INCOME PLUS PORTFOLIOS

Introduction

The Credo Income Plus Portfolios (CIPs) are three high conviction bond portfolios across 2 currencies, each with a minimum targeted annual return that we would expect to achieve over the life of the portfolios, assuming bonds are held to maturity.

Portfolios

Low Volatility	Medium Volatility	High Volatility
Appropriate for the more cautious investor. Bias towards high quality short dated senior investment grade bonds. The portfolio takes little risk in terms of credit and sensitivity to interest rates. A relatively low level of volatility can be expected.	This portfolio will take on a little more risk but should still not exhibit significant volatility. We may invest in longer dated bonds and subordinated debt. Some holdings may further not be investment grade. The portfolio is likely to contain more financial exposure but an emphasis on quality will be maintained.	For the more adventurous investor, this portfolio will contain significant exposure to financial paper, longer dated bonds and special situations. The portfolio is likely to experience significantly more volatility than the others. A material part of the portfolio will nonetheless be investment grade.

The Credo Income Plus Portfolios can be invested in as standalone portfolios or as part of a wider asset allocation strategy.

Investment Strategy

We look for corporate bonds that offer sufficient compensation for the risks of owning them. Whilst the CIPs' primary objective is to create income for our investors we are also aware that excess returns can be derived through capital appreciation.

In addition, we may also invest in external bond funds where considered appropriate.

Because the CIPs are actively managed portfolios, when the economic backdrop strengthens or weakens and financial markets respond as a consequence, we would envisage adjusting the returns targeted in the CIPs accordingly.

Investment Process

Investment Universe: Our primary market is the European market. The vast majority of issuers have bonds listed in Europe in a variety of currencies. Eurobonds tend to be liquid, well researched and our dealing expertise tends to be focussed in this area.

Screening and Elimination: The screening process contains both quantitative and qualitative aspects. We typically reduce our universe by filtering out bonds that are not rated highly enough by the various rating agencies for inclusion in the CIPs, or that are below our minimum issue size ($150m and £100m) and bonds that do not have the necessary liquidity. We also eliminate bonds we feel offer inadequate compensation or have significant risks.

Analysis: Although rating agencies are a useful starting point, in our view they are slow to adapt to changes in the markets. It is therefore important to conduct one's own analysis and this is a vital part of the CIPs investment process. Using both internal and external sources, we conduct a detailed analysis of each bond whilst incorporating our macro-economic view and taking a strategic outlook on the investment. Our universe will be filtered substantially at this point. The main focus of our analysis will be based upon the following key attributes:

- Total outstanding debt
- Terms of debt
- Access to capital markets
- Interest rate sensitivity
- Balance sheet strength
- Political sensitivity
- Character/reputation of issuer
- Debt maturity
- Cash flow and profitability
- Geographical sensitivity
- Seniority of debt

Construction: By this stage our universe has been substantially narrowed. The final portfolio is constructed from the highest yielding bonds we can get for the risk that we are prepared to take. As far as practically possible, we aim to achieve diversity across both industry and maturity of the bonds. The end result is a diversified portfolio of typically 7-12 high conviction holdings.

Execution: Unlike the equity world, bonds are generally traded telephonically and 'best price' is not always shown on data sources such as Bloomberg. It is important, therefore, to have a large network of trusted broker-dealers and intermediaries to ensure that bonds are traded at the best possible levels. We have a wide network of market contacts and counterparties making Credo a very attractive house through which to purchase these instruments.

Monitoring: We review our portfolios on an on-going basis and monitor the constituents regularly. This includes receiving company news and analyst alerts, reviewing analyst reports and attending company events and conference calls. We are in regular contact with a variety of bond market participants whose input complements our own research.

Liquidity

The corporate bond market can become illiquid especially during times of financial stress. In addition certain bonds have large minimum dealing sizes that may be in excess of an individual client's position. It is therefore possible that an investor who wishes to redeem bonds before the stipulated redemption date may not be able to sell as and when required at the reported price if indeed at all. We will endeavour to aid liquidity for sellers.

Investment Team

The core of the Credo Fixed Income investment team has been managing portfolios as a tight knit unit for the past 12 years. The team takes an entrepreneurial yet measured approach in managing these portfolios. With an experienced Investment Committee at the helm we are confident that the Fixed Income team will continue to deliver superior returns to its clients.

Chief Investment Officer
Deon Gouws

Equities
Jarrod Cahn
Jason Spilkin
Alison Norbury
Harry Parker

Fixed Income
Rupert Silver
Ben Newton

Multi-Asset
Ainsley To
Calvin Mclean

Investment Terms

Minimum Investment: £200,000 or US$250,000

Implementation

Investors should note that the minimum lot sizes of specific bonds that trade in the market are all different, with some as low as £1,000 and others as high as £200,000. Against this background, there may at times be some delay in aggregating orders. In some cases where we do not reach the minimum lot size within a suitable time frame, we may select alternative bonds.

Reporting

As a client you will have full transparent access to the live portfolio via MyCredo, our state of the art online secure reporting system.

About Credo

Credo is an independently owned, private client wealth management group established in 1998 which has grown into a multi-national business with offices in London, Geneva, Bermuda, BVI and South Africa and interests in Australia and Luxembourg. Credo Capital 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 £1.7bn and employs over 70 skilled staff. Credo's primary aim is to protect and enhance our clients' wealth.

Important Notice

The Credo Income Plus Portfolios ("CIPs") document has been issued by Credo Capital Limited (the "Company") for information purposes only. This document does not constitute an offer or solicitation to invest. Its sole purpose is to advise investors of this offering and to assist the recipient in deciding whether they wish to receive further information about this opportunity. It does not constitute advice or a personal recommendation and if you wish to invest in a CIP you should consult with your investment advisor to ensure that the CIP you want to invest in is suitable for you given your investment objectives, attitude to risk and financial circumstances.

This document contains forward looking information that is based on current opinions and expectations. Actual results could differ materially from those anticipated in the forward looking information.

Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed and security prices may go up or down and if you invest in CIPs you may not get back your original capital invested. The value of your investments 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. Companies in the Credo Group and their respective directors, members and employees may have positions in the companies and may have given advice in relation to the companies in the last twelve months.

Investors should note that annual yields shown are before any charges or fees are levied and that pricing is indicative as at 30 September 2016

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