

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)^{1,2}

Return (%)	Annualised			1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years				
Best Ideas Portfolio	12.6	13.4	11.3	23.7	3.9	1.2	23.7
MSCI World	11.5	12.3	9.9	22.7	0.6	0.4	22.7
Relative	1.1	1.1	1.4	1.0	3.3	0.8	1.0

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

Market Commentary

December provided some relief for investors as significant political risks in the UK and between the US and China were avoided. All major equity indices made gains over the month, with the FTSE 100, the S&P 500 and the Euro STOXX 50 all up 2.8%, 3% and 1.2% respectively. US President Donald Trump announced that he plans to sign a 'phase one' trade deal with China on 15 January, which meant that the 15% tariff increases due on 15 December would not be imposed. In the UK, the Conservative Party won a commanding majority in the House of Commons which will allow Boris Johnson to push through a Brexit withdrawal agreement with the EU. Sterling ended the month up 2.6% against the US dollar and up 0.6% against the euro. The yield on UK, US and German 10-year bonds increased by 0.13%, 0.14%, 0.18% respectively.

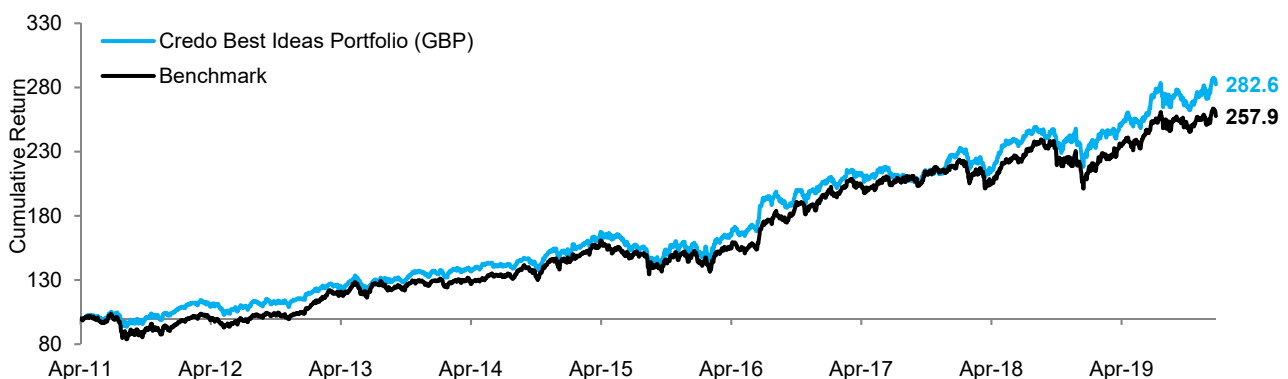
Key Contributors to Return

Las Vegas Sands' shares increased by 10.9% after reports of several supportive policies to be implemented in Macau, which are expected to lower uncertainty and improve the economic prospects of the region. Imperial Brands' shares increased by 9.7% after the US regulator exempted certain tobacco products from a list of banned flavours.

Key Detractors from Return

Crown Resorts' shares declined by 7.0% after VIP performance in Macau declined by double-digits, with the Australian VIP market known to be correlated with trends in Asia. Walt Disney's shares declined by 4.2% after the latest movie from its Star Wars franchise disappointed in box office earnings on its opening weekend.

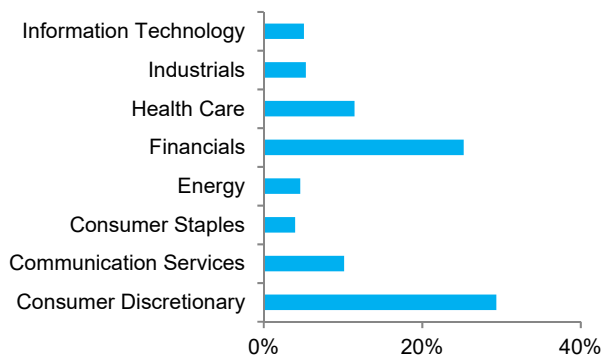
Performance Since Inception (14/04/2011)²



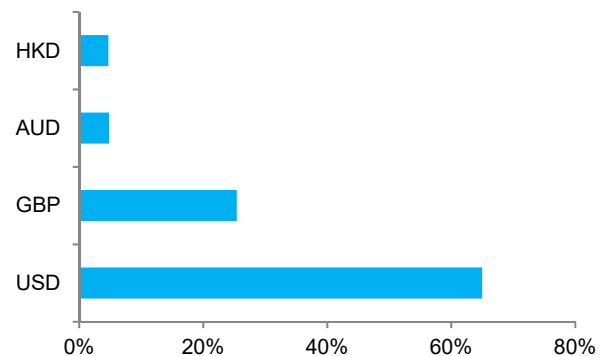
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$35	12.6x	12.5x	0.0%
BP plc	472p	11.3x	11.6x	6.6%
HCA Healthcare Inc	\$147.8	14.9x	12.7x	1.1%
Total Portfolio Average		20.5x	15.9x	2.4%
MSCI World		20.6x	17.0x	2.4%

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 31/12/2019 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	Annualised				1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years					
Best Ideas Portfolio	10.4	10.2	14.4		29.1	11.8	3.7	29.1
MSCI World	8.9	8.7	12.6		27.7	8.6	3.0	27.7
Relative	1.5	1.5	1.8		1.4	3.2	0.7	1.4

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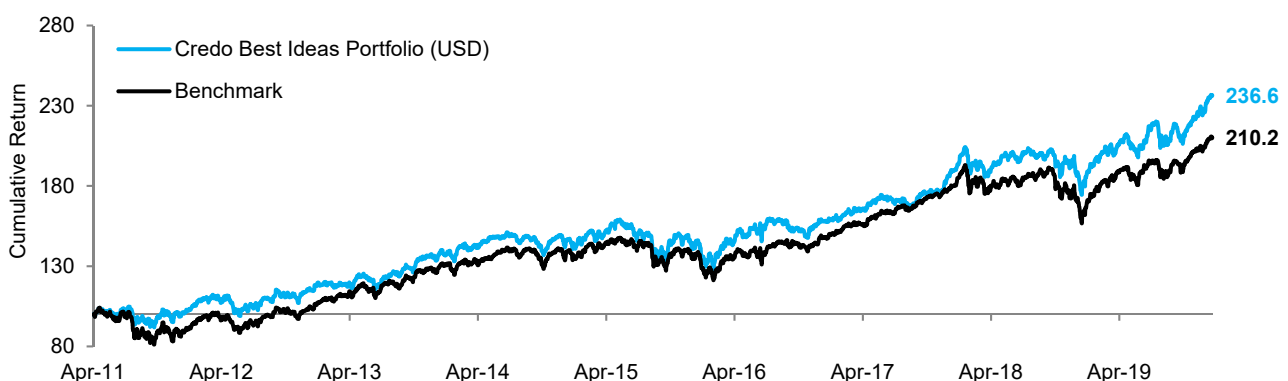
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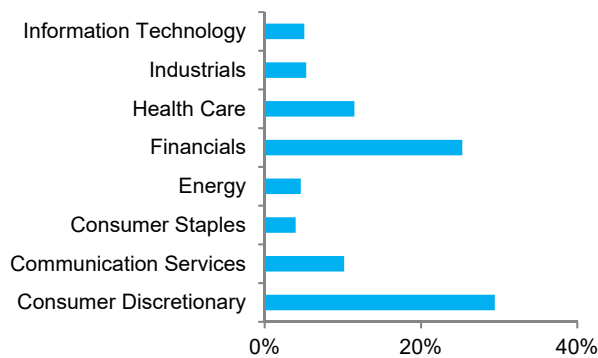
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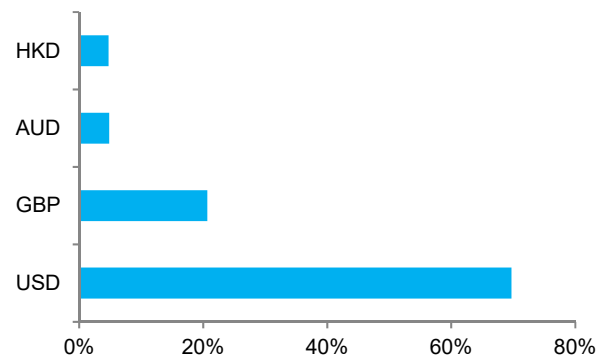
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