

## 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>	12.4	10.7	5.2	6.6	-6.8	-6.4	-8.0
<b>MSCI World</b>	12.4	10.0	6.3	8.8	-5.0	-5.3	-5.4
<b>Relative</b>	0.0	0.7	-1.1	-2.2	-1.8	-1.1	-2.6

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	11.9	11.3
<b>MSCI World</b>	16.2	12.3

## Market Commentary

Global, developed equity markets made significant losses in February as the outbreak of the coronavirus restricted travel and caused serious disruptions to global supply chains. Confirmed cases in Italy increased fears which led to a large sell-off in global equities towards the end of the month. The S&P 500, FTSE 100 and Euro STOXX 50 were down 8.2%, 9.0% and 8.4% respectively. Against the backdrop of a continued weaker global economy largely due to the outbreak and increased spread of the coronavirus, Brent Crude oil was down 11.9% over the month. In fixed income, bond yields hit record lows with the prospect that Central Banks may need to provide monetary policy support. Notably, US, UK and German 10-year bond yields were all down 0.36%, 0.08% and 0.17% basis points respectively. The pound was down 2.9% against the US dollar and 2.3% against the euro.

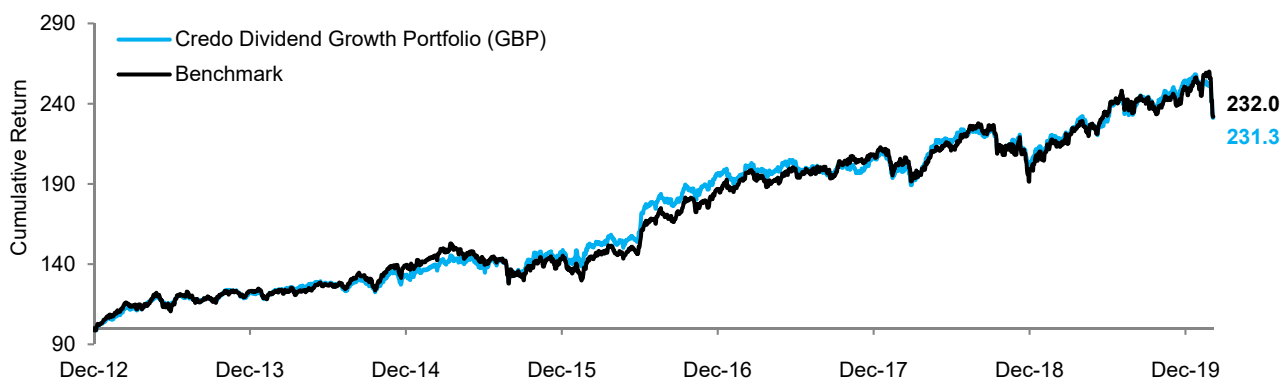
### Key Contributors to Return

IG Group's shares increased by 1.5% buoyed by volatile markets which benefits trading volumes. AIA Group's shares declined by 1.1%, outperforming the MSCI World Index as Asia-Pacific shares, hurt by the coronavirus outbreak in January 2020, rebounded.

### Key Detractors from Return

Meggitt's shares declined by 19.8% after the company gave more cautious than expected guidance for 2020 and 2021 owing to the spread of the coronavirus and ongoing Boeing 737 MAX grounding. Imperial Brands' shares declined by 16.9% after the company warned that its annual profit will be affected by regulatory headwinds along with weaker than expected consumer demand.

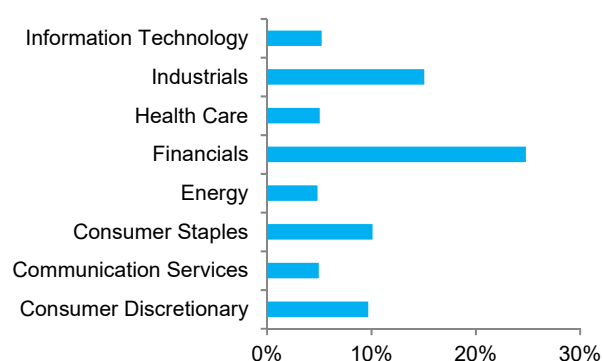
## Performance Since Inception (28/12/2012)<sup>2</sup>



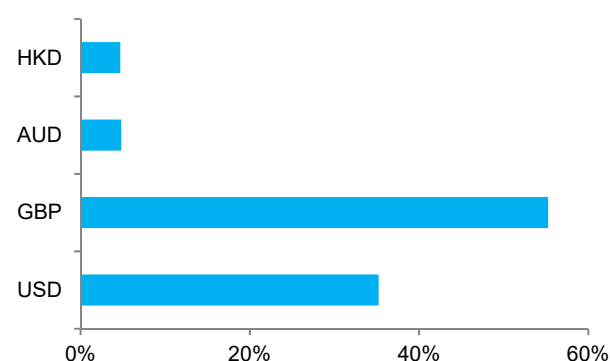
## Sample Portfolio Statistics<sup>2</sup>

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
GlaxoSmithKline plc	1562p	14.0x	13.4x	5.1%
PepsiCo Inc	\$132.0	23.5x	22.1x	2.9%
Verizon Communications Inc	\$54.2	10.1x	10.9x	4.5%
<b>Total Portfolio Average</b>		<b>16.0x</b>	<b>13.5x</b>	<b>4.1%</b>
<b>MSCI World</b>		<b>18.7x</b>	<b>15.4x</b>	<b>2.6%</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 29/02/2020 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>	8.9	6.8	6.2	2.9	-7.8	-8.9	-11.0
<b>MSCI World</b>	8.9	5.9	7.2	4.6	-6.3	-8.5	-9.0
<b>Relative</b>	0.0	0.9	-1.0	-1.7	-1.5	-0.4	-2.0

Risk (%)	Largest Drawdown	Volatility (Annualised)
<b>Dividend Growth Portfolio</b>	14.3	11.1
<b>MSCI World</b>	18.7	11.1

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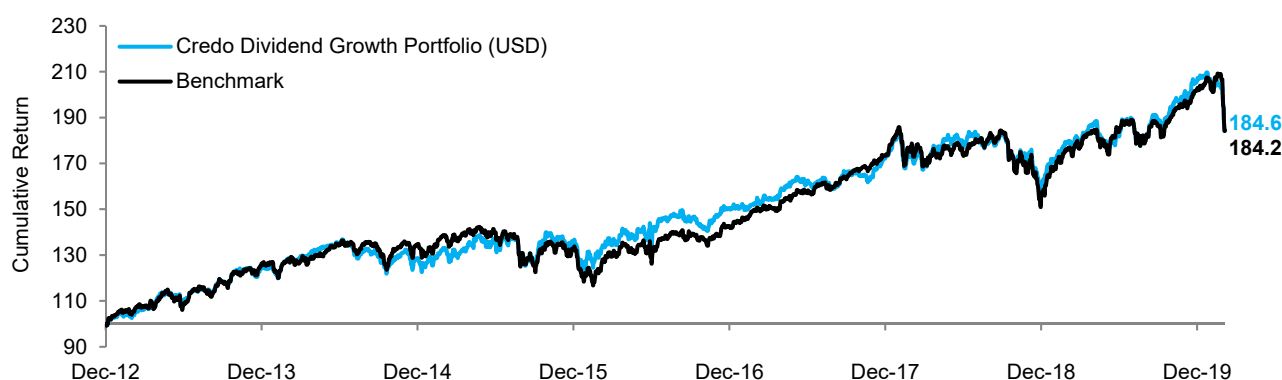
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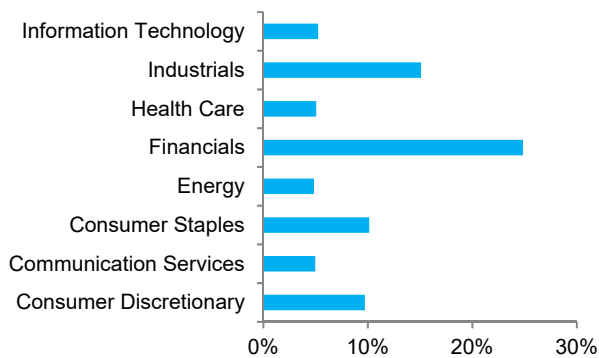
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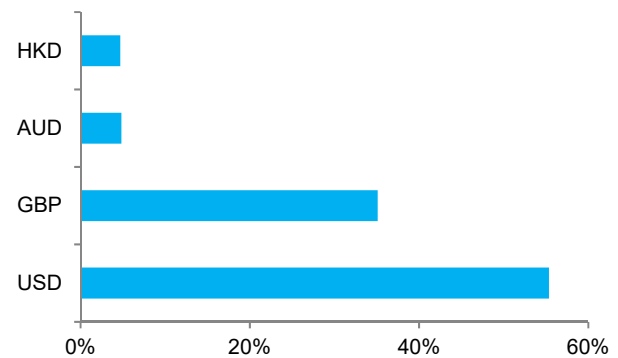
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<b>MSCI World</b>		<b>18.7x</b>	<b>15.4x</b>	<b>2.6%</b>

## Sector Allocation



## Currency Allocation



## Investment Philosophy

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

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