

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 (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Months	1 Month	YTD
Dividend Growth Portfolio	15.1	14.1	15.0	7.4	3.0	-0.3	-0.3
MSCI World	15.4	14.2	14.0	11.5	2.0	0.4	0.4
Relative	-0.3	-0.1	1.0	-4.1	1.0	-0.7	-0.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	11.2
MSCI World	16.2	11.6

Market Commentary

January saw mixed returns across global equity markets. In the US, the S&P 500 had a strong month as it rose 5.7%. This was during a month where Federal Reserve chair Janet Yellen held her final meeting before she hands over to successor Jerome Powell in early February. In contrast, the broad index for UK stocks - the FTSE All Share - fell 1.9% as pound sterling strengthened against all major trading partners, rising 5.0% relative to the US dollar and 1.5% relative to the euro. Elsewhere in Europe, the Euro STOXX 50 rose 3.1%. In fixed income, following a year that saw a significant flattening of the US yield curve, 2018 began with a slight steepening and increase in level as rates across the maturity spectrum rose. Focusing on 10-year rates, US Treasuries finished the month at 2.7%, while UK Gilts and German Bunds rose to 1.5% and 0.7% respectively.

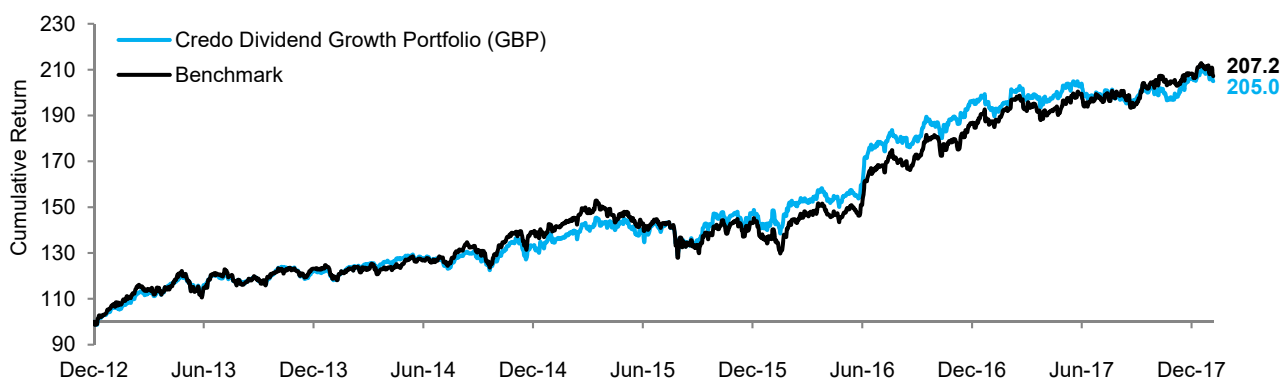
Key Contributors to Return

Las Vegas Sands' shares increased by 11.6% after reporting strong growth and profit numbers for Macau. Microsoft's shares increased by 11.1% rallying alongside a rampant technology sector, seemingly in anticipation of the strong results which they delivered.

Key Detractors from Return

Imperial Brands' shares declined by 8.5% after news that the French anti-trust authorities had raided their offices in France. Merlin Entertainments' shares declined by 7.0% after the UK Office for National Statistics reported a slowdown in the number of overseas visitors in the third quarter of 2017.

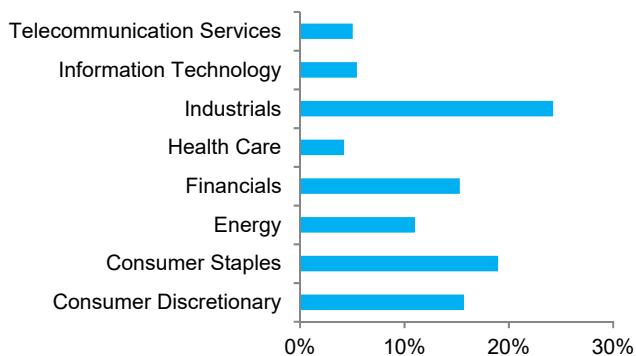
Performance Since Inception (28/12/2012)²



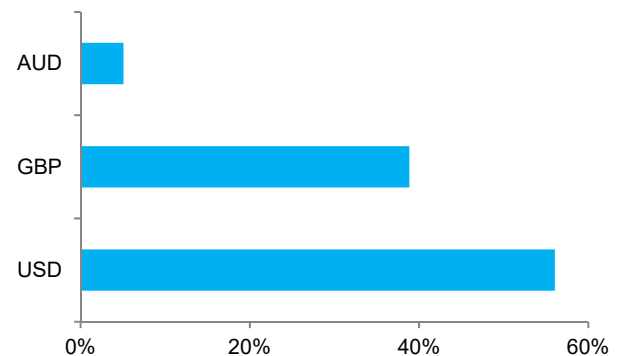
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	2899p	17.3x	10.9x	5.9%
Nielsen Holdings plc	\$37.4	23.3x	15.1x	3.6%
Wells Fargo & Co	\$65.8	16.7x	13.5x	2.4%
Total Portfolio Average		18.9x	14.7x	3.5%
MSCI World		22.4x	16.8x	2.3%

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 31/01/2018 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Return (%)	Annualised			1 Year	3 Months	1 Month	YTD
	S. Inception	5 Years	3 Years				
Dividend Growth Portfolio	12.4	11.6	13.1	21.1	10.1	4.6	4.6
MSCI World	12.6	11.7	11.8	25.8	9.0	5.3	5.3
Relative	-0.2	-0.1	1.3	-4.7	1.1	-0.7	-0.7

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	10.8
MSCI World	17.9	10.3

Market Commentary

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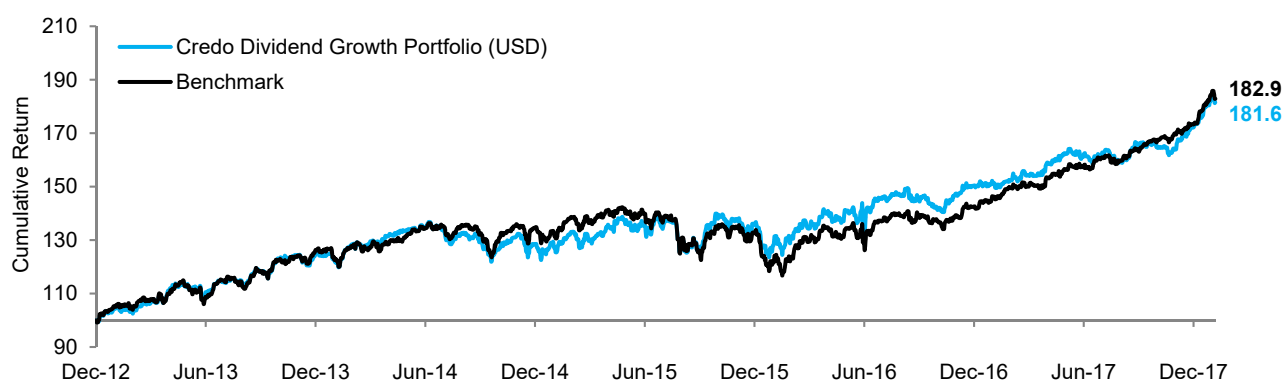
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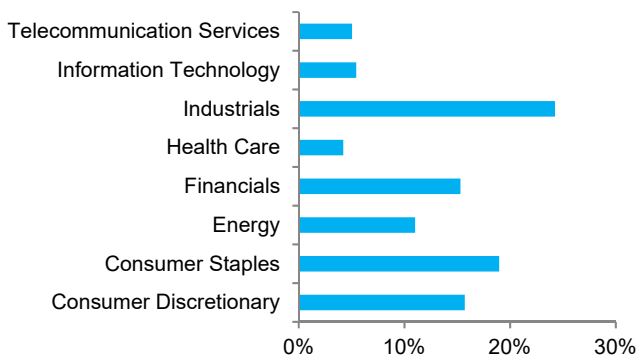
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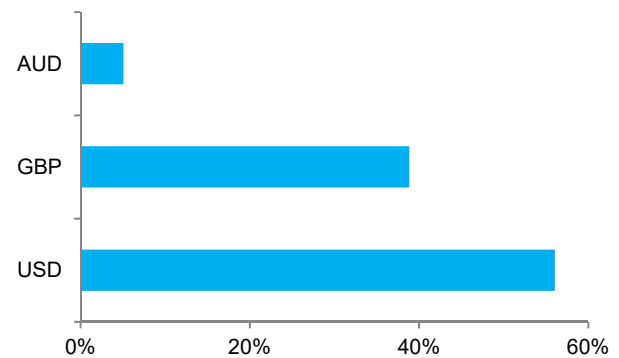
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