

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	13.3	11.1	10.1	22.8	4.2	0.4	10.8
MSCI World	14.2	13.9	13.3	24.7	7.7	4.3	11.8
Relative	-0.9	-2.8	-3.2	-1.9	-3.5	-3.9	-1.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	26.7	13.6
MSCI World	26.2	15.1

Market Commentary

Overall, it was another positive month for global equities as the continued vaccine rollout allowed further easing of COVID restrictions. The S&P 500, Euro STOXX 50 and the FTSE 100 were up 2.3%, 0.7% and 0.4% respectively. Rising inflation continued to be a concern for investors as increased consumer demand, coupled with supply chain disruptions across the world, contributed to rising output prices. Although the US Federal Reserve sees the rise in inflation as transitory, it acknowledged the possibility of tapering bond purchases. In the UK, Prime Minister Boris Johnson announced the delay of 'Freedom Day' until July 19th, due to the rise in new coronavirus cases caused by the Delta variant. The yields on UK, US and German 10-year bonds decreased by 8, 13 and 2 basis points respectively. The pound was down 2.7% against the US dollar and up 0.4% against the euro.

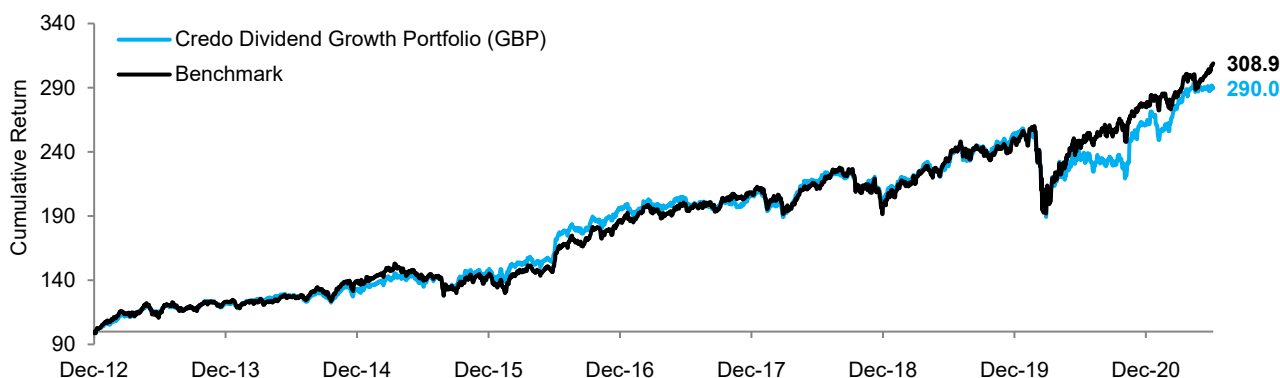
Key Contributors to Return

Microsoft's shares increased by 8.5% after a fall in the US 10-Year Treasury yield propelled a rally in the shares of technology companies. GlaxoSmithKline's shares increased by 5.6% in the run-up to the company's Investor day where details of the consumer unit's spin-off were announced, amidst an activist campaign by investor Elliott.

Key Detractors from Return

Prudential's shares declined by 8.5% along with shares in other financial companies as yields settled lower. Crown Resorts' shares declined by 7.5% after news broke that the company is facing multiple investigations from Australian authorities amidst broader regulatory scrutiny for casino operators.

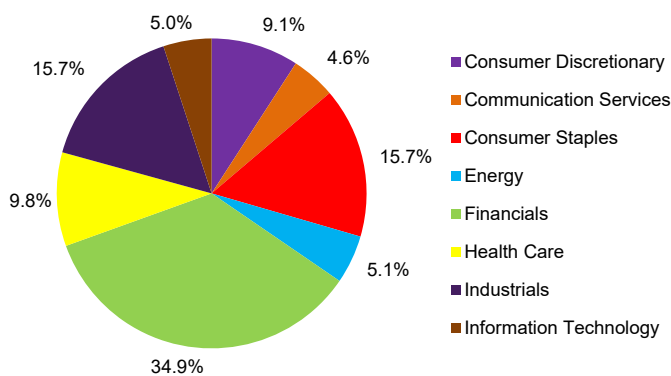
Performance Since Inception (28/12/2012)²



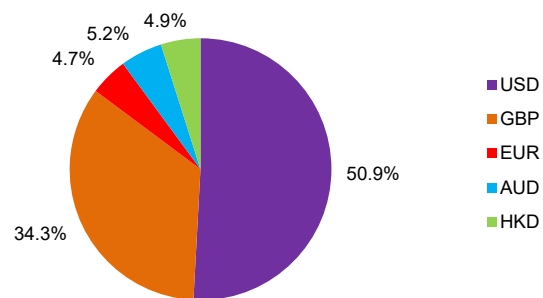
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Diageo plc	3461p	35.7x	26.9x	2.0%
PepsiCo Inc	\$148.2	26.1x	23.4x	2.9%
Raytheon Technologies Corp	\$85.3	50.1x	19.4x	2.4%
Total Portfolio Average		22.2x	15.3x	2.6%
MSCI World		29.9x	19.6x	1.7%

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 30/06/2021 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	11.4	12.1	11.8	36.3	4.2	-2.4	12.0
MSCI World	12.1	14.8	15.0	39.0	7.7	1.4	13.0
Relative	-0.7	-2.7	-3.2	-2.7	-3.5	-3.8	-1.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	33.3	13.9
MSCI World	34.0	14.5

Market Commentary

Overall, it was another positive month for global equities as the continued vaccine rollout allowed further easing of COVID restrictions. The S&P 500, Euro STOXX 50 and the FTSE 100 were up 2.3%, 0.7% and 0.4% respectively. Rising inflation continued to be a concern for investors as increased consumer demand, coupled with supply chain disruptions across the world, contributed to rising output prices. Although the US Federal Reserve sees the rise in inflation as transitory, it acknowledged the possibility of tapering bond purchases. In the UK, Prime Minister Boris Johnson announced the delay of 'Freedom Day' until July 19th, due to the rise in new coronavirus cases caused by the Delta variant. The yields on UK, US and German 10-year bonds decreased by 8, 13 and 2 basis points respectively. The pound was down 2.7% against the US dollar and up 0.4% against the euro.

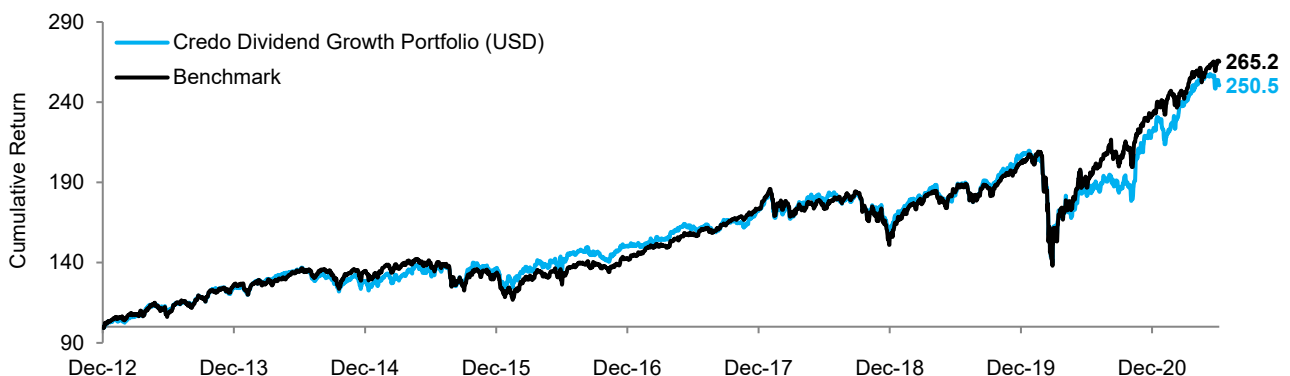
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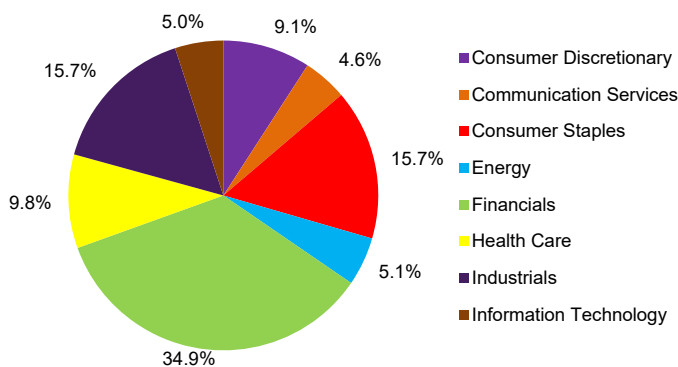
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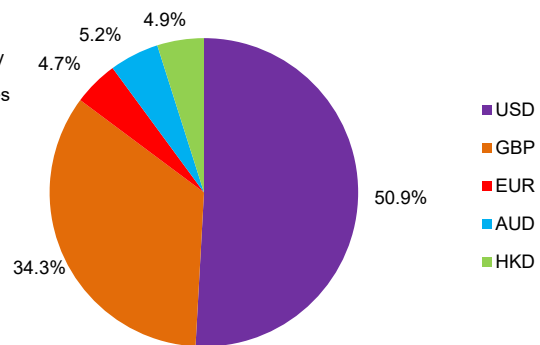
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