

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

Long Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
Since Inception	47.2%	40.5%	6.7%
3 Year	-	-	-
1 Year	12.6%	5.4%	7.2%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	11.1%	2.3%	8.8%
3 Months	2.4%	-1.8%	4.2%
1 Month	6.6%	5.7%	0.8%

Market Commentary

Over the last month, corporate earnings season in the US has now begun in earnest, with 66% of companies beating analyst estimates. Meanwhile, the S&P 500 rose 8.3%. Following the September decision on interest rates and recent stabilisation of the Chinese economy, speculation over a December rate hike is mounting. In Europe, though policy remained unchanged, comments in October by Mario Draghi, the ECB president, fuelled hopes of further easing when the council reconvenes in December. The Stoxx 600 gained 8.0% over the month. The Chinese economy grew an estimated 6.9% in the third quarter, leaving it on track to meet its full-year growth target of around 7%. Meanwhile, the Chinese National Bureau of Statistics warned that the pace of economic reform must be accelerated, providing scope for further stimulus measures. In the meantime, the Shanghai Composite Index rose 10.8%.

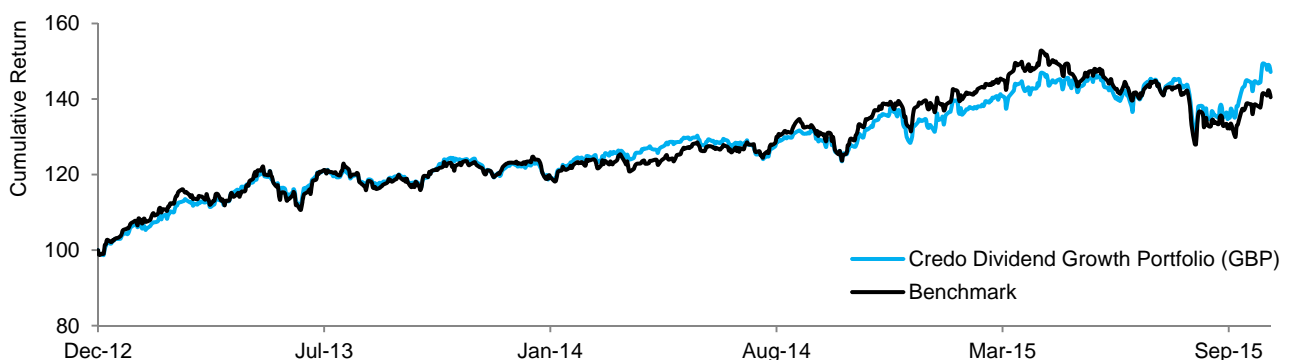
Key Contributors to Return

Shares in BP climbed 15.7% over the month as investors reacted positively to an 800,000-barrel drop in oil stockpiles. The company stands to benefit from a solid financial position where a debt-to-equity ratio below the industry average implies prudent management of debt levels. The company also enjoys adequate liquidity to avoid short-term cash problems. Following China's vow to end the one-child policy, the positive outlook for sales of infant nutrition led to sizable gains in baby-formula stocks. Chief among these was Danone, which returned 12.4% over the month. Analysts estimate that baby food in China represents about 7% of Danone's earnings.

Key Detractors from Return

Union Pacific struggled in the third quarter, as lower freight volumes, led by a sharp fall in coal shipments, continued to drag on the operator's revenue and profits. That said, cash flow generation remained strong, growing by 5% over the last nine months. The stock returns 1.1% over the month. Though US cigarette sales rose 4.6% over the last year, Imperial Tobacco's North American foray has struggled as waning consumer interest in e-cigarettes pushed down sales by 17% over the same period. Nevertheless, Imperial Tobacco's *Blu* maintains nearly a quarter of market share. The company returned 2.5% over the month.

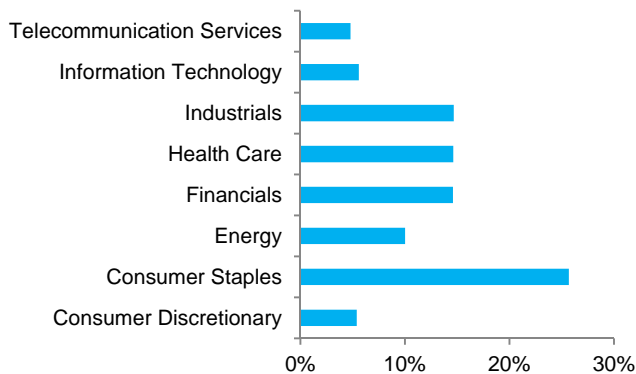
Performance Since Inception (28/12/2012)²



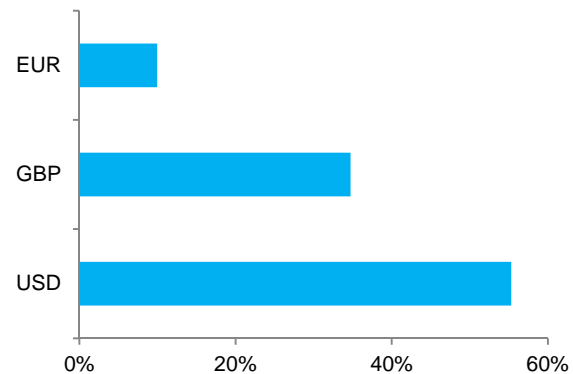
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP	386p	32.4x	16.8x	6.7%
United Technologies	€98.4	13.7x	15.7x	2.6%
Coca-Cola	\$42.4	19.9x	21.2x	3.1%
Total Portfolio Average		17.4x	16.6x	3.3%
MSCI World		19.0x	17.0x	2.5%

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 30/10/2015 close. All portfolio performance is calculated using Bloomberg PORT.

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Portfolio Performance (USD)¹

Long Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
Since Inception	41.4%	35.0%	6.4%
3 Year	-	-	-
1 Year	8.7%	1.8%	6.9%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	10.2%	1.4%	8.8%
3 Months	1.2%	-2.9%	4.2%
1 Month	8.8%	7.9%	0.9%

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Over the last month, corporate earnings season in the US has now begun in earnest, with 66% of companies beating analyst estimates. Meanwhile, the S&P 500 rose 8.3%. Following the September decision on interest rates and recent stabilisation of the Chinese economy, speculation over a December rate hike is mounting. In Europe, though policy remained unchanged, comments in October by Mario Draghi, the ECB president, fuelled hopes of further easing when the council reconvenes in December. The Stoxx 600 gained 8.0% over the month. The Chinese economy grew an estimated 6.9% in the third quarter, leaving it on track to meet its full-year growth target of around 7%. Meanwhile, the Chinese National Bureau of Statistics warned that the pace of economic reform must be accelerated, providing scope for further stimulus measures. In the meantime, the Shanghai Composite Index rose 10.8%.

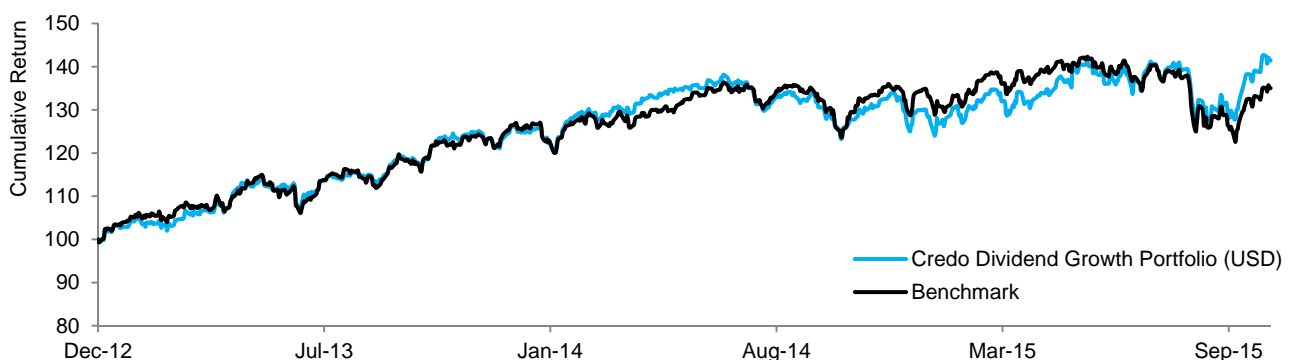
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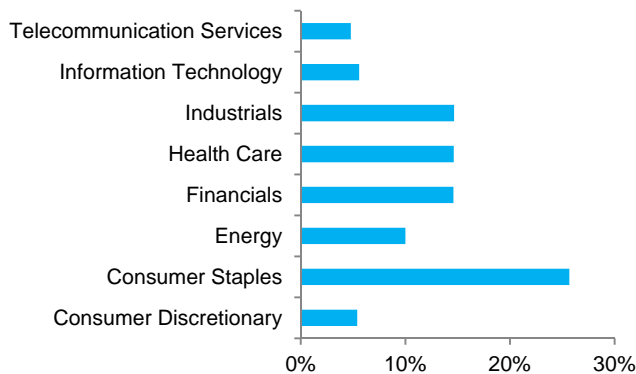
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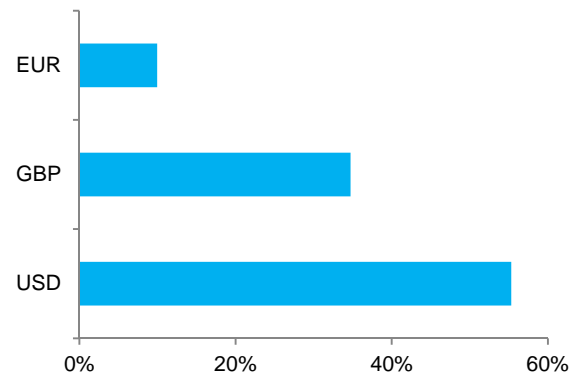
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