

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 Months	1 Month	YTD
Dividend Growth Portfolio	12.3	12.1	11.3	3.9	4.3	2.2	3.9
MSCI World	12.5	12.8	9.7	17.3	6.6	3.7	17.3
Relative	-0.1	-0.7	1.6	-13.5	-2.3	-1.5	-13.5

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

Market Commentary

Global equity markets ended the year strongly, driven by investor optimism about easing inflation and expectations for more stable rates including potential cuts in 2024. Over the month, the DJIA, S&P 500, NASDAQ, Euro STOXX 50, and FTSE 100 all experienced positive returns of 4.9%, 4.5%, 5.6%, 3.2% and 3.9%, respectively and measured in their local currencies. In fixed income markets, yields on US, UK and German 10-year bonds fell by 45, 64, and 42 basis points, respectively mainly driven by central banks softening their language and acknowledging a remarkable fall in inflation. Brent Crude oil declined by a further 4.0% from the previous month despite the ongoing conflict in the Middle East and OPEC+ members implementing further production cuts. The pound rose by 0.9% against the US dollar and fell by 0.5% against the euro.

Key Contributors to Return

The Cigna Group's shares increased by 13.2% after announcing a significant increase in its share buyback program which calmed negative sentiment around a rumoured merger with Humana Inc. Flutter Entertainment's shares increased by 12.7% after confirming its secondary listing will move from Euronext Dublin to the New York Stock Exchange where its shares are likely to trade at a higher price due to improved liquidity.

Key Detractors from Return

Progressive Corp's shares declined by 4.0% after a broker downgrade and the release of November results which, despite an 8% increase in policies vs the previous year, seem to have trailed expectations. British American Tobacco's shares declined by 6.3% after their FY24/25 guidance was cut and as the industry faces pressure from unregulated disposable vapes from China that emerged over the past 12 months.

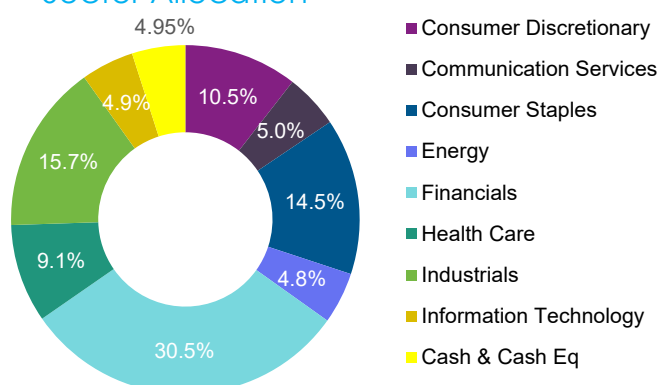
Performance Since Inception²



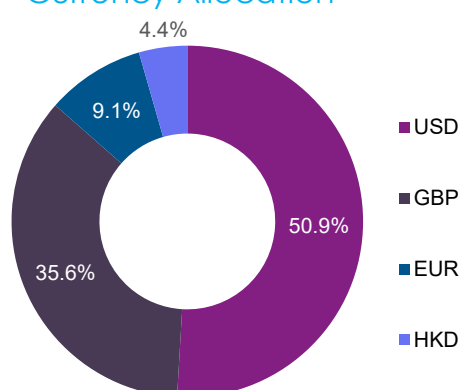
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP plc	466p	4.1x	6.2x	4.8%
PepsiCo Inc	\$169.8	22.6x	21.2x	2.9%
Union Pacific Corp	\$245.6	23.6x	22.5x	2.1%
Total Portfolio Average		15.6x	12.7x	3.1%
MSCI World		20.2x	19.3x	2.0%

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. Inception date: 28/12/2012.

(2) Source: Bloomberg pricing as of 29/12/2023 close. All portfolio performance is calculated using Bloomberg PORT.

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Portfolio Performance (USD)^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Months	1 Month	YTD
Dividend Growth Portfolio	10.1	12.2	9.0	9.3	8.8	3.3	9.3
MSCI World	10.1	12.8	7.3	23.8	11.4	4.9	23.8
Relative	0.0	-0.6	1.7	-14.5	-2.6	-1.6	-14.5

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

Market Commentary

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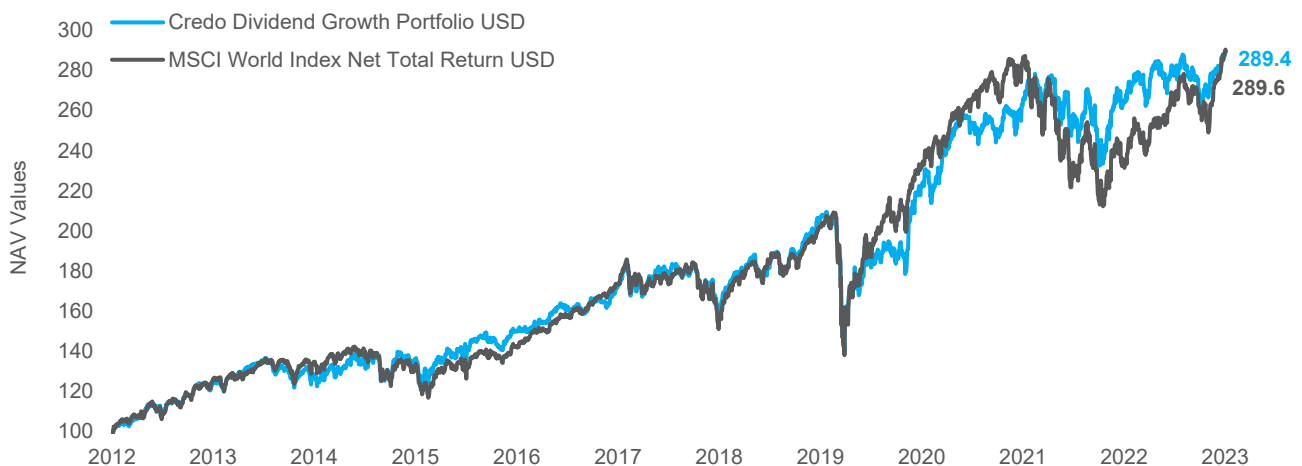
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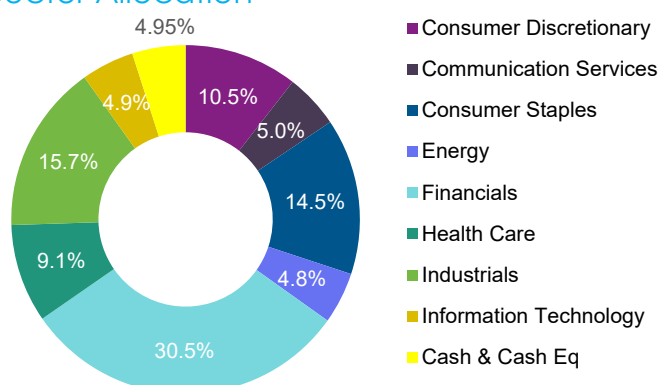
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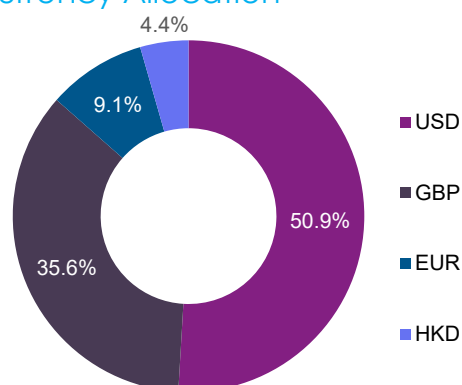
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