MONOGRAM™

June 2021

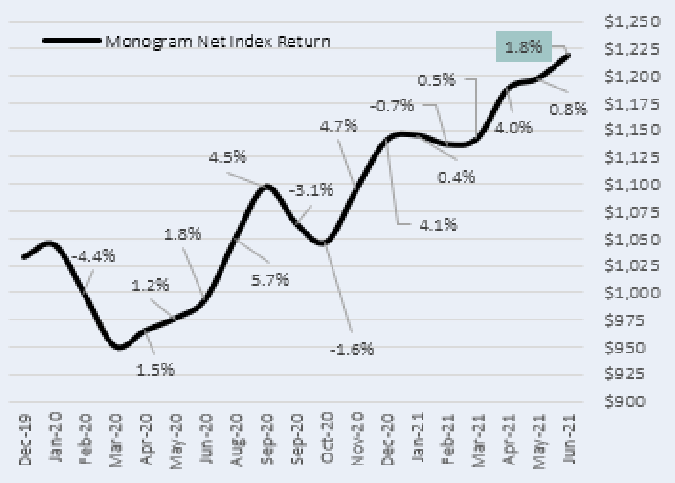
Investment Philosophy

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 returned 1.8% net in the month of June and 6.7% YTD.

Cumulative Performance: MONOGRAM USD Net Return Index (MM)[1, 2] (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 faired particularly well with the NASDAQ up 6.5% in US dollars.

Yields in US Aggregate and High Yield Bonds also contracted with the return of the respective indices up circa 1%.

The Fed in June continued it's message of transitory inflationary pressure, with the CPI currently 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 remain 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 expectation.

Peer Net Performance in USD[4]

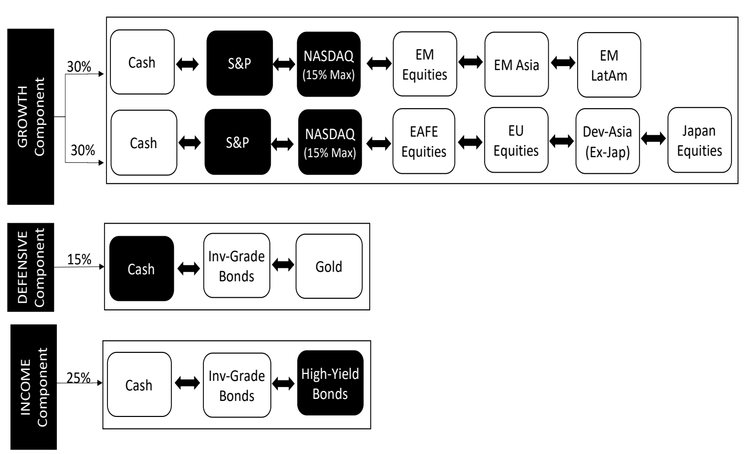
Performance	Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
Jun-2021	1.8%	1.3%	1.6%	0.3%	1.2%	1.8%	-1.5%
3 Months	6.7%	7.8%	0.5%	0.3%	2.4%	0.2%	1.5%
6 Months	6.9%	9.7%	-0.4%	-1.5%	3.8%	-1.5%	8.2%
9 Months	14.6%	15.8%	-6.4%	1.8%	11.7%	-0.6%	14.6%
12 Months	22.6%	20.2%	-9.7%	5.6%	14.9%	-1.7%	15.9%
2020	10.7%	2.2%	-5.0%	7.2%	13.8%	-1.6%	13.8%

Source: Reuters & Monogram Capital Management

Performance was broadly positive, among peers, in June with Monogram and Invesco topping the table both reporting a 1.8% gain. It's the first time in 6 month Invesco has managed to report a substantial gain, reversing their downward trend.

For June 2021, the strategy favours: US Equities, NASDAQ (in the Growth Components); Gold (in the Defensive Component); High Yield Bonds (in the Income Component).

MONOGRAM Strategy



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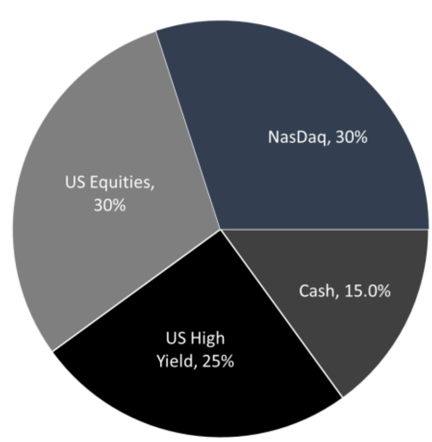

[1] Performance of the MONOGRAM Model is provided for illustrative purposes to highlight the capabilities of MONOGRAM Capital Management Ltd as an investment manager. It refers to past performance which is not a reliable indicator of future performance. Returns may increase or decrease as a result of currency fluctuations.
[2] Net: 1% all-in fee.
[3] Gary Antonacci, Dual Momentum.
[4] Fund Identifiers (ISIN); AQR: LP40186956, Aviva: A119DBX.DX, St Life: LP68090812, Carmignac: LP68346404, Invesco: LP68240655, Ruffer: LP68118681

The model allocation is unchanged, and the year-to-date performance remains good. Markets appear to be either ignoring the obvious or, more plausibly, finding no alternative. Fixed income seems once more to have found buyers.

As a result, inflation and how persistent it is, now fascinates us, although we will skip how that relates to US bond yields, as that currently makes no sense. We signaled inflation as a forthcoming problem well over a year ago, and slightly oddly not for either of the two reasons now cited so often. The received wisdom, that it is all about freight rates and used car prices, identifies specific issues we had not spotted.

Instead, it was capacity that worried us, as either the number of viable business units has to decrease, if the costs per unit increase, or the price per unit sale must rise, hence inflation. This is obvious to most, although it seems not to many Central Banks. For a while any business will, it is true, keep going, even if only generating a marginal contribution, but soon it must either cease trading or lift prices. Companies just don't sit about making losses, in the real economy.

We think it is quite possibly inflation from capacity cuts and weak competition, and that is nothing like as transitory. That is far more durable, not a brief supply side spike. Turnover is vanity, profit is sanity, as industrialists say.

In short Powell et al want to see no inflation, want to tell their political masters it is all fine, that they can keep running the engine hot, but having skimped on the engine oil, it seems rather more likely that running hot will simply seize the engine. At which point they must either coast to the hard shoulder or apply the handbrake of interest rate rises, before the economy blows a gasket.

The benefit of a momentum model is it ignores what *should* happen and exploits what *does* happen, to give returns that reflect *actual* money flows.

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.