

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}

	Annualised						
Return (%)	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	15.2	13.8	17.9	11.8	3.0	0.2	8.4
MSCI World	15.4	14.2	18.4	12.5	7.0	2.5	9.4
Relative	-0.2	-0.4	-0.5	-0.7	-4.0	-2.3	-1.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	11.3
MSCI World	16.2	11.9

Market Commentary

August commenced as expected, with the second UK interest rate hike in a decade as the Bank of England increased the base rate to 0.75%. Most equity markets retreated during the month as increased uncertainty and volatility in emerging markets, most notably in Argentina and Turkey, had global reverberations: the FTSE 100, Euro STOXX 50 and Hang Seng were all down 3.3%, 3.7% and 2.1% respectively. US equity markets were an exception, as particularly strong US macroeconomic data, including a stronger than expected GDP figure of 4.2%, saw the S&P 500 increase 3.3% and the NASDAQ increase 5.9%. US economic outperformance spurred the rise in the dollar, leading to a 1.3% rise against sterling and a 0.8% rise against the euro. Investors seemed nervous over the new Italian government's budget plans, causing the yield on 10-year Italian bonds to rise 52 basis points over the month. Elsewhere in the bond markets, UK 10-year yields finished the period on 1.4% and US 10-year yields on 2.9%.

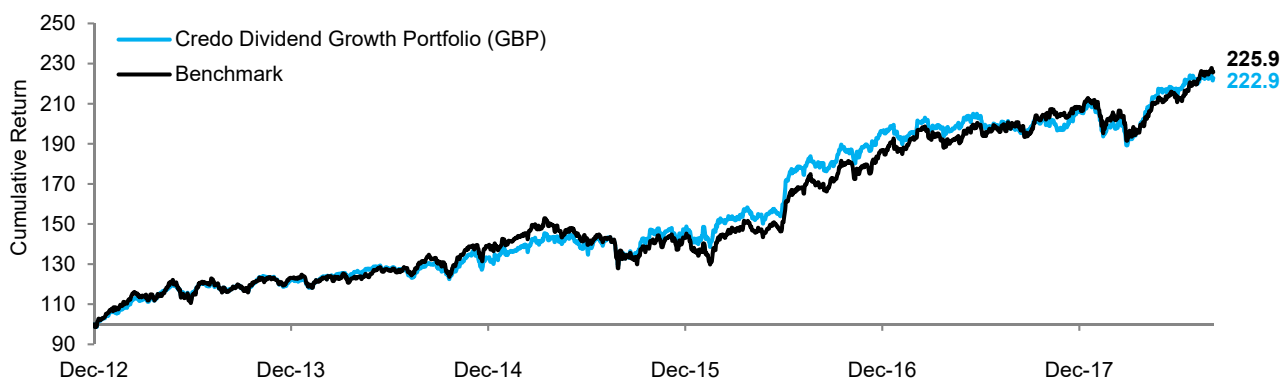
Key Contributors to Return

Whitbread's shares increased by 17.4%, after the company announced the sale of its Costa business to Coca-Cola. Nielsen's shares increased by 11.8% after news that activist investor, Elliott Management, had taken a c.8% stake in the company.

Key Detractors from Return

Paddy Power Betfair's shares declined by 14.8% after weak second quarter results, impacted by aggressive horse race pricing by competitors. Las Vegas Sands' shares declined by 9.0%, after the publication of weak Macau gaming numbers.

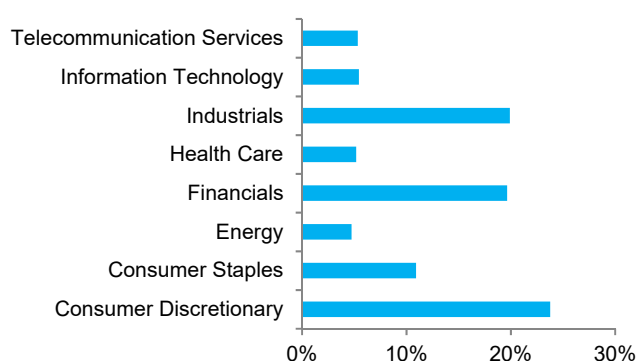
Performance Since Inception (28/12/2012)²



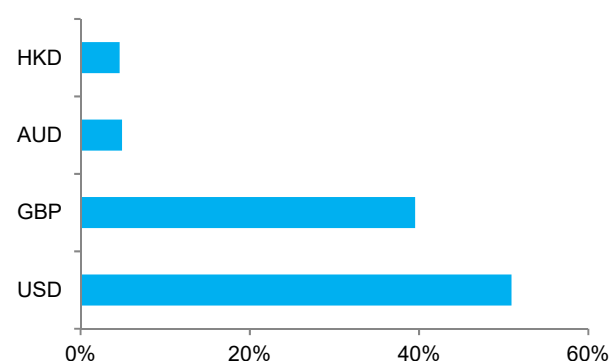
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	2744p	18.2x	10.1x	6.4%
Nielsen Holdings plc	\$26	15.4x	13.8x	5.4%
Wells Fargo & Co	\$58.5	15.2x	11.9x	2.9%
Total Portfolio Average		17.5x	14.8x	3.2%
MSCI World		18.7x	15.5x	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 31/08/2018 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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	10.9	9.9	11.8	12.4	0.4	-1.1	3.9
MSCI World	11.1	10.2	11.9	13.1	4.3	1.2	4.8
Relative	-0.2	-0.3	-0.1	-0.7	-3.9	-2.3	-0.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	11.1
MSCI World	17.9	10.6

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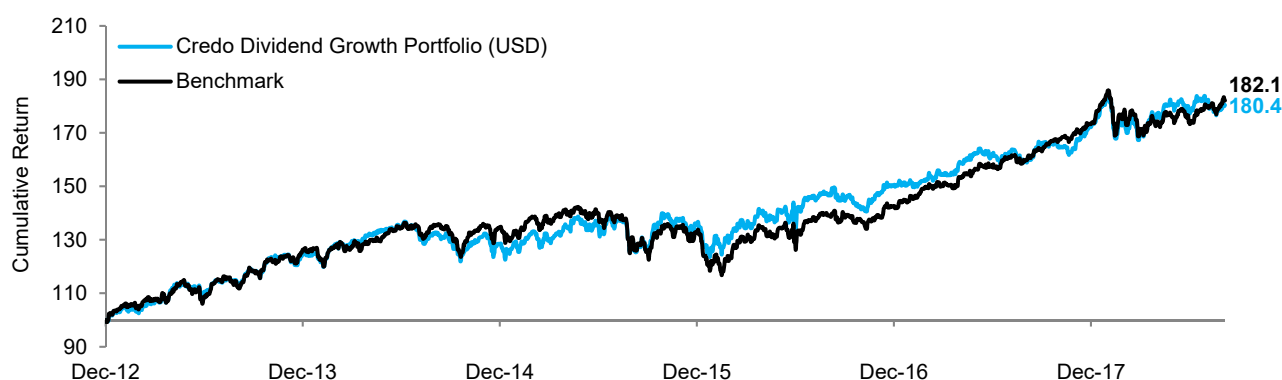
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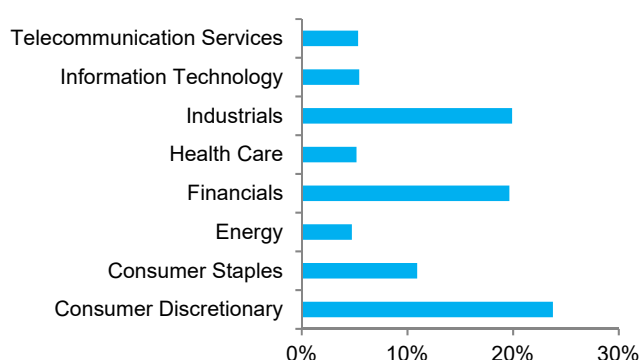
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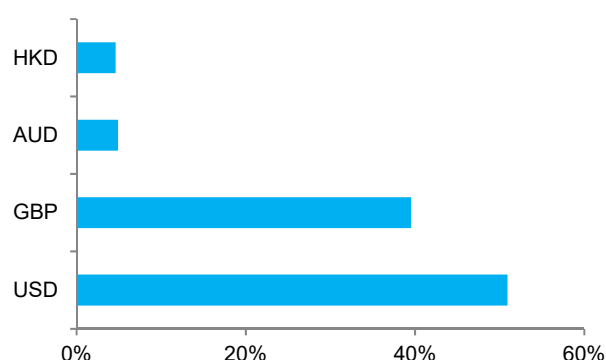
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