

CRED⁺

Through the Fog:
Where Market
Uncertainty Meets
Opportunity

Jarrold Cahn

2026

MEET **THE**
Managers



CREDO

Meet the Manager

Through the fog: where market uncertainty meets opportunity



WE WON'T MAKE A BAD DEAL!



WE CONTROL HORMUZ

US NAVAL BLOCKADE

OH NO... WE'RE CAUGHT IN THE MIDDLE!

ANTI-SHIP MISSILE

NAVAL MINE

STRAIT OF HORMUZ

NAVAL MINE

MISSILES
MINES
BLOCKADE.
THREATS
OUR MESSAGE IS CLEAR!

UAE

QATAR

SAUDI ARABIA

F-35



Where will this all leave, inflation, interest rates and world economic growth in the coming months?

HIGHER-FOR-LONGER RATES

- Equity risk premia have adjusted modestly, but not dramatically
- Valuations remain elevated vs long-term averages in the US growth segment

GEOPOLITICAL UNCERTAINTY

- Selective de-rating in exposed sectors (energy, shipping, EM-sensitive assets)

SLOWING GROWTH

- Visible in cyclicals (industrials, materials) and weaker earnings revisions breadth

EARNINGS FRAGILITY

- Consensus still assumes mid-to-high single-digit EPS growth
- Margins remain near cycle peaks despite:
- Wage pressure
- Input volatility

LIQUIDITY TIGHTENING

- Quantitative Tightening + increased government issuance = crowding out effect

CONCENTRATION RISK

- Mega-cap tech dominance
- Passive flows reinforcing momentum rather than fundamentals



Narrowness of the Market

- More concentrated now than at any point in its modern history – recent gains came from a thin slice of AI-infrastructure names.
- Chips, memory, custom silicon and hyperscale cloud: owning the index is increasingly a leveraged bet on the AI CapEx cycle, not broad exposure.

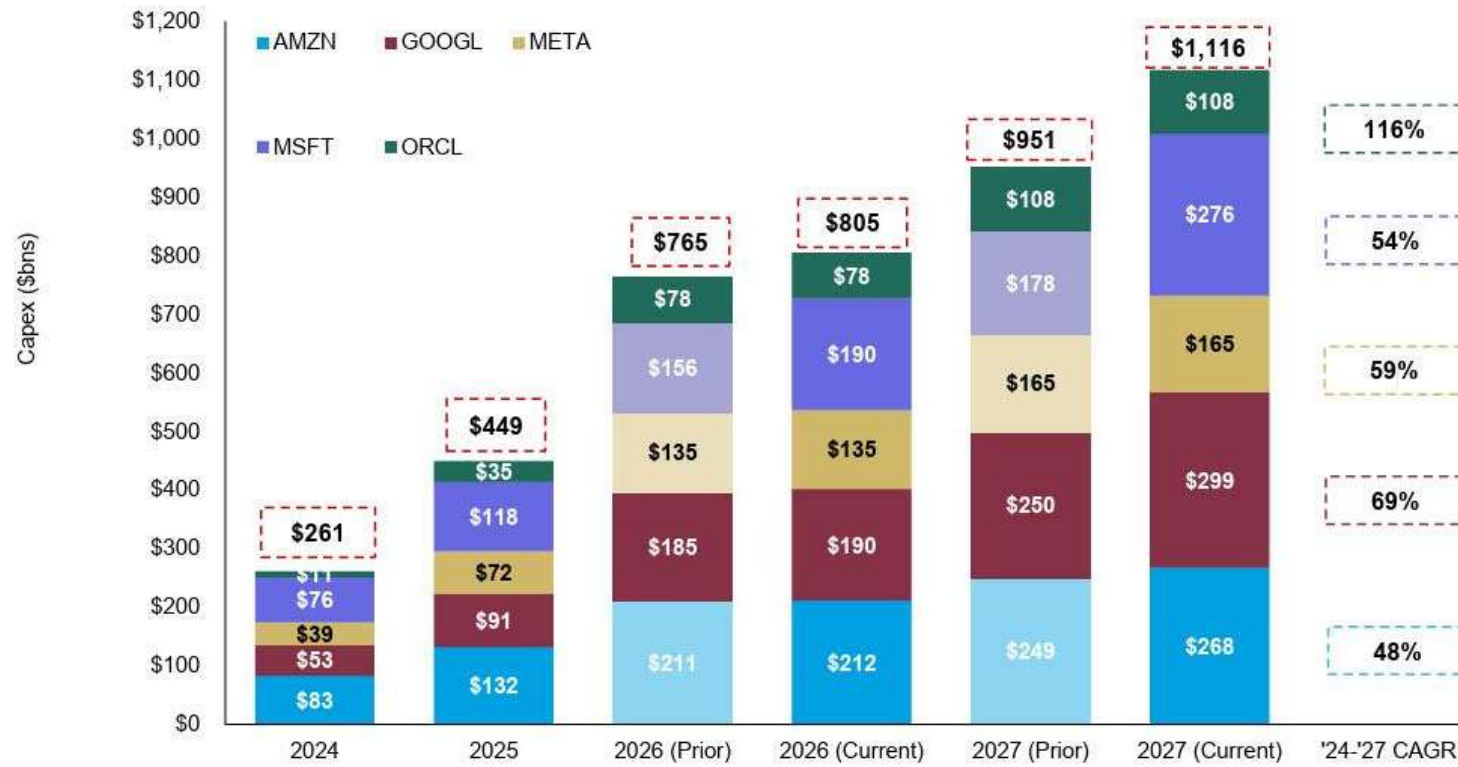


Company	Ticker	S&P 500 weight	YTD return	Contrib. to SPX return	
				bp	%
NVIDIA Corporation	NVDA	9 %	21 %	161 bp	19 %
Alphabet Inc. Class A	GOOGL	7	27	151	17
Micron Technology, Inc.	MU	1	154	84	10
Broadcom Inc.	AVGO	3	23	65	7
Apple Inc.	AAPL	7	11	73	8
Advanced Micro Devices, Inc.	AMD	1	98	58	7
Amazon.com, Inc.	AMZN	4	14	55	6
Intel Corporation	INTC	1	195	55	6
Exxon Mobil Corporation	XOM	1	33	29	3
Cisco Systems, Inc.	CSCO	1	55	29	3
S&P 500		100 %	9 %	870 bp	100 %
Top 10 contributors		34	26	761	87
S&P 500 ex. top 10		66	2	109	13

Will the Hyperscalers see a return on their investment?



Exhibit 1: We now see Hyperscaler capex approaching \$800bn/\$1.1trln in '26/'27 vs \$765bn/\$950bn prior



Source: Company data, Morgan Stanley Research estimates

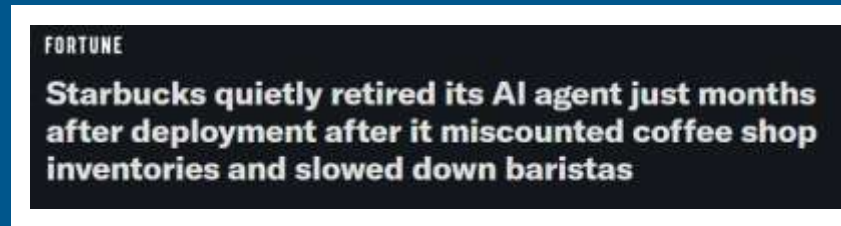
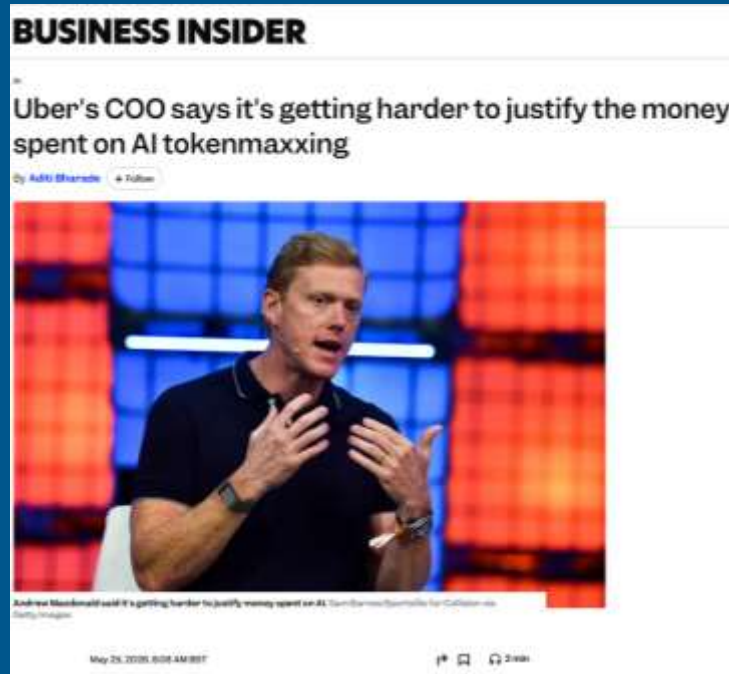


Will the Hyperscalers see a return on their investment ?





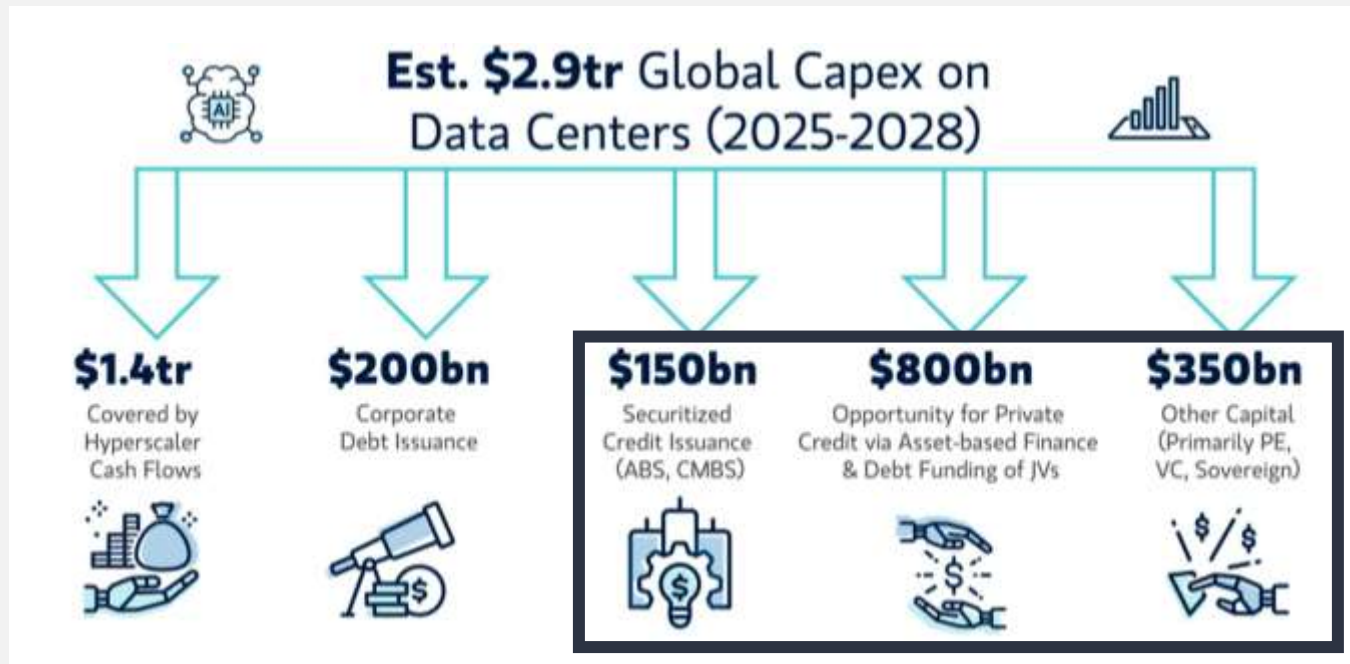
The Token Paradox



AI spending nightmare: Companies spend over a \$500 million in 30 days on Anthropic's Claude

A company spent over half a billion dollars in just 30 days due to unrestricted employee access to Anthropic's Claude chatbot.

Funding the AI Boom



Alphabet plans to raise \$80 billion from stock sales to fund AI buildout

Published Mon, Jun 17, 2025, 6:57 PM EDT | Updated Mon, Jun 17, 2025, 6:37 PM EDT

KEY POINTS

- Alphabet said it plans to sell \$80 billion in stock, including through a \$10 billion investment by Berkshire Hathaway.
- Google's parent said the capital will "fund investments in its world-class AI compute infrastructure to meet its unprecedented customer demand."
- In April, Alphabet updated its full-year capital expenditure range to as much as \$180 billion.

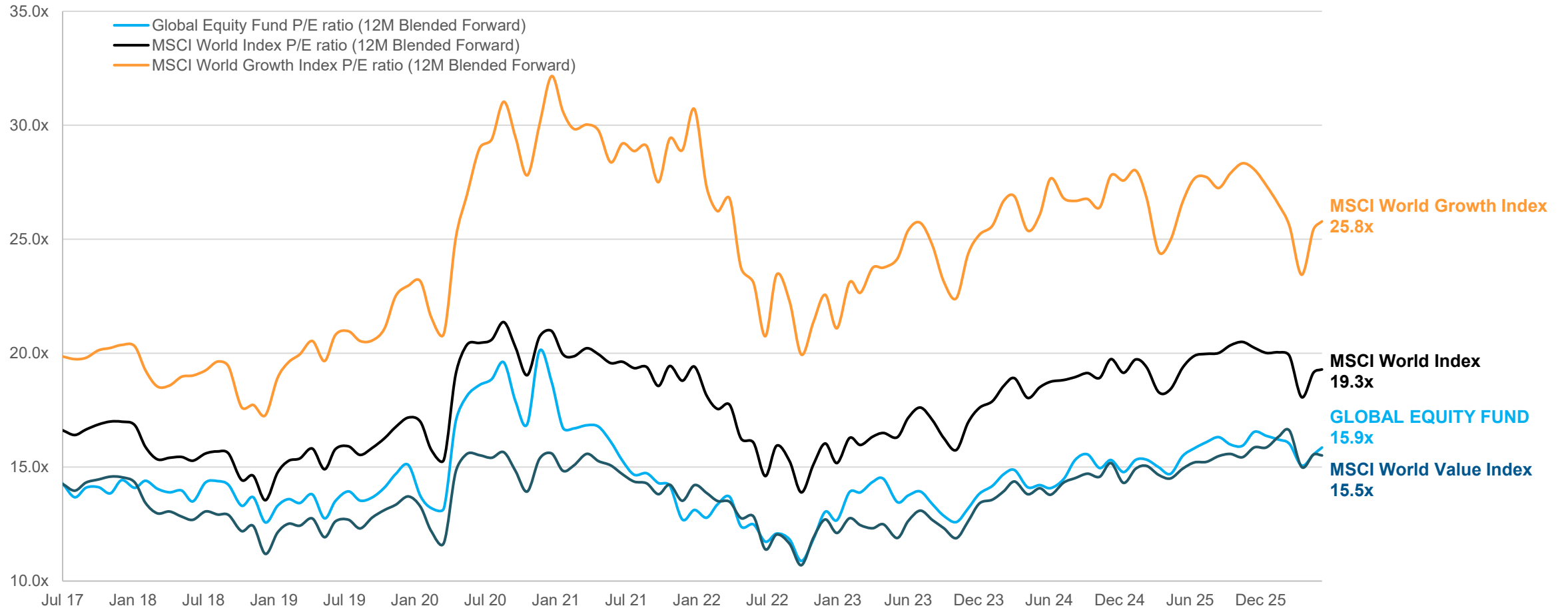
WATCH LIFESTREAM

Seawell Box
Squawk on the Street



Reasons to be Cautious

What is the market pricing in?



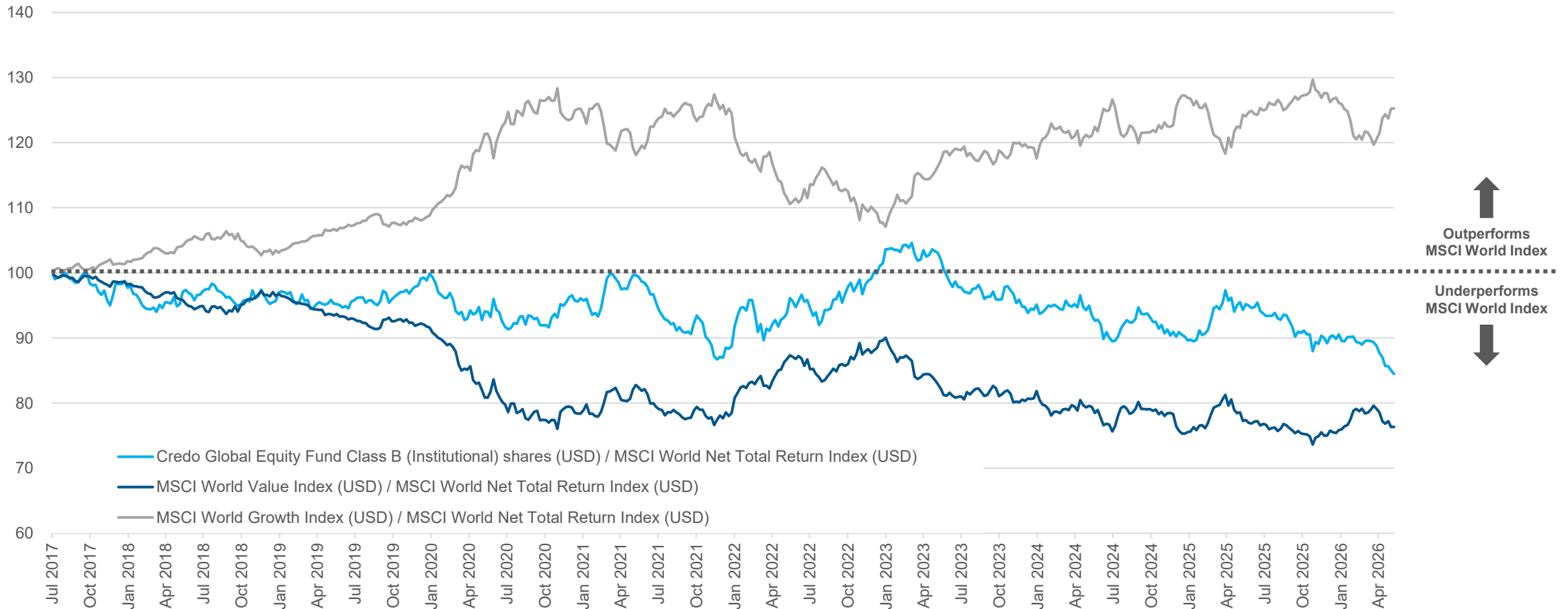
Note: The Global Equity Fund is not managed to a benchmark and the comparatives are included for information only.

Source: Bloomberg for the period 31 Jul 2017 to 22 May 2026. Past performance is not a reliable indicator of future performance.



Global Equity Fund

Profile against Value and Growth - Expectations





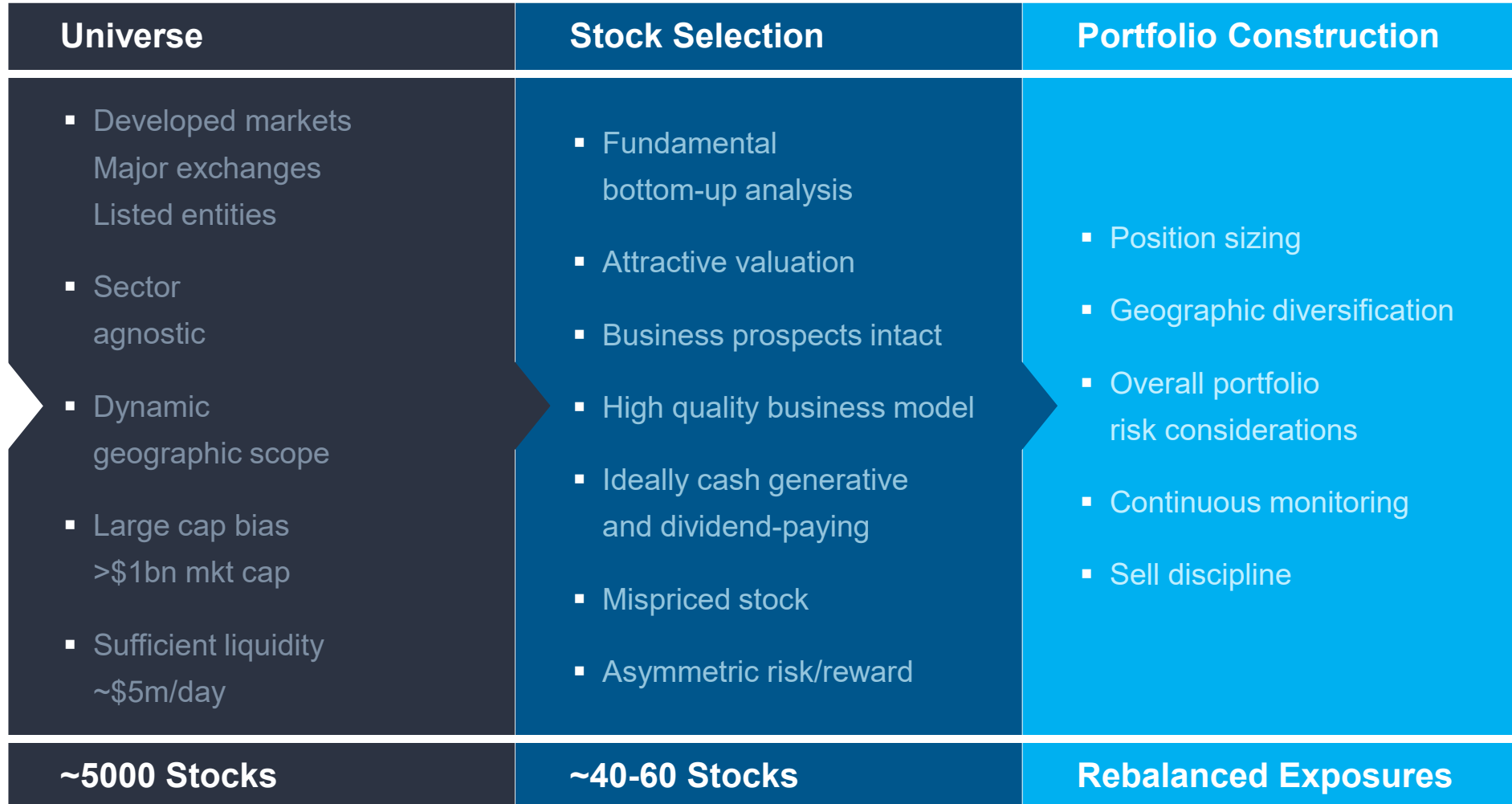
Investment philosophy - Equities

- 1 We follow a value-based approach to investing
- 2 We seek to invest in high quality companies that are attractively priced relative to their future business prospects
- 3 We believe that wealth is best created and preserved through patient and disciplined investing, with focus on the long term
- 4 We believe that the market's short-term focus creates opportunities for those willing to concentrate on underlying business performance
- 5 We view risk as permanent losses of capital and not in terms of short-term volatility



Global Equity Fund

Investment process



GLOBAL
EQUITY
FUND



Global Equity Fund

Stock selection

Past Performance

High Quality Company

- Production of financial models and analysis of past financial performance
- Analysis of profitability, cashflow generation, balance sheet strength, capital requirements and management track record

Business Model

- Qualitative and quantitative analysis of company and industry
- Analysis of direct competitors and place in supply chain

Attractive Valuation

Relative or Absolute Valuation

- Relative to peers, benchmark or own history
- Based on future growth of earnings, cash flow and dividends

Identifying Mispriced Stocks

- Factors causing valuation to be depressed
- Whether factors are transient or cyclical or structural
- Long-term projects, temporarily depressing returns and cashflows, not reflected in valuation

Asymmetric Risk Reward

- Catalyst to realise value e.g. Spin-off/ Divestiture
- Long-term opportunity not yet factored into expectations
- Valuation rating too low

Future Business Prospects

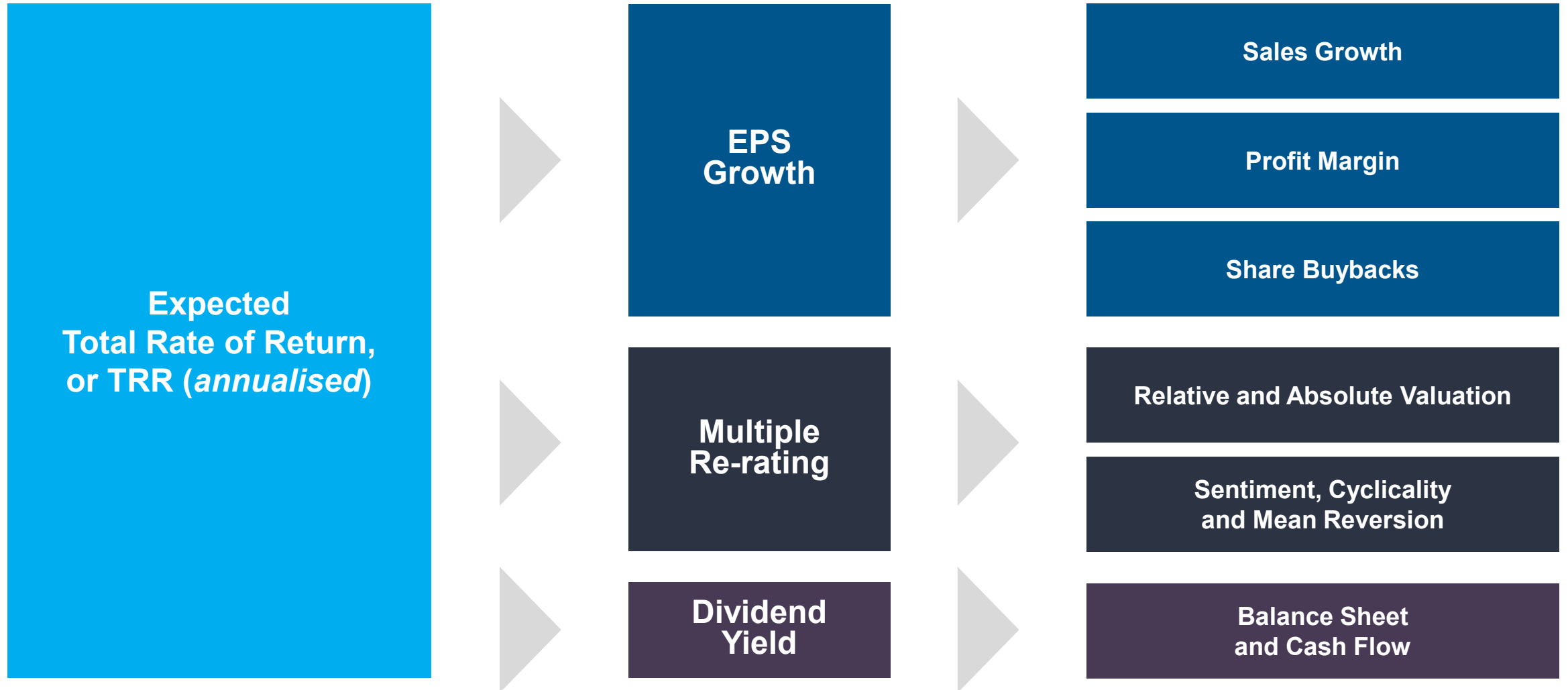
Business Prospects Intact

- 3-5 year forecast to identify growth prospects
- Appraisal of ability to sustain competitive advantage
- Consider cyclical and mean reversion of profitability
- Identify potential downside risks
- Evaluate capital allocation policy
- Consider re-rating potential
- Estimate holding period return



Global Equity Fund

Stock selection | How we think about future returns?



Global Equity Fund

Fund monitoring – sample screenshot



Existing Position (where we are pre subsequent 90 Day Avg Volume)						Days Volume*					TRR
Last validated # shares	Price (LC)	LC	No. Shares (m)	GBP (£m)		Assumes 60% of 90 day Average Value Traded	1M	3M	6M	Watchlist	
251,004	2,110.50	GBP	10.8	227.03	0.04		4%	-8%	11%	UK Income Equity	16%
87,688	64.49	EUR	3.8	205.56	0.04		0%	-23%	-5%	Europe (ex-UK) Equity	27%
52,862	115.19	USD	2.8	245.03	0.03		11%	13%	28%	US Equity Multi-Factor	15%
128,984	3,232.00	GBP	3.8	123.00	0.06		5%	-4%	11%	UK Income Equity	21%
21,376	246.25	USD	1.8	338.87	0.02		7%	16%	36%	US Equity Multi-Factor	32%
16,663	309.42	USD	35.3	8,336.93	0.00		-4%	3%	0%	US Equity	11%
102,386	48.71	USD	30.7	1,139.39	0.01		6%	11%	-1%	US Equity Multi-Factor	29%
70,308	66.77	USD	0.9	45.80	0.13		14%	19%	16%	US Equity	26%
37,093	8,758.00	GBP	0.6	55.95	0.10		18%	13%	8%	Europe (ex-UK) Equity	52%
23,289	178.26	USD	0.1	16.93	0.31		7%	2%	2%	US Equity Multi-Factor	18%
17,945	224.85	USD	31.5	5,398.41	0.00		0%	-8%	-7%	US Equity	27%
262,155	1,129.50	GBP	11.2	126.64	0.04		-6%	-11%	-15%	UK Equity	17%
31,937	116.67	USD	19.6	1,740.56	0.00		5%	20%	5%	US Equity	31%
14,190	250.75	USD	1.5	292.75	0.02		6%	9%	-13%	US Equity Multi-Factor	19%
160,282	1,665.50	GBP	1.0	16.87	0.26		-17%	-21%	-22%	UK Equity	33%
311,162	826.00	GBP	1.0	8.05	0.53		-4%	9%	-1%	UK Income Equity	18%
247,194	985.80	GBP	0.6	6.07	0.67		-2%	-5%	-5%	UK Equity	36%
21,968	135.31	USD	15.4	1,590.96	0.00		5%	-2%	-1%	US Equity	14%
26,338	110.20	USD	30.7	2,583.06	0.00		4%	-17%	12%	Emerging Markets Equity	15%
10,919	259.31	USD	0.4	87.12	0.04		3%	-6%	3%	US Equity	16%
20,249	139.78	USD	2.4	256.33	0.01		4%	11%	9%	US Equity	37%
57,739	48.62	USD	1.7	64.66	0.06		8%	3%	8%	US Equity	14%
1,154,653	48.02	MXN	1.6	3.02	1.18		-2%	-6%	-1%	Emerging Markets Equity	18%
549,204	376.95	GBP	91.5	344.99	0.01		6%	-3%	18%	UK Income Equity	21%
19,711	137.00	USD	12.2	1,275.46	0.00		9%	14%	-7%	US Equity	14%
154,721	1,230.50	GBP	1.9	23.58	0.13		1%	-14%	-11%	UK Equity	17%
5,646	441.41	USD	1.2	393.67	0.01		3%	9%	21%	US Equity Multi-Factor	19%
10,345	226.36	USD	9.4	1,629.79	0.00		0%	1%	9%	US Equity	7%
4,516	454.79	USD	1.0	336.76	0.01		8%	6%	20%	US Equity	6%
59,727	30.30	USD	0.7	15.90	0.14		0%	6%	-8%	US Equity	32%
17,097	100.17	USD	6.2	475.15	0.00		0%	-7%	-2%	US Equity Multi-Factor	8%
290,499	415.20	GBP	1.5	6.14	0.33		3%	19%	32%	UK Equity	44%
27,563	52.12	USD	24.4	969.87	0.00		-4%	-17%	-14%	US Equity Multi-Factor	15%
6,045	237.46	USD	1.2	213.46	0.01		4%	7%	3%	US Equity	17%
28,400	390.00	HKD	25.4	965.15	0.00		6%	-23%	-11%	Emerging Markets Equity	21%
3,090	445.98	USD	2.2	761.22	0.00		3%	-1%	4%	US Equity	7%
6,276	216.55	USD	2.0	322.93	0.01		7%	-3%	4%	US Equity	4%
478,998	3.70	AUD	10.9	23.19	0.07		2%	-9%	8%	Asia Pacific ex-Japan Equity	25%
60,732	1,659.50	GBP	1.2	19.44	0.09		-5%	0%	4%	UK Equity	18%
5,448	239.82	USD	1.6	297.63	0.01		3%	1%	-4%	US Equity	4%
5,689	207.80	EUR	0.8	142.16	0.01		-14%	-23%	-28%	Europe (ex-UK) Equity	25%
12,167	81.76	USD	0.3	17.96	0.07		-3%	-12%	-19%	US Equity	11%
37,138	1,656.80	GBP	6.9	114.21	0.01		-17%	-27%	-16%	UK Income Equity	12%
15,535	3,897.00	GBP	3.2	122.98	0.01		-2%	1%	7%	UK Equity	2%
69,800	83.90	HKD	24.6	200.69	0.00		-2%	-10%	1%	Asia Pacific ex-Japan Equity	15%
9,270	76.28	USD	2.6	153.43	0.01		-2%	1%	9%	US Equity	17%
11,226	48.11	USD	38.2	1,400.03	0.00		-7%	-20%	-25%	US Equity Multi-Factor	13%

CGEF weighted average	0.10	UK Cash
<1 days	98%	Global (ex-UK) Fixed Income
<3 days	over 50%	Global (ex-UK) Fixed Income
<5 days	100%	Global (ex-UK) Fixed Income
>5 days	0%	100% in less than 30 days
		Global (ex-UK) Fixed Income



Global Equity Fund

Portfolio construction

Position Implementation

- Initial position sizes of 1%/2%/4%
- Based on expected holding period return, risk profile and level of conviction
- Cognisant of specific industry, sector and underlying earnings geographic exposure
- Ensure portfolio is sufficiently diversified

Continuous Monitoring

- Review of fundamental news flow relating to company and industry
- Periodic review of position sizing to reflect expected return, risk and conviction after share price movements or estimate changes
- Look to add to positions where share price has fallen and investment thesis remains intact whilst remaining cognisant that our thesis could be wrong

Sell Discipline

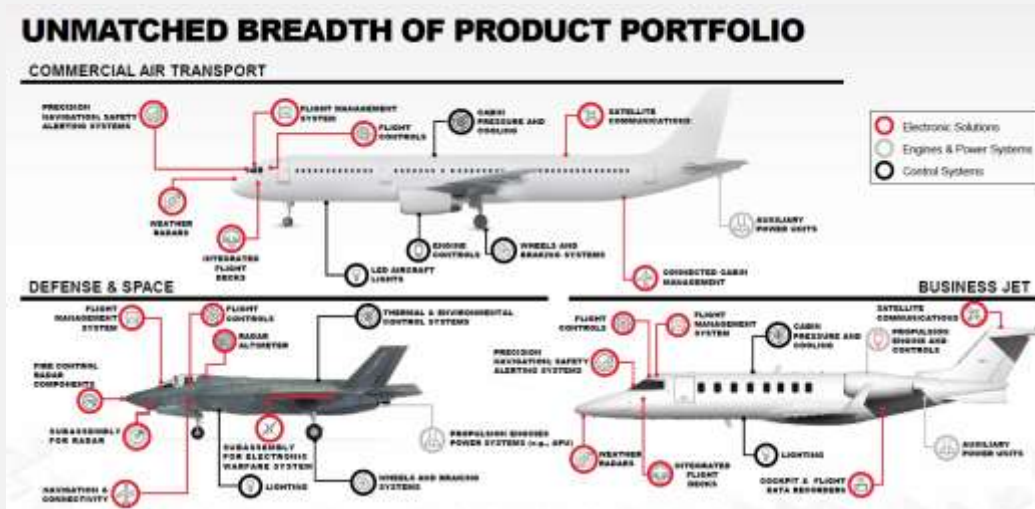
- Expected holding period return is no longer attractive relative to other opportunities
- Loss of confidence in original investment thesis
- Weighting approached maximum limit according to UCITS rules



Honeywell (HON) – What they do

HONEYWELL AEROSPACE (~49.4% OF FY25 PROFIT)

- “Crown jewel”: top 5 global supplier with proprietary, limited-life products with a large aftermarket.
- Global installed base (content on ~90% of global aircraft fleet).



HONEYWELL AUTOMATION (~50.6% OF FY25 PROFIT)

- Leading positions in fire detection, control systems, energy technology & catalysts.
- Large installed base + recurring software/aftermarket revenue.
- It comprises
 - Industrial Automation
 - Building Automation
 - Energy & Sustainability



Share Price Graph of HON (from when Elliot took stake until the present)

Honeywell International Inc. – Share Price (\$)



KEY DATES

- June 2nd – 3rd, 2026: Honeywell Aerospace Investor day.
- June 4th : Quantinuum IPO
- June 11th, 2026: Honeywell Automation Investor day.
- June 29th, 2026: Expected spin-off date of Honeywell Aerospace.



HON: Break-up Valuation (Sum-of-the-parts)

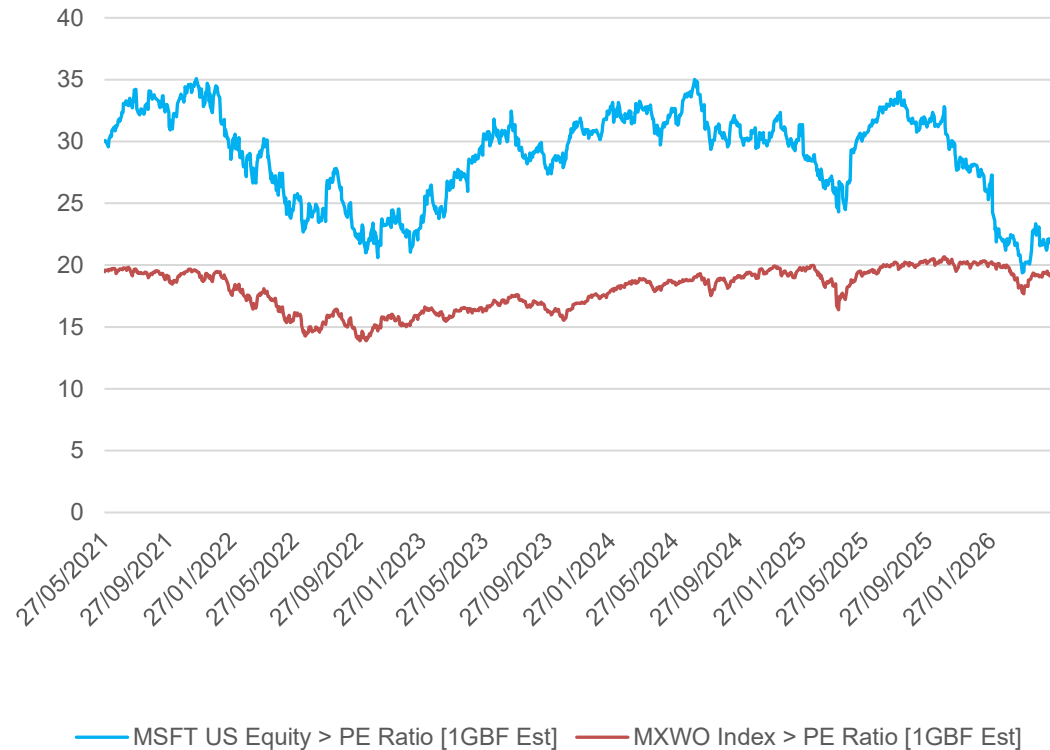
- Aerospace spin well-timed into strong post-COVID upcycle (FY25 revenue up 13%, record backlog).
- ~25.9x peer NTM PE multiple.
- Strong de-conglomeration precedent (GE/UTX).
- HON trading at ~20x NTM PE implies ~16% upside.
- HON owns ~54% of Quantinuum (valued at \$10bn in Nov-2025), expected to IPO in June/July-2026.

	Adj. NI 2026 E	% Mix	Multiples	Value
HON Aerospace	3,509	52%	25.9	90,763 (\$142)
HON Automation	3,229	48%	20.8	67,208 (\$105)
Quantinuum				8,100 (\$12.5)
Total	6,737	100%	24.2	166,071
			# Shares	639
			Value per share	260
				vs
			Share price (current)	225
			Upside (Spin-off expected 29 Jun 2026):	16%
			Upside (Annualised 04/06/26 – 29/06/26):	~227%

Microsoft – Why We Own It



Forward p/e chart: MSFT vs MSCI World Index

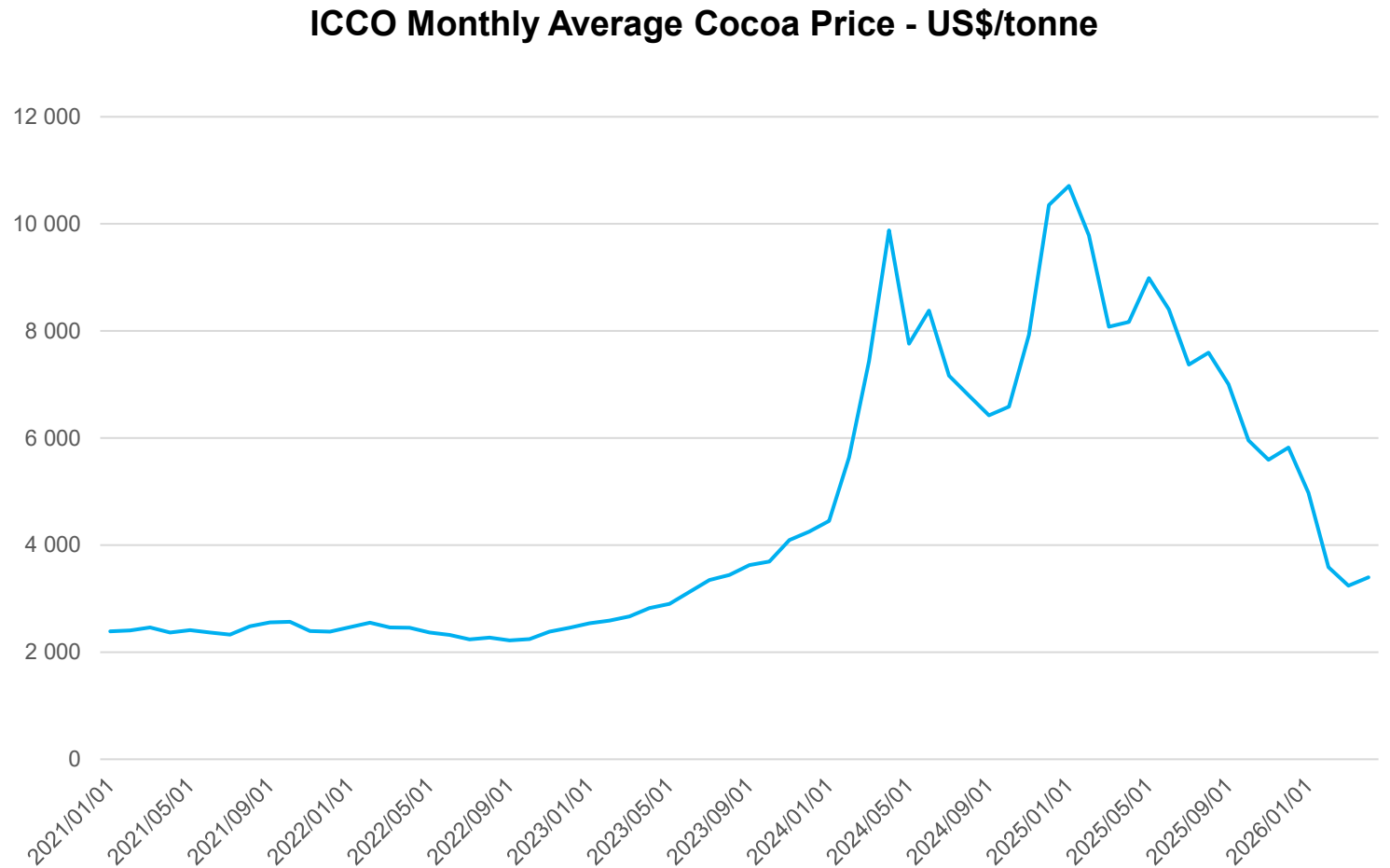


- Attractive valuation after recent pullback.
- Leadership in Ai and Cloud with strong momentum and significant contracted backlog.
- Diverse , High-Quality Business Portfolio (Office, Azure, Windows, Gaming , LinkedIn).
- Enables ‘stateful’ AI agents via integrated data, memory, workflows and cloud infrastructure.
- Strong Balance Sheet.



Cocoa Market Overview

- 2023: Deficit takes root
 - West African supply shock (weather, disease, ageing trees) drive deficits.
 - Highest price since 2011.
- 2024: Blow-off top
 - Price peaks Dec-2024 >2x prior record (\$5.1k in 1977).
 - Tight supply, low liquidity.
- 2025: Reversal
 - Supply improves; demand weakens (demand destruction, reformulation).
- 2026: Surplus + volatility
 - Stocks rebuild → surplus narrative
 - El Niño, logistics shocks remain risks.



Mondelez (MDLZ) – Why we own it

	FY25 (A)	FY26 Est.	FY27 Est.	FY28 Est.	FY29 Est.
Gross profit	10,935	12,920	15,110	15,563	16,030
Gross margin	28%	33%	37%	37%	37%
Net earnings attr. To MDLZ	2,451	3,438	4,799	4,874	5,190
Diluted shares	1,298	1,268	1,232	1,199	1,175
EPS attr. To shareholders	1.89	2.71	3.90	4.06	4.42
EPS Growth	-45%	44%	44%	4%	9%

	May-26	Dec-26	Dec-27	Dec-28	Dec-29
Cash flow (\$)	-61.76	2.04	2.26	2.47	97.94
Component	Entry	Dividend	Dividend	Dividend	Div. + exit
				TRR	16.5%

- Confectionary & snack leader. #1 in biscuits and #2 in chocolate (17% & 12.4% global shares, respectively).
- Cocoa-driven margin compression in 2025 reverses as prices normalise (hedged through 2026).
- Result: drive gross margin back to average (37%) → >\$2bn profit uplift (\$1.19 EPS, 44% growth) in FY27.
- Risks
 - Non-chocolate mix (67% sales) dilute recovery
 - Strong \$ → EM FX headwinds
 - GLP-1 usage reduces demand



The Hershey Company (HSY) – Why we own it

	FY25 (A)	FY26 (E)	FY27 (E)	FY28 (E)	FY29 (E)
Operating income (\$)	1,442	2,203	2,899	3,056	3,234
Margin	12%	18%	23%	23%	24%
Normalised income (\$)	211	1,718	2,311	2,440	2,595
Share count (m)	203	201	197	192	188
Diluted EPS (\$)		8.54	11.74	12.68	13.78
EPS Growth			38%	8%	9%

	May-26	FY26 (E)	FY27 (E)	FY28 (E)	FY29 (E)
Cash flow (\$)	-197	5.81	5.84	6.19	331.19
Component	Entry	Dividend	Dividend	Dividend	Div. + exit
				TRR	18%

- #1 US chocolate manufacturer; led by Hershey’s brand (21% sales), Reese’s (~28%) with strong cash generation.
- Near-term cocoa/sugar, labour, mix headwinds drove a 2024 EPS reset → P/E multiple de-rating to ~19.5x.
- Structural upside: ~\$300m savings (AAA program) by FY26, ERP-driven productivity & snacks diversification support margin recovery & incremental growth.
- Cocoa inflation masks medium-term margin expansion → L/T margin recovery to ~24% as input costs normalise.
- Risks
 - High commodity prices, US demand softness & execution risk.

Global Equity Fund

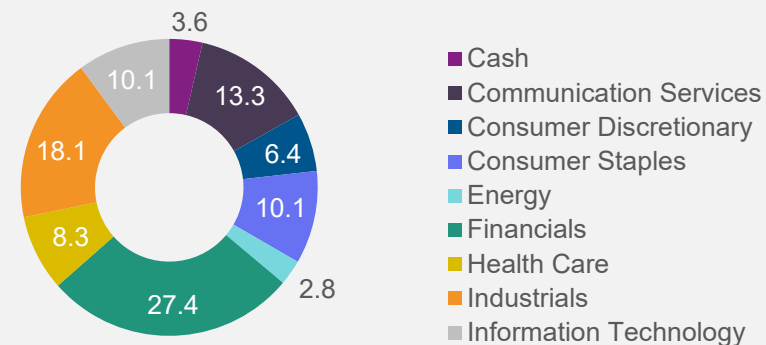
Snapshot Apr 2026



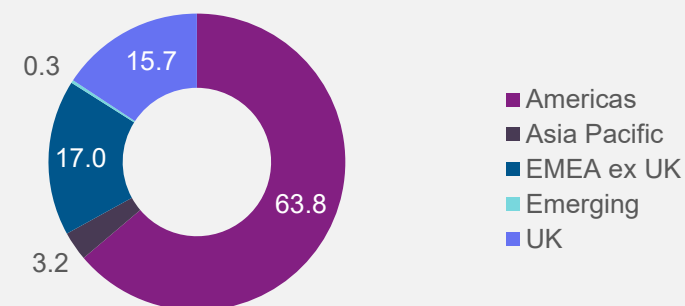
Top 10 Holdings (%)

Name	Sector	Weight
Alphabet	Communication Services	5.1
Microsoft	Information Technology	4.2
Visa	Financials	4.2
British American Tobacco	Consumer Staples	3.7
Progressive	Financials	3.6
MTU Aero Engines	Industrials	3.6
Ryanair Holdings	Industrials	3.4
Meta Platforms	Communication Services	3.4
Advanced Micro Devices	Information Technology	3.3
Honeywell International	Industrials	3.2
Total		37.8

Sector Allocation (%)



Geographic Allocation (%)





Global Equity Fund

Fund characteristics

- Concentrated, value-based portfolio
- Stocks selected based on fundamental bottom-up analysis used to calculate expected holding period return
- Long term Investment horizon
- Position sizes based on conviction level, attractiveness of expected return and risk profile
- We do not benchmark sector or geographic allocation and therefore the portfolio may deviate significantly from the index at both country and sector levels

Overview

Portfolio Managers	Jarrold Cahn / Jason Spilkin
Style	Value Bias
Market Capitalisation Bias	Large Cap focus
AUM	GBP 175.5m
Fund Inception	3rd July 2017
Benchmark	MSCI World Index Net Total Return
Holdings Range	40 – 60
Target Average Holding Period	3 years

Characteristics	Credo Global Equity Fund	Index
Price Earnings Ratio	15.5x	19.1x
Dividend Yield	2.0%	1.7%
Active Share	88.2%	
Returns since Inception (GBP)	119.5%	166.1%
Beta	0.88	

Source: Bloomberg, performance of retail shares.

Active share as at 30/04/2026

(*) Performance numbers as at 30/04/2026 see Important Notice.

(**) MSCI World Index Net Total Return.

(***) Returns shown are cumulative.

Past performance is not a reliable indicator of future performance.



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Credo Global Equity Fund Information
Source: Credo Capital Limited

1. Performance is shown as at 30/04/2026
2. Annualized Performance Since Inception - 9.3%
3. Fund Benchmark Annualized Performance Since Inception – 11.7%
4. Full fund performance can be found here: <https://www.credogroup.com/content/document/feederfund-mdd-202604.pdf>



Talk to us. Today.

credogroup.com

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