

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 (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	-1.3	-1.3	3.7	29.8	15.0	13.4	12.9
MSCI World	0.6	0.6	3.5	32.5	15.9	14.9	12.2
Relative	-1.9	-1.9	0.3	-2.7	-0.9	-1.6	0.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	10.5
MSCI World	19.0	11.0

Market Commentary

January saw a mixed period for equity markets. The month began with broad indices continuing their ascent, with the FTSE 100 closing at an all-time high after fourteen consecutive days of gains stretching back to 21st December and the Dow Jones Industrial Average breaking the 20,000 barrier. However with geopolitics coming to the fore towards the end of the period, optimism waned, as the indices ended the period with muted returns of -0.6% and 0.6% respectively. Elsewhere in Europe, the DAX rose 0.5% and the CAC 40 fell -2.3%. In Asia, Hong Kong's Hang Seng finished the month 6.2% higher while in Japan the Nikkei 225 fell -0.4%. In fixed income, the rise in global bond yields continued, with UK 10-year gilts climbing 18bps to 1.42%, German 10-year bunds up 23bps to 0.44% and US 10-year Treasury yields rising to 2.45%.

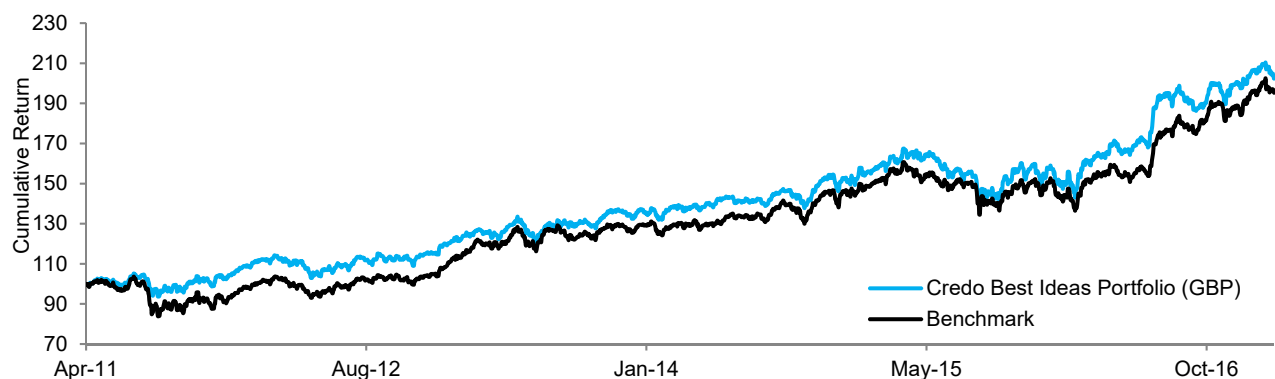
Key Contributors to Return

HCA Holding's shares returned 8.5% driven by strong 4th quarter results in the face of market concerns over the impact of the repeal of the Affordable Care Act. Halliburton's shares increased by 4.6% after their latest earnings results were significantly above consensus estimates.

Key Detractors from Return

AutoZone's shares fell -8.2% following reports that Amazon is looking to invest in the auto parts industry. BP's shares declined -7.2% due to concerns raised by some sell-side brokers that the upcoming 4th quarter earnings will have a greater level of upstream cost seasonality than seen in previous years.

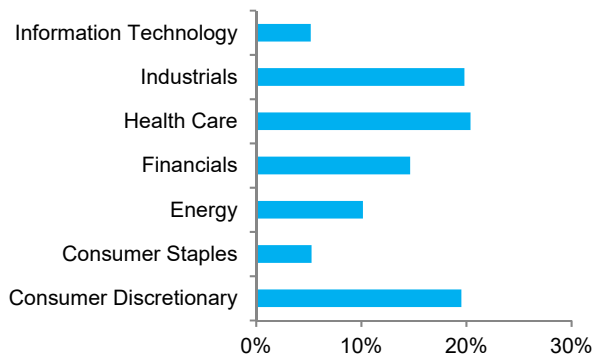
Performance Since Inception (14/04/2011)²



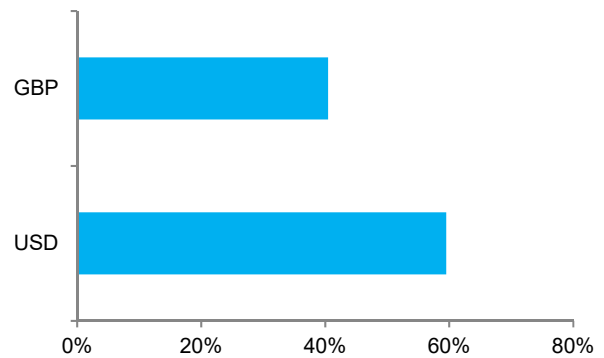
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	473p	192.3x	14.6x	6.7%
Chubb Ltd	\$131.5	13.9x	12.6x	2.1%
Microsoft Corp	\$64.7	30.8x	20.6x	2.4%
Total Portfolio Average		21.0x	16.7x	2.4%
MSCI World		22.1x	16.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- We view risk as permanent losses of capital and not in terms of short-term volatility.

Important Notice

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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 31/01/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised		
					3 Years	5 Years	S. Inception
Best Ideas Portfolio	0.4	0.4	6.6	15.3	5.4	8.5	8.3
MSCI World	2.4	2.4	6.4	17.1	6.0	9.9	7.3
Relative	-2.0	-2.0	0.2	-1.8	-0.5	-1.4	0.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	11.2
MSCI World	22.0	11.5

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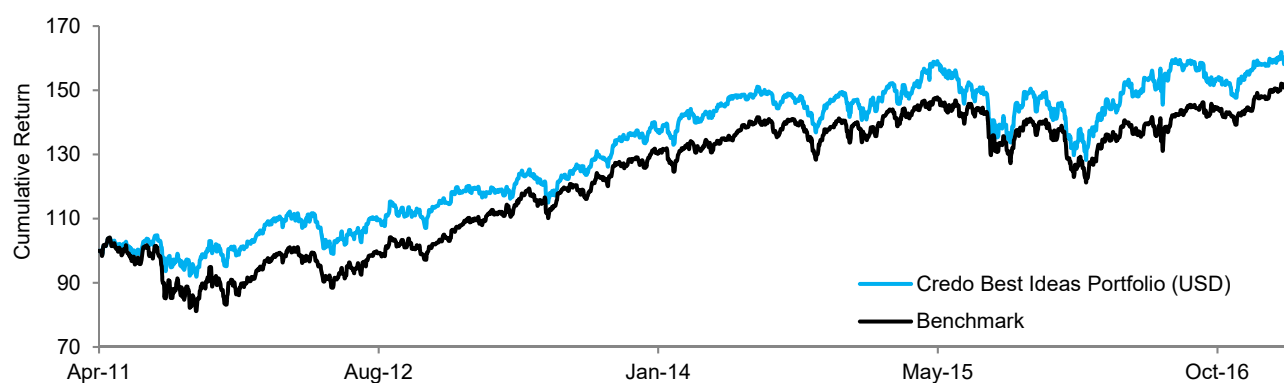
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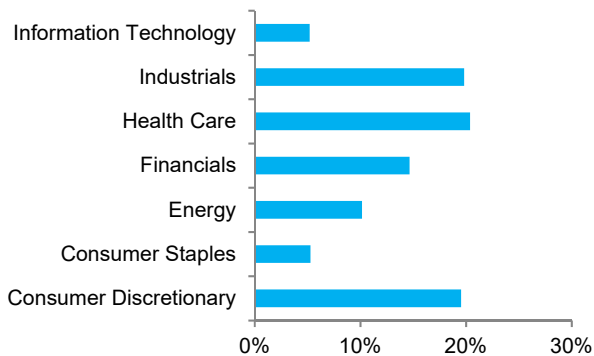
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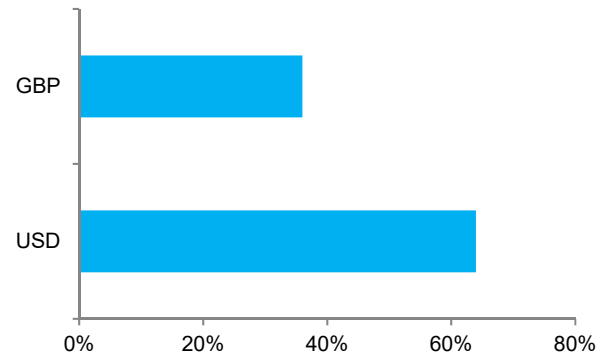
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