techniques to ensure they remain consistent with our investment thesis.

## Looking for a solution that keeps safety of your assets front and centre?

### We do

Credo Capital uses Pershing Securities Limited and Pershing (Channel Islands) Limited (wholly owned subsidiaries of BNY Mellon) as its primary onshore and offshore custodians respectively. In the unlikely event that Credo Capital or its custodians are unable to meet their financial obligations, you would benefit from extensive account protection for the net equity value of the securities positions and cash held in your account.

In compliance with FCA Client Asset Rules, investors' assets are held in trust accounts segregated from the custodians' own assets. Therefore, in the unlikely event of default by either custodian, investors' assets would be allocated to the beneficial owner, would not be considered as belonging to the custodian, and would not be used to repay the custodian's creditors in the event of liquidation.



# Want to invest with ESG in mind? **We do**

ESG investing looks to incorporate additional considerations beyond risk and return, such as environmental, social and governance factors, into the investment process. Due to the subjective nature of ESG, there is no universal definition of what makes an investment ESG friendly. In addition, ESG related data is still relatively new, with limited consensus on measurement and classification methodologies. These factors make it challenging to build a one-size fits all ESG investment strategy that can cater to any and all investor preferences.

# Credo offers a range of Multi-Asset Portfolios called MAP ESG

These follow the same rigorous and evidence based investment process as the Multi-Asset Portfolios Core with the additional objective of including ESG aware investment strategies.

Given the inherent subjectivity in ESG, Credo MAP ESG is designed to take a broad approach to ESG. These portfolios are for investors who are keen to incorporate ESG considerations into their portfolio but who don't have specific and quantifiable ESG convictions or goals.

Diversification is a core tenet of the Credo MAP process and this extends to the MAP ESG range in the context of ESG classifications. Since there can be disparities between the classifications and/or ESG ratings given by different ESG assessors for the same investment, our approach is to diversify exposure to different ESG providers and

data sets, to avoid over-reliance on any one source of subjectivity in ESG assessment.

The MAP ESG range aim to maintain consistency with the core MAP investment philosophy whilst including ESG aware strategies that are a fit. The medium term goal as the ESG space evolves is including only mutual funds and ETFs categorised as Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), across the equity and fixed income portions of the portfolios.

Funds and ETFs categorised as Article 8 under SFDR are investments that promote ESG characteristics.



# Introducing the Credo Multi-Asset class portfolio suite

The Credo Multi Asset class portfolios are available across a range of target asset allocations including ESG versions. In addition, we offer two portfolios that are accessible for lower initial investment amounts.

		MULTI-ASSET PORTFOLIO CORE 20/80	MULTI-ASSET PORTFOLIO CORE 45/55	MULTI-ASSET PORTFOLIO CORE 60/40	MULTI-ASSET PORTFOLIO CORE 70/30	MULTI-ASSET PORTFOLIO SELECT 50/50	MULTI-ASSET PORTFOLIO SELECT 90/10
		MULTI-ASSET PORTFOLIO ESG 20/80	MULTI-ASSET PORTFOLIO ESG 45/55	MULTI-ASSET PORTFOLIO ESG 60/40	MULTI-ASSET PORTFOLIO ESG 70/30		
<b>Target Asset</b>	<i>Equities</i>	20%	45%	60%	70%	50%	90%
<b>Allocation</b>	<i>Others</i>	80%	55%	40%	30%	50%	10%
<b>Investment Minimum</b>		£100,000	£100,000	£100,000	£100,000	£20,000	£20,000
<b>Credo's Charge</b>	<i>Management Fee + Custody</i>	0.80%	0.80%	0.80%	0.80%	0.80%**	0.80%**
<b>Estimated Total</b>	<i>GBP</i>	1.27%	1.31%	1.33%	1.35%	1.32%	1.27%
<b>Investment Charge*</b>	<i>USD</i>	1.28%	1.32%	1.34%	1.36%	-	-

(\*) The estimated Total Investment Charge represents all expected ongoing charge figures payable by the investor, including, for example: Credo's charges, any transaction charges or bid/offer costs and charges arising from any underlying fund managers. It is calculated here assuming a financial intermediary investing client funds. Estimate correct as at 15 Nov 2020.

(\*\*) Please note that this is a flat fee with no trading charges. This makes the MAP Select portfolios well suited for those who wish to make regular contributions.

A person is standing on the peak of a large, smooth sand dune. The dune is a rich, warm brown color. A trail of footprints leads up the slope from the foreground towards the person. The sky is a clear, pale blue. In the distance, a flat landscape with some low hills and a body of water is visible under a hazy horizon.

## Diversified exposure to global assets

The Credo Multi-Asset Portfolios provide investors with diversified exposure to global assets through a selection of mutual funds and exchange traded funds (ETFs). The portfolios apply Credo's value-orientated investment philosophy across asset classes with the aim of providing long-term exposure to both traditional and alternative assets.

With the exception of the two Select Portfolios, the Credo Multi-Asset Portfolios can invest in any regulated mutual fund or exchange traded fund (ETF) vehicle. The Select Portfolios have specifically been designed for investors with lower capital contributions and, in an effort to eliminate transaction costs, invest only in regulated mutual funds.

# Investment Holding Summary

The Credo Multi-Asset Portfolios Core are all managed on a segregated basis. Investors will own each of the underlying holdings and will always have full transparency of these. See below for details on some of the holdings and why we selected them\*.

## Equities

## Summary description

**Dimensional Global Targeted Value Fund**

- Strong bias for smaller and cheaper stocks
- Industry leading execution infrastructure

**TOBAM Anti-Benchmark World Equity Fund**

- Maximises diversification across global developed equities
- Utilises patented portfolio construction methodology

**VanEck Vectors World Equal Weight UCITS**

- Equally weighted global equity index
- Maximum regional exposure of 40%

## Fixed Income

**Dimensional Global Core Fixed Income**

- Maximises forward rates across global investment grade bonds
- Currency exposure hedged to share class currency

## Alternatives and Commodities

**L&G Longer Dated All Commodities UCITS ETF**

- Broad-based exposure to commodities

(\* ) Credo's Multi-Asset Portfolios are managed on an ongoing basis and therefore the exact composition is subject to change from time to time.

# ESG - Investment Holding Summary

The Credo Multi-Asset Portfolios ESG are all managed on a segregated basis. Investors will own each of the underlying holdings and will always have full transparency of these. See below for details on some of the holdings and why we selected them\*.

## Equities

## Summary description

**Dimensional Global Sustainability Core Equity**

- Tilt towards smaller, cheaper, and higher profitability stocks
- Evaluates ESG independently with a focus on GHG emissions

**TOBAM Anti-Benchmark World Equity Fund**

- Maximises diversification across global developed equities
- Systematic 20% carbon footprint reduction relative to index

**VanEck Vectors Sustainable World Equal Weight UCITS**

- Equally weighted global equity index
- Excludes worst from Vigeo EIRIS ESG assessment

## Fixed Income

**Dimensional Global Sustainability Core Fixed Income**

- Maximises forward rates across global investment grade bonds
- Evaluates ESG independently with a focus on GHG emissions

**Vanguard ESG Global Corporates**

- Global investment grade corporate fixed-rate bonds
- Exclusionary screen on business activity applied by MSCI

(\* ) Credo's Multi-Asset Portfolios are managed on an ongoing basis and therefore the exact composition is subject to change from time to time.

*The portfolios apply Credo's long term investment philosophy across asset classes, following a diversified and evidence-based approach to investing*



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