

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	55.0%	46.9%	8.1%
3 Year	37.3%	28.7%	8.6%
1 Year	9.7%	-0.4%	10.2%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	3.7%	2.0%	1.7%
3 Months	3.7%	2.0%	1.7%
1 Month	1.0%	3.2%	-2.2%

Market Commentary

US equity indices inched into positive territory for the year to date over March. A 6.8% monthly gain for the S&P 500 took the index to a 1.3% return for 2016. Though the Federal Reserve left rates unchanged, inflation data supports the view that rate normalisation will continue this year. US core inflation rose 0.3% in February, taking the annual rate to 2.3%. The ECB announced a further asset purchase programme, which extends to non-financial corporate bonds. Yields have since dropped to below 1%, prompting a wave of corporate bond issuance. In the UK, given falling inflation expectations and continued efforts to reduce the budget deficit, consensus expects rates to remain on hold. In Asia, the MSCI China rose 10.2%, reflecting greater confidence in the ability of the authorities to support growth.

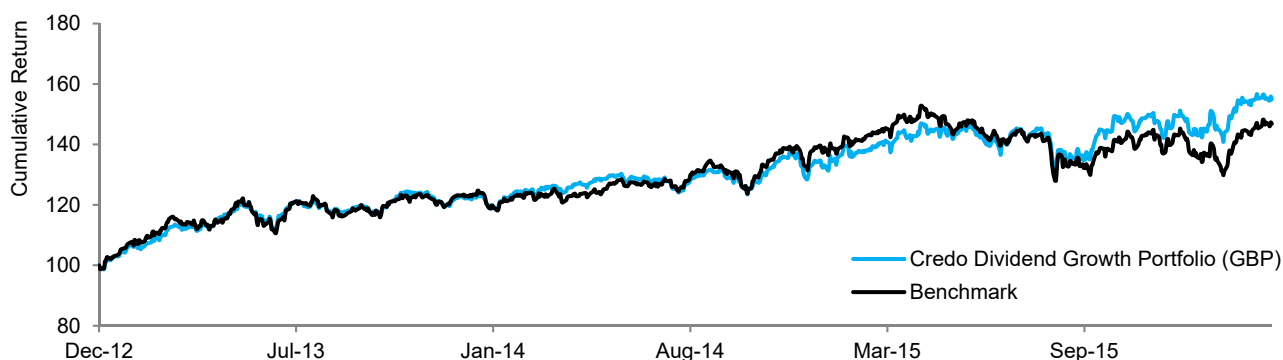
Key Contributors to Return

Coca-Cola announced plans to accelerate and expand its initiative to reduce direct ownership of its bottling operations globally. The company aims to rebrand the operations to achieve further consolidation. The reduction in ownership is expected to raise profit margins and returns on invested capital. The stock returned 8.4%. Microsoft rose 8.5% over the month after reporting that their cloud computing unit is adding 120,000 new subscribers each month. Though the Azure cloud business holds a smaller market share than Amazon Web Services, it is growing rapidly. The company also revealed that BMW has released a new Azure based app for tracking traffic conditions.

Key Detractors from Return

Monsanto fell -2.5% over the month as it became embroiled in a bitter row with the Indian government. Following a 70% cut in the royalties paid to Monsanto's local joint venture, the company threatened to quit India. The move has cut royalties to just 6% of the seed price, down from 20%. HSBC struggled over the month as a proposed class-action lawsuit was filed by pension funds and other buy-side investors who claim that, along with competitors, the bank rigged interest rate swap spreads. The company also suffered numerous downgrades on perceived risks to the dividend. The stock fell -2.5%.

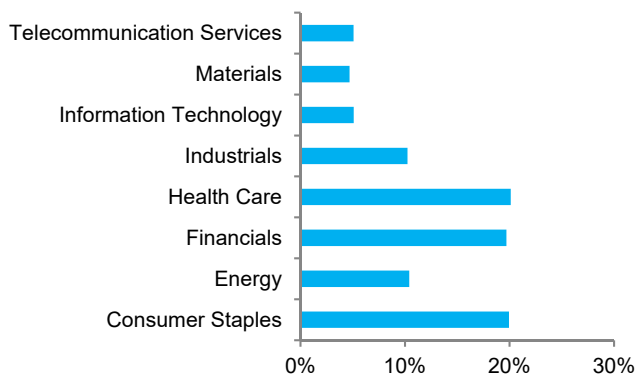
Performance Since Inception (14/04/2011)²



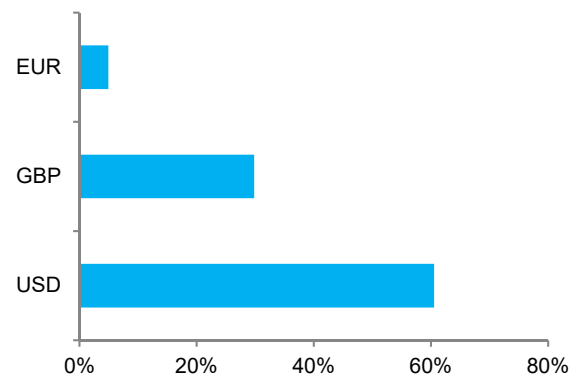
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
BP	350p	23.2x	28.3x	8.9%
United Technologies	\$100.1	15.3x	15.4x	2.6%
Coca-Cola	\$46.4	22.3x	23.9x	3.0%
Total Portfolio Average		16.0x	15.6x	3.7%
MSCI World		19.7x	16.7x	2.7%

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 gross dividends, reinvested. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/03/2016 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	38.8%	31.5%	7.2%
3 Year	30.1%	21.9%	8.2%
1 Year	6.4%	-3.5%	9.8%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	1.3%	-0.3%	1.6%
3 Months	1.3%	-0.3%	1.6%
1 Month	4.5%	6.8%	-2.3%

Market Commentary

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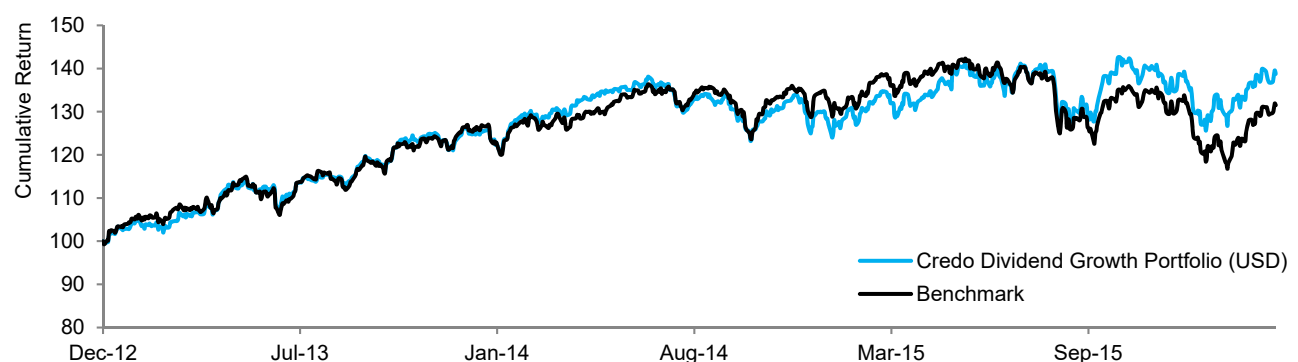
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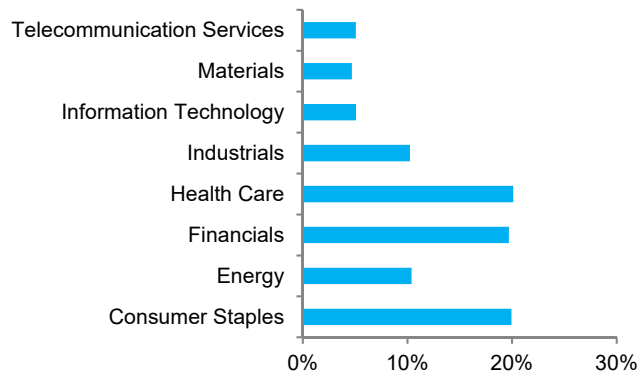
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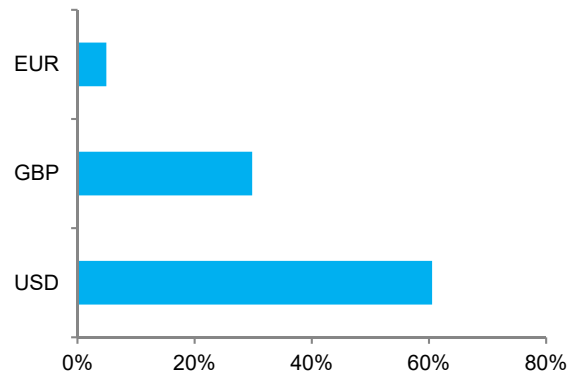
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