

## 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)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Dividend Growth Portfolio</b>	13.7	10.9	15.1	29.0	5.8	2.6	2.6
<b>MSCI World</b>	13.8	11.7	15.7	18.9	-1.7	-4.6	-4.6
<b>Relative</b>	-0.1	-0.8	-0.6	10.1	7.5	7.2	7.2

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	26.8	13.7
<b>MSCI World</b>	26.2	15.1

## Market Commentary

Following a strong year for equity markets in 2021, January witnessed a tough start to 2022. The US Federal Reserve acknowledged that inflation is unlikely to be transitory and they expect to raise interest rates multiple times throughout the year. Additionally, geopolitical tensions surrounding Eastern Europe added to uncertainty and market dislocation. Growth stocks saw the most volatility in the month, especially 'Work from Home' stocks which benefited from changing consumer patterns evident during the pandemic. The S&P 500 and Euro STOXX 50 both finished the month down by 5.2% and 2.7% respectively, whereas the FTSE 100 gained 1.1%. In fixed income markets, the yields on US, UK and German 10-year bonds increased by 27, 33 and 19 basis points respectively. The pound fell 0.6% against the US dollar and rose 0.7% against the euro.

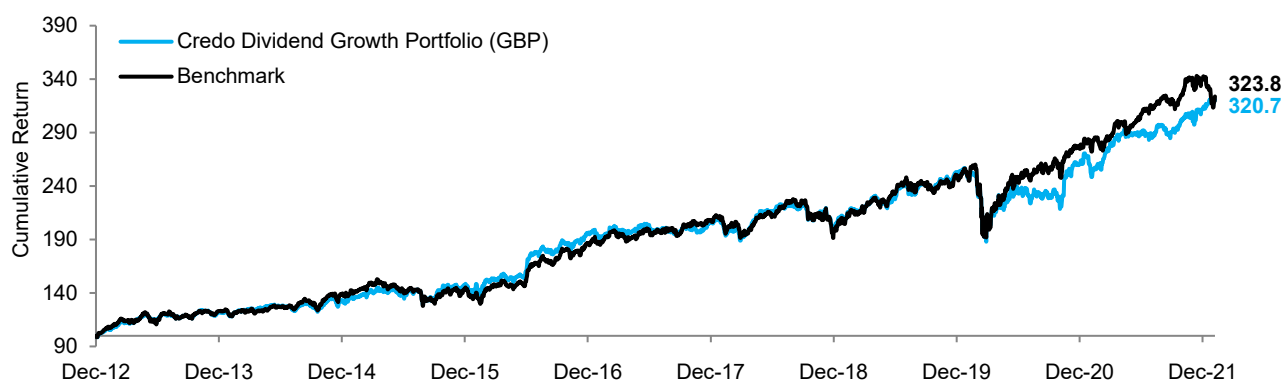
### Key Contributors to Return

BP's shares increased by 15.8% along with the price of Brent Crude oil as sustained global demand corresponded with supply worries over geopolitical tensions in Ukraine. Bayer's shares increased by 14.5% after the US Supreme Court asked for the Solicitor General's view on whether it should hear the company's appeal on the Roundup case, taken by investors as a positive signal.

### Key Detractors from Return

Shares of Diageo and Microsoft declined 7.8% and 7.6% respectively as investors took profit on higher rated stocks and rotated into lower multiple Value stocks after the US Federal Reserve signalled incoming rate hikes.

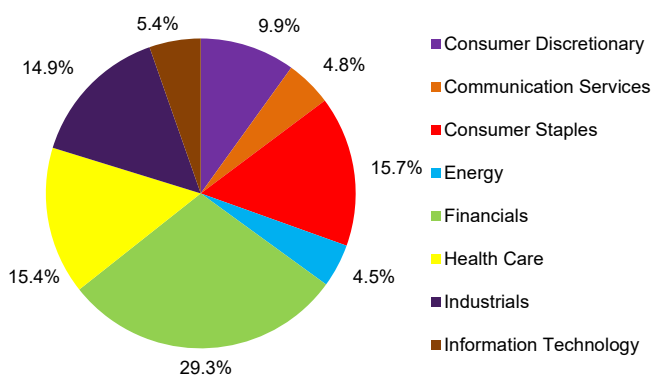
## Performance Since Inception (28/12/2012)<sup>2</sup>



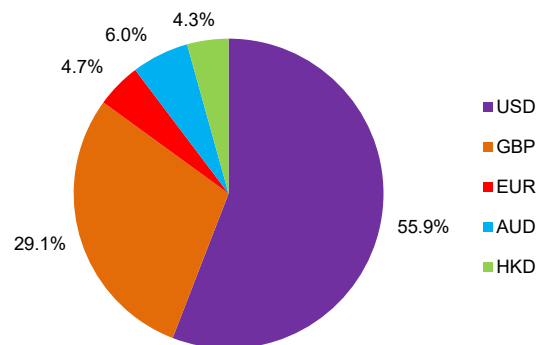
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Cigna Corp	\$230.5	15.0x	10.2x	1.7%
Otis Worldwide Corp	\$85.4	28.4x	25.9x	1.1%
Raytheon Technologies Corp	\$90.2	20.5x	18.4x	2.3%
<b>Total Portfolio Average</b>		<b>17.9x</b>	<b>14.9x</b>	<b>2.5%</b>
<b>MSCI World</b>		<b>21.4x</b>	<b>18.0x</b>	<b>1.8%</b>

## 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 31/01/2022 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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## Portfolio Performance (USD)<sup>1,2</sup>

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
<b>Dividend Growth Portfolio</b>	11.6	12.6	16.2	26.5	3.9	1.9	1.9
<b>MSCI World</b>	11.6	13.2	16.6	16.5	-3.4	-5.3	-5.3
<b>Relative</b>	0.0	-0.6	-0.4	10.0	7.3	7.2	7.2

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	33.4	14.0
<b>MSCI World</b>	34.0	14.5

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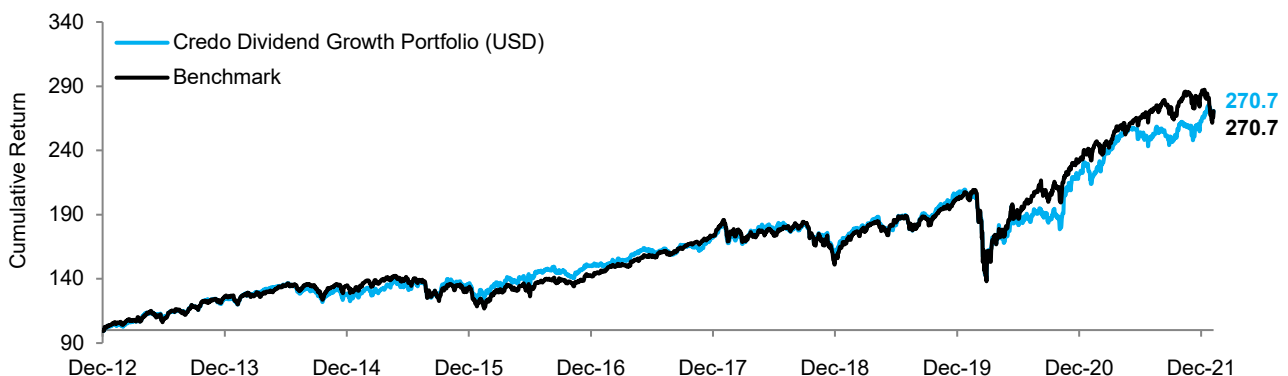
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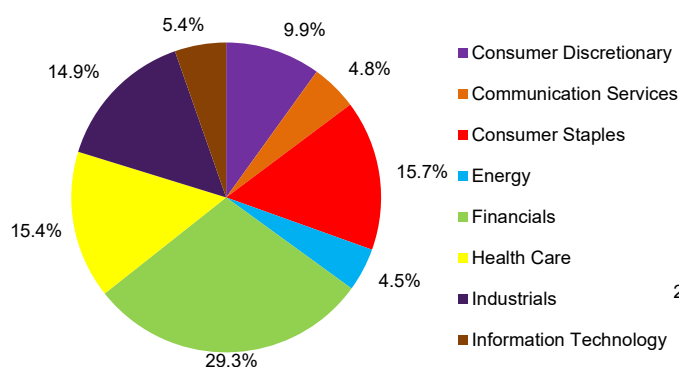
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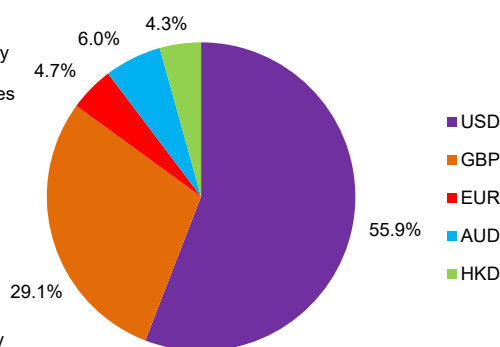
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