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 momentum 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 +2.9% net in the month of February and -3% YTD.

Cumulative Performance: MONOGRAM USD Net Return Index (MM)[1, 2] (Oct 2019 to Mar 2022) and Monthly Performance (%)

Source: Reuters & Monogram Capital Management

Market Overview

Developed equity markets recovered some of their losses towards the end of March, which was up 2.7% for the MSCI World Index, yet, they were still down -5% year-to-date (YTD).

Emerging Markets were down some 4% in the month leading to losses YTD of circa 7.1%.

Over the quarter, developed market *value* stocks were only down 0.5%, while *growth* stocks fell nearly 10%. This was partly due to US 10-year Treasury yields reaching 2.4%, up from only 1.5% at the start of the year, after the Federal Reserve delivered its first rate hike since 2018. The Global Aggregate Bond Index also fell, by 6.2% over the quarter.

The orthodox narrative that inflation was transitory began to change at the beginning of the year and over the quarter Central Banks became gradually more hawkish, driving bond yields higher. The start of the war between Russia and Ukraine and the resulting commodity supply shock poses a dilemma for Central Banks who are now forced to choose between trying to tame inflation or support growth.

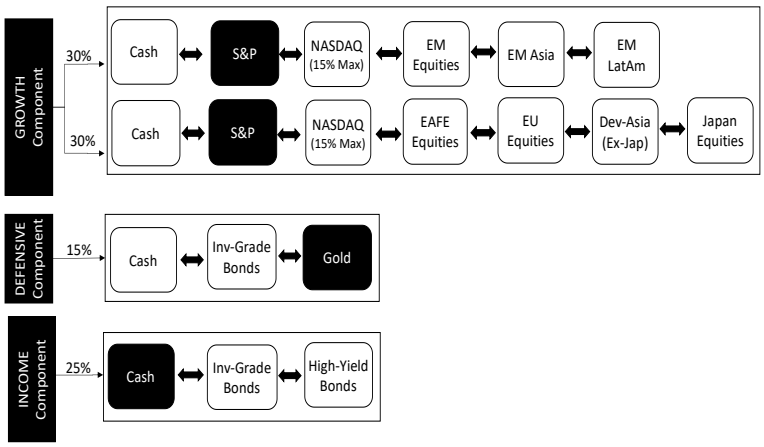
Performance	Monogram	AQR	Aviva	St Life	Carmignac	Invesco	Ruffer
	(Net)	(Net)	(Net)	(Net)	(Net)	(Net)	(Net)
Mar-2022	2.9%	0.3%	1.6%	-1.1%	-0.8%	0.5%	1.6%
3 Months	-3.0%	-1.2%	0.5%	-5.5%	-7.1%	-4.9%	5.8%
6 Months	2.8%	-3.3%	-0.4%	-4.6%	-8.9%	-4.7%	7.1%
9 Months	4.0%	-3.3%	-6.4%	-6.6%	-10.7%	-4.5%	7.5%
12 Months	11.0%	4.3%	-9.7%	-6.3%	-8.6%	-4.3%	9.1%
2021	14.5%	7.4%	-14.3%	-2.7%	-0.3%	-1.1%	9.9%

Source: Reuters & Monogram Capital Management

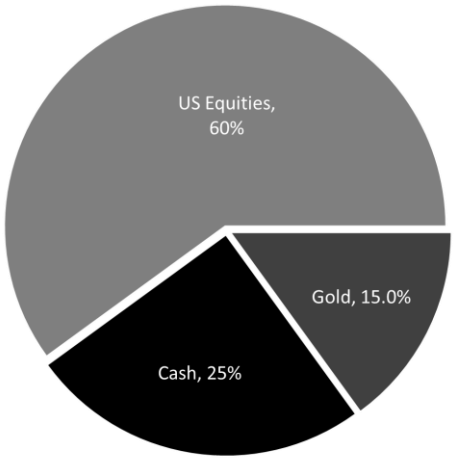
Monogram topped the table posting a gain of 2.9% for the month of March, with, Ruffer and Aviva joint second with 1.6%.

For April 2022, the strategy favours: US Equities (in the Growth Components); Gold (in the Defensive Component); Cash (in the Income Component).

MONOGRAM Strategy



MONOGRAM



[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 US$ model had another strong month, based on one of the simplest and most transparent of asset allocations. We surpassed all our peer group by over 100 basis points and remain ahead of all of them both for 2021, where our "no effort" +14.5% return leads the way and likewise on a twelve-month basis.

We were up +2.9% (as against the MSCI Developed World of +2.7%) and YTD are down -3%, as against --5% for the MSCI Developed World.

The model has also further reduced market exposure, by exiting all bond positions, and is simply holding 40% in cash or gold. About as defensive as we can get, short of exiting all equities. Many active managers will talk of making these moves, but remarkably few take them, in a timely and wholehearted fashion. We 'walk the walk' on capital preservation and are delighted to do so.
At the core of the MonograM model is finding *positive momentum*, and the *best* positive momentum, there is nothing more complex as to our aims. The magic is in our statistical techniques to do this, being sensitive to trends, but also ignoring short term market gyrations. In short knowing what is 'dip' and what is 'skip'.

The model had a couple of attempts at exiting the NASDAQ in 2022, much as it did the Chinese market in the prior year, and once again, the first signal was spot on, the confirmation was really just for our comfort. And again, both of those signals importantly *led most of the active market by between one and two quarters*. It is like having a reliable seismography predictor for market shocks.
For this year, having quit the NASDAQ in the autumn, China being long gone, the danger was a flirtation with Europe, but that too came to nothing and again we were well out of it, before long-signalled traumas finally erupted.

These are testing times, but good results in 2021 and vigilance on capital preservation are working well for our investors.

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.