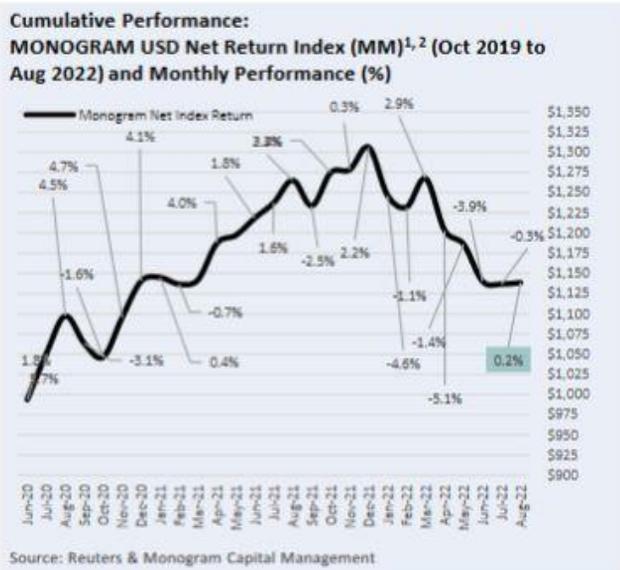


**Investment Philosophy**

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 +0.2% net in the month of August and -12.8% YTD.



EFEA fell -3.1% (GBP-1.6%) with European equities hit particularly hard, down -3.9% (GBP-1.9%). While the broad EM equity index fell moderately -0.3% (GBP+4.4%), LatAm fared well up 2.6% (GBP +8.2%) alongside Asia EM equities up 1.3% (GBP +4.1%). US Agg bonds fell -2.8% (GBP+1.5%) along with US HY credit -3.5% (GBP-0.9%).

The post pandemic consumer spending in goods appears to be shifting to services. This could prove a headwind for US equities: 62% of the S&P's earnings are from goods, while, 38% is attributed to services. The opposite is true for US GDP, hence, a degree of divergence between the US economy and its stock market may play out, in the latter part of Q4 2022, should supply and labour market constraints reduce.

In Europe, the energy shock induced by Russia's invasion of Ukraine will likely trigger a recession later in this year.

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

Performance	Monogram	AQR	Aviva	St Life	Carmignac	Invesco	Ruffer
	(Net)	(Net)	(Net)	(Net)	(Net)	(Net)	(Net)
Aug-2022	0.2%	-3.4%	1.6%	-1.2%	0.4%	0.1%	0.7%
3 Months	-4.0%	-6.0%	0.5%	-1.5%	-0.7%	0.5%	-1.9%
6 Months	-7.6%	-7.5%	-0.4%	-5.3%	-4.4%	-1.4%	-1.1%
9 Months	-10.9%	-11.7%	-6.4%	-7.6%	-11.1%	-4.0%	3.1%
12 Months	-10.0%	-14.1%	-9.7%	-10.1%	-13.0%	-7.1%	4.8%
2021	14.5%	7.4%	-4.1%	-2.7%	-0.3%	-1.1%	9.9%

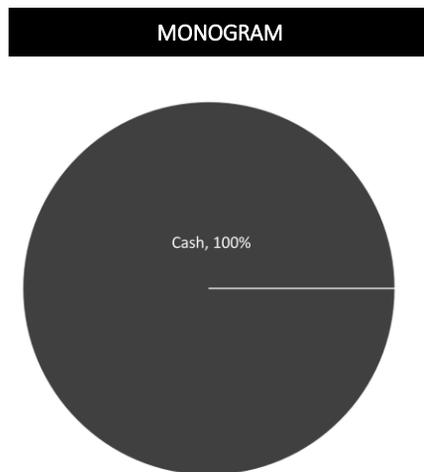
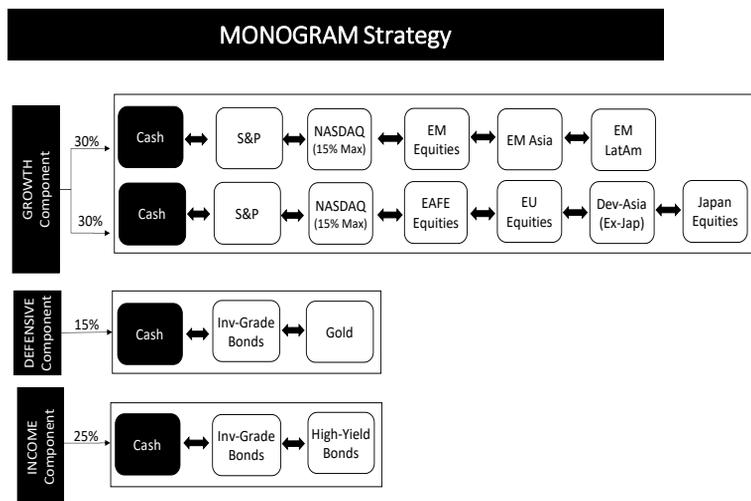
Source: Reuters & Monogram Capital Management

Aviva topped the table posting a gain of 1.6% for the month of August, with, Ruffer second up 0.7%.

**Market Overview**

Global equity market witnessed some divergence between developed and emerging markets in the month of August. The S&P fell -2.7% (GBP 1.7%) with the NASDAQ down -3.5% (GBP 0.9%).

For September 2022, the strategy favours: Cash (in the Growth Components); Cash (in the Defensive Component); Cash (in the Income Component). Cash is held in USD short dated Treasury Stock.



<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 Monogram model's investment process – key points

If a market has shown a net increase in total value in the last twelve months, the model will advise the fund manager to consider investment. It then ranks those positive markets within four sectors, income, defensive, growth (developed), and growth (emerging). Timely switching is prompted. Unlike other passive-investment funds, the Monogram model is set up to try and ensure that when a market's 'momentum' turns, or it falls behind another market, it will be switched.

We aim to avoid over-trading (which has cost and fiscal reporting implications), and we use our committee's monthly review meetings to avoid taking notice of any potential false signals. The Monogram Model has been exhaustively tested to refine the competitive, low cost, simple Absolute Return Model. If, prior to investing in the model, or in the company, you wish to be briefed on the theoretical basis behind the model, and other technical details, please do [get in touch](#).

### Before you consider investing, it is natural to ask how easily might this model sit within your existing portfolio?

Investors can select markets, sectors or stocks as well as the currency they are investing. The Monogram Momentum Model can be run on any selection of markets, sectors or stocks. As an absolute return investment it only invests in large liquid ETFs representing the selected sectors, to reduce costs. Transparency is a key value in Monogram.

What kind of product is it? The model has no derivative content, although we do compare our performance with funds which have a significant derivative content, for example, Ruffer.

The investment objective of the Monogram Model product is to achieve performance in the top quartile of all Targeted Absolute Return Models (of which some 115 are listed, just in the UK). Actual performance has beaten this, historically, although the model has undergone minor changes over a five year period.

#### 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. Any other provider can be used, at the discretion of the client or client advisers.

- 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 rise and fall 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.*