

## 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)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	11.3	10.3	7.0	7.1	-7.0	-5.2	-8.1
<b>MSCI World</b>	10.6	10.0	6.3	8.8	-5.0	-5.3	-5.4
<b>Relative</b>	0.7	0.3	0.7	-1.7	-2.0	0.1	-2.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	17.3	12.2
<b>MSCI World</b>	19.0	12.9

## Market Commentary

Global, developed equity markets made significant losses in February as the outbreak of the coronavirus restricted travel and caused serious disruptions to global supply chains. Confirmed cases in Italy increased fears which led to a large sell-off in global equities towards the end of the month. The S&P 500, FTSE 100 and Euro STOXX 50 were down 8.2%, 9.0% and 8.4% respectively. Against the backdrop of a continued weaker global economy largely due to the outbreak and increased spread of the coronavirus, Brent Crude oil was down 11.9% over the month. In fixed income, bond yields hit record lows with the prospect that Central Banks may need to provide monetary policy support. Notably, US, UK and German 10-year bond yields were all down 0.36%, 0.08% and 0.17% basis points respectively. The pound was down 2.9% against the US dollar and 2.3% against the euro.

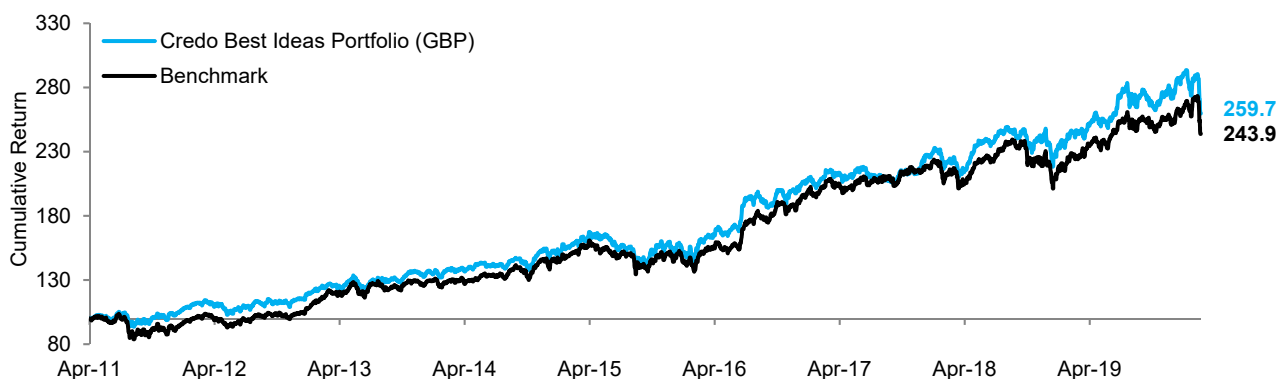
### Key Contributors to Return

Alibaba's shares increased by 0.7% after recovering from the January 2020 sell-off due to the spread of the coronavirus. Frontdoor's shares declined 0.4%, outperforming the wider US market, as the company's expectations were better than feared for the level of spending in 2020, amid ongoing investment in new projects.

### Key Detractors from Return

Imperial Brands' shares declined by 16.9% after the company warned that its annual profit will be affected by regulatory headwinds along with weaker than expected consumer demand. The Walt Disney Company's shares declined by 14.9% after CEO, Robert Iger, abruptly announced he will be stepping down and transitioning to Chairman, with the head of the company's parks division taking over.

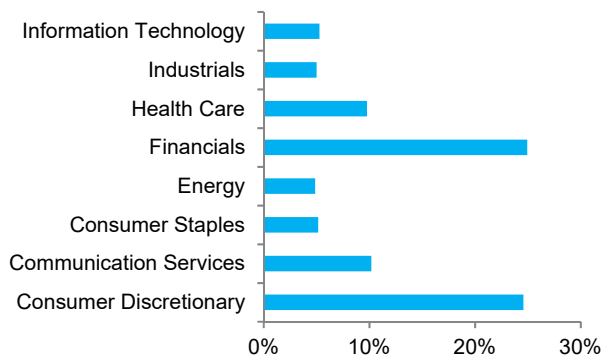
## Performance Since Inception (14/04/2011)<sup>2</sup>



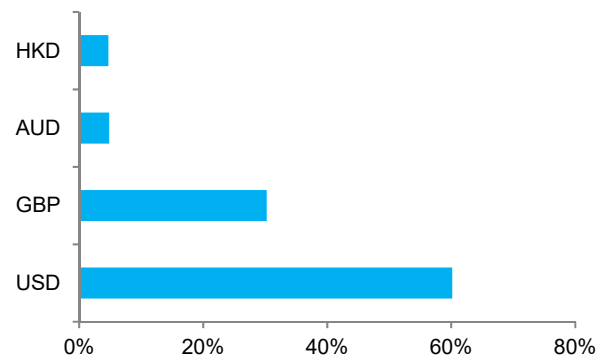
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$30.9	11.9x	11.0x	0.0%
BP plc	396p	9.1x	9.7x	8.1%
HCA Healthcare Inc	\$127	11.9x	10.7x	1.4%
<b>Total Portfolio Average</b>		<b>17.6x</b>	<b>14.2x</b>	<b>2.6%</b>
<b>MSCI World</b>		<b>18.7x</b>	<b>15.4x</b>	<b>2.6%</b>

## 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

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(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 29/02/2020 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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## Portfolio Performance (USD)<sup>1,2</sup>

Return (%)	Annualised				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
<b>Best Ideas Portfolio</b>	8.7	6.6	8.5		3.9	-8.0	-8.0	-11.3
<b>MSCI World</b>	7.6	5.9	7.2		4.6	-6.3	-8.5	-9.0
<b>Relative</b>	1.1	0.7	1.3		-0.7	-1.7	0.5	-2.3

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	19.3	12.6
<b>MSCI World</b>	22.0	12.9

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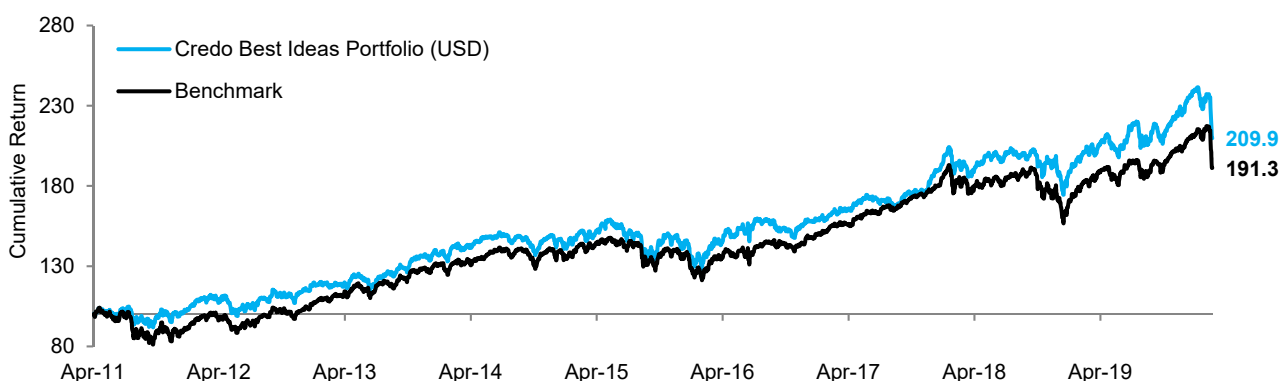
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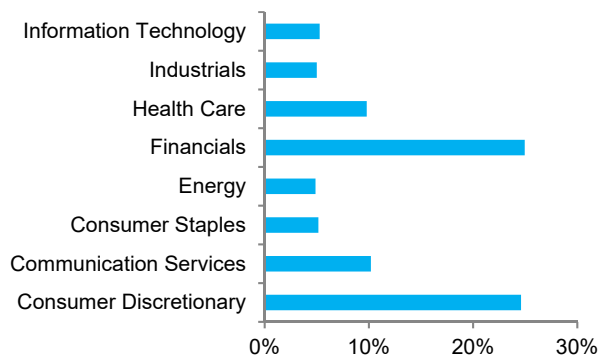
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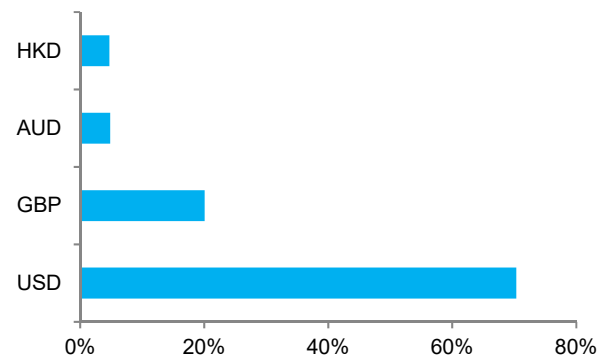
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