

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}

	Annualised						
Return (%)	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	11.9	10.9	6.7	0.9	12.6	-4.7	-4.7
MSCI World	13.2	14.2	9.5	11.2	9.9	-1.4	-1.4
Relative	-1.3	-3.3	-2.8	-10.3	2.7	-3.3	-3.3

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	26.7	13.6
MSCI World	26.2	15.1

Market Commentary

After a bright start to the year, most US and European equity markets performed poorly in January, with the S&P 500, FTSE 100 and Euro STOXX 50 down 1.0%, 0.8% and 1.8% respectively. Optimism relating to the vaccine rollout waned as new coronavirus strains were discovered and concerns over the ongoing economic impact of continued restrictions took hold. In the US, the Democrats won control of the Senate, giving them control over both houses of Congress. President Biden's new administration announced their plans for a new USD 1.9 trillion stimulus package, the 'American Rescue Plan'. Brent Crude oil was up 6.3% over the month, as Saudi Arabia agreed to cut its oil production as the coronavirus forced economies back into further lockdowns. The yields on UK, US and German 10-year bonds increased by 13, 15, 5 basis points respectively. The pound was up 0.3% against the US dollar and 0.9% against the euro.

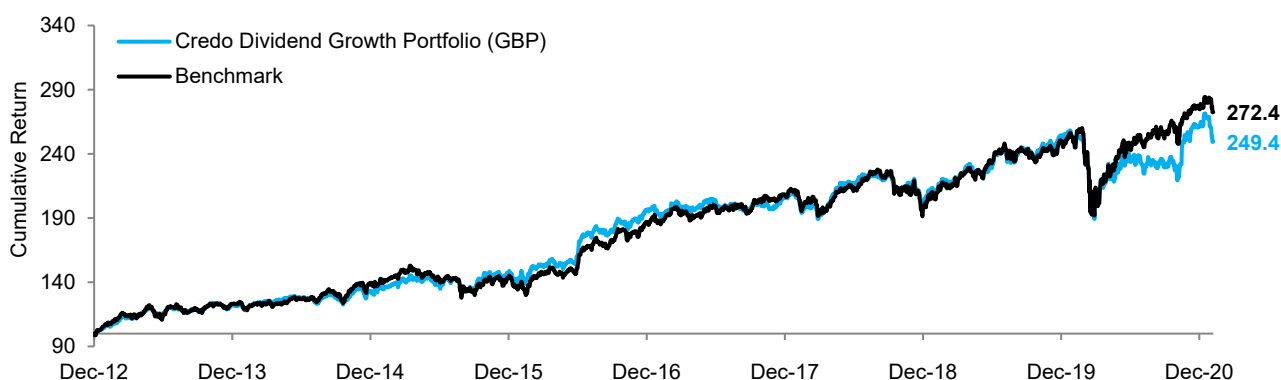
Key Contributors to Return

BP's shares increased by 6.6% after OPEC reached an agreement to cut production, sparking a rally in the oil price. Microsoft's shares increased by 4.3% after the company reported better than expected sales and raised guidance for all three divisions, supported by working-from-home trends.

Key Detractors from Return

Meggitt's shares declined by 14.9% alongside other transport and leisure shares, after news of new COVID-19 strains led countries to tighten restrictions on travel once again. Prudential's shares declined by 13.0% after the company announced it would split off its US business through a demerger, rather than an Initial Public Offering (IPO), along with issuing approximately \$3bn in equity.

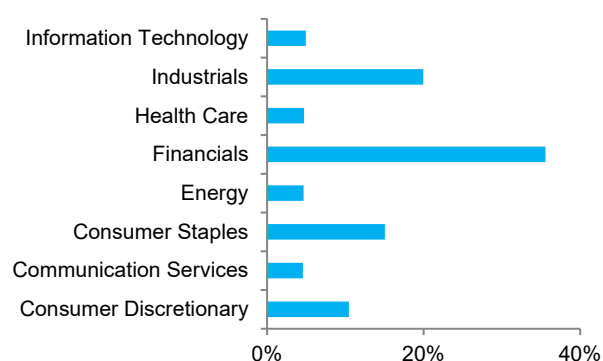
Performance Since Inception (28/12/2012)²



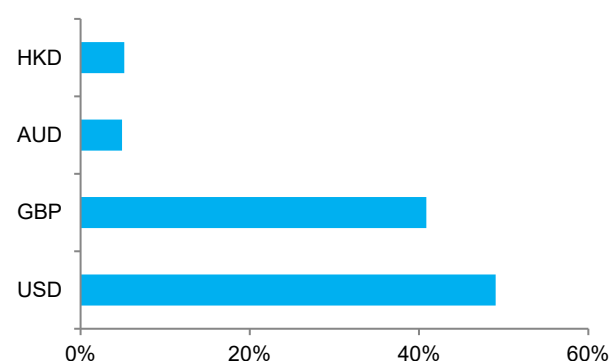
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Diageo plc	2,949p	30.4x	24.3x	2.4%
Meggitt plc	397p	34.2x	17.4x	0.0%
Prudential plc	1,173p	65.0x	10.0x	2.1%
Total Portfolio Average		21.1x	15.4x	2.8%
MSCI World		32.7x	19.9x	1.9%

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

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, FRN 192204; is an Authorised Financial Services Provider in South Africa; FSP No: 9757 and is a member of the London Stock Exchange.

(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 31/01/2021 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.

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 (USD)^{1,2}

Return (%)	Annualised						
	S. Inception	5 Years	3 Years	1 Year	3 Month	1 Month	YTD
Dividend Growth Portfolio	9.8	10.2	5.6	5.5	19.0	-4.4	-4.4
MSCI World	11.0	13.4	8.3	15.5	16.4	-1.0	-1.0
Relative	-1.2	-3.2	-2.7	-10.0	2.6	-3.4	-3.4

Risk (%)	Largest Drawdown	Volatility (Annualised)
Dividend Growth Portfolio	33.3	13.9
MSCI World	34.0	14.5

Market Commentary

After a bright start to the year, most US and European equity markets performed poorly in January, with the S&P 500, FTSE 100 and Euro STOXX 50 down 1.0%, 0.8% and 1.8% respectively. Optimism relating to the vaccine rollout waned as new coronavirus strains were discovered and concerns over the ongoing economic impact of continued restrictions took hold. In the US, the Democrats won control of the Senate, giving them control over both houses of Congress. President Biden's new administration announced their plans for a new USD 1.9 trillion stimulus package, the 'American Rescue Plan'. Brent Crude oil was up 6.3% over the month, as Saudi Arabia agreed to cut its oil production as the coronavirus forced economies back into further lockdowns. The yields on UK, US and German 10-year bonds increased by 13, 15, 5 basis points respectively. The pound was up 0.3% against the US dollar and 0.9% against the euro.

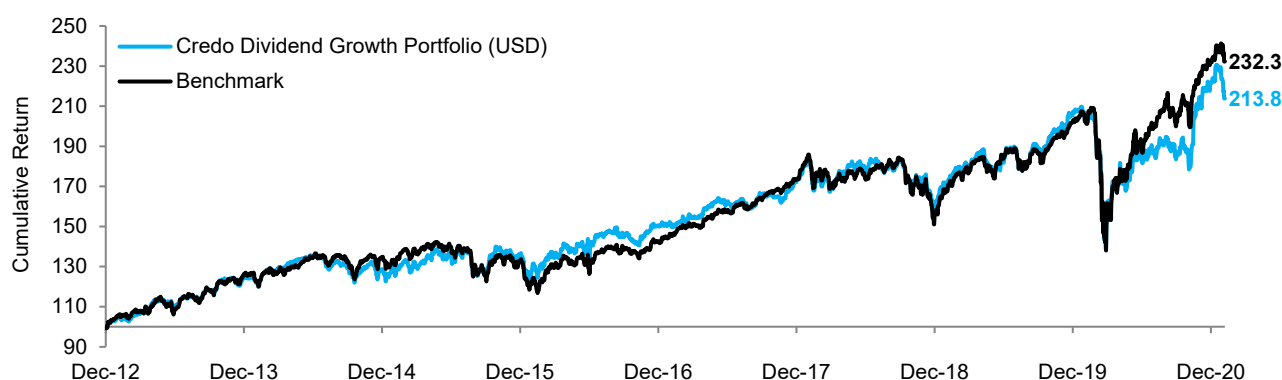
Key Contributors to Return

BP's shares increased by 6.6% after OPEC reached an agreement to cut production, sparking a rally in the oil price. Microsoft's shares increased by 4.3% after the company reported better than expected sales and raised guidance for all three divisions, supported by working-from-home trends.

Key Detractors from Return

Meggitt's shares declined by 14.9% alongside other transport and leisure shares, after news of new COVID-19 strains led countries to tighten restrictions on travel once again. Prudential's shares declined by 13.0% after the company announced it would split off its US business through a demerger, rather than an Initial Public Offering (IPO), along with issuing approximately \$3bn in equity.

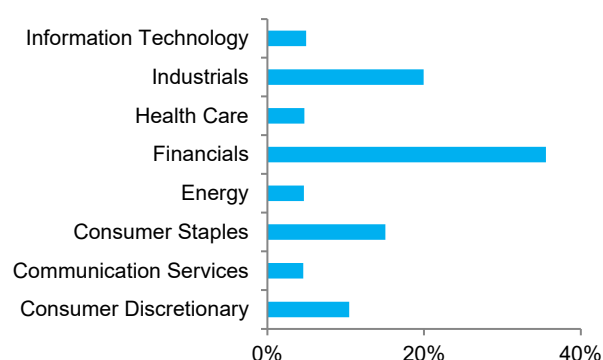
Performance Since Inception (28/12/2012)²



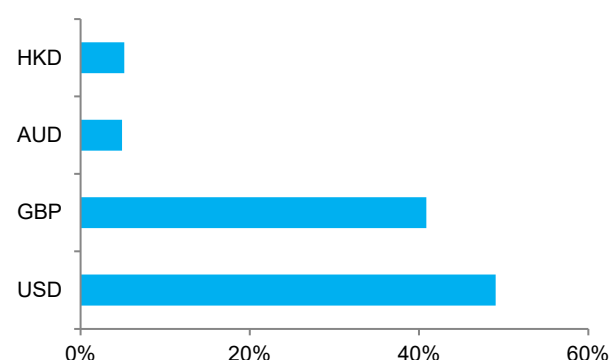
Sample Portfolio Statistics²

	Current Price	Trailing 12 Month P/E	12 Month Forward P/E	Dividend Yield
Diageo plc	2,949p	30.4x	24.3x	2.4%
Meggitt plc	397p	34.2x	17.4x	0.0%
Prudential plc	1,173p	65.0x	10.0x	2.1%
Total Portfolio Average		21.1x	15.4x	2.8%
MSCI World		32.7x	19.9x	1.9%

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

This document has been created for information purposes only and has been compiled from sources believed to be reliable. None of Credo, its directors, officers or employees accepts liability for any loss arising from the use hereof or reliance hereon or for any act or omission by any such person, or makes any representations as to its accuracy and completeness. This document does not constitute an offer or solicitation to invest, it is not advice or a personal recommendation nor does it take into account the particular investment objectives, financial situation or needs of individual clients and if you are interested in any of the information contained herein, it is recommended that you seek advice concerning suitability from your investment advisor. Investors are warned that past performance is not necessarily a guide to future performance, income is not guaranteed, share prices may go up or down and you may not get back the original capital invested. The value of your investment may also rise or fall due to changes in tax rates and rates of exchange if different to the currency in which you measure your wealth. Credo Capital Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, FRN 192204; is an Authorised Financial Services Provider in South Africa; FSP No: 9757 and is a member of the London Stock Exchange.

(1) Performance figures are based on a notional portfolio, denominated in US dollar, 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 31/01/2021 close. All portfolio performance is calculated using Bloomberg PORT, rounded to 1 decimal place.