

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}

Long Term Returns	Best Ideas Portfolio	MSCI World	Relative Return
Since Inception	109.1%	94.2%	14.9%
5 Year	98.9%	106.1%	-7.2%
3 Year	51.6%	50.1%	1.6%
1 Year	30.9%	28.3%	2.6%

Short Term Returns	Best Ideas Portfolio	MSCI World	Relative Return
YTD	30.9%	28.3%	2.6%
3 Months	7.8%	7.0%	0.8%
1 Month	2.6%	3.7%	-1.1%

Market Commentary

The final month of 2016 saw the FTSE 100 experience a “Santa rally” as the market closed at an all-time high of 7,142 points and finished the month up 5.4%. Results around Europe were equally impressive with the CAC 40 and DAX rising 6.4% and 7.9% respectively as the ECB extended its QE program until December 2017. In the US, the DJIA continued its post-Trump rise 3.4% and coming within touching distance of a 20,000 close. In Asia, the Nikkei 225 rose 4.5% as the yen continued to weaken against the dollar. In global government bond markets, major European yields fell slightly, including UK 10-year gilts dropping 18bps to 1.2%. Meanwhile US 10-year Treasury yields rose to 2.4% as the Fed raised its target federal funds rate to a range of 0.50 to 0.75%.

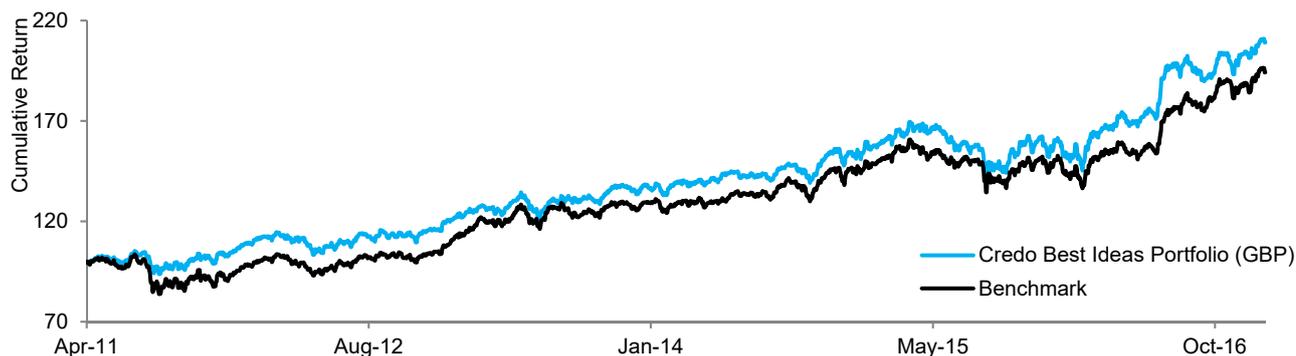
Key Contributors to Return

BP's shares increased by 10.9% as the market digested OPEC's (supported by certain non-OPEC countries) agreement to cut oil production. Whitbread's shares increased by 9.0% on the back of positive hotel industry statistics.

Key Detractors from Return

Las Vegas Sands' shares declined by -12.6% on the back of concerns over tightening Chinese capital controls. Express Scripts' shares declined by -5.0% after short seller, Citron Research, claimed that the company was responsible for high drug prices.

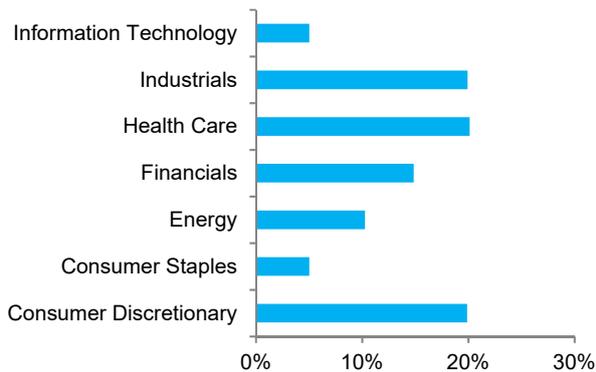
Performance Since Inception (14/04/2011)²



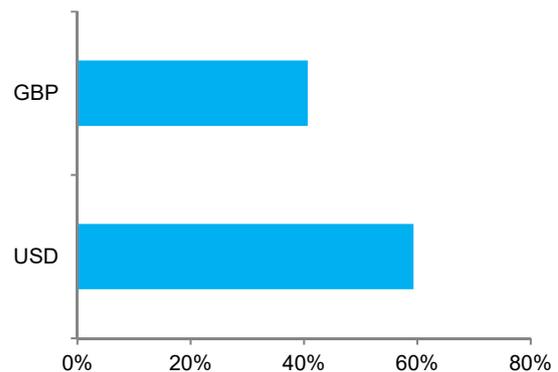
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	510p	203.5x	16.2x	6.2%
Chubb Ltd	\$132.1	14.0x	12.7x	2.1%
Microsoft Corp	\$62.1	29.5x	19.9x	2.5%
Total Portfolio Average		21.0x	16.8x	2.3%
MSCI World		22.0x	16.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment 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. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(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. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Benchmark is calculated net of withholding tax. Performance is calculated before any fees (which can vary depending on the level of service) but includes gross dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/12/2016 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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 (USD)^{1,2}

Long Term Returns	Best Ideas Portfolio	MSCI World	Relative Return
Since Inception	58.7%	47.4%	11.3%
5 Year	58.4%	64.1%	-5.7%
3 Year	13.0%	11.8%	1.2%
1 Year	9.7%	7.5%	2.2%

Short Term Returns	Best Ideas Portfolio	MSCI World	Relative Return
YTD	9.7%	7.5%	2.2%
3 Months	2.6%	1.9%	0.8%
1 Month	1.3%	2.4%	-1.1%

Market Commentary

The final month of 2016 saw the FTSE 100 experience a “Santa rally” as the market closed at an all-time high of 7,142 points and finished the month up 5.4%. Results around Europe were equally impressive with the CAC 40 and DAX rising 6.4% and 7.9% respectively as the ECB extended its QE program until December 2017. In the US, the DJIA continued its post-Trump rise 3.4% and coming within touching distance of a 20,000 close. In Asia, the Nikkei 225 rose 4.5% as the yen continued to weaken against the dollar. In global government bond markets, major European yields fell slightly, including UK 10-year gilts dropping 18bps to 1.2%. Meanwhile US 10-year Treasury yields rose to 2.4% as the Fed raised its target federal funds rate to a range of 0.50 to 0.75%.

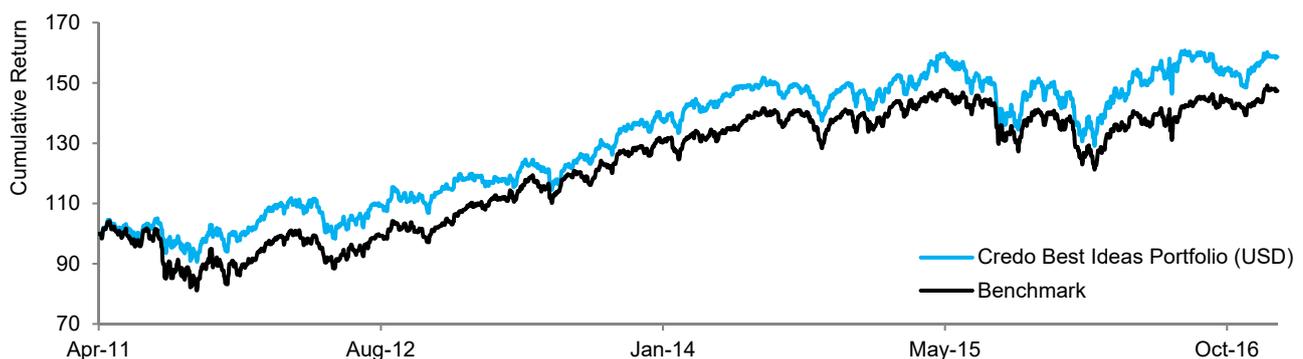
Key Contributors to Return

BP’s shares increased by 10.9% as the market digested OPEC’s (supported by certain non-OPEC countries) agreement to cut oil production. Whitbread’s shares increased by 9.0% on the back of positive hotel industry statistics.

Key Detractors from Return

Las Vegas Sands’ shares declined by -12.6% on the back of concerns over tightening Chinese capital controls. Express Scripts’ shares declined by -5.0% after short seller, Citron Research, claimed that the company was responsible for high drug prices.

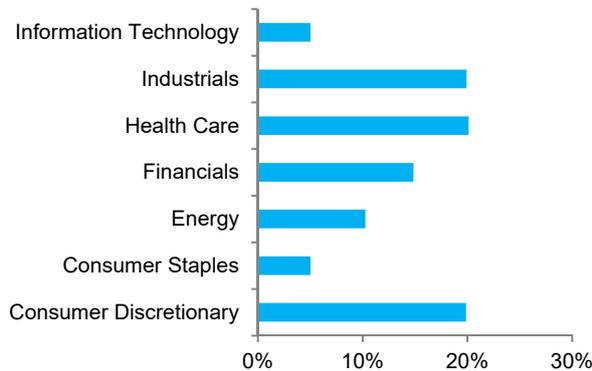
Performance Since Inception (14/04/2011)²



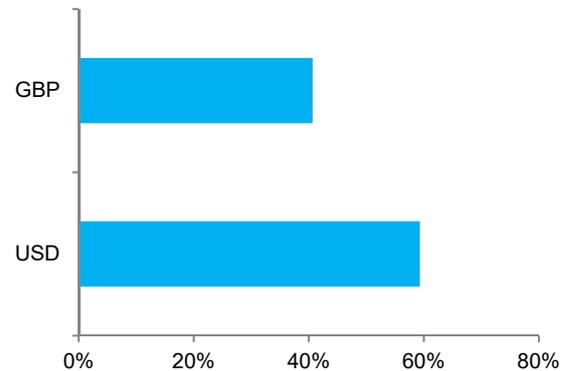
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	510p	203.5x	16.2x	6.2%
Chubb Ltd	\$132.1	14.0x	12.7x	2.1%
Microsoft Corp	\$62.1	29.5x	19.9x	2.5%
Total Portfolio Average		21.0x	16.8x	2.3%
MSCI World		22.0x	16.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment 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. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, designed to track the holdings of the Credo Best Ideas Portfolio. Portfolio incorporates all additions and removals. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Benchmark is calculated net of withholding tax. Performance is calculated before any fees (which can vary depending on the level of service) but includes gross dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/12/2016 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.