



FLASH PORTFOLIO UPDATE

October 2015

At the end of the month of September 2015, the Protea Monogram Fund changed its portfolio allocation. The market conditions warranted an increase in the fund's Cash position, from 0 to 25%, against a decrease in the fund's US Equities position, from 25% to 0%. The current target portfolio is now: 50% Investment-Grade Bonds, 25% Developed Market Equities (EAFE), and 25% Cash.

This movement follows a sell signal generated by MONOGRAM's proprietary model. In the last 25 years (from Jan 1990 onwards), the model generated 4 sell signals for the S&P 500. Two of them generated a positive contribution, while the other two generated a negative contribution.

Starting date	Duration (months)	Contribution	Note
30-Jun-12	1	-4.1%	<i>Opportunity cost</i>
29-Feb-08	21	27.5%	<i>Loss avoidance</i>
31-May-02	31	29.7%	<i>Loss avoidance</i>
28-Sep-90	5	-7.6%	<i>Opportunity cost</i>
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Average correct signal	26	28.6%	<i>Loss avoidance</i>
Average wrong signal	3	-5.9%	<i>Opportunity cost</i>

While the number of correct signals is identical to the number of wrong signals, the average absolute contribution of a wrong signal is significantly lower than the average absolute contribution of a correct signal. This "skew" gives the recent move an expected positive contribution based on historical observations of +11.3%.

We will elaborate further on our views in the soon-to-be-published October Newsletter.

About MONOGRAM

MONOGRAM Capital Management is an investment boutique founded in 2014 and headquartered in London. The management team has over 55 years of investment management experience, having met and worked together at Goldman Sachs before holding leading investment positions at other institutions.

We take an innovative empirical, evidence-based approach to investing and believe there are fundamental, identifiable, persistent, and exploitable sources of return; risk is the permanent impairment of capital (peak-to-trough drawdown) and not volatility in its various forms.

There are two options for investors to access MONOGRAM's investment strategy. Investors can invest in the Luxembourg Domiciled MONOGRAM Fund or in MONOGRAM's bespoke segregated managed account, provided the investors meet the minimum subscription requirements. Further details are contained in the subscription documents to the fund.

For further information on MONOGRAM or to invest, please contact Milena Ivanova on milena.ivanova@monograminvest.com or **+44 (0)7931 776206**.

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Recipients should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that the capital of an investor in the Fund is at risk and that the investor may not receive back, on redemption or withdrawal of his investment, the amount which he invested. Opinions expressed are MONOGRAM's present opinions only, reflecting the prevailing market conditions and certain assumptions. The information and opinions contained in this document are non-binding and do not purport to be full or complete.