

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	13.5	9.9	15.4	19.7	7.1	5.0	19.7
MSCI World	14.5	12.9	19.3	22.9	7.2	2.2	22.9
Relative	-1.0	-3.0	-3.9	-3.2	-0.1	2.8	-3.2

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

Market Commentary

After a volatile end to the previous month following the emergence of the Omicron variant, markets quickly recovered as data from South Africa and the UK indicated a lessened risk of severe disease. With higher vaccination rates, particularly in Asia, the global economy is expected to be less vulnerable with the prospect of potential earnings growth in 2022 outweighing rising hospitalisations. The S&P 500 crossed an all-time high and finished 4.5% up from the previous months' close. The Euro STOXX 50 and FTSE 100 finished the month up by 5.8% and 4.8% respectively. UK inflation rose to 5.1% along with increasing labour market tightness and accordingly the Bank of England raised the base rate to 0.25%. In fixed income markets, the yields on US, UK and German 10-year bonds increased by 7, 16 and 17 basis points respectively. With disruptions to oil production, Brent Crude oil rose by 12.9% over the month. The pound was up against the US dollar and euro by 1.8% and 1.4% respectively.

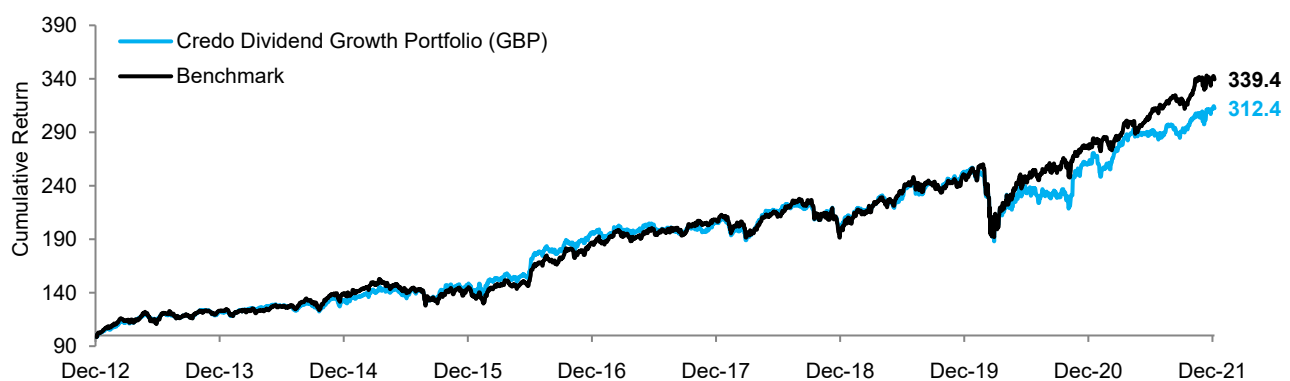
Key Contributors to Return

Cigna's shares increased by 20.1% recovering from a Covid-induced sell-off in November, with the company reiterating its raised profit guidance for 2021 and 2022. Flutter Entertainment's shares increased by 15.4% after several sell-side analysts upgraded the stock on recent weakness due to press speculation about toughening UK regulation.

Key Detractors from Return

AIA Group's shares declined by 4.6% after the emergence of the Omicron variant delayed the re-opening of Hong Kong's border to mainland visitors, affecting investors' growth assumptions for the insurance market.

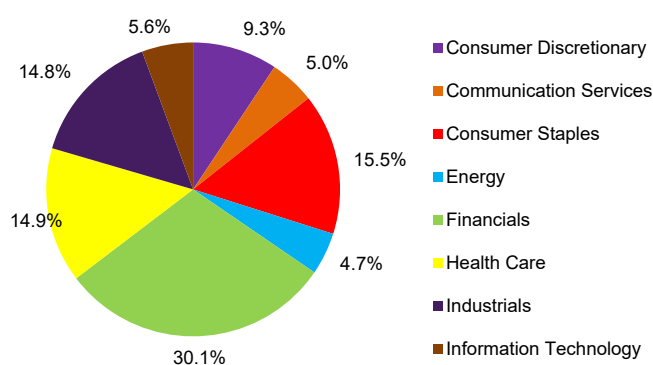
Performance Since Inception (28/12/2012)²



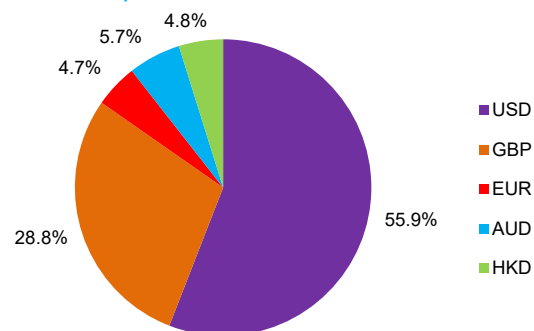
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
CME Group Inc	\$228.5	39.4x	31.3x	1.6%
Otis Worldwide Corp	\$87.1	29.3x	26.4x	1.1%
Raytheon Technologies Corp	\$86.1	23.7x	17.3x	2.4%
Total Portfolio Average		17.4x	14.5x	2.6%
MSCI World		23.2x	19.3x	1.7%

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 31/12/2021 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	11.4	12.1	17.7	18.8	7.7	7.2	18.8
MSCI World	12.4	15.0	21.7	21.8	7.8	4.3	21.8
Relative	-1.0	-2.9	-4.0	-3.0	-0.1	2.9	-3.0

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

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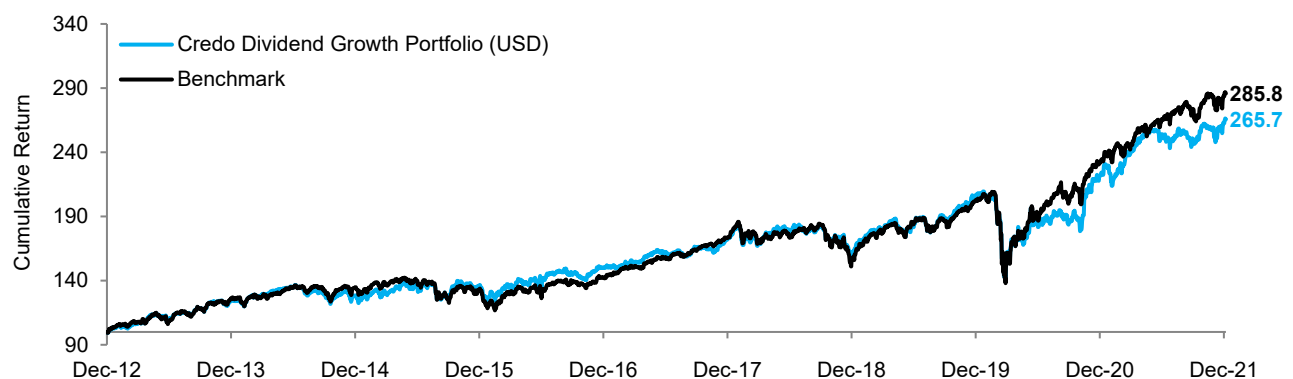
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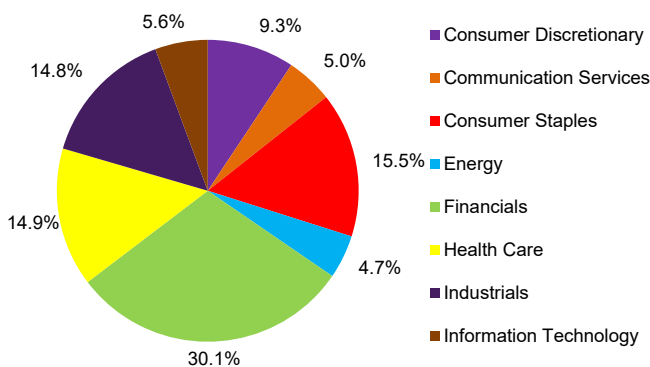
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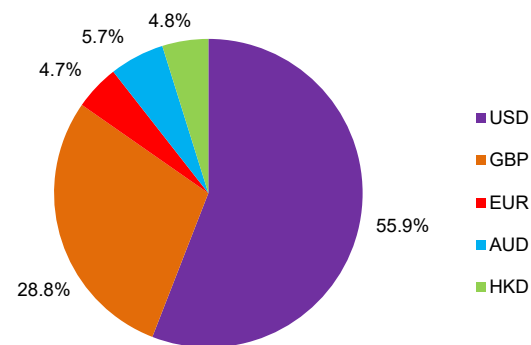
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