

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	11.0	12.4	6.9		2.0	16.7	-2.8	-2.8
MSCI World	11.3	14.2	9.5		11.2	9.9	-1.4	-1.4
Relative	-0.3	-1.8	-2.6		-9.2	6.8	-1.4	-1.4

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	30.4	14.8
MSCI World	26.2	15.1

Market Commentary

After a bright start to the year, most US and European equity markets performed poorly in January, with the S&P 500, FTSE 100 and Euro STOXX 50 down 1.0%, 0.8% and 1.8% respectively. Optimism relating to the vaccine rollout waned as new coronavirus strains were discovered and concerns over the ongoing economic impact of continued restrictions took hold. In the US, the Democrats won control of the Senate, giving them control over both houses of Congress. President Biden's new administration announced their plans for a new USD 1.9 trillion stimulus package, the 'American Rescue Plan'. Brent Crude oil was up 6.3% over the month, as Saudi Arabia agreed to cut its oil production as the coronavirus forced economies back into further lockdowns. The yields on UK, US and German 10-year bonds increased by 13, 15, 5 basis points respectively. The pound was up 0.3% against the US dollar and 0.9% against the euro.

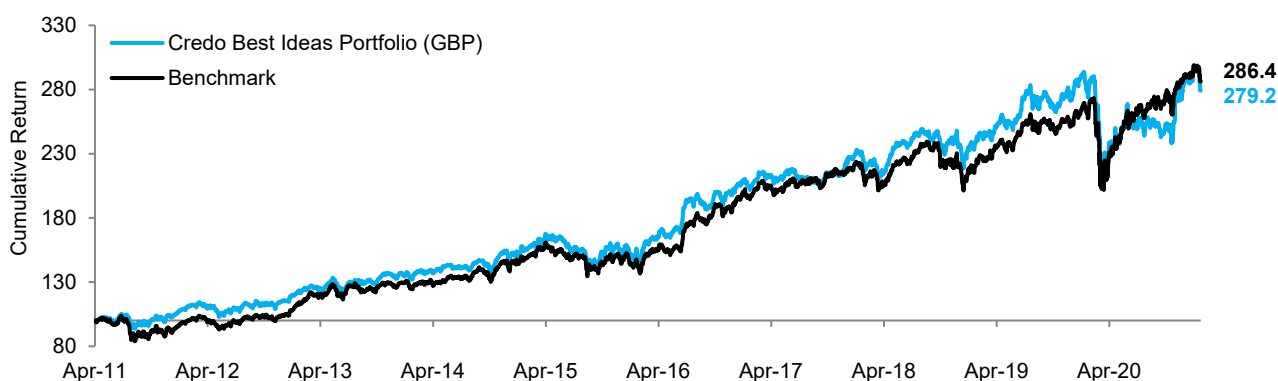
Key Contributors to Return

Adtalem Global Education's shares increased by 13.7% after two of the shareholders issued a letter outlining a series of actions aimed at improving shareholder value with the company, confirming it is open to dialogue. Frontdoor's shares increased 9.6% after investors rotated away from at-home winners and into re-opening beneficiaries on vaccine distribution progress.

Key Detractors from Return

Prudential's shares declined by 13.0% after the company announced it would split off its US business through a demerger, rather than an Initial Public Offering (IPO), along with issuing approximately \$3bn in equity. Arch Capital's shares declined by 12.9% after the UK High Court rejected insurers' appeal on its ruling that they could be held liable for coronavirus-related business closures.

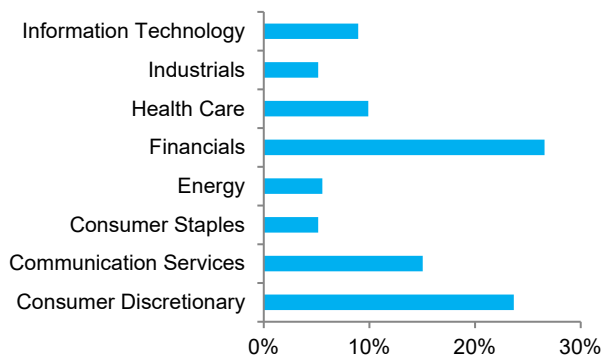
Performance Since Inception (14/04/2011)²



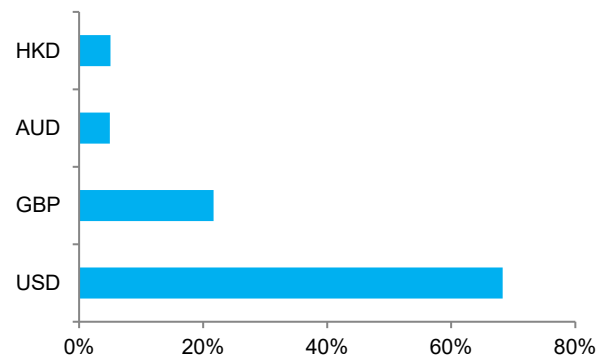
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Adtalem Global Education Inc	\$38.6	14.0x	13.1x	0.0%
BP plc	272p	0.0x	11.8x	5.9%
Frontdoor Inc	\$55	35.1x	31.8x	0.0%
Total Portfolio Average		25.9x	16.1x	1.7%
MSCI World		32.7x	19.9x	1.9%

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

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 31/01/2021 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	9.4	11.9	6.2	6.0	23.6	-2.4	-2.4
MSCI World	9.4	13.4	8.3	15.5	16.4	-1.0	-1.0
Relative	0.0	-1.5	-2.1	-9.5	7.2	-1.4	-1.4

Risk (%)	Largest Drawdown	Volatility (Annualised)
Best Ideas Portfolio	37.1	15.4
MSCI World	34.0	15.3

Market Commentary

After a bright start to the year, most US and European equity markets performed poorly in January, with the S&P 500, FTSE 100 and Euro STOXX 50 down 1.0%, 0.8% and 1.8% respectively. Optimism relating to the vaccine rollout waned as new coronavirus strains were discovered and concerns over the ongoing economic impact of continued restrictions took hold. In the US, the Democrats won control of the Senate, giving them control over both houses of Congress. President Biden's new administration announced their plans for a new USD 1.9 trillion stimulus package, the 'American Rescue Plan'. Brent Crude oil was up 6.3% over the month, as Saudi Arabia agreed to cut its oil production as the coronavirus forced economies back into further lockdowns. The yields on UK, US and German 10-year bonds increased by 13, 15, 5 basis points respectively. The pound was up 0.3% against the US dollar and 0.9% against the euro.

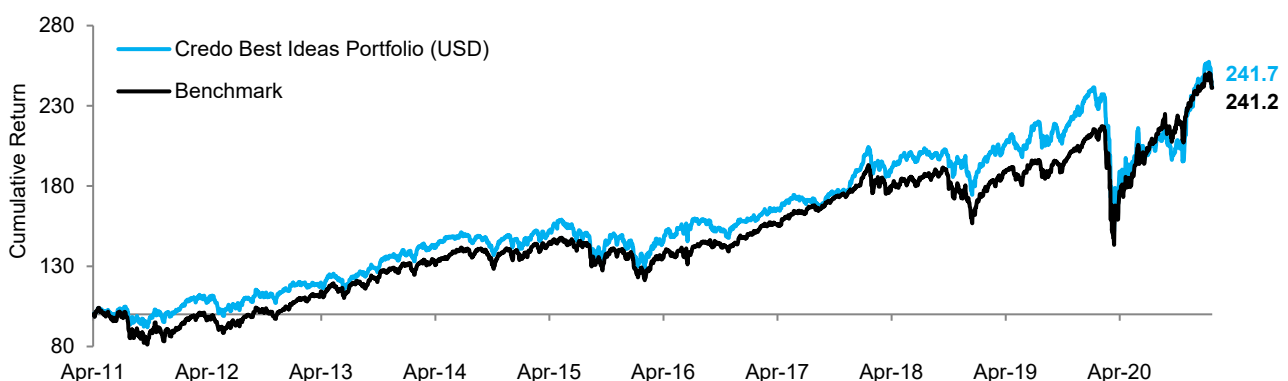
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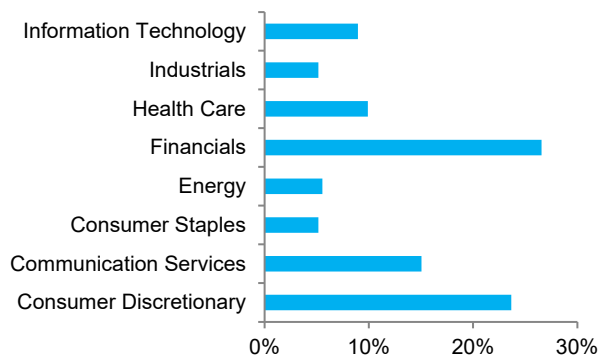
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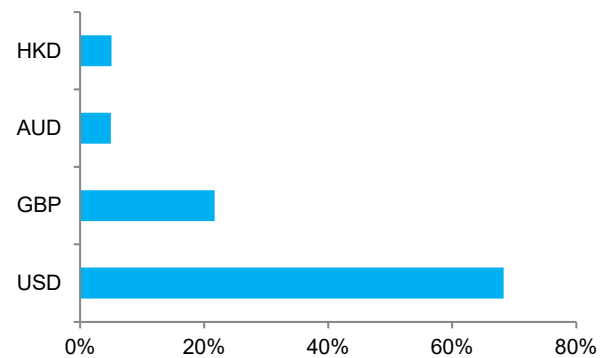
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