

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	2.7%	3.3%	0.7%	1.4%									8.2%
2014	-2.6%	4.1%	1.1%	1.0%	2.1%	-1.0%	-1.7%	3.0%	-0.7%	1.3%	5.2%	-3.8%	8.0%
2013	7.5%	3.3%	2.9%	2.6%	1.9%	-1.4%	3.7%	-3.0%	0.4%	5.1%	-0.4%	-0.2%	24.2%
2012												-1.2%	-1.2%

Cumulative Total Return	1 Year	3 Year	Since Inception
Dividend Growth Portfolio	12.8%	-	43.4%
MSCI World	18.2%	-	46.2%

Market Commentary

Despite escalating rhetoric surrounding a Greek default, European yields have continued to fall. German Bund yields are negative out to the 9-year maturity, and the 10-year Bund is currently testing the zero threshold. However, positive first quarter earnings results have provided ample distraction from the unfolding Greek drama. According to data compiled by Thomson Reuters, 61% of European companies have met or exceeded earnings expectations. Economic data releases, however, have remained mixed, though industrial activity in Germany and the peripheral Eurozone countries has continued to accelerate. In the US, underwhelming economic data, including a third successive week of increasing jobless claims, were overlooked by markets as earnings results have been particularly strong. In a move designed to ease credit conditions and stimulate the Chinese economy, the People's Bank of China cut the reserve ratio requirement by one percentage point. In spite of this, the manufacturing purchasing managers' index fell to 49.2, indicating continued contraction.

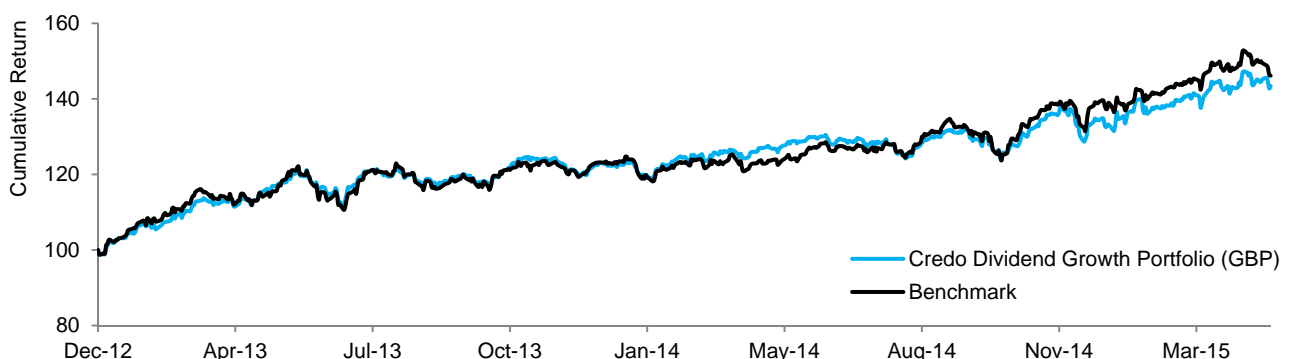
Key Contributors to Return

Despite reporting a decline in pre-tax profits of 57% in first quarter results, BP returned 7.6% over the month. Although the company has struggled to lower its cost curve, its strong growth prospects and forward PE multiple of 19.3x have left it at an attractive valuation. HSBC shares rallied 12.9% over the month on the back of speculation that the bank is considering selling off its UK consumer bank. Over the last four years, the bank has reported a loss of \$4bn in the UK, compared to profits of \$24bn in Asia and Europe. The move would also help the bank avoid the UK's bank levy, improving group return on equity.

Key Detractors from Return

Coca-Cola, the world's largest beverage company, has enjoyed 54 years of consecutive dividend growth. However, various political efforts to regulate sales, and a shift in consumer tastes are creating a strong headwind for revenue growth. While first quarter results beat earnings forecasts, net income fell -3.8% and the stock returned -3.2% over the month. McDonalds fell -4.1% over the month as first quarter earnings failed to match expectations. With revenue falling -11% from first quarter 2014 and decreasing guest traffic, the company has announced significant organizational upheaval, including share buybacks.

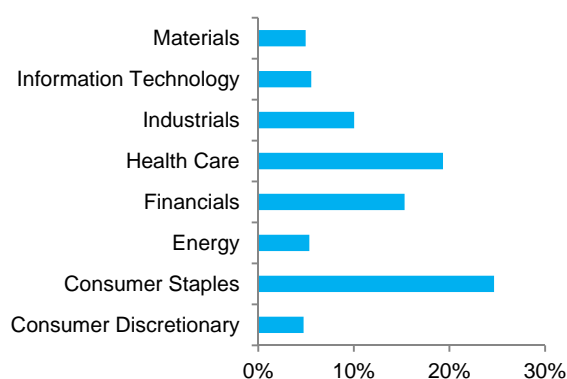
Performance Since Inception (GBP)²



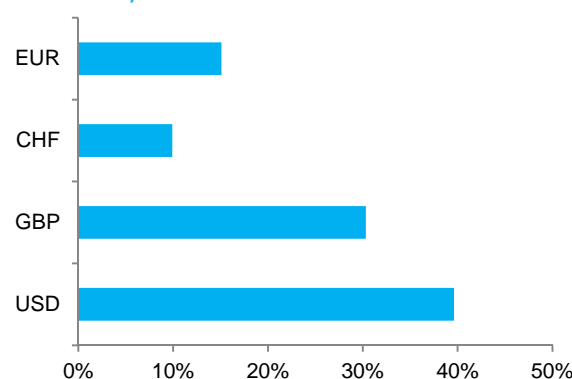
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield	2015 Consensus Price Target
BP	470p	15.4x	19.3x	5.6%	459p
Vinci	€54.8	15.7x	15.6x	3.2%	€58.3
Coca-Cola	\$40.6	19.5x	20.3x	3.3%	\$44.2
Total Portfolio Average		17.2x	17.0x	3.3%	
MSCI World		18.6x	17.5x	2.4%	

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

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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. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any fees (which can vary depending on the level of service) but includes net dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 30/04/2015 close.

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Portfolio Performance (USD)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-1.1%	6.2%	-3.3%	4.9%									6.6%
2014	-3.3%	6.2%	0.6%	2.3%	1.5%	0.9%	-3.0%	1.3%	-3.0%	0.0%	3.0%	-4.2%	1.7%
2013	4.9%	-1.1%	3.0%	5.1%	-0.7%	-1.4%	3.7%	-1.1%	5.1%	4.3%	1.5%	0.9%	26.6%
2012												-0.4%	-0.4%

Cumulative Total Return	1 Year	3 Year	Since Inception
Dividend Growth Portfolio	2.7%	-	36.7%
MSCI World	7.4%	-	39.4%

Market Commentary

Despite escalating rhetoric surrounding a Greek default, European yields have continued to fall. German Bund yields are negative out to the 9-year maturity, and the 10-year Bund is currently testing the zero threshold. However, positive first quarter earnings results have provided ample distraction from the unfolding Greek drama. According to data compiled by Thomson Reuters, 61% of European companies have met or exceeded earnings expectations. Economic data releases, however, have remained mixed, though industrial activity in Germany and the peripheral Eurozone countries has continued to accelerate. In the US, underwhelming economic data, including a third successive week of increasing jobless claims, were overlooked by markets as earnings results have been particularly strong. In a move designed to ease credit conditions and stimulate the Chinese economy, the People's Bank of China cut the reserve ratio requirement by one percentage point. In spite of this, the manufacturing purchasing managers' index fell to 49.2, indicating continued contraction.

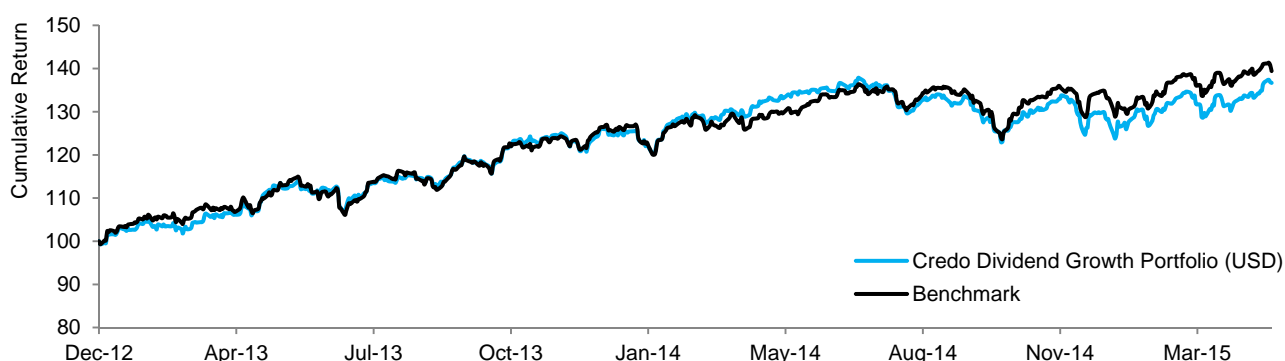
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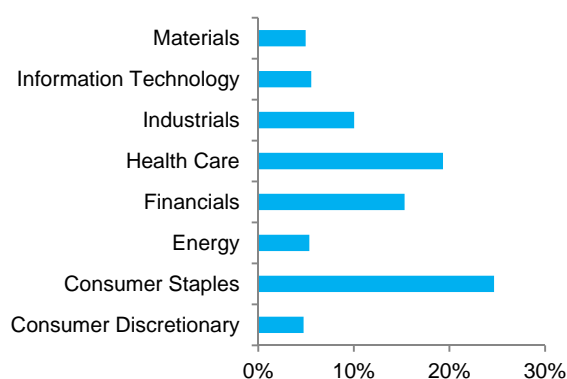
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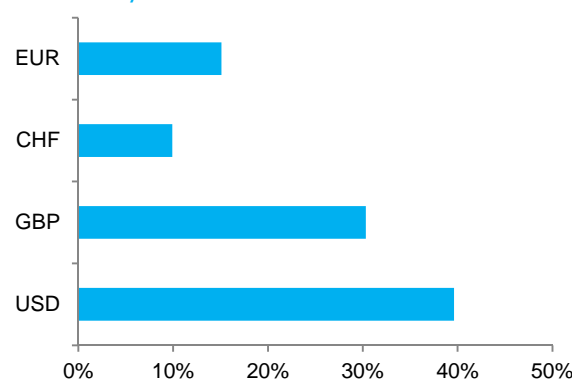
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