

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 (%)	YTD	1 Month	3 Month	1 Year	Annualised	
					3 Years	S. Inception
Dividend Growth Portfolio	-2.2	-2.2	2.8	28.5	17.1	17.1
MSCI World	0.6	0.6	3.5	32.5	15.9	16.3
Relative	-2.8	-2.8	-0.7	-4.0	1.2	0.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	9.9
MSCI World	16.2	10.3

Market Commentary

January saw a mixed period for equity markets. The month began with broad indices continuing their ascent, with the FTSE 100 closing at an all-time high after fourteen consecutive days of gains stretching back to 21st December and the Dow Jones Industrial Average breaking the 20,000 barrier. However with geopolitics coming to the fore towards the end of the period, optimism waned, as the indices ended the period with muted returns of -0.6% and 0.6% respectively. Elsewhere in Europe, the DAX rose 0.5% and the CAC 40 fell -2.3%. In Asia, Hong Kong's Hang Seng finished the month 6.2% higher while in Japan the Nikkei 225 fell -0.4%. In fixed income, the rise in global bond yields continued, with UK 10-year gilts climbing 18bps to 1.42%, German 10-year bunds up 23bps to 0.44% and US 10-year Treasury yields rising to 2.45%.

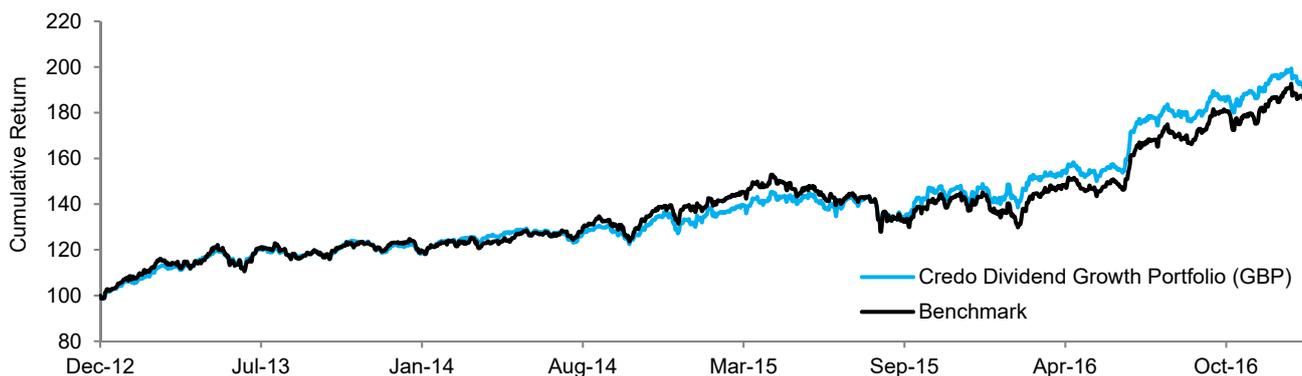
Key Contributors to Return

Microsoft's shares increased by 4.0% on the back of strong 2nd quarter results which beat consensus expectations for both revenue and profit. Whitbread's shares increased by 4.0% due to strong industry data in the first part of the month.

Key Detractors from Return

Meggitt's shares declined by -8.9% after reports that Elliott, the US activist investor sold their stake. BP's shares declined -7.2% due to concerns raised by some sell-side brokers that the upcoming 4th quarter earnings will have a greater level of upstream cost seasonality than seen in previous years.

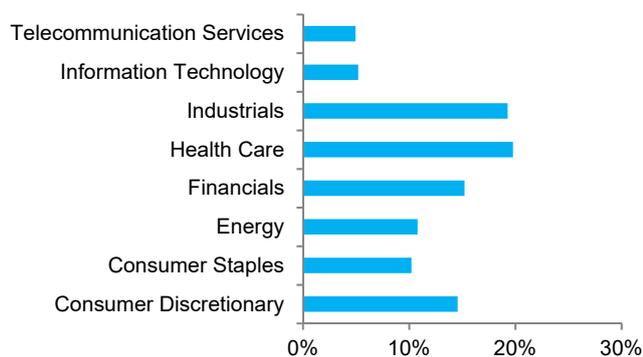
Performance Since Inception (28/12/2012)²



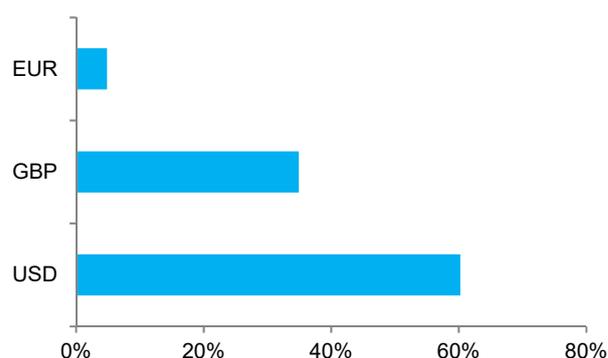
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	3674p	14.6x	13.4x	4.2%
Pepsico Inc	\$103.8	21.7x	20.0x	2.9%
Yum! Brands Inc	\$65.5	17.8x	23.1x	1.8%
Total Portfolio Average		21.4x	14.8x	3.4%
MSCI World		22.1x	16.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- We view risk as permanent losses of capital and not in terms of short-term volatility.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(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 31/01/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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 (USD)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised	
					3 Years	S. Inception
Dividend Growth Portfolio	-0.4	-0.4	5.6	14.0	7.2	10.4
MSCI World	2.4	2.4	6.4	17.1	6.0	9.6
Relative	-2.8	-2.8	-0.7	-3.1	1.3	0.8

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	9.8
MSCI World	17.9	9.4

Market Commentary

January saw a mixed period for equity markets. The month began with broad indices continuing their ascent, with the FTSE 100 closing at an all-time high after fourteen consecutive days of gains stretching back to 21st December and the Dow Jones Industrial Average breaking the 20,000 barrier. However with geopolitics coming to the fore towards the end of the period, optimism waned, as the indices ended the period with muted returns of -0.6% and 0.6% respectively. Elsewhere in Europe, the DAX rose 0.5% and the CAC 40 fell -2.3%. In Asia, Hong Kong's Hang Seng finished the month 6.2% higher while in Japan the Nikkei 225 fell -0.4%. In fixed income, the rise in global bond yields continued, with UK 10-year gilts climbing 18bps to 1.42%, German 10-year bunds up 23bps to 0.44% and US 10-year Treasury yields rising to 2.45%.

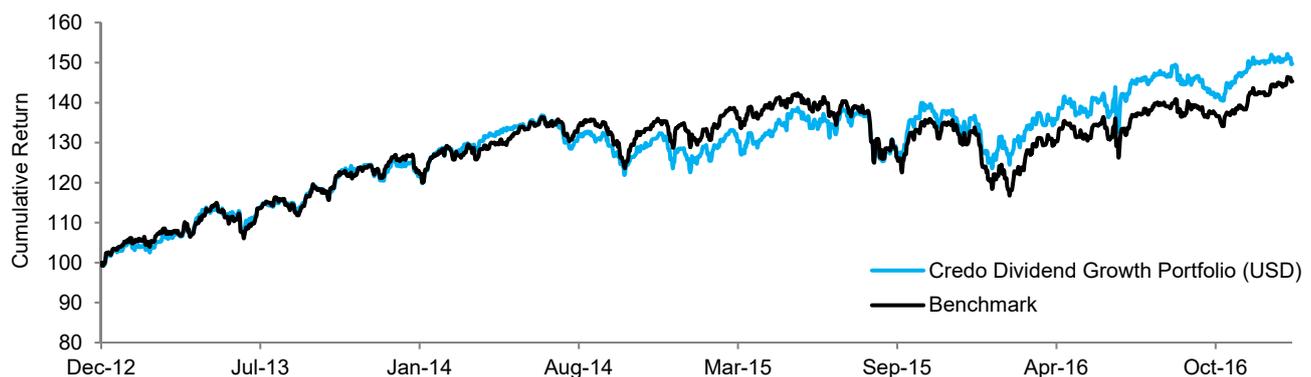
Key Contributors to Return

Microsoft's shares increased by 4.0% on the back of strong 2nd quarter results which beat consensus expectations for both revenue and profit. Whitbread's shares increased by 4.0% due to strong industry data in the first part of the month.

Key Detractors from Return

Meggitt's shares declined by -8.9% after reports that Elliott, the US activist investor sold their stake. BP's shares declined -7.2% due to concerns raised by some sell-side brokers that the upcoming 4th quarter earnings will have a greater level of upstream cost seasonality than seen in previous years.

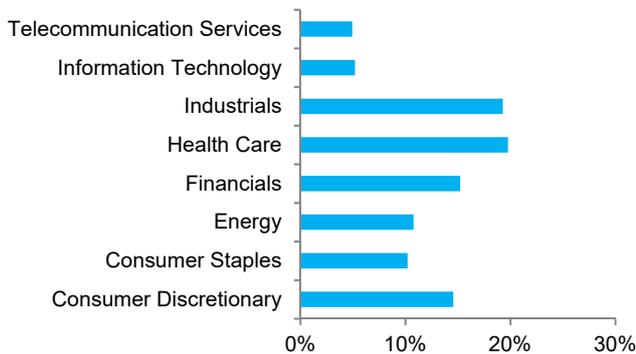
Performance Since Inception (28/12/2012)²



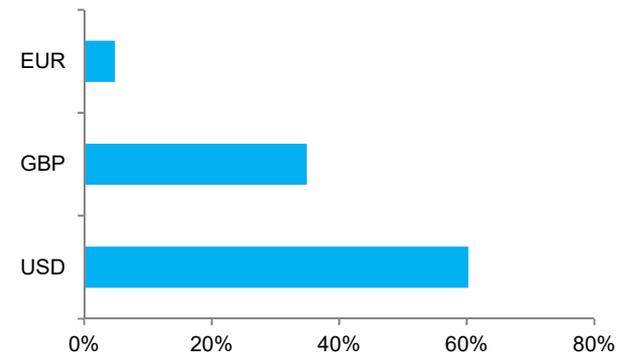
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	3674p	14.6x	13.4x	4.2%
Sanofi	\$103.8	21.7x	20.0x	2.9%
Yum! Brands Inc	\$65.5	17.8x	23.1x	1.8%
Total Portfolio Average		21.4x	14.8x	3.4%
MSCI World		22.1x	16.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- We view risk as permanent losses of capital and not in terms of short-term volatility.

Important Notice

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital plc is authorised and regulated by the Financial Conduct Authority and is an Authorised Financial Services Provider; FSP No: 9757.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, 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 31/01/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.