

Introduction

As you are no doubt aware, both the Bank of England and the US Federal Reserve significantly cut interest rates to near zero levels recently. We have been advised by Pershing, our custodian, that they still intend to apply their full Cash Management Fee (Treasury fee) of 25bps on all cash balances. The effective impact is that a 'negative' GBP interest of 15bps and \pm 10bps on US cash will be charged to Investors.

Credo have been on numerous calls with Pershing and they are unwilling to reduce this charge, arguing that they still have a large treasury function to operate, notwithstanding the nil interest rates, and continue to ensure the absolute safety of Investors cash, which we do agree with to a certain extent.

A potential solution may be government bonds. Government bonds maturing within 1, 3 and 6 months still have a positive yield and may be suitable for your needs. If you do place any orders please ensure there is at least 2% cash remaining on portfolio's to cover ongoing expenses (Management and Custody Fees).

As far as trading fees are concerned, Credo will not be charging any commission and will only levy a small charge of £20. Please ensure you take that this fee into account when deciding on the trade sizes. Indicative client side trade sizes should equal/exceed £50,000/\$50,000.

When entering a trade, ensure that you notify the Traders in the 'Talk To Me' box that 'NIL Commission' should apply. Due to the large current volume of trades, please consider multi-client, single market orders, and all orders into these instruments must be entered directly into MyCredo, as we shall not be accepting either telephonic or email orders.

For ease of reference we have included the relevant ISINs and maturities below:

GBP Gilts

ISIN	Expiration Date
GB00BHLD7275	18 May 2020
GB00BHLFV763	13 July 2020
GB00BHLGP110	12 Oct 2020

US Treasury Bills

ISIN	Expiration Date
US9127962L27	12 May 2020
US912796SZ37	16 July 2020
US9127962R96	15 Oct 2020

Please do not hesitate to contact your Relationship Manager should you have any further queries.