

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	3.4	-1.1	0.0	13.0	14.6	14.5	12.8
MSCI World	5.0	-0.5	0.3	20.6	15.3	15.6	12.1
Relative	-1.6	-0.6	-0.3	-7.6	-0.7	-1.1	0.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	17.3	12.2
MSCI World	19.0	12.8

Market Commentary

This month saw Europe suffer a “June swoon”, while other global developed equity markets rose. In the UK, the FTSE was down 2.5% as the general election saw the Conservatives strike a deal with Northern Ireland’s DUP to maintain a majority. Elsewhere in Europe, the EUROSTOXX 50 fell 2.9% as the Italian government committed €17bn to help wind-up two regional banks. Over in the US, another interest rate hike from the Federal Reserve and withdrawal from the Paris climate accord didn’t stop the DJIA ending the month up 1.7%. In fixed income, major government bond yields rose with UK 10-year gilts rising 21bps to 1.26%, US 10-year Treasury yields increased 10bps to 2.30% and German 10-year bunds rose 16bps to 0.47%.

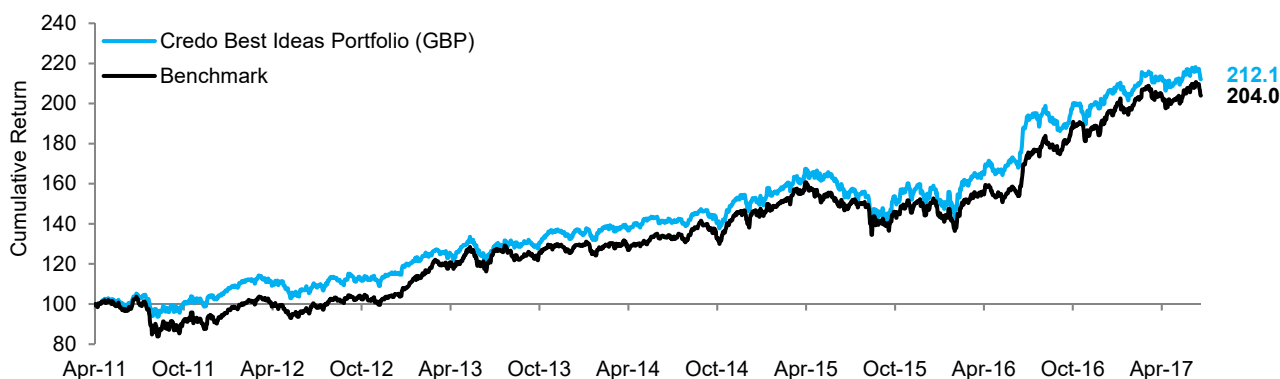
Key Contributors to Return

Las Vegas Sands’ shares increased by 9.3% after the Macau Gaming Inspection and Coordination Bureau reported strong growth in gross gaming revenues. Wells Fargo’s shares increased by 8.4% due to better than expected results in the Fed’s annual CCAR stress test.

Key Detractors from Return

Sainsbury’s shares declined by 10.4% over concerns about the impact of currency devaluation as a result of the general election outcome in the UK and Amazon’s deal to buy Wholefoods. Whitbread’s shares declined by 7.6%, not helped by concerns about the cladding used on some Premier Inn hotels after the Grenfell Tower disaster in London.

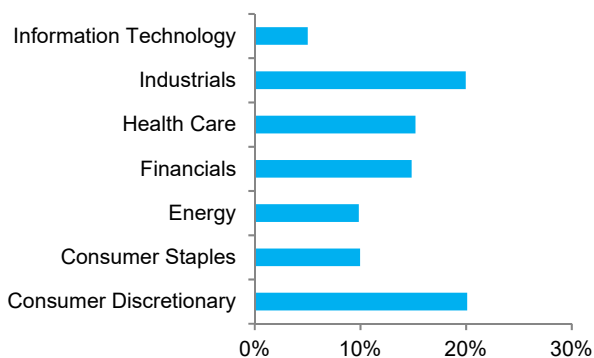
Performance Since Inception (14/04/2011)²



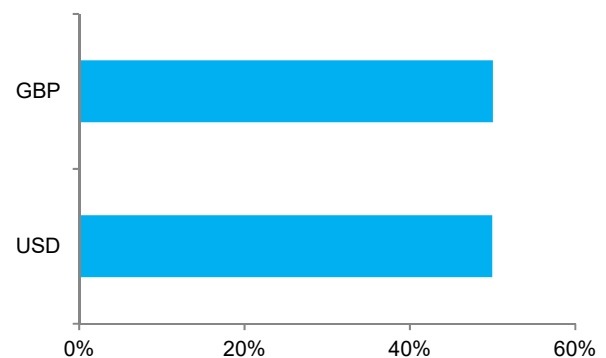
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	443p	23.5x	15.7x	7.0x
Chubb Ltd	\$145.4	14.7x	13.8x	2.0%
Royal Dutch Shell plc	2063p	20.3x	14.0x	7.2%
Total Portfolio Average		18.8x	16.3x	2.7%
MSCI World		21.5x	16.4x	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 30/06/2017 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	8.9	-0.2	3.7	11.2	4.9	10.4	9.1
MSCI World	10.7	0.4	4.0	18.2	5.2	11.4	8.2
Relative	-1.8	-0.6	-0.3	-7.0	-0.3	-1.0	0.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	19.3	12.9
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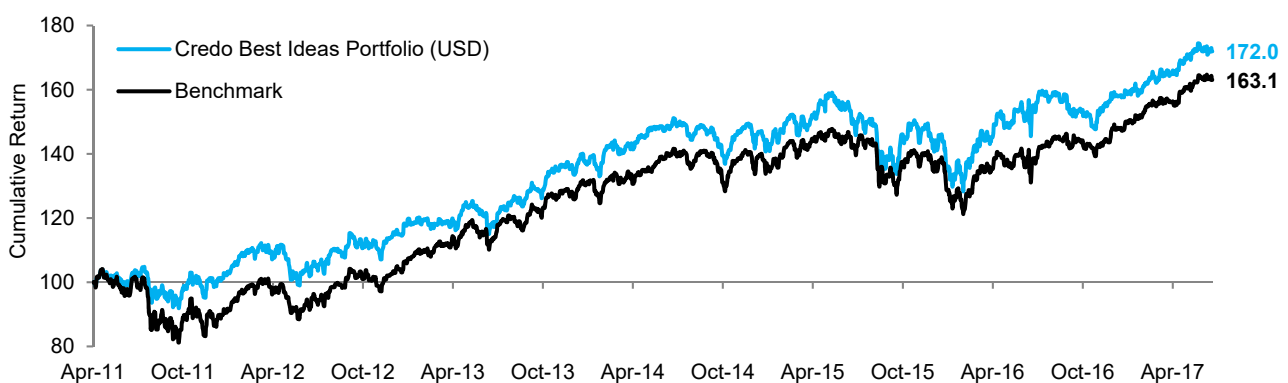
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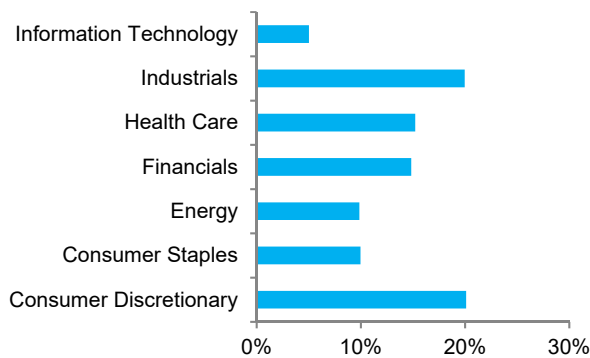
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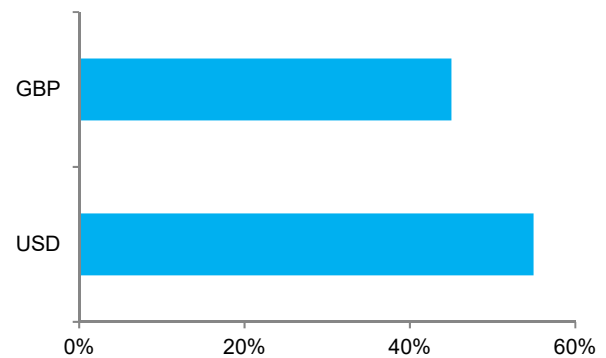
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