

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 -3.9% net in the month of June and -12.7% YTD.

Cumulative Performance: MONOGRAM USD Net Return Index (MM)^{1,2} (Oct 2019 to June 2022) and Monthly Performance (%)



Source: Reuters & Monogram Capital Management

Market Overview

Huge losses were witnessed in global equity markets for the month of June. The S&P fell -8.1% (GBP -4.8%) with the NASDAQ down -8.4% (-4.9%).

EFEA fell -5.7% (-5.4%) with European equities hit particularly hard, down -7.1% (-6.5%). EM equities fell -3.2% (-2.5%) with LatAm down -11.1% (-13.7%). US Agg bonds fell -1.6% (+2%) along with US HY credit -6.6% (-3.5%).

Financial markets experienced a new bout of weakness for the month of June, while inflation remains sky-high and Central Bankers' action on interest rates is leading to fears that economies are entering a recession. Traders opted for further sell-offs, following weakening statistics that confirm the global economic slowdown. Pending the start of earnings season in mid-July, volatility is likely to remain high.

The EU will publish its new economic forecasts on July 6, the same day as the minutes of the last Fed meeting. In the US, the employment figures will be the focus of

Peer Net Performance in USD⁴

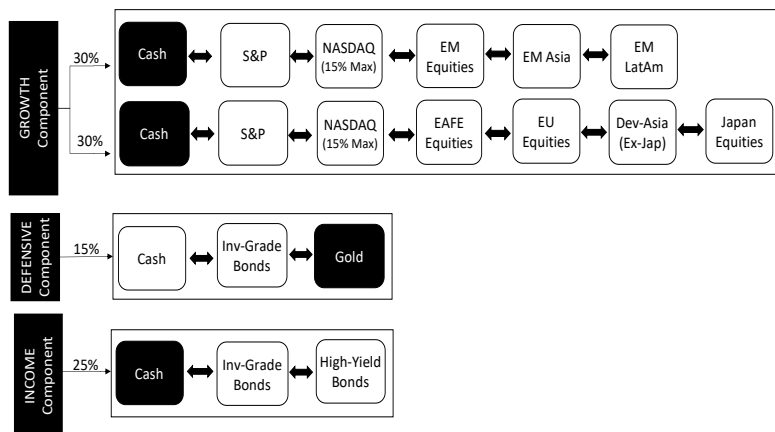
	Performance (Net)	Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
Jun-2022	-3.9%	-7.7%	1.6%	1.0%	-1.8%	-1.3%	-3.0%	
3 Months	-10.1%	-9.5%	0.5%	-1.8%	-4.7%	-3.6%	-3.7%	
6 Months	-12.7%	-10.6%	-0.4%	-7.2%	-11.4%	-8.3%	1.9%	
9 Months	-7.6%	-12.5%	-6.4%	-6.3%	-13.2%	-8.1%	3.1%	
12 Months	-6.4%	-12.5%	-9.7%	-8.3%	-14.9%	-7.9%	3.5%	
2021	14.5%	7.4%	-5.4%	-2.7%	-0.3%	-1.1%	9.9%	

Source: Reuters & Monogram Capital Management

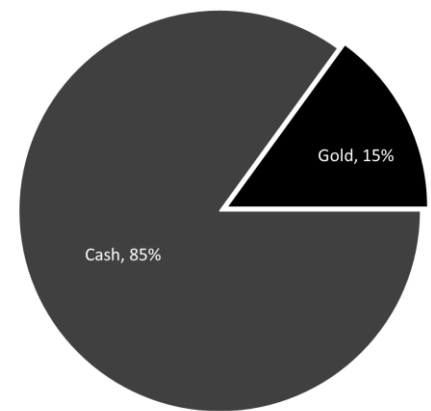
Avia topped the table posting a gain of 1.6% for the month of June, with Standard Life second at 1%.

For July 2022, the strategy favours: Cash (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

June saw fear spread throughout global asset markets, with very few places to hide. Afflicting both bonds and shares, and both core and more fringe markets like Latin America. There was very little certainty or conviction left.

It is at times like these that the MonogramM model can simply indicate that no market is safe and prompt a withdrawal into cash (or more specifically US short-dated Treasuries) or gold.

As a result of exactly that signal, all our equity positions tripped out and were closed at the month end.

Dollar strength continues, as the flight to quality combines with a more favourable level of yield on US bonds, as the US authorities play catch up with inflation. Markets seldom enjoy such conditions.

Our MonogramM model is also sensitive to short term moves, as it approaches a turning point (or loss of momentum). Experience has taught us to guard against this, by taking a fairly long-term view (twelve months), but even then, it can sometimes find markets, because of relative decline speeds, do appear briefly attractive.

They suddenly appear in the portfolio, but then vanish almost as fast. This is what happened with both European and Japanese equities in the second quarter. The brutal global shakeout in June quickly swept those timing differences aside, after quite a short period, leading to no global equities being held currently.

Our 2021 performance remains top of our comparator group, and over the last twelve months only Ruffer beats us. However, our June performance falls into the bottom half of comparator funds.

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.