

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

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Dividend Growth Portfolio</b>	14.1	13.8	10.5	9.2	5.2	2.3	19.5
<b>MSCI World</b>	14.1	13.3	12.2	8.1	3.8	1.1	22.0
<b>Relative</b>	0.0	0.5	-1.7	1.1	1.4	1.2	-2.5

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	11.9	11.3
<b>MSCI World</b>	16.2	12.2

## Market Commentary

September saw global equity markets make positive ground. All the major equity indices made gains over the month, with the FTSE 100, the Euro STOXX 50 and the Nikkei 225 up 2.9%, 4.3% and 5.7% respectively. However, the Federal Reserve lowered interest rates on concerns the US economy may be slowing. During the month, oil prices increased by as much as 20% due to the disruptions caused by a drone attack on the Saudi Aramco oil production plant, before falling back to the \$60 per barrel range on news that oil production was back to pre-attack levels. In the UK, Boris Johnson's suspension of parliament was ruled unlawful and legislation was passed to force the government to ask for a Brexit extension if a deal cannot be made. Sterling was up 1.1% against the US dollar and up 1.9% against the euro. The yield on UK 10-year bonds increased by 0.01% and the US 10-year yield increased 0.17%.

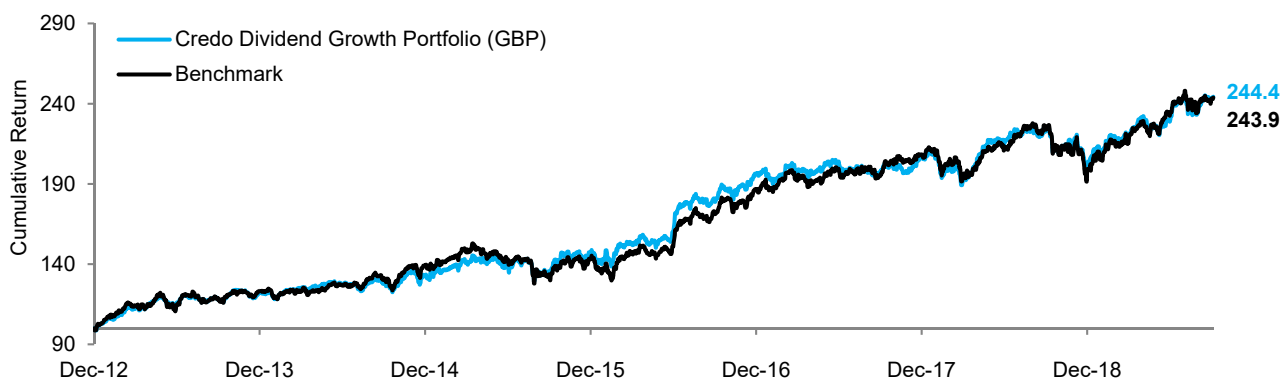
### Key Contributors to Return

IG Group's shares increased by 17.2% after the company released a positive trading update, noting a rising number of active clients, which represents a key long-term value driver. Flutter Entertainment's shares increased by 13.3% after the company expanded its sports betting activities in two further states in the US.

### Key Detractors from Return

Imperial Brands' shares declined by 14.0% after the company downgraded its expectations for earnings, against a backdrop of slowing growth in vaping and increased regulatory scrutiny. AIA Group's shares declined 2.5% after ongoing protests in Hong Kong dragged down sales momentum in the quarter.

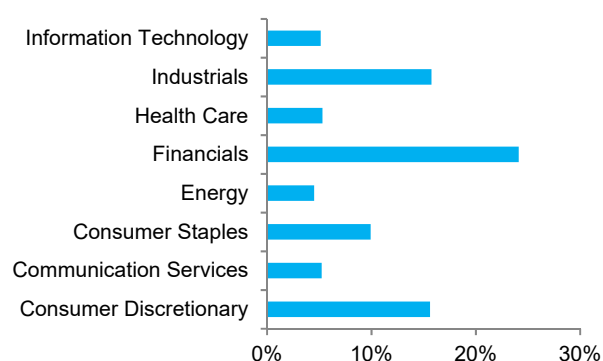
## Performance Since Inception (28/12/2012)<sup>2</sup>



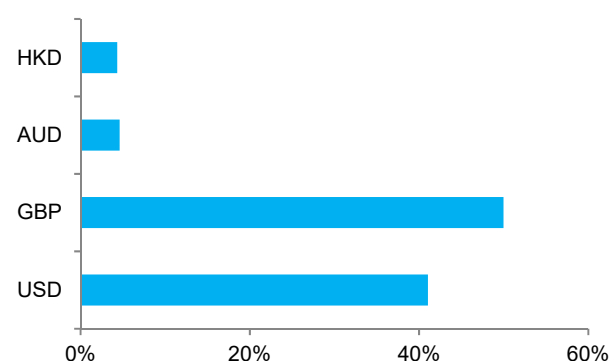
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
GlaxoSmithKline plc	1745p	15.2x	14.6x	4.6%
Microsoft Corp	\$139	29.0x	25.7x	1.5%
Verizon Communications Inc	\$60.4	11.9x	12.4x	4.1%
<b>Total Portfolio Average</b>		<b>16.9x</b>	<b>14.1x</b>	<b>4.0%</b>
<b>MSCI World</b>		<b>18.6x</b>	<b>15.7x</b>	<b>2.5%</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 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 30/09/2019 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>Dividend Growth Portfolio</b>	9.9	7.9	8.9	3.6	2.3	3.2	15.7
<b>MSCI World</b>	9.7	7.2	10.2	1.8	0.5	2.1	17.6
<b>Relative</b>	0.2	0.7	-1.3	1.8	1.8	1.1	-1.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	14.3	11.0
<b>MSCI World</b>	18.7	11.0

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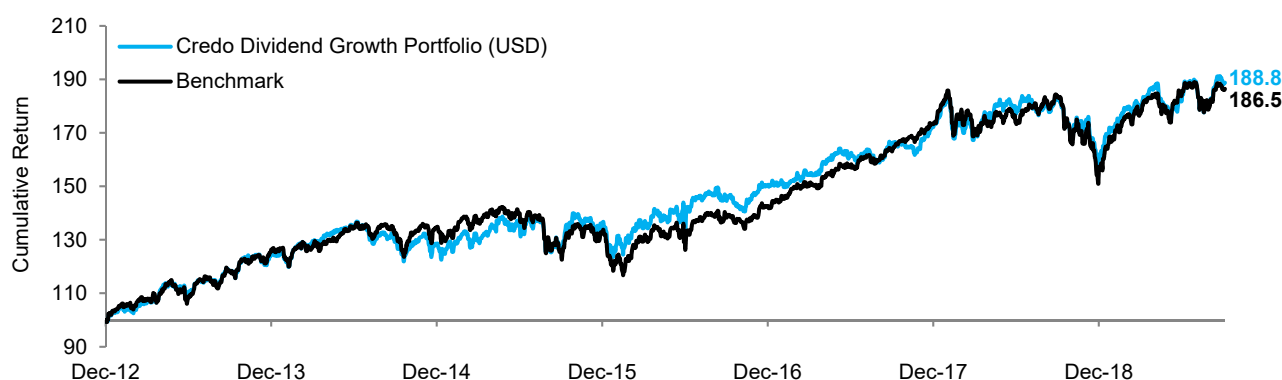
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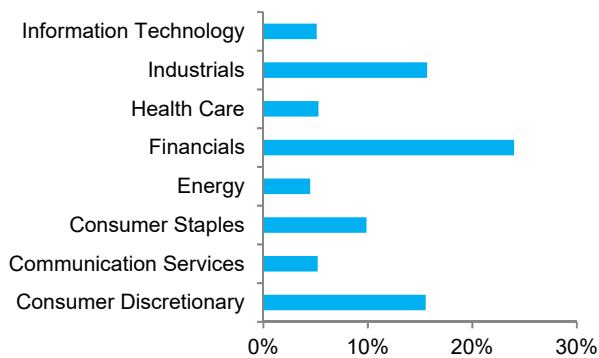
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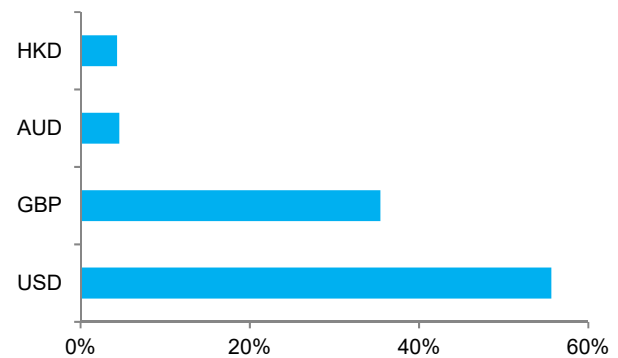
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<b>MSCI World</b>		<b>18.6x</b>	<b>15.7x</b>	<b>2.5%</b>

## Sector Allocation



## Currency Allocation



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