

## 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)<sup>1,2</sup>

Return (%)	Annualised			1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years				
<b>Best Ideas Portfolio</b>	9.5	7.1	2.1	-8.2	-20.2	-13.1	-20.2
<b>MSCI World</b>	9.1	7.0	2.3	-6.1	-15.5	-10.7	-15.5
<b>Relative</b>	0.4	0.1	-0.2	-2.1	-4.7	-2.4	-4.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	30.4	14.2
<b>MSCI World</b>	26.2	14.8

## Market Commentary

In February we reported that equity markets made significant losses following the spread of the coronavirus across the globe. March followed a similar pattern, although this was more pronounced as containment measures brought large parts of the global economy to a standstill, with many countries imposing lockdowns. The S&P 500, Euro STOXX 50, FTSE 100 and Nikkei 225 were all down 12.4%, 16.2%, 13.4% and 9.8% respectively. Coronavirus fears also disturbed the alliance between OPEC and Russia, pushing oil prices to their worst one-day drop in thirty years. As a result, Brent Crude oil fell 43.2% over the month. Further, central banks across the globe cut interest rates and restarted quantitative easing programs in order to keep borrowing costs low, improve liquidity and protect their economies from the effects of the coronavirus. US and UK 10-year bonds decreased by 48 and 9 basis points respectively. The pound was down 3.3% against the US dollar and 2.8% against the euro.

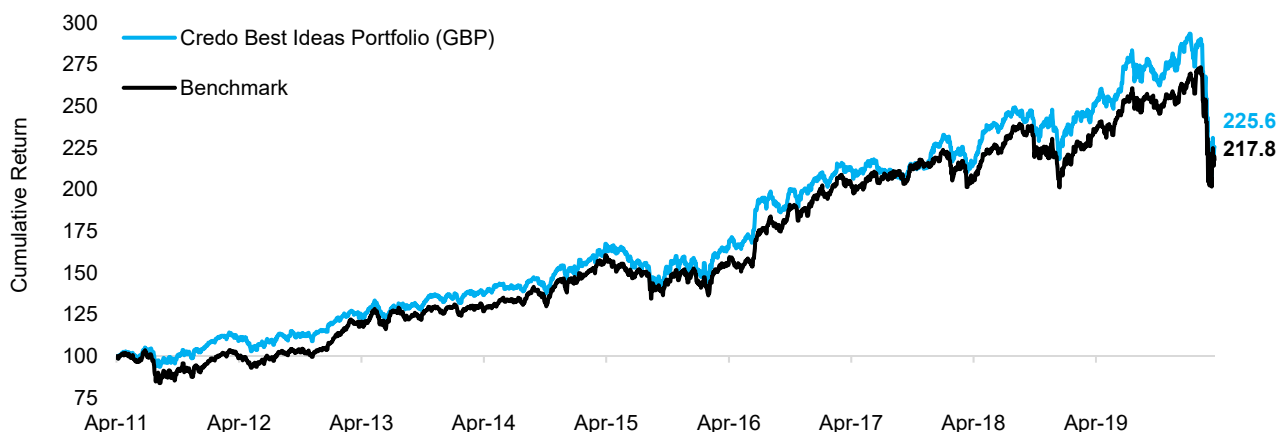
### Key Contributors to Return

Microsoft's shares declined by 2.7%, outperforming the S&P 500 Index by 10%, after the company saw a sharp spike in usage of its collaboration and cloud-based services as more people worked from home. Cigna's shares declined 3.1% after Joe Biden became the frontrunner for the Democratic presidential nomination, alleviating the risk of Medicare-for-All becoming a reality.

### Key Detractors from Return

Wells Fargo's shares declined by 29.7%, along with the entire banking sector, after the US Federal Reserve Bank cut interest rates to near 0% and credit markets collapsed. Arch Capital's shares declined by 29.6%, reflecting investor concerns over the mortgage insurance part of the business and possible business disruption.

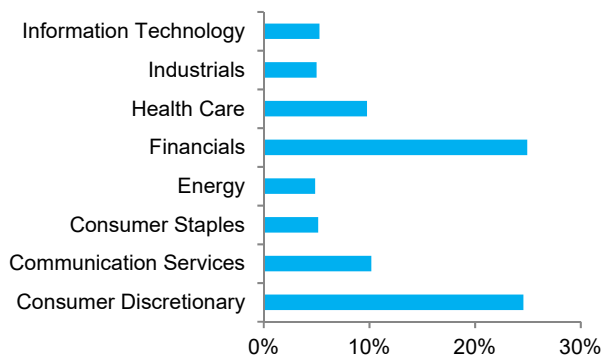
## Performance Since Inception (14/04/2011)<sup>2</sup>



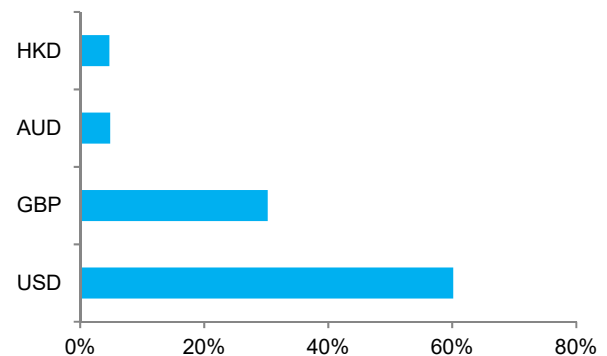
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$26.8	10.4x	9.4x	0.0%
BP plc	344p	7.7x	16.6x	9.3%
HCA Healthcare Inc	\$89.9	8.5x	7.6x	1.9%
<b>Total Portfolio Average</b>		<b>14.3x</b>	<b>13.1x</b>	<b>2.8%</b>
<b>MSCI World</b>		<b>16.3x</b>	<b>14.6x</b>	<b>3.0%</b>

## 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 31/03/2020 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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## Portfolio Performance (USD)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Best Ideas Portfolio</b>	6.6	3.8	2.3	-11.4	-24.8	-15.3	-24.8
<b>MSCI World</b>	5.8	3.2	1.9	-10.4	-21.1	-13.2	-21.1
<b>Relative</b>	0.8	0.6	0.4	-1.0	-3.7	-2.1	-3.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Best Ideas Portfolio</b>	37.1	14.6
<b>MSCI World</b>	34.0	14.8

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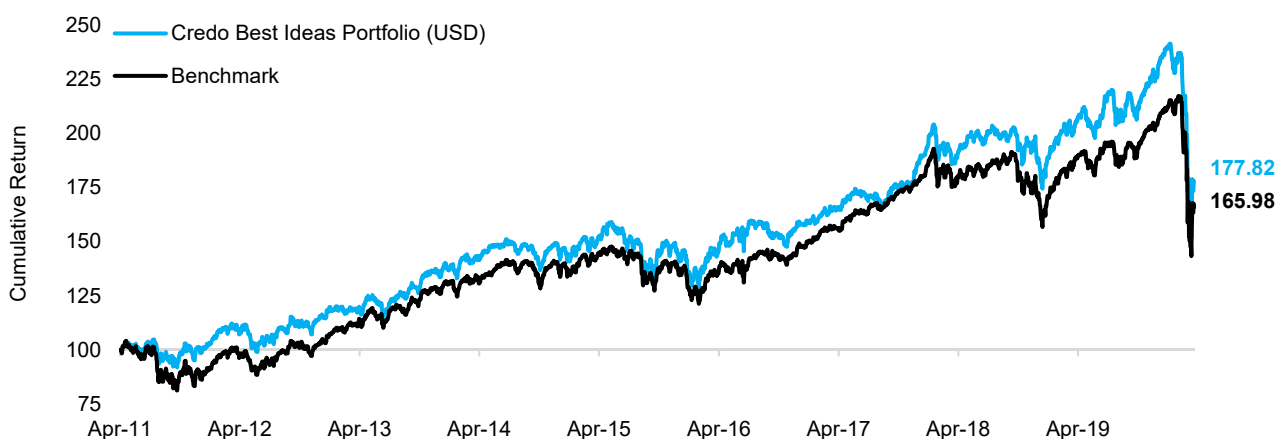
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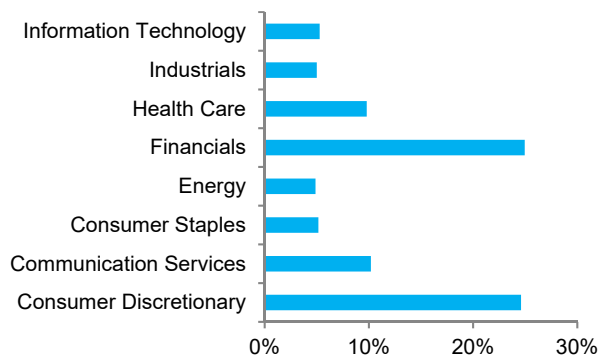
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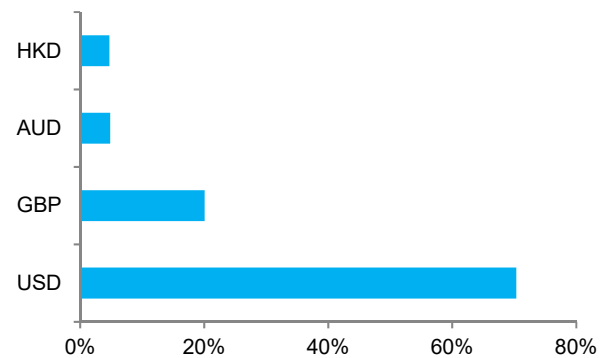
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