

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	3.6	3.1	1.9	29.9	16.2	17.2
MSCI World	5.6	2.6	0.9	31.1	15.4	16.3
Relative	-2.0	0.5	1.0	-1.2	0.8	0.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	11.5
MSCI World	16.2	12.0

Market Commentary

May saw the continuation of a succession of major geopolitical events including the election of pro-EU candidate Emmanuel Macron as French President, a major terror attack in Manchester in the UK, President Trump's first overseas trip and the G7 summit in Sicily. Most developed equity markets rose, with the DJIA, EUROSTOXX 50, FTSE 100 and Nikkei 225 increasing by 0.7%, 1.3%, 4.9% and 2.4% respectively. In fixed income, major government bond yields fell with UK 10-year gilts falling 4bps to 1.05% and US 10-year Treasury yields decreasing 8bps to 2.20%.

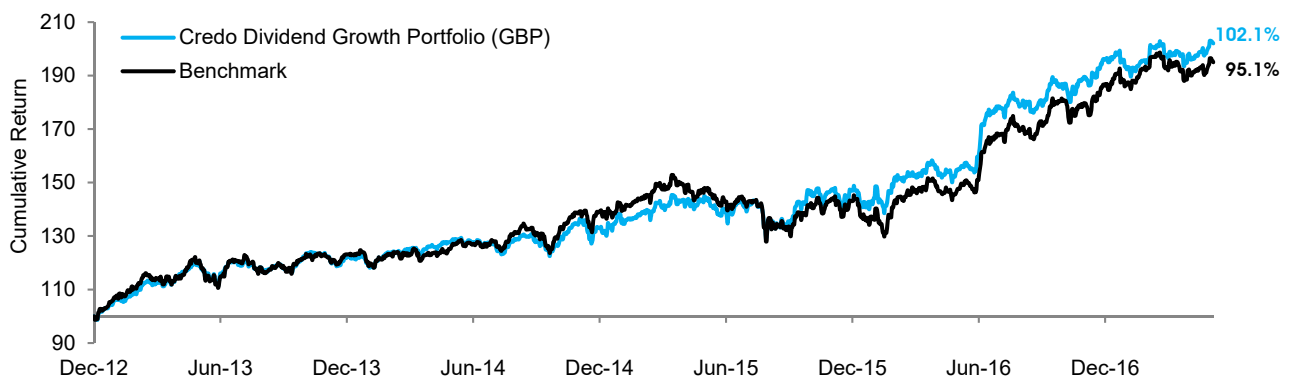
Key Contributors to Return

GlaxoSmithKline's shares increased by 11.2% after clinical trials appeared to reduce the threat of a rival HIV drug being declared superior to GlaxoSmithKline's own. Meggitt's shares increased by 8.5% after their Capital Markets Day provided more detail on the turnaround programme which appeared to increase investor confidence.

Key Detractors from Return

CVS Health's shares declined by 6.8% after the news that Amazon may be considering entering the pharmacy business. Wells Fargo's shares declined by 4.4% after news at their Capital Markets Day that the meeting of efficiency targets will be delayed.

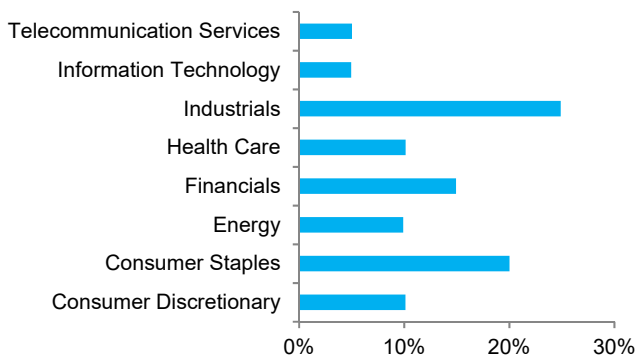
Performance Since Inception (28/12/2012)²



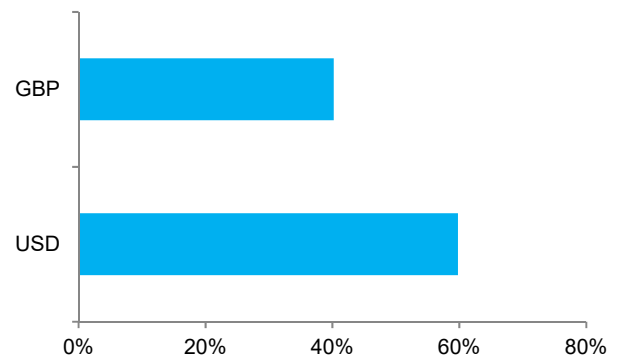
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	3629p	13.6x	13.3x	4.4%
Nielsen Holdings plc	\$38.5	23.6x	13.9x	3.5%
Wells Fargo	\$51.1	12.7x	12.0x	3.0%
Total Portfolio Average		19.2x	14.9x	3.4%
MSCI World		21.5x	16.6x	2.4%

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

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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 31/05/2017 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	YTD	1 Month	3 Month	1 Year	Annualised	
					3 Years	S. Inception
Dividend Growth Portfolio	8.2	2.6	5.8	15.9	6.7	11.6
MSCI World	10.2	2.1	4.7	16.4	5.7	10.6
Relative	-2.0	0.5	1.1	-0.6	0.9	1.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	11.3
MSCI World	17.9	10.9

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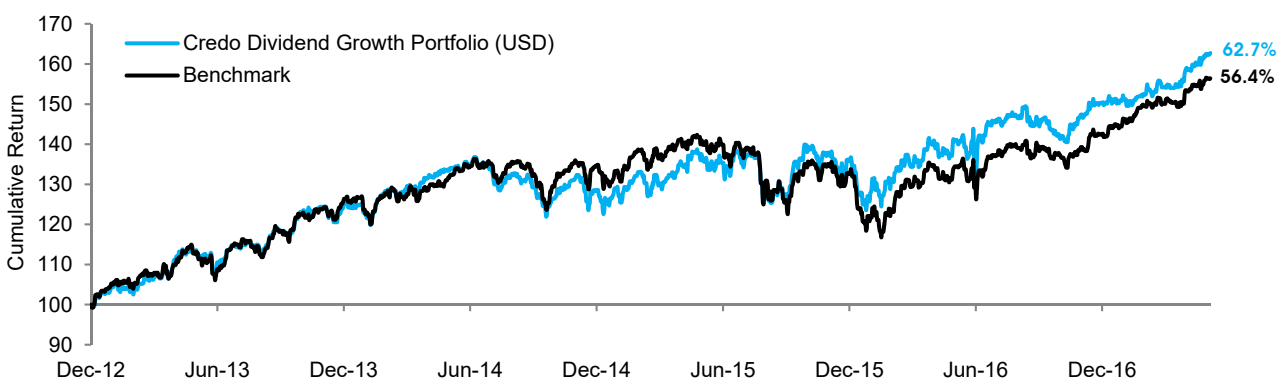
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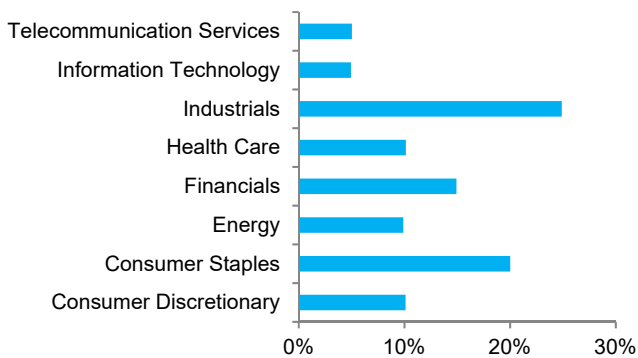
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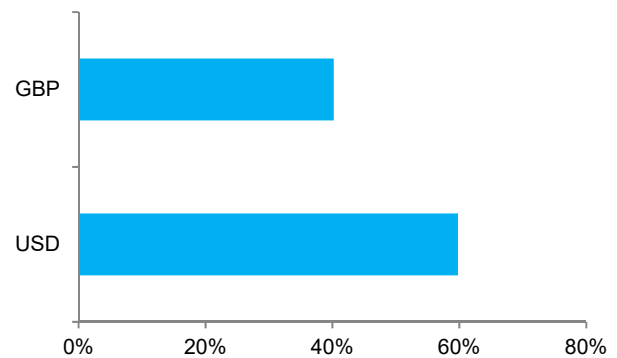
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