CREDO NEWS

No point in dying
Deon Gouws

The colour and shape of risk
Ainsley To

A shot in the arm
Alison Norbury

Financial planning case study
William Godsave

...and more

VACCINE VICTORY

Issue 35 - March 2021

The new normal

"There is certainly much more hope around today compared to the dark days of March 2020."

It is a pleasure to write this, my first introductory piece for CredoNews since taking over as CEO of the business towards the end of last year. Even though I have been with Credo since 2014, it does therefore feel like "new beginnings" to a very large extent. And this is probably also how one might refer to the state of the world slowly coming out of lockdown after the devastation of Covid-19 which has now been with us all for more than a year.

There is certainly much more hope around today compared to the dark days of March 2020. This is in no small part thanks to a number of effective vaccines being developed and rolled out around the world in record time. Equity analyst, Alison Norbury, summarises this progress in her piece and points out how vaccines have also served as a shot in the arm for the economy as well as financial markets.

Chief Investment Officer, Deon Gouws, picks up on this theme and highlights the fact that positive news around vaccines also appears to have led to a rotation trade away from some of the past winners (largely technology companies). The market recently started to favour a number of more traditional businesses which had largely been ignored by investors for much of 2020. This has been of benefit to Credo's core equity portfolios, given an investment philosophy focusing on value and quality.

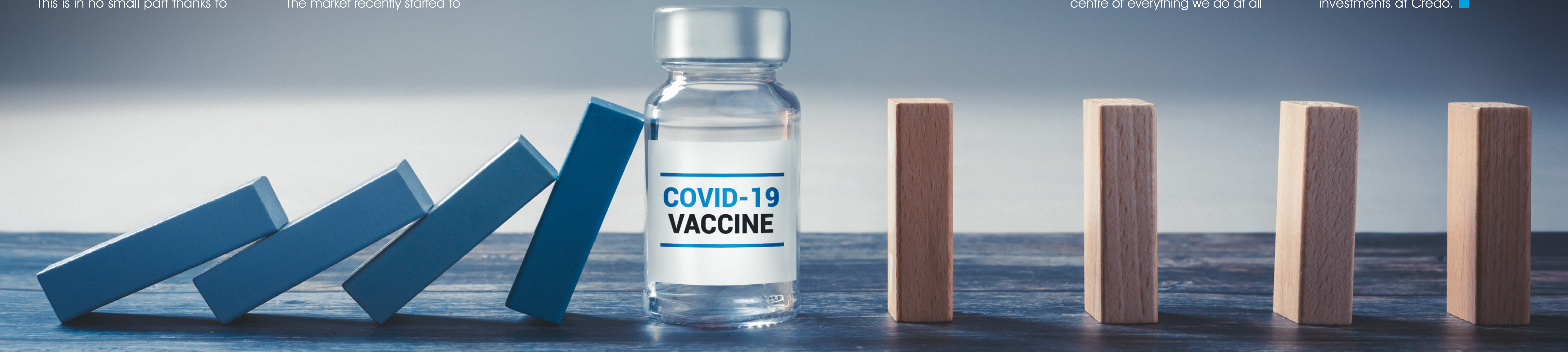
In a typically cerebral piece, Ainsley To, who heads up the Multi-Asset Portfolio offering at Credo, explains Simpson's Paradox with reference to Covid-19 statistics and proceeds to debunk certain misconceptions relating to asset allocation and investment risk.

Covid-19 has given us all the opportunity to think about what we want to achieve in life, including time at home to review all aspects of our financial plans.

Against this background, we are pleased to welcome new Financial Planner, William Godsave, to the Credo family. After answering a few personal questions, Will illustrates how this new part of the business can assist clients in all aspects of financial planning, including taxation, pensions and investments.

Before closing off, let me say how thrilled I am to be leading the dedicated and professional team at Credo. I can certainly reassure readers that the business will put you, our clients, at the centre of everything we do at all times. I would also like to thank Roy Ettlinger, who has now stepped into the Executive Chairman role, for his past and ongoing dedication to Credo.

One cannot help but wonder if a **new normal is on its way**. A successful vaccine roll-out, pent-up demand from lockdown, as well as government stimulus, should all lead to a jump in growth and rising prices. It is therefore appropriate for us to explore whether vaccines can indeed deliver a victory… and what this means for your investments at Credo.



Deon Gouws - *CIO* | @DeonGouws_Credo

No point in dying

"…every equity investor who stayed the course through the turmoil of the past twelve months has reason to be cheerful today."

When the UK authorities originally approved the Pfizer coronavirus vaccine in December last year, the government published guidelines for distribution in descending order of priority. It read a bit like a batting list: those over the age of 80 as well as frontline health and social care workers would open the innings.

Barely a week after the vaccine had been approved, the NHS started administering doses to qualifying individuals. One of the very first people to be vaccinated was an 81-year old gentleman named William Shakespeare (yes, really).

Another was sprightly 91-year old Martin Kenyon, who found instant fame when giving a straight-talking interview filled with humour and humility to CNN immediately after receiving the jab. In Kenyon's own words: "There's no point in dying now, when I've lived so long, is there?" To which one can only say touché. And I do hope that his pension fund is in equally rude health.

Given my own relatively tender age, I only featured at number 8 in the batting order. I hardly had time to put the pads on, however, before the NHS invited me to come in for the jab a short three months later. One day soon, when lockdown eventually finishes and I'm able to walk around the streets of London again, I'll thus be doing so with a vaccine certificate safely ensconced in my wallet.

All of this is of course reason to celebrate, and by and large, equity markets have behaved accordingly since early November when it started becoming clear that vaccines would soon be rolled out around the world. The S&P 500, for example, has seen strong double digit returns over the period in spite of some large swings in the past few weeks.

At the beginning of December, I saw a tweet with supporting graphs stating not only that global stock markets had just had their best month on record, but also that this was in fact led by a late surge in value shares (which also enjoyed their best month ever in November 2020). Who would have thought that such strong performance was possible in a year that the global economy had been largely shut down, with unemployment rising to levels of the Great Depression?

Strange times indeed. But perhaps the most notable point is the one about the value style enjoying its time in the sun again (a trend that has continued into 2021).

Value investing is a bit like wearing masks, and Brexit, and Donald Trump, and Manchester United.

It divides opinion: you're either for it, or you're against it. Except that value had done so badly relative to growth for so long, that you would probably battle to find even one supporter of this investing style as recently as a few months ago… just like there's nobody left today who ever voted for Brexit (or soon Donald Trump, mark my words).

Why has value started making a comeback? Simplistically, one could argue that it was bound to happen at some point: the valuation gap between the most popular growth names and the cheapest value stocks had just gone too far. Some reversion to the mean was probably overdue; you can only stretch the rubber band so much.

Linking the timing of a pick-up in performance of value stocks to vaccines being rolled out also makes intuitive sense. Take Disney, for example: for much of 2020, the stock suffered inter alia from the fact that there was no real visibility of the company's multiple theme parks around the world re-opening, or ever being allowed to do so at maximum capacity. With an effective vaccine, the narrative changed practically overnight, and prospects now look pretty rosy. As a consequence, the share price has added more than 50% in as little as four months.

The equities team at Credo has always followed a disciplined process focusing on the intersection of value and quality in picking stocks (Disney being just one example).

The recent turnaround in the fortunes of value stocks therefore means that their patience has been richly rewarded. Much more important, however, is the fact that our clients have benefited in the form of strong performance. Long may this last.

Whether you're a dyed in the wool value investor or a committed growth junkie, the bottom line is that practically every equity investor who stayed the course through the turmoil of the past twelve months has reason to be cheerful today.

Pity those who blinked at the bottom and sold their shares when the world locked down and markets went into freefall a year ago. Just like there's no point in dying, there's typically very little point in selling good quality stocks.

If only there were a vaccine to protect against that kind of behaviour. ■

Alison Norbury - *Equity Analyst*

A shot in the arm

Regular readers of the Equity Spotlight may recall that in December we wrote about the various vaccines under development and in January about the rapid vaccination programme underway in Israel. The development, approval and roll-out of these vaccines have been the fastest in history, beating the prior record of 4 years by quite some way. Since then, events have continued to move at a remarkable pace.

Not only positive for our health, vaccines should also provide economies with a shot in the arm. **As analysts, we are always looking for data points which will give us an indication of the direction of future events, either drawing on examples from history or current trends.** During the past year, there have been limited chances to use such data sets in order to help us navigate. The word "unprecedented" has perhaps been overused in recent times; nevertheless, there really are few other words which truly encapsulate just how little information there has been to help guide decision making over the period. However, data is emerging from Israel and now the UK as to the effect of the vaccine rollout and the prospect of a lifting of restrictions is starting to feel tantalisingly close.

As countries begin to open up, there are inevitably some changes that we have made to our lifestyles which will stay, but also many which we will all be pleased to get rid of. There will be some activities that we gladly and quickly return to, and others where it may take longer to build the confidence around safety. These changes to consumer demand and business practices will inevitably impact on companies and their outlook.

Early roll-out of vaccine programs should give us a window into what the future looks like for many developed market economies. Israel's program, having started in mid-December, had vaccinated around 57% of the population with at least one dose as at the 4th March. This includes around 90% of the population over 50. In the UK, around 31% of the population had received their first dose, including 94% of the over 65s.

One of the main characteristics of Covid-19 is how inconsistently the disease affects various parts of the population, with older people much more negatively impacted in general than younger people. The vast majority of hospitalisations and deaths can be attributed to the over 60s. Targeting this age group, those who are clinically vulnerable, as well as medical workers, should thus significantly reduce the pressure on the country's health services.

Early data from both Israel and the UK is showing a substantial impact on infection rates, but perhaps most importantly, an even greater effect on hospitalisations and deaths. In Scotland, studies have shown that the risk of hospitalisations is reduced by over 85% for the Pfizer vaccine and by over 94% for the Oxford/AstraZeneca jab. We are also starting to see the impact of this on overall rates of hospitalisations, critically ill patients, and deaths.

> The extent of the success of the vaccination program and the subsequent re-opening of the economy should finally give us a leading indicator as to how other developed market economies may evolve over the coming months.

Israel has re-opened non-essential shops, retail malls, museums and libraries. A "green pass" system will allow those who have been vaccinated or have recovered from Covid-19 to visit gyms, sporting and culture events, hotels and swimming pools. It will give an indication as to how quickly certain sectors can be reopened and restrictions eased without causing an increase in case rates. It will also give an indication of where there may be areas of pent-up demand and where consumer tastes have changed. Moreover, we should get these results very quickly.

There are of course questions as to what extent these results will be applicable to the rest of the world. Israel in particular is a small, densely populated and relatively wealthy state where over 60s make up a much smaller proportion of the population as compared to other developed countries. In addition, a centralised and digitised healthcare system run by four main providers has enabled efficient matching of vaccines to people.

There are also reasons for concern surrounding new variants which may be resistant to the vaccine. However, the positive news is that the new technologies which allowed such rapid development of the vaccines in the first place, should also allow them to be swiftly modified to address these variations. Both the mRNA vaccines (Pfizer and Moderna) and the vaccines developed using the same technique as the Oxford/AstraZeneca jab, including the Johnson and Johnson and Sputnik 5 vaccines, are readily adaptable. A consortium of regulators including the UK, Australia, Canada, Switzerland and Singapore have agreed that manufacturers can show that their modified jab produces a robust immune and antibody response using blood samples in the lab. The UK regulator has specifically stated that it will not require clinical studies to assess the modified vaccines.

Mindful of the prospect of a vaccination enabled recovery, we have ensured that the Credo Global Equity Fund and the Equity Portfolios have been positioned in order to take advantage of the "opening up" trade. Whilst the road has not always been smooth, we have been rewarded recently with some strong performance as the market reacted positively to the vaccine news and started looking forward to an economic recovery. The value bias has also been rewarded as investors have rotated out of the overpriced technology names into previously unloved stocks, many of which had been more negatively impacted by Covid-19. Long may this trend continue! ■

Kathryn Linde - *Relationship Manager, Director Credo ICAV*

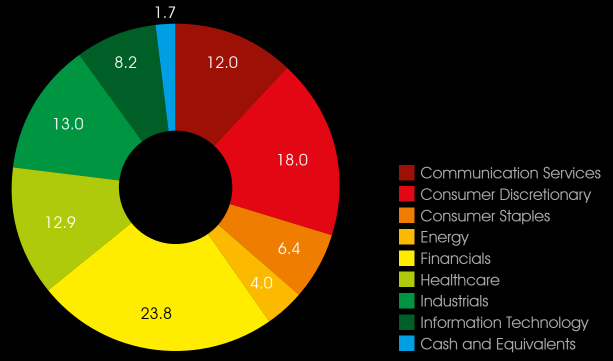
The Credo Funds

Credo Global Equity Fund

GLOBAL EQUITY FUND

Credo has a strong track record of managing long-only, value-based, direct equity portfolios with a bias towards developed market, large capitalisation stocks. The Credo Global Equity Fund (UCITS) is actively managed and follows this same investment philosophy. Our aim is to generate sustainable excess returns versus global market indices through careful stock selection.
On 3 February 2020, Credo launched the **BCI Credo Global Equity Feeder Fund**, giving South African investors direct access (in ZAR) to Credo's global equity investment offering.

Sector Allocation (%)



Currency Allocation (%)

GBP	25.4
USD	60.3
Other (AUD, EUR, HKD, MXN, SGD)	14.3

Past Performance (%)

	Fund	Benchmark
1 Month*	4.2	0.8
3 Months*	3.6	1.4
1 Year*	18.8	18.4
3 Years*	36.4	34.4
S. Inception *(Cumulative)*	32.5	40.7
S. Inception *(Annualised)*	8.0	9.8

Top 10 Holdings (%)

Raytheon Technologies Corp	Industrials	4.5
Cigna Corp	Healthcare	4.2
Flutter Entertainment plc	Consumer Discretionary	4.1
Facebook Inc	Communication Services	4.1
Alibaba Group Holding Ltd	Consumer Discretionary	3.9
Wells Fargo & Co	Financials	3.8
Bayer AG	Healthcare	3.7
Prudential plc	Financials	3.7
Crown Resorts Ltd	Consumer Discretionary	3.6
Sberbank Of Russia PJSC	Financials	3.6

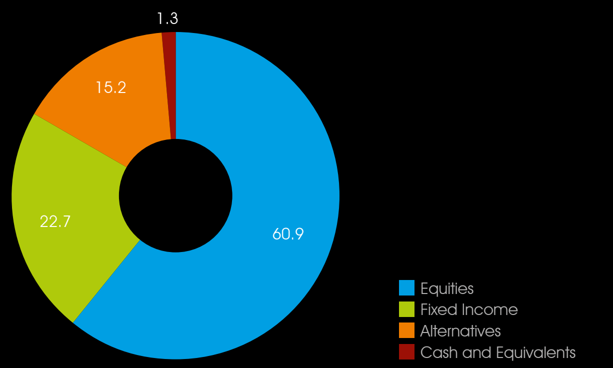
(*) Actual performance of the Credo Global Equity Fund (UCITS) A GBP retail Inception: 03/07/2017. Benchmark: MSCI World Index Net Total Return (in GBP) Highest: 27.0%, lowest: -6.1%

Credo Dynamic Fund

DYNAMIC FUND

The Credo Dynamic Fund (UCITS) utilises the long-term and successful investment strategy that has historically been employed within the traditional stockbroking arm of Credo and aims to achieve a balance of income and capital growth over the longer-term. The fund has flexibility to invest across asset classes depending on prevailing market conditions and has a bias to UK markets.

Asset Allocation (%)



Currency Allocation (%)

GBP	89.1
USD	9.3
Other (CAD, DKK, EUR, SEK)	1.6

Past Performance (%)

	Fund	Benchmark
1 Month*	1.8	0.6
3 Months*	7.0	3.1
1 Year*	14.1	13.0
3 Years*	21.1	16.8
S. Inception *(Cumulative)*	28.5	21.4
S. Inception *(Annualised)*	7.1	5.5

Top 10 Holdings (%)

Allianz Technology Trust plc	Investment Trust	5.4
Veritas Asian Fund	Open-End Fund	3.9
X-trackers S&P 500 Equal Weight	Exchange Traded Product	3.5
Cordiant Digital Infrastructure	Financials	3.4
North Atlantic Smaller Companies	Investment Trust	2.9
Worldwide Healthcare Trust plc	Investment Trust	2.8
X-trackers MSCI World UCITS ETF	Exchange Traded Product	2.7
Co-operative Group Ltd 11 12/18/25	Corporate Bond	2.6
Aberforth Smaller Companies	Investment Trust	2.2
Liontrust Asset Management plc	Financials	2.0

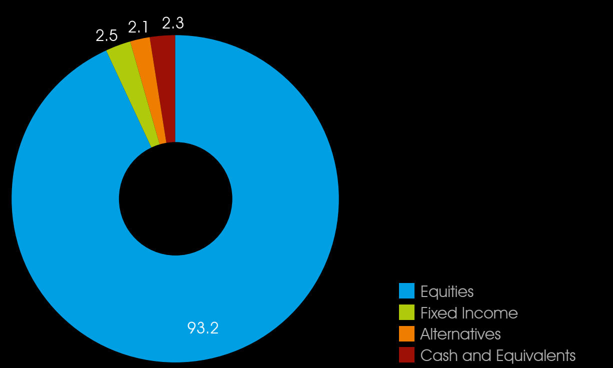
(*) Actual performance of the Credo Dynamic Fund A GBP retail Inception: 03/07/2017. Benchmark: IA Flexible Investment Sector Highest: 15.5%, lowest: -4.9%

Credo Growth Fund

GROWTH FUND

The Credo Growth Fund (UCITS) is a reflection of the fund manager's (Roy Ettlinger) personal investment style and strategy which he has successfully adopted for clients in past years. The fund is globally diversified and follows a flexible investment strategy with a growth bias. It aims to provide attractive risk-adjusted returns to investors and has flexibility to invest across asset classes.

Asset Allocation (%)



Currency Allocation (%)

GBP	37.7
USD	55.0
Other (AUD, CHF, DKK, EUR, SEK)	7.3

Past Performance (%)

	Fund	Benchmark
1 Month*	-0.1	0.6
3 Months*	2.8	3.1
1 Year*	20.4	13.0
3 Years*	28.7	17.8
S. Inception *(Cumulative)*	34.9	21.4
S. Inception *(Annualised)*	8.5	5.5

Top 10 Holdings (%)

PayPal Holdings Inc	Information Technology	4.3
Scottish Mortgage Investment Trust	Investment Trust	4.1
Alphabet Inc	Communication Services	3.8
Microsoft Corp	Information Technology	3.5
Costco Wholesale Corp	Consumer Staples	3.3
Amazon.com Inc	Consumer Discretionary	2.7
SPDR MSCI USA Small Cap Value	Exchange Traded Product	2.5
Pershing Square Holdings Ltd	Closed-End Fund	2.3
Pacific Horizon Investment Trust	Investment Trust	2.2
Entain plc	Consumer Discretionary	2.2

(*) Actual performance of the Credo Growth Fund A GBP retail Inception: 03/07/2017. Benchmark: IA Flexible Investment Sector Highest: 20.7%, lowest: -8.4%

Source: Société Générale Securities Services (Ireland) Limited, Bloomberg and FE Analytics. As at 26/02/2021. Performance is of the Class A (GBP) Retail share class for all UCITS funds and is measured using NAV to NAV dates, net of fees and with income reinvested. Individual investor performance may differ as a result of initial fees (if any), the actual investment date, the date of reinvestment and dividend withholding tax. Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request. Highest and lowest are calendar year returns which are the actual annual figures. NAV is the net asset value and represents the assets of a fund less its liabilities.

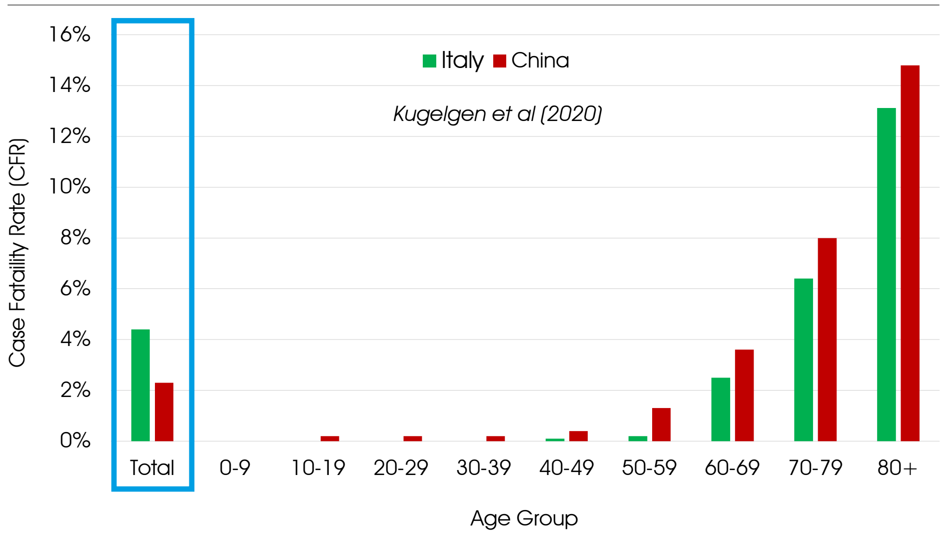
A schedule of fees, charges and maximum commissions are available on request. Credo Growth Fund is weekly dealing. Credo Global Equity Fund and Credo Dynamic Fund are daily dealing. Full performance calculations are available from the Manager on request. The Manager of the UCITS funds is FundRock Management Company S.A. and is Boutique Collective Investments (RF) (Pty) Ltd for the Feeder Fund. Prescient Management Company (RF) (Pty) Ltd is the Representative Office in South Africa for the UCITS funds and is registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). For any additional information such as MDDs, prospectus and supplements, please visit www.credogroup.com.

Ainsley To - *Head of Multi Asset* | @Ainsley_To

The colour and shape of risk

At the beginning of the pandemic, Italy was one of the first European countries to see a large spike in cases. Many headlines were comparing Italy's Case Fatality Rate (CFR) to China's and concluded the situation in Italy seemed worse. The headline figures from late February / early March 2020 (highlighted in blue in Chart 1) showed that Italy's case fatality rate was over 4%, almost double that of China's, leading many to conclude that you were less likely to survive the disease in Italy than if you were in China. However, when controlling for age group (as per the right-hand columns in Chart 1), the fatality rate was worse in every single group for the Chinese data than in Italy – it painted the complete opposite picture to the total CFR figures. This statistical phenomenon is known as Simpson's Paradox - that you can get opposite conclusions when looking at aggregated data compared to when looking at subgroups of the same data.

Chart 1: Total CFR vs CFR by Age Group (Feb / March 2020)



The chart and figures above are missing an important piece of information - the confirmed cases in Italy at the time had a much older age demographic, with almost 60% being over 60 years old. This was compared to a much younger cross section in China, where just 30% of their confirmed cases were over 60 years old. Since age, as we now know, is highly correlated with the mortality risk from COVID-19, it was the main variable driving the higher aggregate case fatality rate for Italy in the total figures – when controlling for age, the data in fact displayed the opposite pattern. There have been many famous examples of Simpson's paradox, including the comparison of medical treatments for kidney stones (one treatment was more successful in aggregate, and the other when subgrouping by stone size) and gender bias in university admissions (where the data in fact showed the opposite bias after grouping admissions by department). **It is one of many counterintuitive aspects of interpreting data that has misled readers over the course of the pandemic.**

The paradox of asset allocation

As you may have guessed, Simpson's paradox also rears its head in the statistics-heavy world of finance. The charts below plot compound inflation adjusted returns against risk for cash, bonds, and equity markets across 14 developed countries between 1900 and 2020. When viewing these assets in aggregate (as per the black and white chart, Chart 2), we see a positive relationship between risk and real returns over the very long term – as conventional wisdom would dictate, higher risk has been rewarded. However, when grouping the assets by asset class (as in the colour chart, Chart 3), the relationship appears to be the opposite – comparing within cash, bonds, and stocks, the riskier markets appear to have realised lower real returns over the long term (the so-called low volatility anomaly).

Through this lens we can see why the old adage that "asset allocation explains the majority of the variance between portfolios" can often ring true – when looking across the traditional asset universe: the higher your allocation to equities, the more volatile your portfolio, and the higher your long-term real return was likely to have been. It is an easy mistake to assume that the same relationship between risk and return is one that holds generally, regardless of qualitative features such as asset class. Textbook portfolio optimisation approaches abstract all assets into the black and white of expected return and volatility numbers (as per Chart 2). But there's an element of art in every science - **just because you can shrink and invert a covariance matrix in theory, doesn't mean it always makes sense to do so in practice.**

"Statistics is a causality-free enterprise."

Judea Pearl

Conclusion

If you ignore qualitative differences between traditional assets, higher risk is more likely to lead to higher return. Yet when viewed through the lens of asset classes, the relationships are much more nuanced - not all risk is rewarded. It is common to abstract data down to black and white statistics for convenience. But Simpson's paradox is just one example of how numbers without context can often lead you to the wrong conclusions.

Chart 2: Equities, Bonds, and Cash (1900-2020) - Aggregated

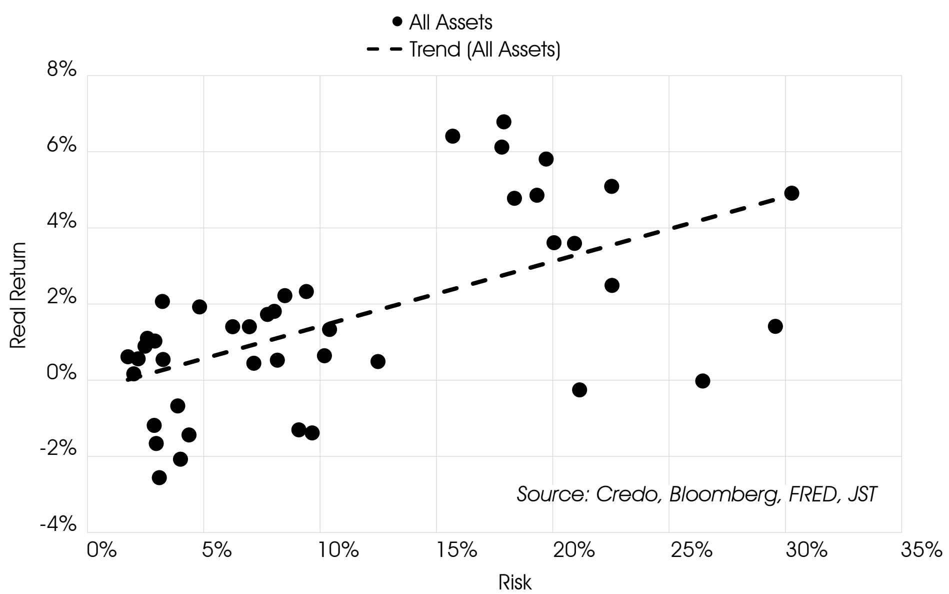
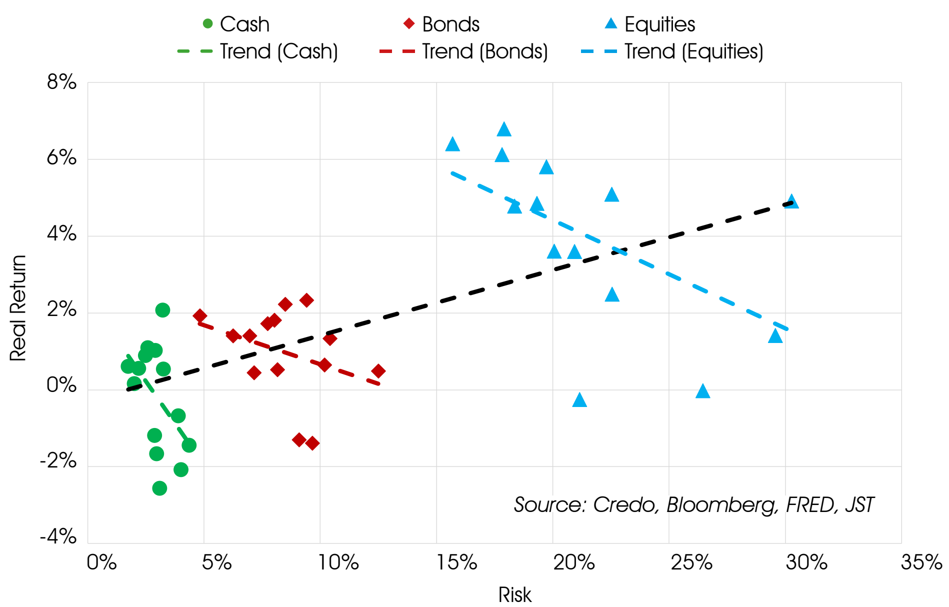


Chart 3: Equities, Bonds, and Cash (1900-2020) - Grouped by Asset Class



William Godsave - *Financial Planner*

Q&A with William Godsave

(Newly appointed Financial Planner at Credo Wealth)

How do you define "Wealth Planning"?

Wealth Planning is about taking a holistic approach to a client's personal finances to ensure that all aspects of their affairs - including their tax position, pensions, and investments - are working together in the most optimal manner.

It is well known that when you run a business, you need to formulate a business plan in order to clearly map out where you want the business to be in the short and longer terms, how this can be achieved, and the potential risks and challenges that the business may face along the way.

We believe that the same principles and level of discipline should be applied to personal finances – every client needs their own personal "business plan" specific to their circumstances and objectives. Moreover, once the plan has been established, we can't just leave it and hope everything goes to plan – we must continually monitor and review it to ensure we are still on track to meet our goals.

What excites you most about working at Credo?

It is a sad fact that there are so many financial advisers who, unbeknown to clients, primarily aim to "sell" products to earn themselves big fees. This issue is exacerbated by the fact that there is so much conflicting information online that it's nearly impossible for individuals to properly manage their finances themselves.

As Credo Wealth Planning is a new and small team, I am excited to shape the culture away from the typical product sales approach adopted by much of the financial planning industry, and towards a professional advisory service. This approach, married with the excellent investment capabilities of Credo, should result in a really valuable service for clients.

Tell us about your professional journey before Credo?

I joined Credo at the start of February 2021, having spent over 7 years at Mazars LLP providing personal tax and financial planning advice to high net worth individuals and families. During my time at Mazars, I gained experience and qualifications in both financial planning and personal tax, enabling me to work in partnership with clients across a broad range of areas.

Can you please give us a practical example of your approach?

Sure, please see the following page.

Financial planning case study

The following is based on a real-life case study

Background

John and Olivia Jones* are aged 69 and 68 respectively and enjoying their retirement, having sold their business 4 years ago. They have two children who are both in their early 30s, one of whom has recently had twin girls.

The birth of John and Olivia's grandchildren prompted them to start thinking about their estate planning, including their potential inheritance tax (IHT) exposure, about which they are especially concerned.

John and Olivia have total assets worth c.£6,000,000, of which £3,500,000 is held in liquid investments and cash.

Our approach

We met with John and Olivia to discuss their circumstances and objectives. They were very concerned to find out that their IHT liability could be over £2,000,000, and would like as much of this to pass to their family, rather than to the pockets of the Revenue.

When considering IHT planning, our starting point is to ascertain John and Olivia's long-term security. We therefore undertook a cash flow and asset modelling exercise to establish the assets that they will require to maintain their standard of living for their lifetime. We modelled a number of scenarios, including the impact of lower investment growth, increases in inflation, as well as potential expenditure on care home fees, to ensure that the modelling was robust and prudent.

Following this analysis, we were in a position to objectively discuss their IHT options and the impact that the solutions could have on their financial security.

Solution

John and Olivia were content with gifting up to £150,000 to each of their children outright, but wanted to maintain control over any gifts in excess of this, because they didn't want a windfall to dissuade their children from working hard and building their career.

We therefore formulated a gifting strategy for John and Olivia over the next 5 years, which included a combination of:

- Outright gifts to the children, which was used to help reduce their mortgages
- Gifts into a discretionary trust, for the benefit of the children and grandchildren
- Gifts for the children and grandchildren in the form of pension and ISA contributions

John and Olivia were keen to monitor their strategy on an ongoing basis, so we agreed to implement formal annual review.

We also worked with John and Olivia's existing solicitors to update their wills and put in place lasting powers of attorney. ■

(*) Names have been changed in order to protect client confidentiality.

Jack Carbutt - *Relationship Manager*

Diversified equity portfolios

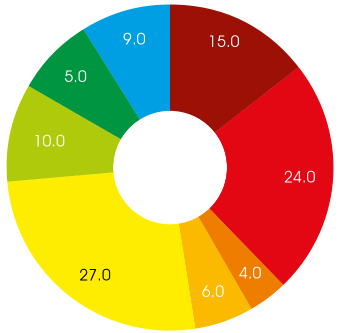
The Credo Best Ideas and Dividend Growth portfolios are diversified global equity portfolios, which we believe to be well positioned to outperform the wider equity market over the longer term. The portfolios have a bias towards developed market, large capitalisation stocks.

BEST IDEAS PORTFOLIO

Performance (%)

Return	
YTD	1.9
1 Month	4.9
3 Months	7.7
1 Year	12.8
Annualised Return	
3 Years	9.6
5 Years	13.0
Since Inception	11.5

Sector Allocation (%)



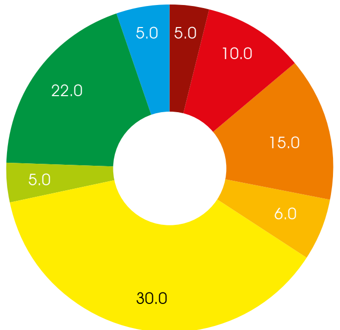
- Communication Services
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Healthcare
- Industrials
- Information Technology
- Cash

DIVIDEND GROWTH PORTFOLIO

Performance (%)

Return	
YTD	-2.1
1 Month	2.8
3 Months	2.6
1 Year	10.8
Annualised Return	
3 Years	8.7
5 Years	11.2
Since Inception	12.2

Sector Allocation (%)



- Communication Services
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Healthcare
- Industrials
- Information Technology
- Cash

Evidence-based approach

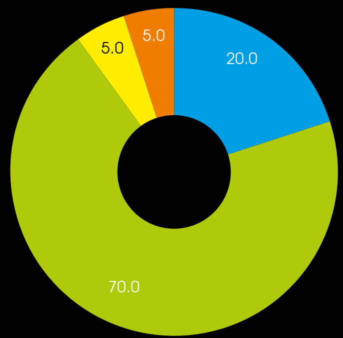
The Credo Multi-Asset Portfolios (MAPs) invest in regulated funds and exchange traded funds (ETFs) on a global basis, with a focus on diversification across a broad range of asset classes using liquid securities. The funds and ETFs are selected using Credo's in-house selection process. The MAPs are offered as four solutions targeting varying levels of equity exposure and are available in both GBP and USD.

MULTI-ASSET PORTFOLIO 20/80

Performance (%)

Return	
YTD	-1.1
1 Month	-0.9
3 Months	-0.3
1 Year	3.2
Annualised Return	
3 Years	4.3
5 Years	5.4
Since Inception	5.3

Strategic Asset Allocation (%)



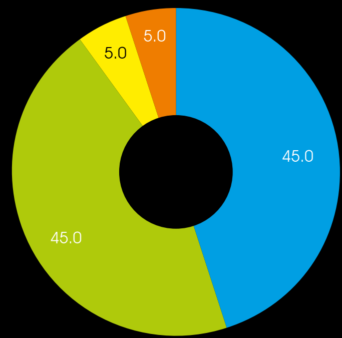
- Equity
- Fixed Income
- Commodities
- Alternatives

MULTI-ASSET PORTFOLIO 45/55

Performance (%)

Return	
YTD	-0.1
1 Month	0.0
3 Months	1.3
1 Year	8.0
Annualised Return	
3 Years	5.4
5 Years	7.7
Since Inception	6.9

Strategic Asset Allocation (%)



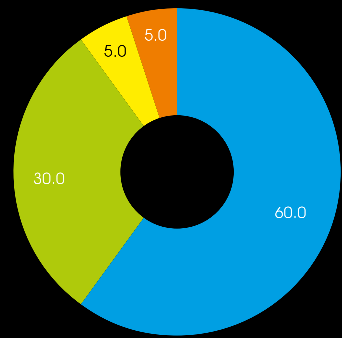
- Equity
- Fixed Income
- Commodities
- Alternatives

MULTI-ASSET PORTFOLIO 60/40

Performance (%)

Return	
YTD	0.5
1 Month	0.5
3 Months	2.2
1 Year	10.9
Annualised Return	
3 Years	6.1
5 Years	8.9
Since Inception	7.8

Strategic Asset Allocation (%)



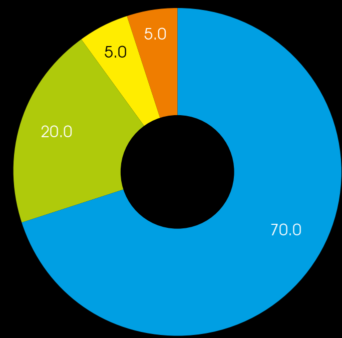
- Equity
- Fixed Income
- Commodities
- Alternatives

MULTI-ASSET PORTFOLIO 70/30

Performance (%)

Return	
YTD	0.9
1 Month	0.9
3 Months	2.8
1 Year	13.0
Annualised Return	
3 Years	6.6
5 Years	9.7
Since Inception	8.3

Strategic Asset Allocation (%)



- Equity
- Fixed Income
- Commodities
- Alternatives

Performance figures are based on a notional portfolio, denominated in pound sterling, designed to track the holdings of the Credo Best Ideas, Dividend Growth and Multi-Asset portfolios. Portfolios incorporate all additions and removals. Portfolios may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any fees (which can vary depending on the level of service) but includes net dividends, reinvested. Following additions or removals, each holding is rebalanced to the model weighting. Source: Bloomberg pricing as of 28/02/2021 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place. Inception dates: Best Ideas Portfolio 14/11/2011, Dividend Growth Portfolio 28/12/2012 and Multi-Asset Portfolios 02/07/2014.

credogroup.com

If you want to stop receiving this newsletter, unsubscribe by emailing us on clientservices@credogroup.com or by writing to Credo Wealth - Client Services at 8-12 York Gate, 100 Marylebone Road, London NW1 5DX or at 1st Floor, 199 Oxford Road, Dunkeld, 2196, South Africa. This newsletter has been issued for the purposes of section 21 of the Financial Services and Markets Act 2000 by Credo Capital Limited (reg. no. 3681529, registered office at 8-12 York Gate, 100 Marylebone Road, NW1 5DX) ("CC"), which is part of the Credo Wealth Limited Group ("Credo Group"). CC is authorised and regulated by the Financial Conduct Authority in the United Kingdom ("FCA"), FRN:192204; is an Authorised Financial Service Provider in South Africa, FSP No: 9757; and is a member of the London Stock Exchange. The content of this newsletter does not constitute an offer, solicitation to invest nor does it constitute advice or a personal recommendation and is not intended to amount to a financial promotion in relation to any specific investment, including an investment in one of CC's UCITS Funds or model portfolios. The UCITS Funds are Collective Investment Schemes in Securities ("CIS") and should be considered as medium to long-term investments. CISs are traded at the ruling price and can engage in scrip lending and borrowing, although none of the UCITS Funds do so. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. The various investments referred to herein have their own specific risks and recipients must consider their own attitude to risk, financial circumstances and financial objectives before deciding whether any particular investment is suitable for them and should seek advice from their financial adviser before investing. Recipients should also be aware that past performance is no guide to future performance. Investments may go up or down in value, returns are not guaranteed and original amounts invested may not be returned. The value of any investment may fluctuate due to changes in tax rates and/or the rates of exchange if different to the currency in which you measure your wealth. The Credo Group (and its employees) may have positions in the investments referred to in this newsletter and may have provided advice or other services in relation to such investments which could result in a conflict of interest. Clients should have regard to Credo Group's conflicts of interest policy on its website. CC has used all reasonable efforts to ensure the accuracy of the information provided, but makes no representation or warranty, express or implied, as to the accuracy or completeness thereof, or of opinions or forecasts contained herein and expressly disclaims any liability relating to, or resulting from, the use hereof, including any taxation consequences you may suffer. Where the tax consequences of any investment are mentioned, these are given for information purposes only and should not be relied upon as CC does not provide tax advice. A non-UK resident making an investment must comply with any applicable foreign regulation/legislation relating to the investment. No part of the information may be copied, photocopied or distributed without CC's prior written consent.