

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	10.1	9.5	5.6		-12.2	0.2	-3.1	-13.6
MSCI World	10.7	11.4	7.8		0.0	8.3	-1.0	0.0
Relative	-0.6	-1.9	-2.2		-12.2	-8.1	-2.1	-13.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	30.4	14.7
MSCI World	26.2	15.1

Market Commentary

July saw US equity markets extend their gains while European equity markets ended the month down as concerns over the number of new coronavirus infections increased and some countries re-instated lockdown restrictions. The S&P 500 was up 5.6%, while the FTSE 100 and Euro STOXX were down 4.2% and 1.5% respectively. Gold was up 8.5% over the month as investors shied away from riskier assets. The European Union reached a deal on a €750 billion recovery fund which will enable them to borrow from capital markets to finance expenditures caused by the coronavirus pandemic throughout the region. In the UK, the Chancellor of the Exchequer introduced further measures to stimulate the economy including by reducing stamp duty and cutting VAT for the food and hospitality sectors. The yield for US 10-year bond decreased by 13 basis points, while the UK and German 10-year bonds both decreased by 7 basis points. The pound was up 5.7% against the US dollar and 0.9% against the euro.

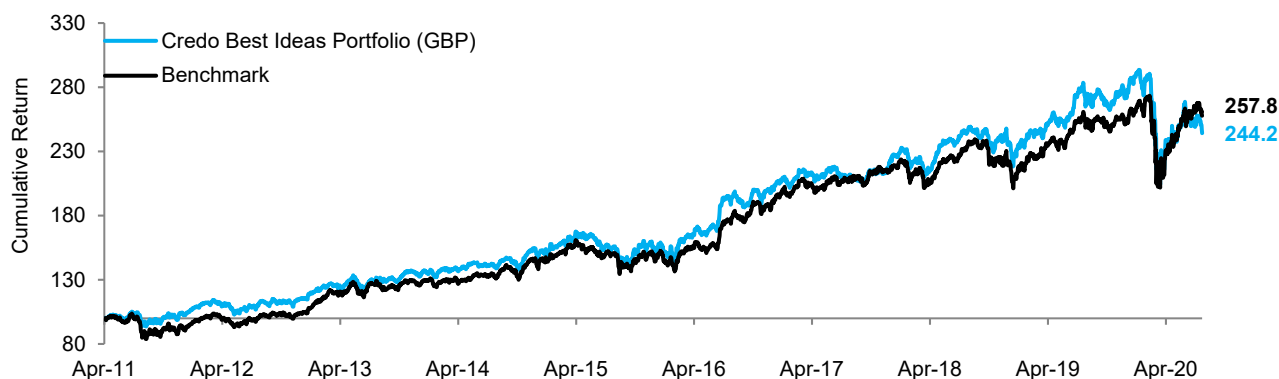
Key Contributors to Return

HCA Healthcare's shares increased by 30.5% after the company reported better than expected results underpinned by strong cost control and government stimulus. Alibaba's shares increased by 16.4% following reports that the company is planning to list its financial arm, Ant Group, at a \$200bn valuation.

Key Detractors from Return

Imperial Brands' shares declined by 17.1%, along with shares of European peers, as a challenging economic outlook saw them all downgrade expectations for the year. BP's shares declined by 10.4% ahead of results next month as the market priced in the expectation of a dividend cut and general economic slowdown.

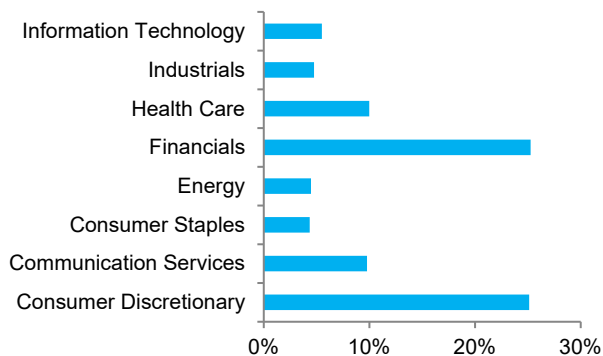
Performance Since Inception (14/04/2011)²



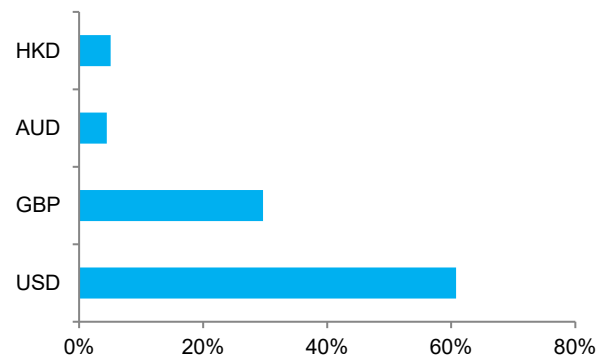
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$34.3	12.7x	11.7x	0.0%
BP plc	275p	n/a	97.8x	12.4%
HCA Healthcare Inc	\$126.6	11.5x	11.4x	0.0%
Total Portfolio Average		20.8x	17.1x	2.1%
MSCI World		25.9x	20.3x	2.2%

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 31/07/2020 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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Best Ideas Portfolio	7.8	6.1	5.8	-6.0	3.9	1.9	-14.6
MSCI World	8.2	7.5	7.5	7.2	12.8	4.8	-1.3
Relative	-0.4	-1.4	-1.7	-13.2	-8.9	-2.9	-13.3

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	37.1	15.2
MSCI World	34.0	15.3

Market Commentary

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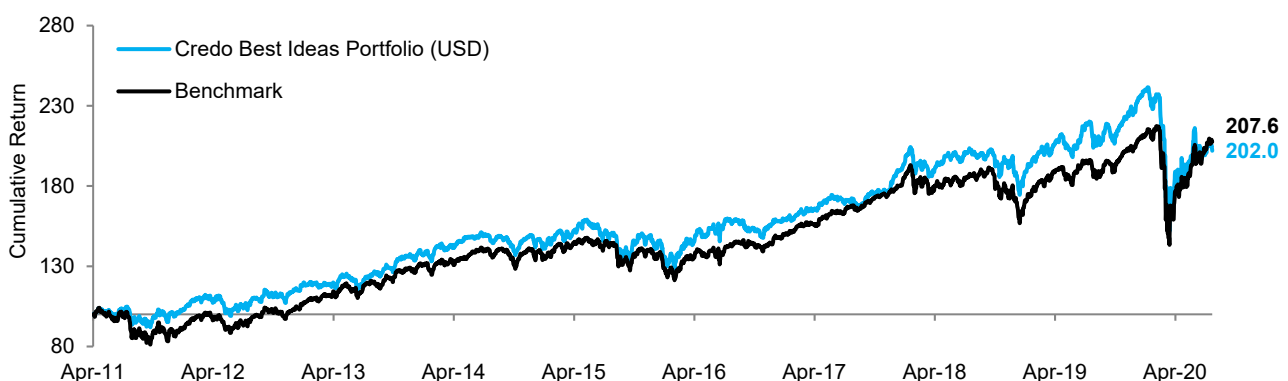
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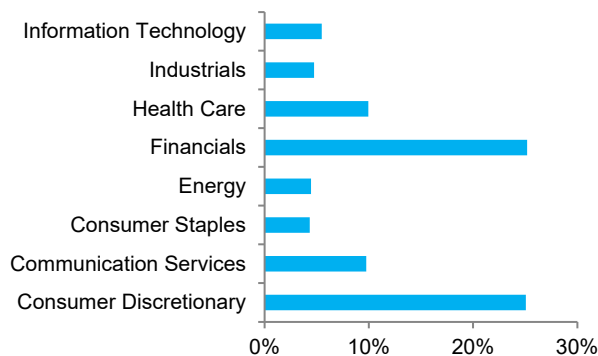
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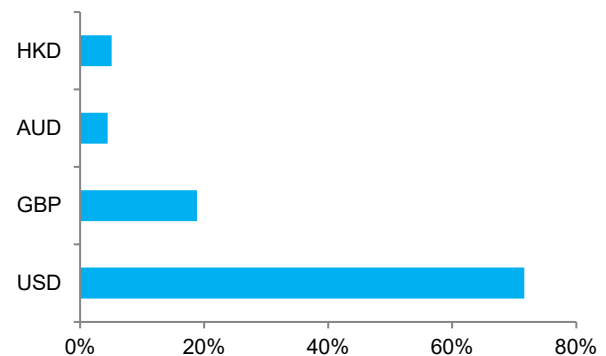
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