

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	12.1	11.9	5.9	1.6	12.9	3.3	-6.1
MSCI World	12.8	12.1	8.5	5.5	19.5	2.1	1.0
Relative	-0.7	-0.2	-2.6	-3.9	-6.6	1.2	-7.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	26.7	13.4
MSCI World	26.2	15.1

Market Commentary

Global equity markets continued their rebound in June as economies started to re-open. Optimism outweighed concerns about the recovery of the global economy and the worsening of coronavirus cases. The S&P 500, FTSE 100 and Euro STOXX were all up 2.0%, 1.7%, 6.5% respectively. Copper was up 11.9% over the month, driven by supply disruptions in Chile and a resurgence in Chinese demand due to the easing of lockdown restrictions. The Bank of England increased its quantitative easing programme by a further £100 billion and the ECB expanded its Pandemic Emergency Purchase Program (PEPP) by €600 billion, helping to keep government and corporate borrowing costs low and provide liquidity. The yields for UK and German 10-year bonds both decreased by 1 basis point, while the yield on US 10-year bonds was flat. The pound was up 0.5% against the US dollar and down 0.7% against the euro.

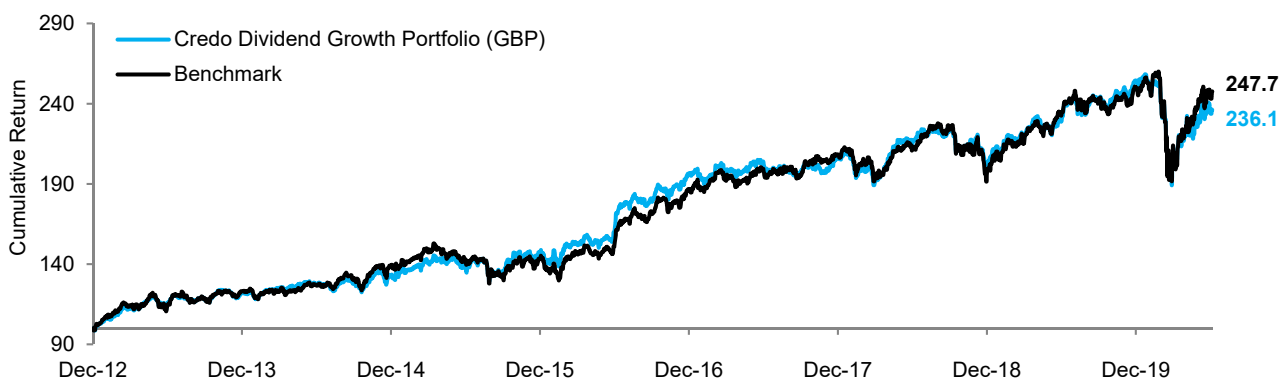
Key Contributors to Return

AIA Group's shares increased by 16.6% after the company gained regulatory approval to incorporate in mainland China, opening the door for new business growth. Prudential's shares increased by 16.4% after the company announced the selling of an equity stake and securing a reinsurance agreement in its US business, an important step in portfolio optimisation.

Key Detractors from Return

Raytheon Technologies' shares declined by 4.5% as a slow recovery of global flight activity and production cuts put pressure on the aerospace part of the business. Verizon Communication's shares declined by 3.9%, mainly due to sector rotation, as market participants sold lower beta stocks in favour of higher growth and recovery names.

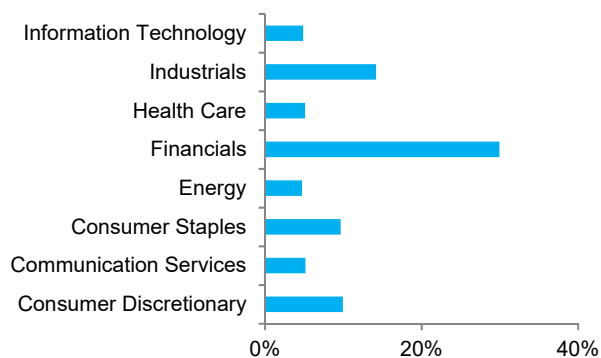
Performance Since Inception (28/12/2012)²



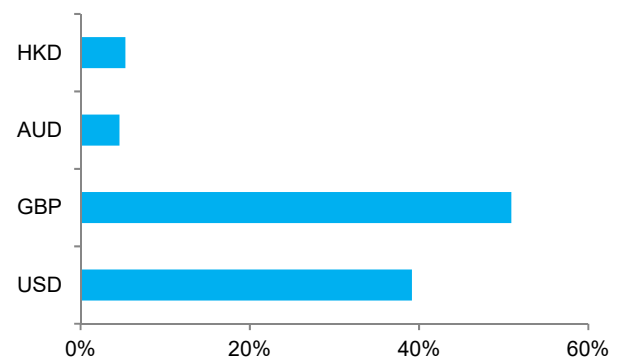
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
GlaxoSmithKline plc	1637p	13.7x	13.6x	4.9%
Otis Worldwide Corp	\$56.9	0.0x	26.4x	1.4%
Union Pacific Corp	\$169.1	19.6x	20.4x	2.3%
Total Portfolio Average		15.6x	15.5x	3.9%
MSCI World		21.4x	20.2x	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

Important Notice

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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 30/06/2020 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	8.4	7.0	4.4	-0.3	12.7	3.8	-11.3
MSCI World	9.0	6.9	6.7	2.8	19.4	2.6	-5.8
Relative	-0.6	0.1	-2.3	-3.1	-6.7	1.2	-5.5

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

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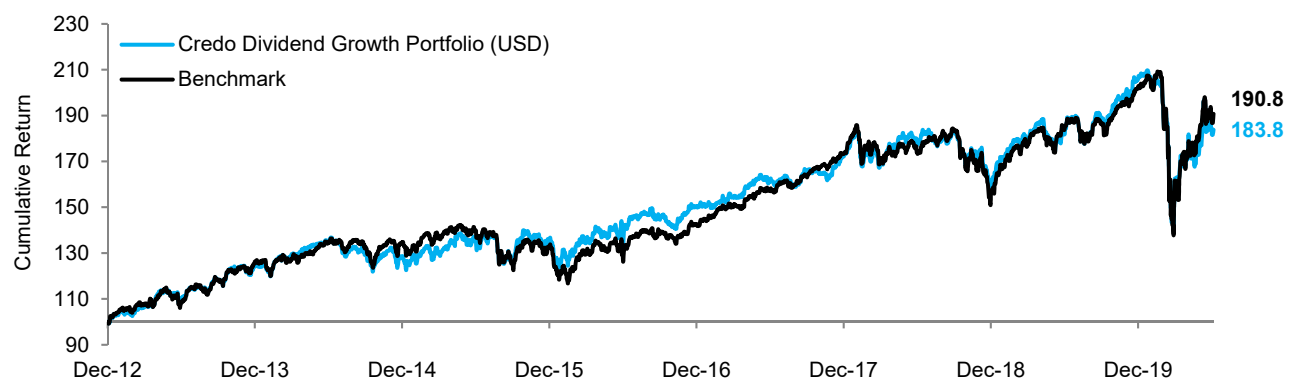
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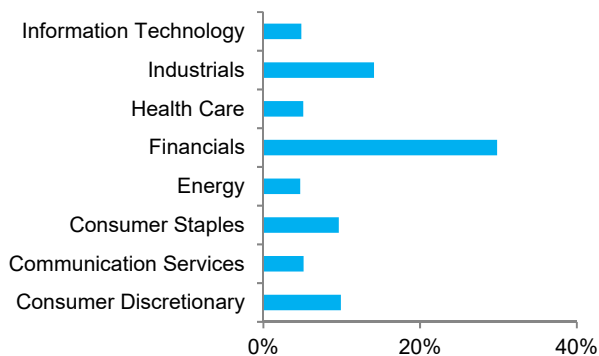
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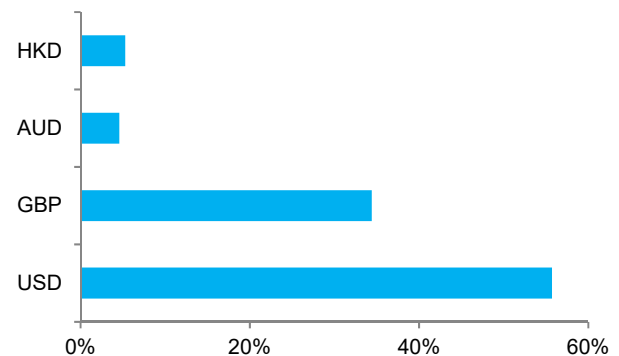
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