

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}

Long Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
Since Inception	89.6%	79.6%	10.0%
3 Year	53.5%	46.9%	6.6%
1 Year	28.8%	27.8%	1.0%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	26.9%	24.7%	2.2%
3 Months	4.6%	6.7%	-2.1%
1 Month	2.6%	4.0%	-1.4%

Market Commentary

Another mixed month for markets during October. In Europe, the DAX reached a new 2016 high during the month following positive business activity, before paring gains to end the period with a 1.5% gain. The S&P 500 fell -1.9% following disappointing earnings and within heightened uncertainty going to the US elections. In the UK, the FTSE 100 rose 0.8% as the tailwind from weakness in sterling was offset by pressure on commodity producers from weak oil (-2.9% fall) and precious metal prices (gold has fallen -3.8%). Yields rose in major bond markets, including in the US where 10-year Treasury bonds ended month at 1.8% and UK 10-year gilts rose to 1.2% after better than expected UK economic data.

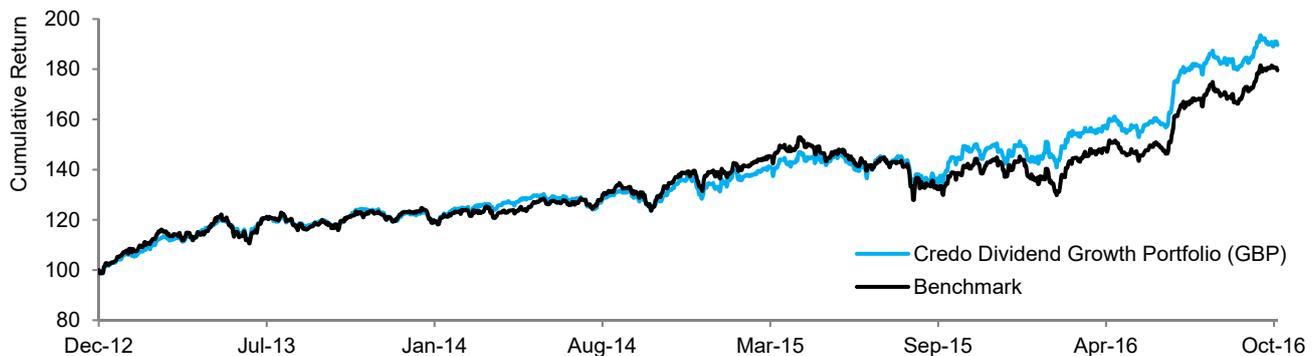
Key Contributors to Return

Microsoft returned 4.0% after the latest earning report beat expectations. Wells Fargo returned 3.9% after an earnings beat, despite the recent accounts opening scandal.

Key Detractors from Return

Union Pacific declined by -9.6% after missing estimates for the third quarter, seeing revenue fall by 7% from last year. Whitbread declined -7.7% as it slowed the roll-out of Premier Inn hotels and highlighted further investment to be made at Costa in 2017.

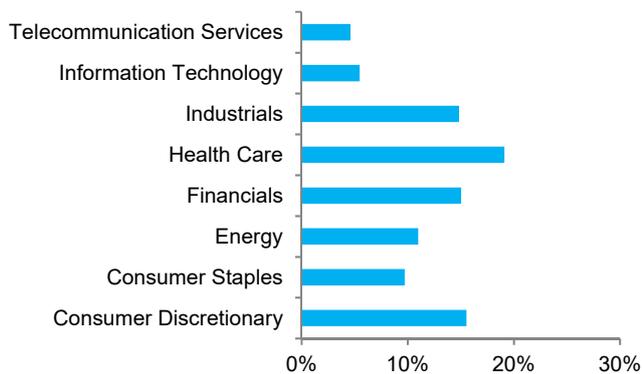
Performance Since Inception (28/12/2012)²



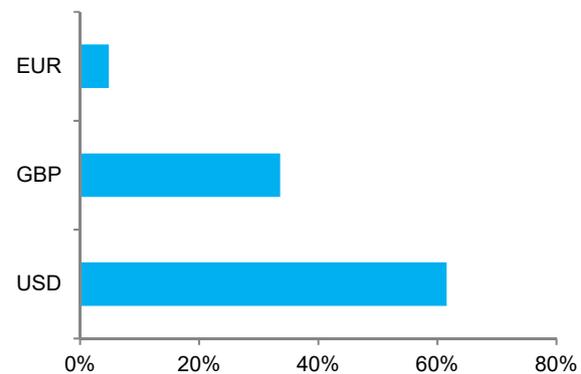
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Quest Diagnostics Inc	\$81.4	17.3x	16.0x	2.0%
Pepsico Inc	\$107.2	22.4x	22.4x	2.8%
Prudential plc	1335p	23.5x	11.5x	3.0%
Total Portfolio Average		23.1x	18.2x	3.6%
MSCI World		21.5x	17.2x	2.6%

Sector Allocation



Currency Allocation



Investment Philosophy

Credo's investment philosophy is based on the following tenets:

- Wealth is preserved and created by following a long-term, low-turnover strategy.
- We believe in a value-based approach to investing, given that the price which is paid when investing is one of the very few things in financial markets that investors can actually control.
- We do not define risk in terms of quantitative metrics, but simply as the potential to lose clients' money; accordingly, our approach to investing can be described as a relatively conservative one, focusing first and foremost on capital preservation.
- Yield is an important consideration across all asset classes.
- Transaction costs have the potential to erode investment returns quickly; based on this, we not only follow a low-turnover approach, but we also apply our minds when considering transaction size.
- We aim to identify matters of strategic importance when considering investments, rather than focusing on daily news-flow in financial markets.

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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. Portfolio may not be fully invested at a point in time and therefore can hold a portion of assets in cash. Performance is calculated before any fees (which can vary depending on the level of service) but includes gross dividends, reinvested. Benchmark is calculated net of withholding tax. Following additions or removals, each holding is rebalanced to a 5% weighting.

(2) Source: Bloomberg pricing as of 31/10/2016 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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Portfolio Performance (USD)^{1,2}

Long Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
Since Inception	44.4%	36.6%	7.8%
3 Year	17.1%	11.9%	5.2%
1 Year	2.1%	1.2%	0.9%

Short Term Returns	Dividend Growth Portfolio	MSCI World	Relative Return
YTD	5.4%	3.5%	1.9%
3 Months	-3.2%	-1.3%	-1.9%
1 Month	-3.3%	-1.9%	-1.4%

Market Commentary

Another mixed month for markets during October. In Europe, the DAX reached a new 2016 high during the month following positive business activity, before paring gains to end the period with a 1.5% gain. The S&P 500 fell -1.9% following disappointing earnings and within heightened uncertainty going to the US elections. In the UK, the FTSE 100 rose 0.8% as the tailwind from weakness in sterling was offset by pressure on commodity producers from weak oil (-2.9% fall) and precious metal prices (gold has fallen -3.8%). Yields rose in major bond markets, including in the US where 10-year Treasury bonds ended month at 1.8% and UK 10-year gilts rose to 1.2% after better than expected UK economic data.

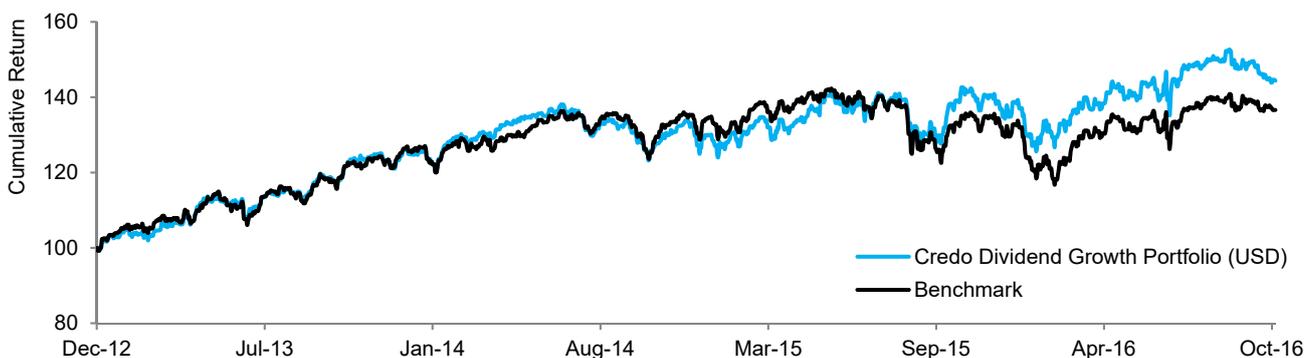
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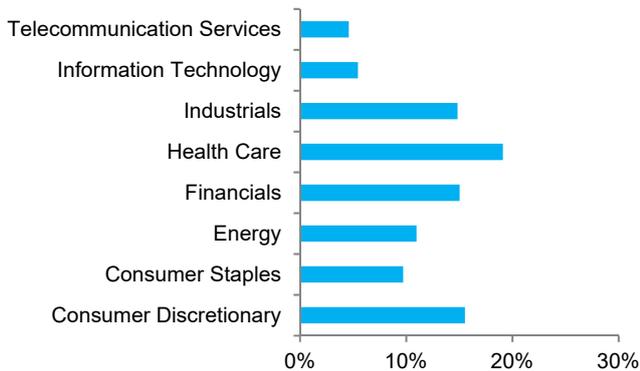
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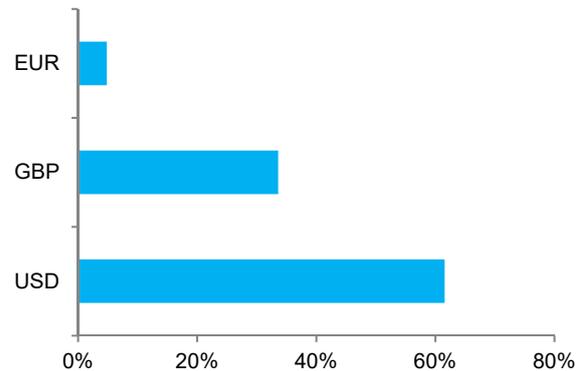
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