

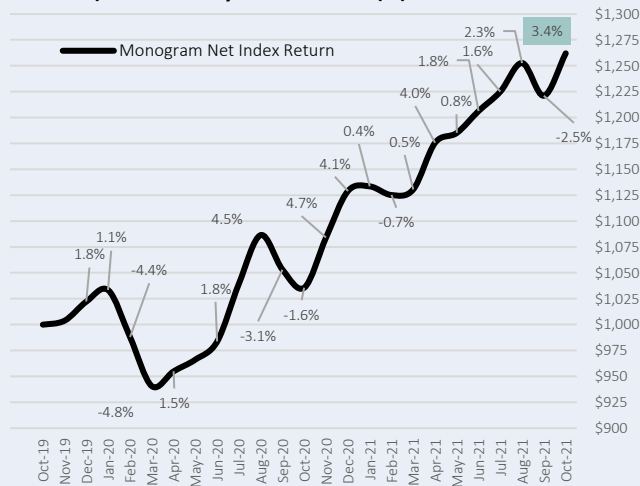
Investment Philosophy

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 3.4% net in the month of October and 11.4% YTD.

Cumulative Performance: MONOGRAM USD Net Return Index (MM)^{1,2} (Oct 2019 to Oct 2021) and Monthly Performance (%)



Source: Reuters & Monogram Capital Management

Market Overview

After cooling off in September, stocks surged to new highs in October as the S&P recorded its best month of the year (+5.8% USD, 3.9% GBP).

Furthermore, the Nasdaq gained (6.1%, 4.6%) along with Asia Pacific ex-Japan (2.2%, 2.9%) and EFEA (3.1%, 1.4%). Japan (-1.1%, -4.5%) bucked the trend within developed markets preceding the election of prime minister Fumio Kishida on the 31st October. US Aggregate bonds were muted (0.1%, 1.6%) along with HY bonds (-0.1%, -1.9%).

Stocks were supported by an increased appetite for risk following a positive start to the earnings season coupled with US Congressional leaders pushing towards a \$1.75tn spending package. Despite the positive start to earnings season, economic data provided a muddy picture as consumer prices continued to climb, while the Personal Consumption Expenditure figures showed prices rising less quickly than they were over the summer. If prices continue to rise, the Fed could begin to cut back on its monetary support for the economy and raise rates which tends to hurt stocks.

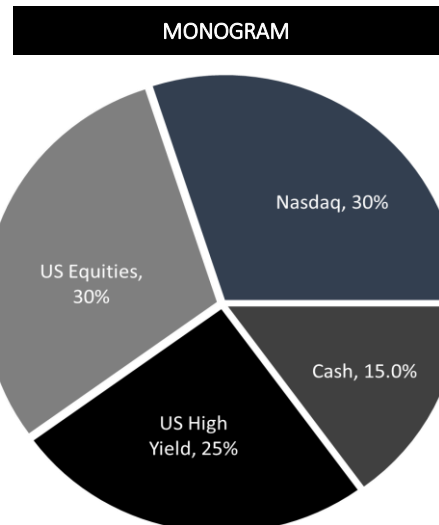
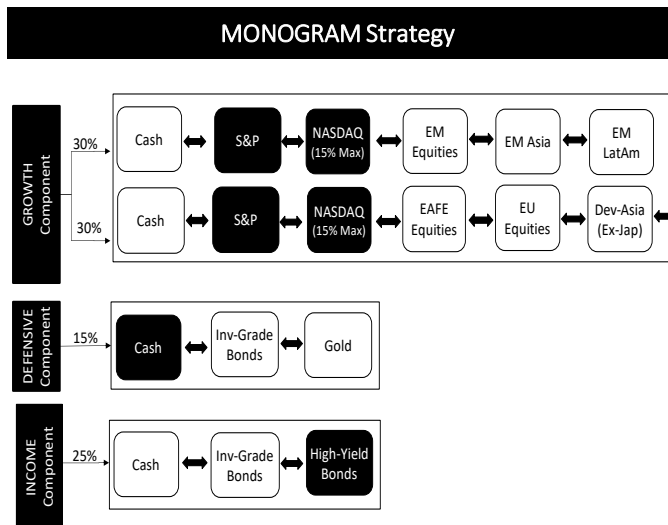
Peer Net Performance in USD⁴

	Performance Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
Oct-2021	3.4%	1.7%	1.6%	-0.9%	1.2%	-1.6%	1.6%
3 Months	3.0%	-1.4%	0.5%	-1.7%	0.7%	-1.2%	2.6%
6 Months	7.4%	5.9%	-0.4%	-2.7%	-0.4%	-1.5%	2.6%
9 Months	11.3%	12.2%	-6.4%	-3.8%	4.6%	-2.5%	10.6%
12 Months	21.9%	20.5%	-9.7%	-0.9%	10.8%	-1.5%	18.6%
2020	10.7%	2.2%	0.7%	7.2%	13.8%	-1.6%	13.8%

Source: Reuters & Monogram Capital Management

Monogram topped the table posting a 3.4% gain for the month of October. AQR, Aviva and Ruffer all posted similar returns at 1.7% and 1.6% respectively.

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



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 Aberdeen: LP68090812, Carmignac: LP68346404, Invesco: LP68240655, Ruffer: LP68118681

The Monogram USD model had another exceptional month. Outperforming all our peer group, despite the simplicity and liquidity (and indeed transparency) it possesses.

As Daniel Granja notes on the front of this newsletter, that was driven by renewed confidence in US markets, in particular the S&P 500. The model itself is oscillating between the S&P 500 and the NASDAQ, the latter coming back in after two weaker months. While the defensive and income portions are both in some measure marking time. US High Yield bonds being slightly weaker and as a result showing a loss of momentum.

Other Developed markets aside from Japan did well, Emerging Markets continue to be well off the pace.

To remind you of some of the keys to this success:

The fall in portfolio value from high to low (peak-to-trough loss or drawdown) is the main relevant measure of risk and not volatility as is the industry standard;

Minimising drawdowns is key to preserving wealth and compounding returns in a stable manner over time.

Cash is a strategic asset and can be fully allocated to (up to 100% of portfolio) if all assets in the investment universe are in drawdown.

Active asset allocation is driven by a combination of absolute and relative momentum factors.

Passive implementation is via cost efficient and physically backed Exchange Traded Funds (ETFs) and Index Funds.

Dual Momentum allows us to combine the benefits of *absolute* and *relative* momentum – setting assets against each other while retaining the ability to invest 100% of the portfolio in Cash should absolute momentum fall below the risk-free rate.

More information about the company is available on our website:

www.monograminvest.com

Our investment newsletters are available on:

Click [here](#) for the latest version (including the above comparative performance statistics and sources)

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.