

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	13.4	10.8	12.8	14.5	0.2	-1.6	6.0
MSCI World	12.2	9.1	8.5	-2.9	-9.6	-5.3	-11.6
Relative	1.2	1.7	4.3	17.4	9.8	3.7	17.6

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

Market Commentary

After May's relatively flat month, negative sentiment resumed in the markets throughout June, with the S&P 500 officially slipping into a bear market. The month concluded as the worst first half to a year for developed market equities, in over 50 years. This has largely emanated from severe and persistent inflationary pressures and the subsequent rate hikes, recession fears and the continued Russia-Ukraine conflict. The S&P 500, Euro STOXX 50 and FTSE 100 all finished the month down by 8.3%, 8.7% and 5.5%, respectively. Following months of price appreciation, Brent Crude oil finished the month down by 3.0%. The yields on US, UK and German 10-year bonds all increased by 17, 13 and 21 basis points, respectively. The pound fell 3.5% against the US dollar and fell 2.3% against the euro.

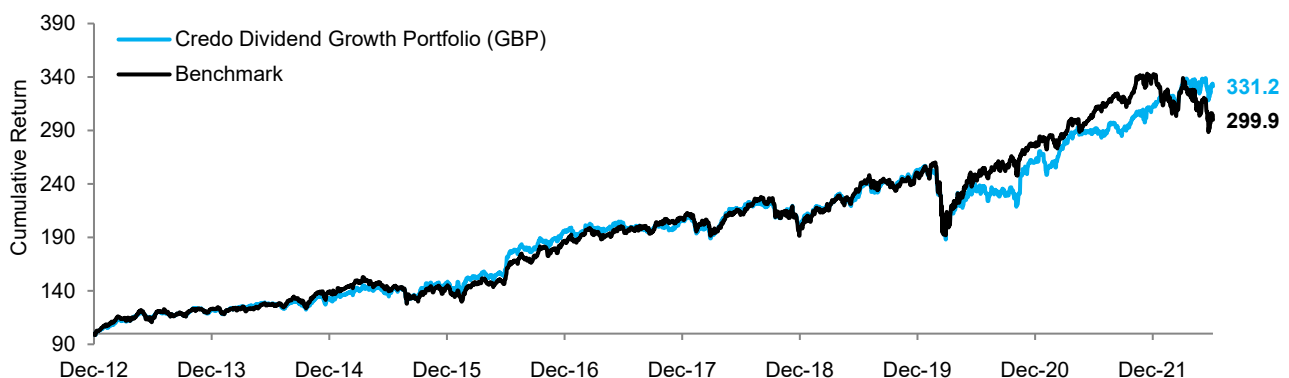
Key Contributors to Return

AIA Group's shares increased by 5.2% after China cut its quarantine requirements for arrivals and began a process of reopening, encouraging investors that the lockdown-induced economic shock has passed. CME Group's shares increased by 3.6% after speculation of further Federal Reserve interest rate hikes which led to increased volumes in derivative contracts as institutional investors hedge volatility.

Key Detractors from Return

Flutter Entertainment's shares declined by 15.5% along with other leisure stocks in the UK amid news of surging inflation and households cutting back on spending. Bayer's shares declined by 14.9% after the US Supreme Court declined to hear the company's appeal to a previous verdict in relation to the Roundup litigation, leaving the company exposed to further lawsuits.

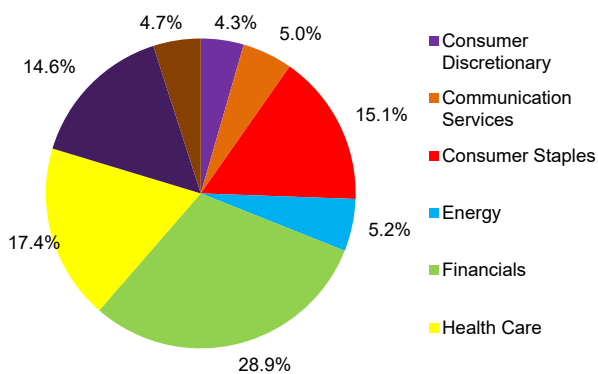
Performance Since Inception (28/12/2012)²



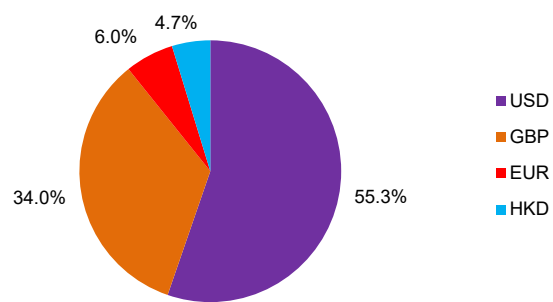
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Cigna Corp	\$263.5	14.5x	11.0x	1.7%
PepsiCo Inc	\$166.7	26.2x	24.0x	2.8%
Union Pacific Corp	\$213.3	20.5x	17.4x	2.4%
Total Portfolio Average		15.2x	12.5x	2.7%
MSCI World		16.5x	14.4x	2.3%

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 30/06/2022 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	10.3	9.6	11.4	1.6	-6.7	-4.9	-4.1
MSCI World	9.0	7.7	7.0	-14.3	-16.2	-8.7	-20.5
Relative	1.3	1.9	4.4	15.9	9.5	3.8	16.4

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

Market Commentary

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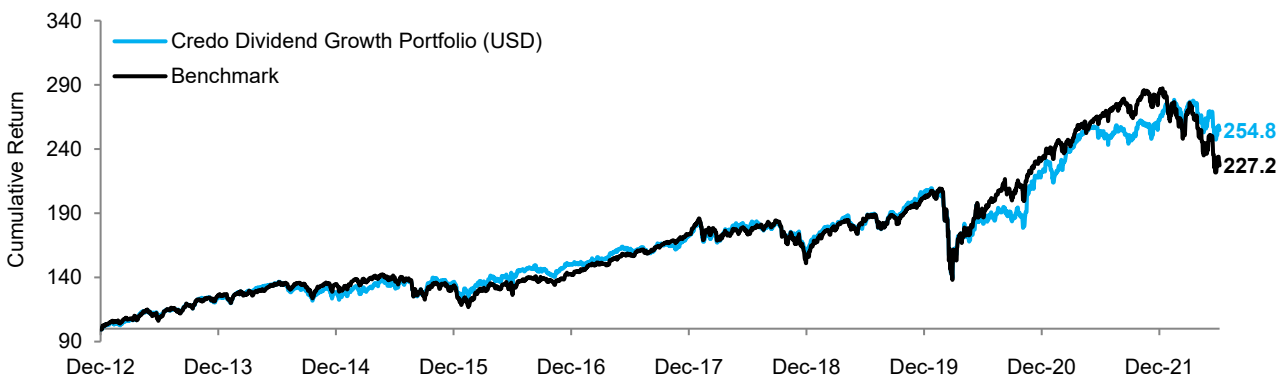
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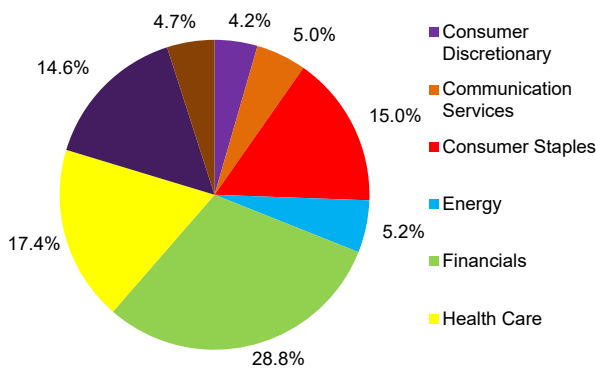
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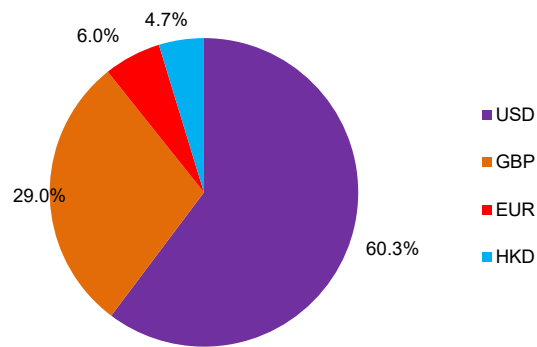
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