

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^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	12.6	9.8	14.7	2.1	-4.6	-4.3	-0.8
MSCI World	12.1	9.3	10.8	4.0	1.4	0.5	6.0
Relative	0.5	0.5	3.9	-1.9	-6.0	-4.8	-6.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	26.8	13.7
MSCI World	26.2	15.1

Market Commentary

Rising inflation remained a key concern for investors in May as central banks continued to raise interest rates, which, overshadowed the technology sector's advancements in artificial intelligence and new product releases. Global equity markets had mixed returns, with the S&P 500 and NASDAQ recording gains of 0.4% and 5.9% respectively, while the Euro STOXX 50 and FTSE 100 saw declines of -1.9% and -5.0% respectively. Bond yields had mixed movements, as US and UK 10-year yields increased by 22.1 and 46.4 basis points respectively, reflecting growing economic confidence and inflationary pressures. Commodity prices diverged over the month as concerns about a global recession weighed on demand. Brent Crude Oil, Copper, and Gold all declined by 8.7%, 6.1%, and 1.3% respectively. In the currency markets, the pound fell 1.4% against the US dollar and increased 2.1% against the euro.

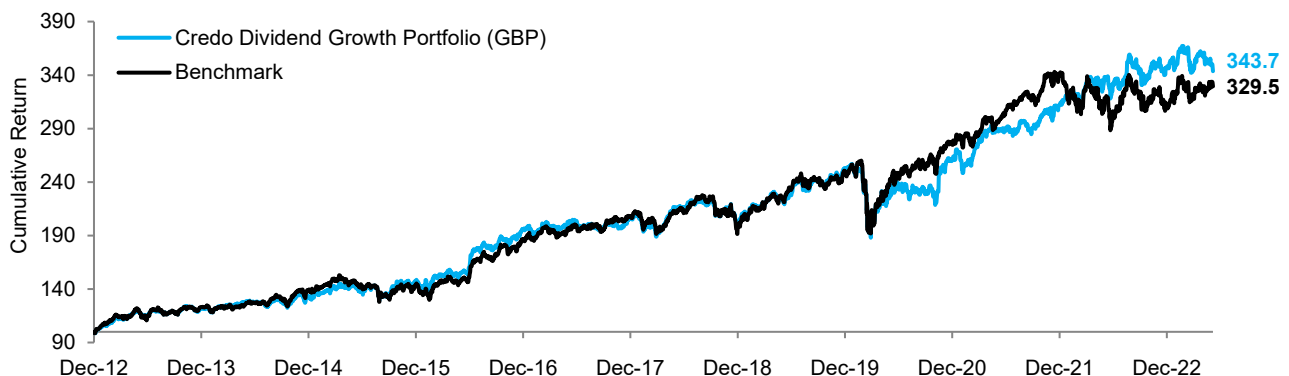
Key Contributors to Return

Microsoft Corporation's shares increased by 8.7% after announcing several new artificial intelligence enhanced products during its annual Build Developer Conference in Seattle. Admiral Group's shares increased by 3.0%, after the latest Office for National Statistics data revealed that UK motor vehicle insurance premiums have, on average, risen by 41% during the past year and that there is no sign yet of a slowdown in the rate of these increases.

Key Detractors from Return

BP's shares declined by 14.2% after reporting better than expected results but warned that lower oil and gas prices will weigh on earnings during the rest of the year and significantly reduce the size of the current quarter's intended share repurchases. British American Tobacco's shares declined by 12.7% after the unexpected announcement of the immediate replacement of CEO Jack Bowles by the CFO Tadeu Marroco surprised investors and triggered concern about the upcoming first half results.

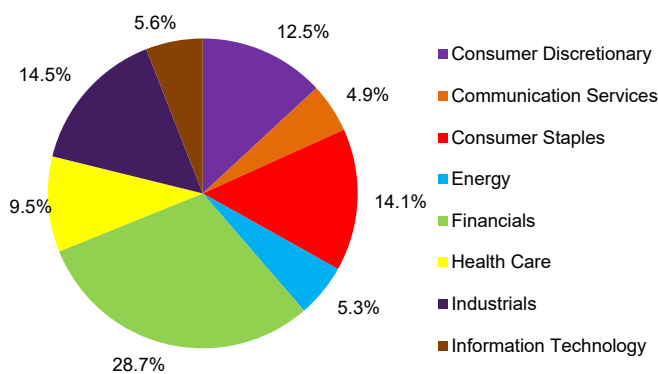
Performance Since Inception²



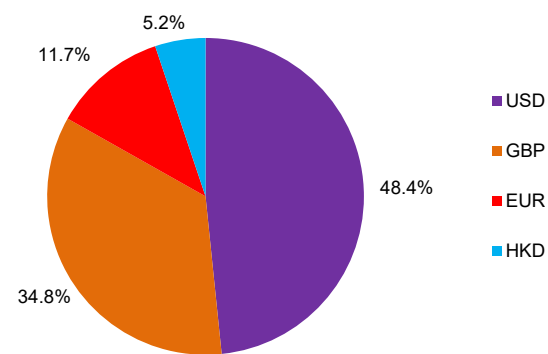
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	453p	4.5x	5.7x	4.7%
PepsiCo Inc	\$182.4	26.0x	24.1x	2.8%
Union Pacific Corp	\$192.5	17.0x	16.4x	2.7%
Total Portfolio Average		16.0x	13.3x	2.9%
MSCI World		17.7x	16.3x	2.2%

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 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 31/05/2023 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place. Inception date: 28/12/2012.

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Portfolio Performance^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	9.9	8.4	14.9	0.3	-2.4	-5.7	1.5
MSCI World	9.3	7.8	11.0	2.1	3.8	-1.0	8.5
Relative	0.6	0.6	3.9	-1.8	-6.2	-4.7	-7.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	33.4	14.0
MSCI World	34.0	14.5

Market Commentary

Rising inflation remained a key concern for investors in May as central banks continued to raise interest rates, which, overshadowed the technology sector's advancements in artificial intelligence and new product releases. Global equity markets had mixed returns, with the S&P 500 and NASDAQ recording gains of 0.4% and 5.9% respectively, while the Euro STOXX 50 and FTSE 100 saw declines of -1.9% and -5.0% respectively. Bond yields had mixed movements, as US and UK 10-year yields increased by 22.1 and 46.4 basis points respectively, reflecting growing economic confidence and inflationary pressures. Commodity prices diverged over the month as concerns about a global recession weighed on demand. Brent Crude Oil, Copper, and Gold all declined by 8.7%, 6.1%, and 1.3% respectively. In the currency markets, the pound fell 1.4% against the US dollar and increased 2.1% against the euro.

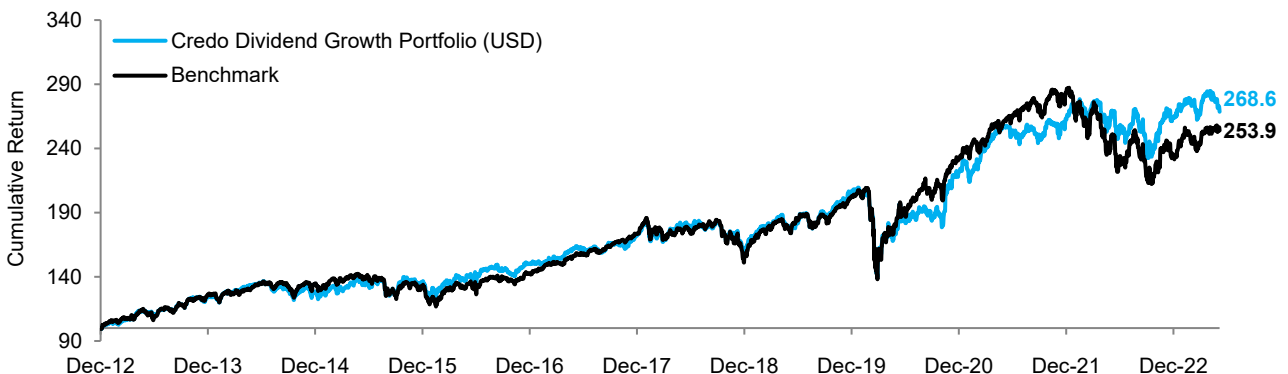
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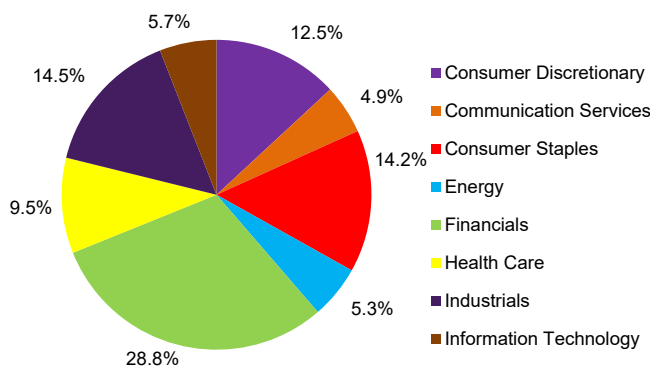
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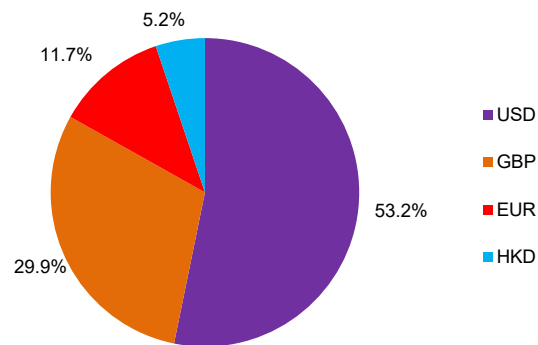
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