

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	10.5	9.9	27.4	2.6	3.0	12.9
MSCI World	14.5	13.8	12.7	26.2	9.4	3.6	17.1
Relative	-1.2	-3.3	-2.8	1.2	-6.8	-0.6	-4.2

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

Market Commentary

Global equity markets continued their advance throughout August, as the S&P 500, the Euro STOXX 50 and the FTSE 100 were up 3.0%, 2.6% and 2.1% respectively, despite a surge in Covid Delta variant cases. There was also increasing evidence that immunity wanes over time, resulting in several countries announcing booster vaccine programmes. Federal Reserve Chairman, Jerome Powell, re-iterated the Fed's dovish stance and view that the current increasing inflation is transitory. Despite the dovish tone from the Fed, the yield on US, UK and German 10-year bonds all increased by 9, 15 and 8 basis points respectively over the month. August was also a landmark month with regards to geo-politics, as it saw the formal removal of foreign troops from Afghanistan after two decades of conflict. The pound was down 0.6% against the euro and down 1.1% against the US dollar.

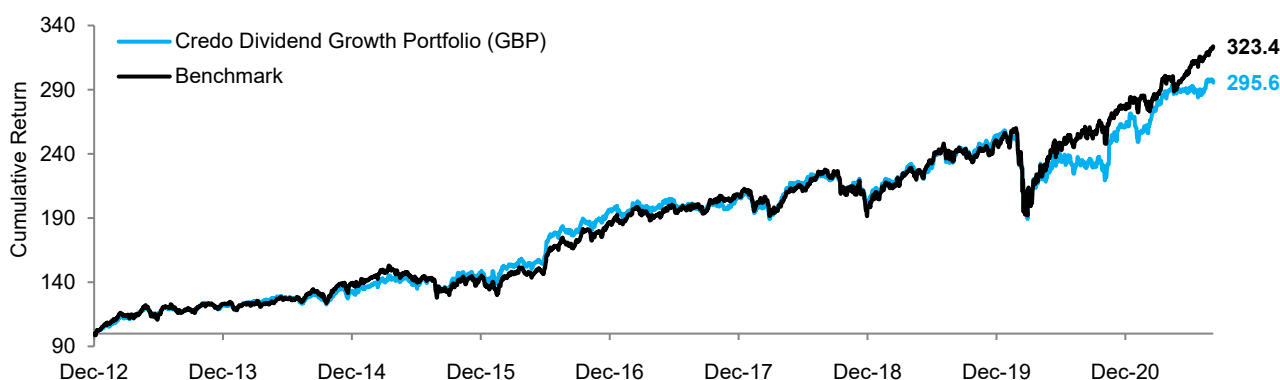
Key Contributors to Return

Flutter Entertainment's shares increased by 14.8% after the company reported its half-yearly results, which beat expectations and raised guidance for the full year. Prudential's shares increased by 12.0% after the company reported positive results, highlighting the resilience of the Asian business despite pandemic-induced challenges.

Key Detractors from Return

Bayer's shares declined by 6.3% despite the company reporting strong sales figures across all segments, as investors were faced with unexpectedly higher costs in the Crop segment amidst the persisting legal overhang. CME Group's shares declined by 4.9% after a news report stating that the company was looking to acquire Cboe Global Markets, the largest US options exchange hosting the VIX. CME later denied the rumours.

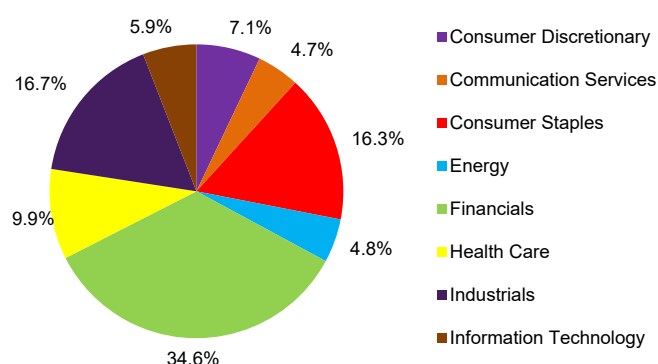
Performance Since Inception (28/12/2012)²



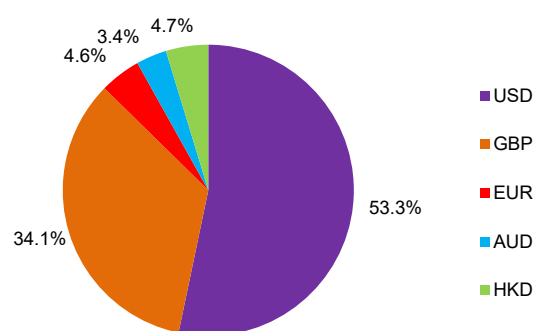
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Diageo plc	3494p	29.4x	26.4x	2.1%
PepsiCo Inc	\$156.4	25.7x	23.9x	2.7%
Raytheon Technologies Corp	\$84.8	33.5x	18.1x	2.4%
Total Portfolio Average		16.9x	15.1x	2.6%
MSCI World		24.2x	19.3x	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 31/08/2021 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	11.7	12.1	31.2	-0.7	1.9	13.8
MSCI World	12.4	14.8	15.0	29.8	5.9	2.5	17.9
Relative	-1.0	-3.1	-2.9	1.4	-6.6	-0.6	-4.1

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

Market Commentary

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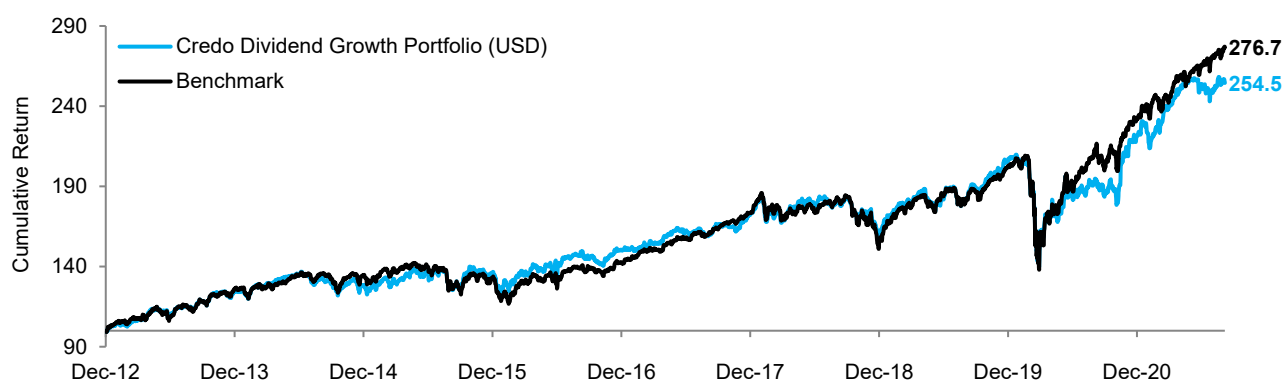
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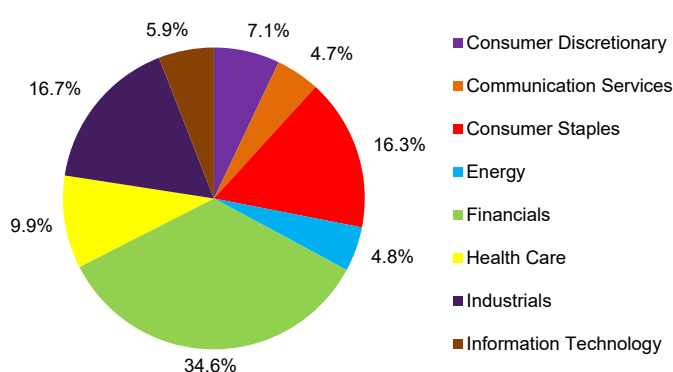
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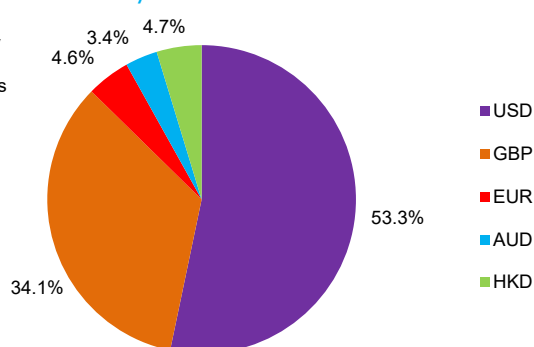
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