

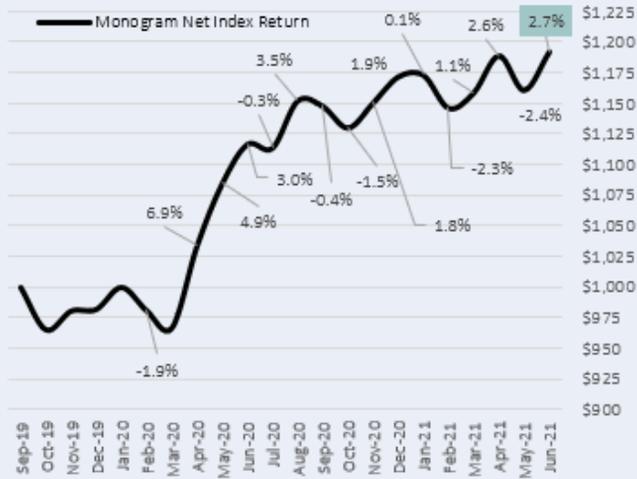
**Investment Philosophy**

We consider drawdown the only relevant measure of risk and its avoidance is the cornerstone of our investment process. Our process relies on various techniques aimed at identifying, and avoiding underperforming assets. We are prepared to be fully invested in cash. In addition, we believe that markets and the decision-making process of investors in markets, is generally inefficient. We build portfolios that are resilient in the face of market declines and that compound positive returns stably over the course of the market cycle.

**Performance Summary**

The MONOGRAM Strategy return 2.7% net in the month of June and 1.9% YTD.

**Cumulative Performance: MONOGRAM GBP Net Return Index (MM)<sup>1,2</sup> (Oct 2019 to Jun 2021) and Monthly Performance (%)**



Source: Reuters & Monogram Capital Management

**Market Overview**

In June global equity markets saw another marginal uptick for both Developed and broad Emerging Markets. US Tech stocks fared particularly well with the NASDAQ up 6.5% in US dollar

terms (8.2%, in GBP), yields in US Aggregate and High Yield Bonds contracted with the return of the respective indices up circa 1%.

The Fed in June continued its message of transitory inflationary pressure, with the CPI current at 3.8% and expected to trend back towards the 2% target by next year. The growth outlook for the US remains strong. Recent data suggests a quick recovery as more states open up their economies. Bipartisan negotiation continue in Washington D.C. concerning reforming tax, national spending and the infrastructure bill. Contention remains elevated – with volatility likely to following - surround the beneficiaries of the proposals. Europe’s fiscal policy remains largely unchanged though with improved growth and inflationary expectations.

**Peer Net Performance in GBP<sup>4</sup>**

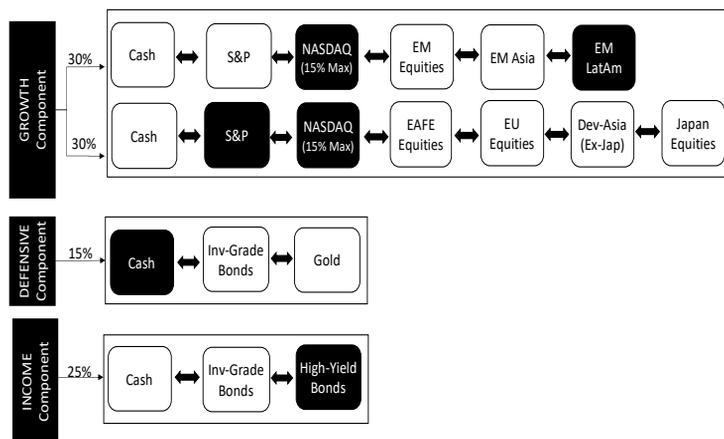
	Performance Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
Jun-2021	2.7%	1.6%	0.1%	0.4%	1.0%	1.6%	-1.9%
3 Months	2.9%	7.9%	0.9%	0.5%	3.2%	0.0%	0.6%
6 Months	1.7%	6.3%	0.3%	-1.3%	-0.5%	-1.4%	8.0%
9 Months	3.9%	12.6%	5.4%	2.3%	5.6%	-0.1%	12.8%
12 Months	6.8%	17.2%	6.0%	6.1%	8.3%	-1.5%	14.0%
2020	18.2%	4.3%	3.7%	7.5%	18.5%	-1.4%	9.7%

Source: Reuters & Monogram Capital Management

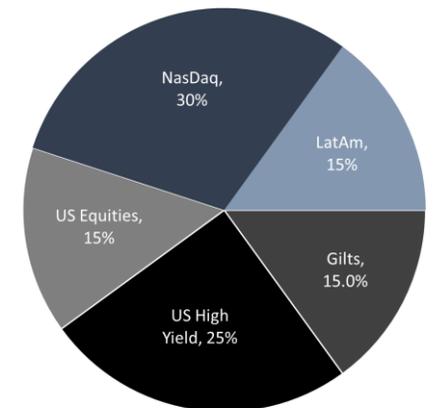
Performance was marginally positive, among peers, in June with Monogram topping the table reporting a 2.7% gain. It’s the first time in 6 month Invesco has managed to report a substantial gain, reversing their downward trend.

For July 2021, the strategy favours: US Equities, NASDAQ and EM LatAm (in the Growth Components); Cash (in the Defensive Component); High Yield Bonds (in the Income Component).

**MONOGRAM Strategy**



**MONOGRAM**



<sup>1</sup> Performance of the MONOGRAM Model is provided for illustrative purposes to highlight the capabilities of MONOGRAM Capital Management Ltd as an investment manager. It refers to past performance which is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.

<sup>2</sup> Net: 1% all-in fee.

<sup>3</sup> Gary Antonacci, Dual Momentum.

<sup>4</sup> Fund Identifiers (ISIN); Ruffer: GB00B815XL02, Invesco: GB00B8CHD613, Carmignac: LP68245753, St Life: GB00B28S0218, Aviva: GB00BMJ6DT26, AQR: LP68140783.

In sterling terms, the Monogram momentum model has struggled to achieve returns as dollar weakness overtook everything else so far this year. However as that starts to reverse, the model moves into positive territory this month. But also indicates a move out of the S&P 500.

So, we note with interest non-US markets starting to show relative momentum, as now exceeding US returns over a one-year period in sterling terms. We would caution that so volatile were markets in June 2020, that this may not be a predictor of a sustained change.

In dollar terms the momentum is in the S&P 500 and NASDAQ. However, in sterling terms it is moving. We have noticed Europe shifting ahead for a while, but we were surprised to see our GBP Monogram momentum model now drawing our attention to Latin America.

The model is sensitive to the recent past (that is the momentum we care about, after all) and that means there are big moves to fall in or out of the sequence, so care is needed.

Despite the headline turbulence and distress in the Latin American continent, it has forces in its favour; the index is dominated by big mining operations, closely followed by oil companies, then banks, which are seeing rates rise sooner than in the rest of the world, and then (often Mexican) consumer goods.

They will find the weaker US dollar helpful in some sectors that rely heavily on imports (such as mining). While at the same time enjoying the vast demand surge (and short supply line to) the US. Short both politically and geographically, no reason to pay high maritime freight rates nor second guess tariff tantrums.

So, all in all Latin America, starting from a low base and struggling mightily with COVID could be an unwitting (but grateful) beneficiary of the demand surge despite the intense political noise.

#### Product Information

The product is offered as a managed account, through two service providers: this is not an exhaustive list, but both feature low rates.

- Archer Daniel Midland (ADM), for accounts over £100,000 in either Dollar or Sterling variants.
- Jarvis Investment Management (JIM), for accounts under £100,000 in Sterling only.

MCM will manage the account, although it is **held in the investor's own name**. The management fee is 0.5% plus VAT charged quarterly. There are no other charges except for custody with ADM, who charge 1/100 of one per cent per month, (one basis point) on Exchange Traded Funds (ETFs). No stamp duty is charged on ETFs. Dealing charges are a flat £9.50 per trade (JIM), and \$35 for ADM. The model is a low trading one. ADM reports to you daily. JIM reports quarterly. Real time access to your account is offered at no extra charge.

Please remember that the model has policies on the introduction of funds to the market and in cases the movement between asset classes designed to avoid dislocations at the month end, or to avoid buying into a peak. Your own account (and each account is individual) may reflect these changes, although they should be of limited duration.

#### Investment and Risk Profile

By investing in an account which invests within the Global Total Return category, you are likely to be looking for an investment which aims to produce a positive return, with capital preservation and low volatility. You are however willing to accept, that your investments will fall and rise and you could get back less than you invested and also that when equity markets do well, this account may not deliver the same returns in the short term.

**Risk Warnings and other important information.** Issued by Monogram Capital Management Limited, ("MCM") MCM is authorised and regulated by the Financial Conduct Authority number **820474**.

*This document should not be construed as investment advice or an offer to invest nor should its content be interpreted as investment or tax advice, for which you should consult your financial adviser and/or accountant. The managed account product is only deemed suitable if provided via an IFA (for retail clients) or if you are an elective professional client.*