

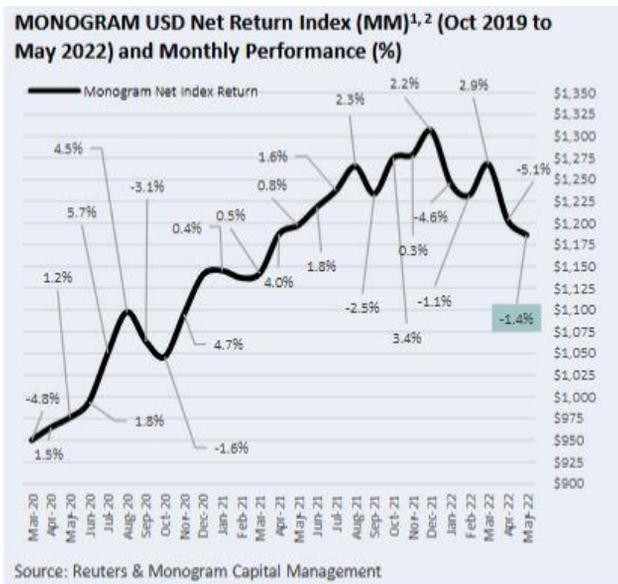
**Investment Philosophy**

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 -1.4% net in the month of May and -9.2% YTD.

**Cumulative Performance**



EAFE stocks fared better gaining 1.2% (1.5%) and Japan -0.6% (-0.2%). Emerging Market equities remained flat -0.1 (-0.3%), while marginal gains were seen in the fixed income market with US aggregate bonds up 0.6% (0.1%) and credit, High Yield 1.4% (1.4%).

Outright stagflation (positive inflation coupled with negative growth) remains a more serious risk in Europe given its reliance on Russia for roughly 40% of its gas supplies. Coupled with the EU's decision to cut 90% of oil imports from Russia.

The Fed's May meeting minutes also confirmed it was considering a two-phase approach to policy tightening, moving to neutral – a level that neither stimulates nor restricts the economy – in phase one and then pausing to assess the impact. That opens the door for a dovish pivot, yet a sustained risk asset rally remains unlikely, until any such a move becomes clearer.

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

Performance	Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
May-2022	-1.4%	1.4%	1.6%	-1.6%	-2.1%	-1.3%	1.0%
3 Months	-3.7%	-1.6%	0.5%	-3.8%	-3.5%	-1.8%	2.1%
6 Months	-7.2%	-6.1%	-0.4%	-6.2%	-10.3%	-4.4%	6.4%
9 Months	-6.3%	-8.7%	-6.4%	-8.7%	-12.2%	-7.5%	8.2%
12 Months	-0.9%	-3.9%	-9.7%	-8.9%	-12.2%	-5.0%	6.5%
2021	14.5%	7.4%	-7.3%	-2.7%	-0.3%	-1.1%	9.9%

Source: Reuters & Monogram Capital Management

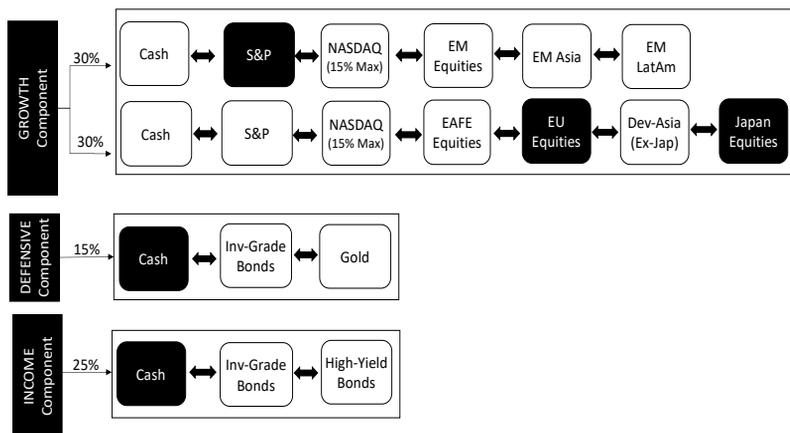
Aviva topped the table for a second consecutive month posting a gain of 1.6% for the month of May, with AQR second at 1.4%.

**Market Overview**

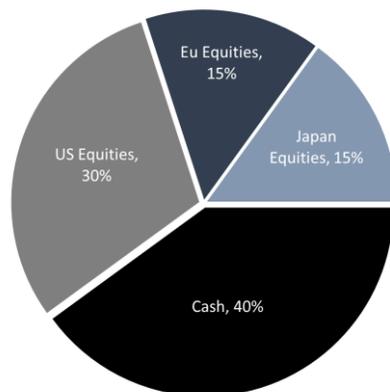
Global equity markets rebounded from their lows towards the end of May, although still closing marginally down. The S&P fell -2.4% (GBP -2.6%) with the NASDAQ down -4.6% (-4.9%).

For April 2022, the strategy favours: US, EU and Japanese Equities (in the Growth Components); Cash (in the Defensive Component); Cash (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); AQR: LP40186956, Aviva: A119DBX.DX, St Life Aberdeen: LP68090812, Carmignac: LP68346404, Invesco: LP68240655, Ruffer: LP68118681

The USD MonograM model is decisively rejecting US equities as desirable amongst developed markets now, having left the NASDAQ back in the autumn, albeit after a couple of months of reversing on/off signals. It has now also given two clear monthly signals to exit the S&P 500.

It also clearly 'likes' the old-style European alternative; old style in that the preferred ETF has a substantial UK weighting. It has also called time on gold.

The signal in favour of Japan has repeated for the second month in a row, that it has to be said is well within the margin for error, or more accurately a single late trade in a large index constituent. We would be more cautious about that.

The MonograM model is therefore performing its role as a left field indicator, the financial media, especially in the US, is not looking in these directions at all, but as the model is designed to tell us, investors clearly have been, as that is where the long-term momentum is showing up.

Many commentators (and indeed participants) hear the noise of short-term volatility, to the exclusion of long-term trends, in that respect the model could be used as a sound basis for hearing from all the market, not just the noisy parts.

Having said all that, the model preference remains for the US over any Emerging Market holding.

As a backward-looking momentum model, it will miss the exact turning points in markets, and by definition stay with a high-flying market for some time. Hence the decline of 1.4% in the month and indeed the disappointing 9.2% in the year.

Against our comparators, Ruffer stands out very well and Aviva has struck a good patch too. Although we still fare rather better over longer time periods.

#### 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% 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.*