

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 Month	1 Month	YTD
Dividend Growth Portfolio	10.7	8.8	3.6	-8.3	-1.4	-3.6	-11.9
MSCI World	12.3	12.0	6.9	4.3	1.1	-3.3	1.0
Relative	-1.6	-3.2	-3.3	-12.6	-2.5	-0.3	-12.9

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	26.7	13.5
MSCI World	26.2	15.1

Market Commentary

After a good start to the month, US and European equity markets performed poorly in October, sacrificing gains made in the beginning two weeks of the month. Volatility increased as renewed concerns over the pandemic took hold and several countries announced the implementation of new national lockdown measures. The S&P 500, FTSE 100 and Euro STOXX were all down 2.7%, 4.7% and 7.3% respectively. In the US, the upcoming presidential election dominated the headlines as the Democratic nominee, Joe Biden, increased his lead over Donald Trump in the national polls. In the UK, the Chancellor of the Exchequer confirmed that the furlough scheme would be extended until December as the rise in new coronavirus cases led to the announcement of national lockdown measures for a second time. The yields on US and UK 10-year bonds increased by 19 and 3 basis point respectively. The pound was up 0.2% against the US dollar and 0.9% against the euro. Brent crude oil fell 11.2% over the month due to mounting fears that a second wave would stall the global economy.

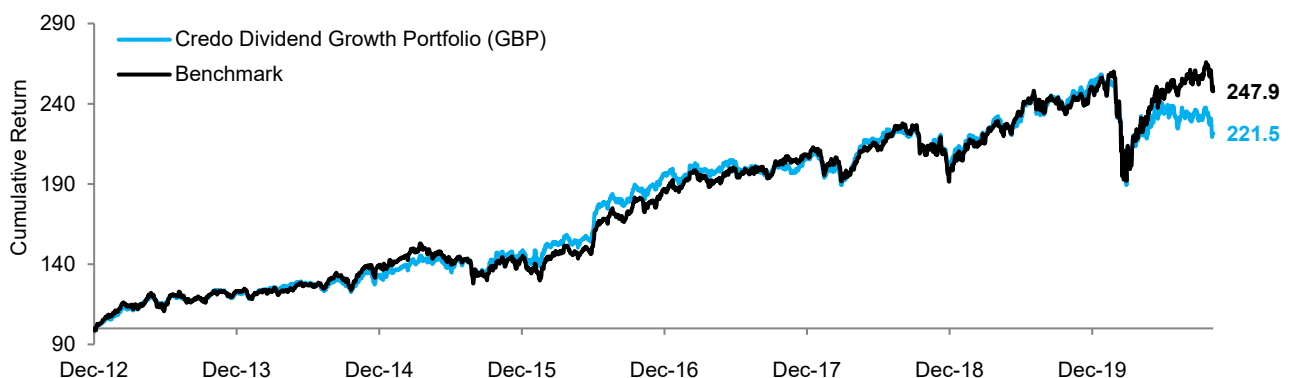
Key Contributors to Return

Chubb's shares increased by 11.9% after the company reported a continuously improving pricing environment in its commercial P&C business. Flutter Entertainment's shares increased by 9.1% after two brokerages expressed raised expectations ahead of results based on renewed online activity amid a second European lockdown.

Key Detractors from Return

Shares of both Prudential and BP declined by 15.0% and 12.7% respectively, despite the companies turning a profit in the third quarter, amid lingering uncertainty on the duration of the pandemic and the possibility of a following recession.

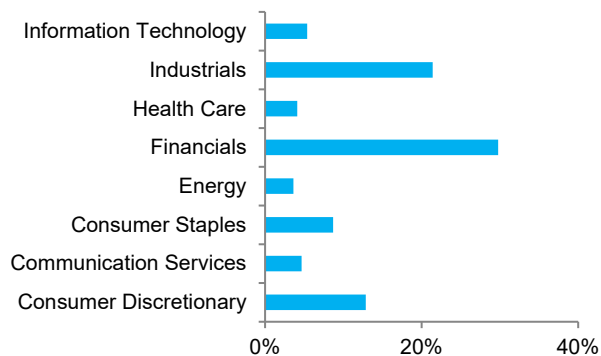
Performance Since Inception (28/12/2012)²



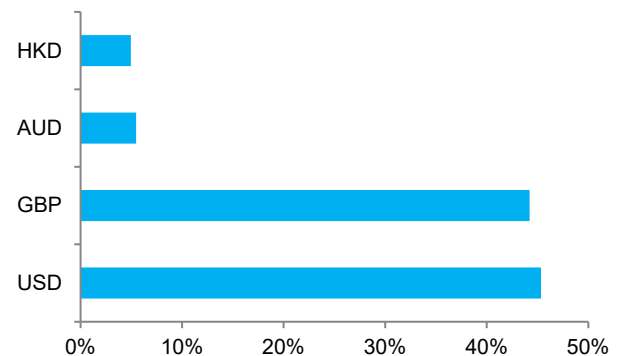
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Flutter Entertainment plc	13360p	75.5x	30.3x	0.0%
Microsoft Corp	\$202.5	32.1x	29.1x	1.1%
Raytheon Technologies Corp	\$54.3	15.5x	15.9x	3.5%
Total Portfolio Average		20.8x	13.8x	3.5%
MSCI World		27.9x	18.9x	2.2%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe that wealth is best created and preserved through patient and disciplined investing, with a focus on the long term
- We follow a value-based approach to investing
- We seek to invest in high quality companies that are attractively priced relative to their future business prospects
- We believe that the market's short-term focus creates opportunities for those willing to concentrate on underlying business performance
- We view risk as permanent losses of capital and not in terms of short-term volatility

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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 31/10/2020 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						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	7.7	5.3	2.9	-7.9	-2.5	-3.4	-13.4
MSCI World	9.2	8.1	6.0	4.4	-0.2	-3.1	-1.4
Relative	-1.5	-2.8	-3.1	-12.3	-2.3	-0.3	-12.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	33.3	13.7
MSCI World	34.0	14.5

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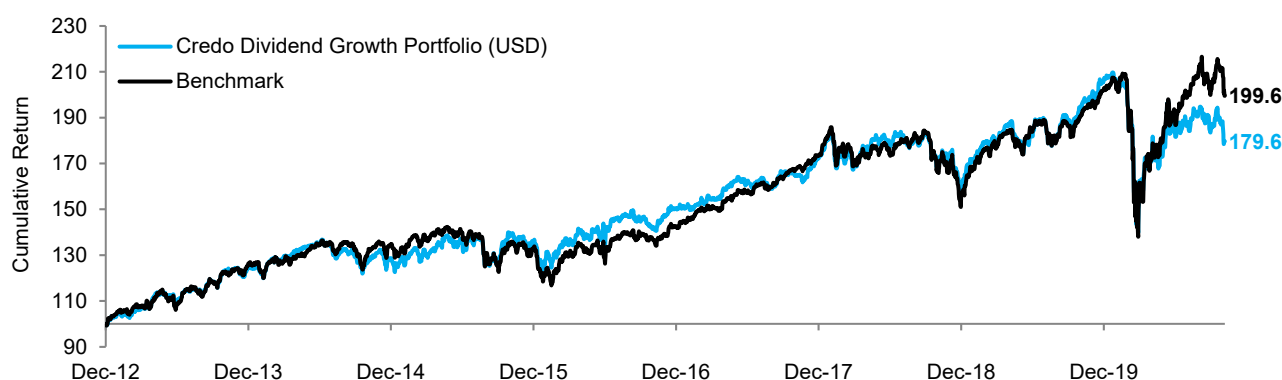
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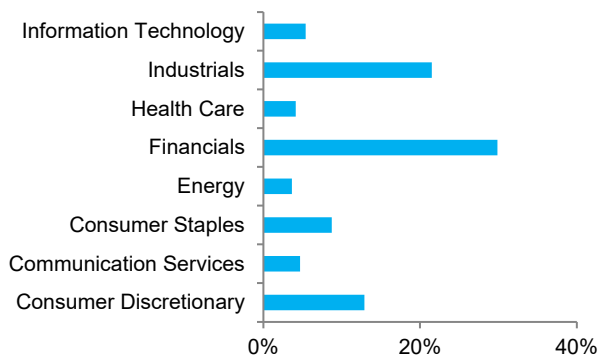
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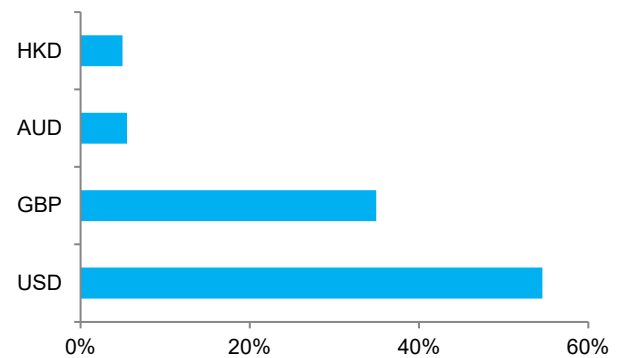
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