

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	15.3	13.0	14.6	7.1	8.5	4.8	5.3
MSCI World	14.8	12.3	12.7	8.2	3.2	4.2	2.2
Relative	0.5	0.7	1.9	-1.1	5.3	0.6	3.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.2	11.5
MSCI World	16.2	12.0

Market Commentary

May saw Continental European equities fall, led by political uncertainty in Italy. Initial fears of a prolonged political stalemate and fresh elections eventually subsided with Giuseppe Conte being approved as prime minister. Despite this, Italy's stock market index, the FTSE MIB, fell 8.0% over the course of the month while the Euro STOXX 50 fell 2.3%. Elsewhere, the FTSE 100 rose 2.8% as the pound sterling weakened 3.4% against the US dollar, finishing the month at 1.33 USD/GBP. In the US, Trump's trade war moved west providing respite for China, with allies including the EU, Canada and Mexico targeted for steel and aluminium tariffs instead. The S&P 500 finished 2.4% higher, the Shenzhen CSI 100 rose 1.5%, the Mexican Bolsa fell 7.3% and Canada's stock exchange benchmark, the S&P/TSX Composite index, rose 3.1%. In fixed income, the 10-year yields for US treasuries, UK gilts and German bunds ended the period on 2.9%, 1.2% and 0.3% respectively.

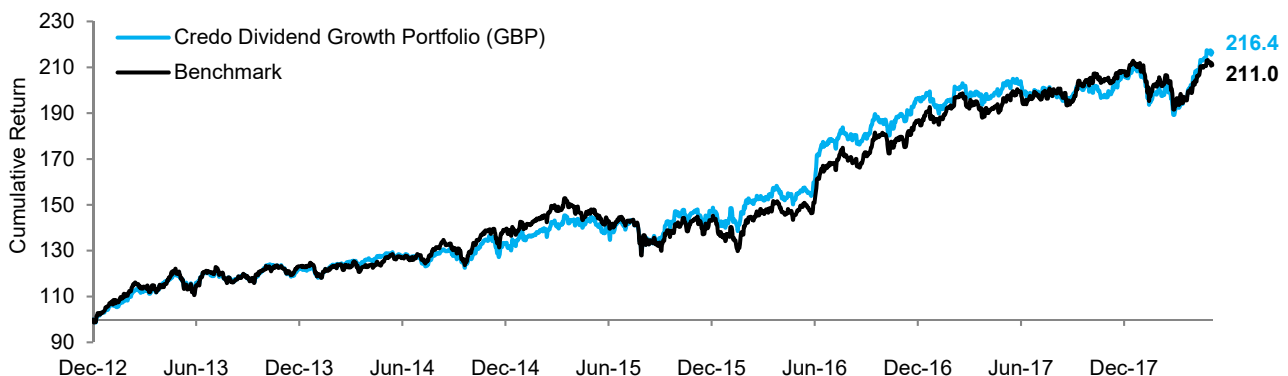
Key Contributors to Return

Las Vegas Sands' shares increased by 9.9%, after better than expected revenue growth in Macau. BP's shares increased by 8.5% after US sanctions on Iran pushed the oil price higher in the first half of the month.

Key Detractors from Return

Nielsen's shares declined by 4.1% after disappointing results at the end of the previous month. Chubb's shares declined by 3.7%, alongside weak performance from the rest of the financial sector.

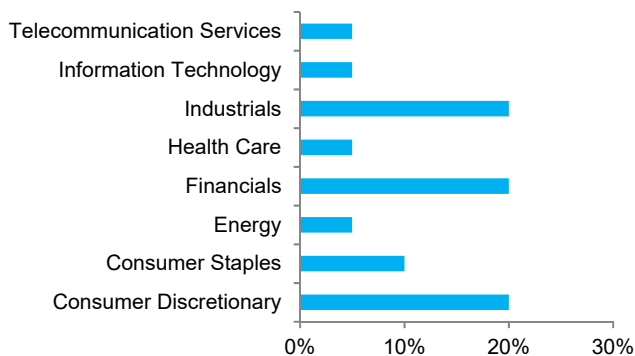
Performance Since Inception (28/12/2012)²



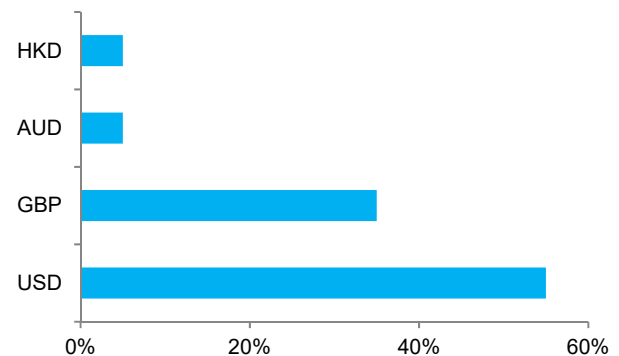
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Imperial Brands plc	2710p	18.0x	10.1x	6.5%
Nielsen Holdings plc	\$30.2	17.5x	13.2x	4.6%
Wells Fargo & Co	\$54.0	13.9x	11.4x	2.9%
Total Portfolio Average		17.8x	15.1x	3.2%
MSCI World		18.6x	15.3x	2.5%

Sector Allocation



Currency Allocation



Investment Philosophy

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

- We believe wealth is created and preserved by following a patient and disciplined investment strategy that is focused on the long-term.
- We follow a value-based approach to investing.
- We strive to identify matters of strategic importance and focus on methodologies that have proven to be robust through a variety of market cycles, rather than fixating on short-term news-flow and forecasts.
- We aim to minimise turnover in our portfolios and apply our minds when considering transaction size in an attempt to limit transaction costs.
- 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 31/05/2018 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	10.0	9.7	10.4	4.6	1.2	3.6
MSCI World	10.8	9.4	7.6	11.6	-0.4	0.6	0.5
Relative	0.6	0.6	2.1	-1.2	5.0	0.6	3.1

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	11.6	11.2
MSCI World	17.9	10.8

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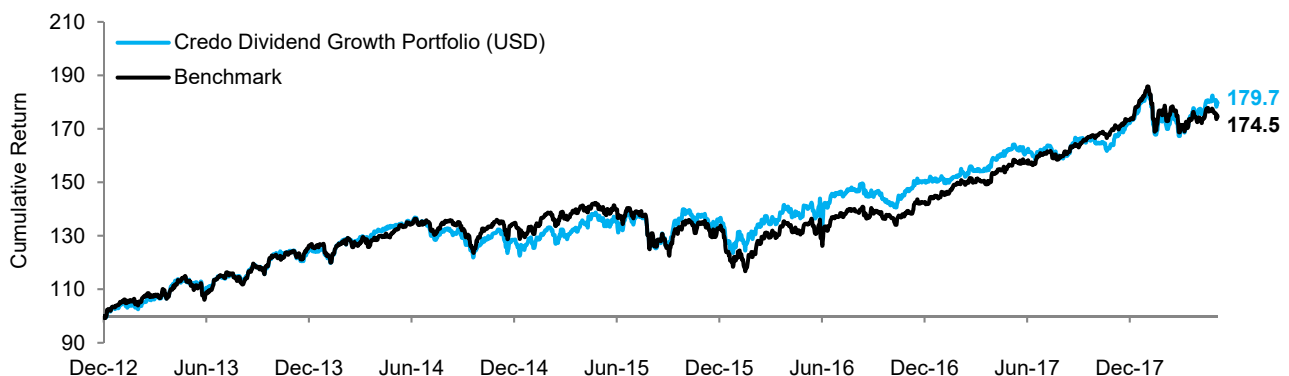
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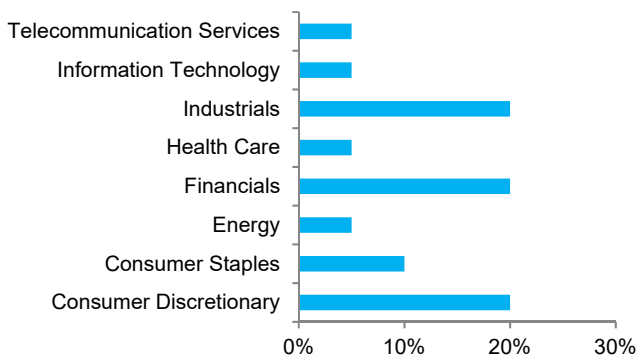
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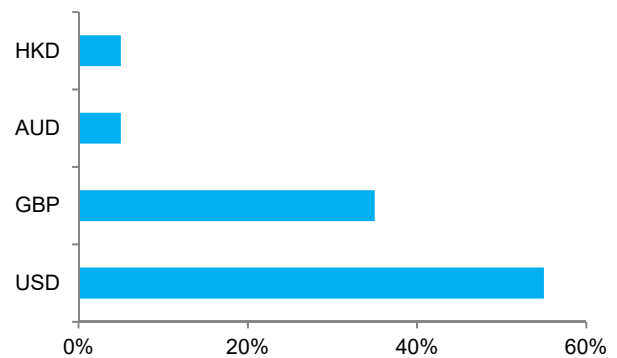
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