

Strategy & Objective

The Dividend Growth 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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	14.3	12.7	12.8	0.5	0.3	-2.7	-2.9
MSCI World	14.8	12.9	12.4	5.7	0.2	-1.4	-1.0
Relative	-0.5	-0.2	0.4	-5.2	0.1	-1.3	-1.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	11.2
MSCI World	16.2	11.7

Market Commentary

February saw global equity indices tumble, as investor fear (as measured by the VIX index) hit its highest level since China's stock market crash in August 2015. In the US, the S&P 500 fell 3.7%. This during a month where new Federal Reserve chair Jerome Powell attended his first congressional hearings. In Europe, the UK's FTSE 100 finished 3.4% down, while the Euro STOXX 50 fell 4.6%. In Asia, the Shenzhen CSI 300 was down 5.9% as President Xi moved to scrap term limits, opening up the possibility he may rule indefinitely. In fixed income, the major 10-year sovereign yields remained relatively unchanged as US treasuries, UK gilts and German bunds finished 2.9%, 1.5% and 0.7% respectively.

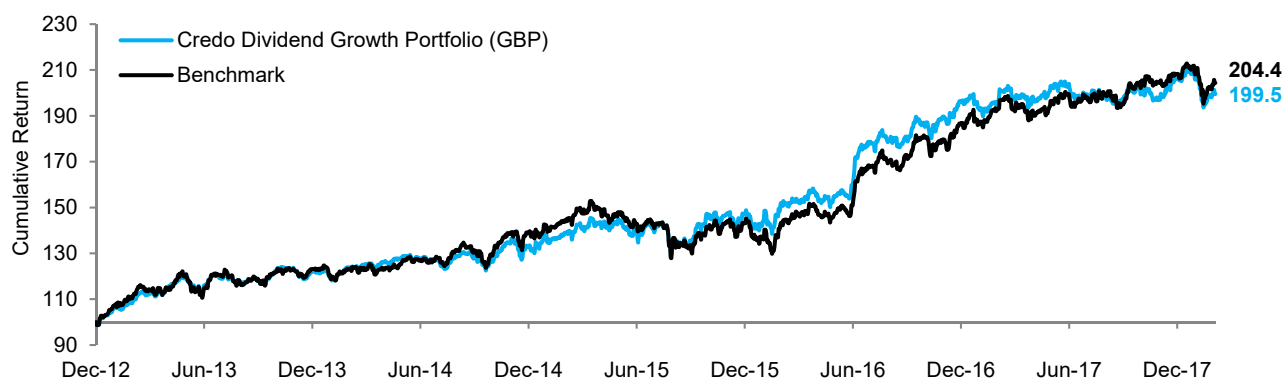
Key Contributors to Return

Merlin Entertainments' shares increased by 3.5%, reacting positively to news that activist investor ValueAct had built a stake in the company. Sainsbury's shares increased by 2.6%, with slightly more positive sentiment towards the sector from the sell side analysts.

Key Detractors from Return

Nielsen's shares declined by 12.8% after poor fourth quarter results in the Buy segment.

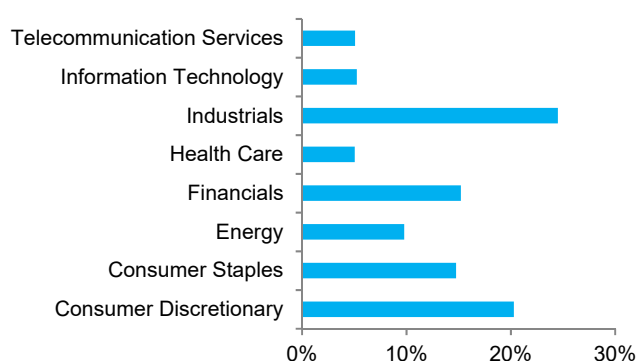
Performance Since Inception (28/12/2012)²



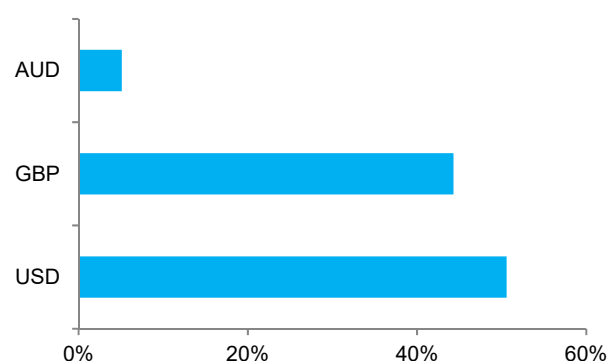
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Las Vegas Sands Corp	\$72.8	24.8x	21.7x	4.1%
PepsiCo Inc	\$109.7	20.8x	19.0x	2.9%
Whitbread plc	3883p	15.1x	14.4x	2.5%
Total Portfolio Average		20.9x	16.0x	3.4%
MSCI World		19.7x	15.9x	2.4%

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.

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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 Dividend Growth Portfolio. Portfolio incorporates all additions and removals, rebalancing all holding 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 28/02/2018 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			1 Year	3 Month	1 Month	YTD
	S. Inception	5 Years	3 Years				
Dividend Growth Portfolio	11.0	10.6	8.9	11.7	2.5	-5.4	-1.0
MSCI World	11.5	10.7	8.2	17.4	2.3	-4.1	0.9
Relative	-0.5	-0.1	0.7	-5.7	0.2	-1.3	-1.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	11.0
MSCI World	17.9	10.5

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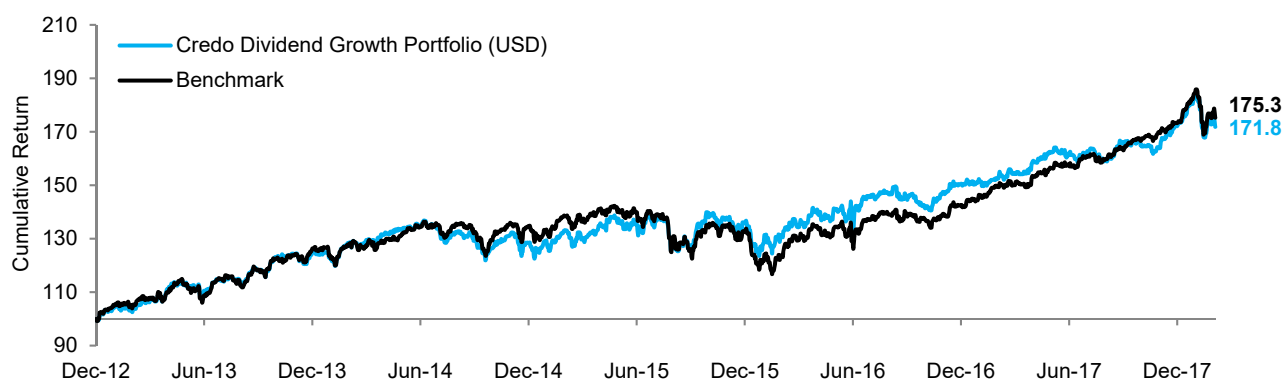
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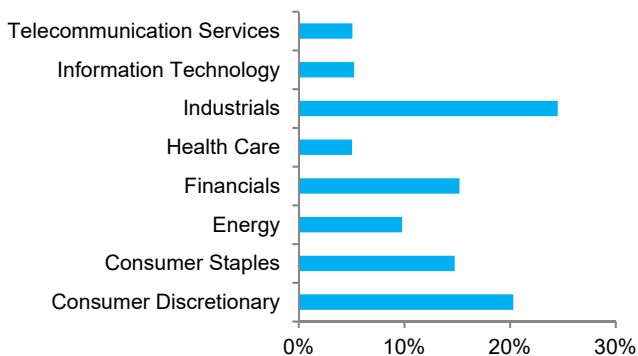
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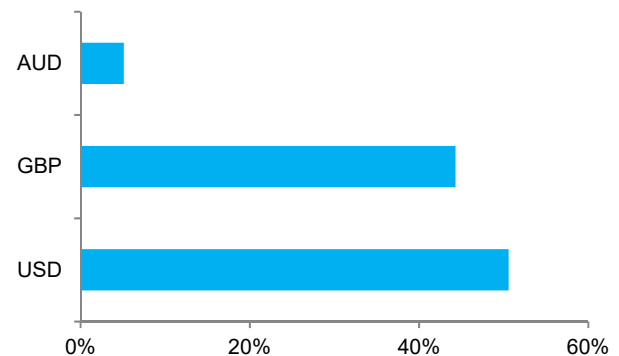
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