

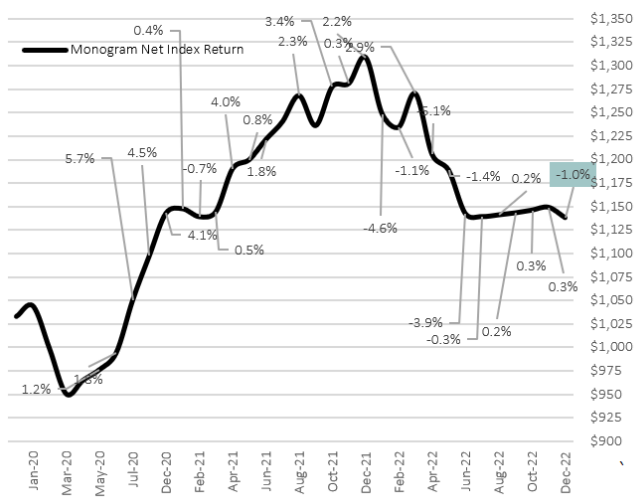
**Investment Philosophy**

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 compounds positive returns stably over the course of the market cycle.

**Performance Summary**

The MONOGRAM Strategy returned -0.9% and -12.2% for the full year.

**CUMULATIVE PERFORMANCE**



**Market Overview**

The S&P 500 was -19.44% for the 12 months to December 2022, recording its worst year since 2008. Monogram did 7% better than that, though still in negative territory. The systemic shock in 2008 was of a different nature however.

The nearly 20% drop in the S&P 500 resulted from a cocktail of uncertainty: rapidly rising inflation, and the Fed not starting its rate tightening program promptly enough were tangible home-grown phenomena.

Added to that, the macro factors mentioned in our insights included an impending sense that a recession was imminent, and geopolitical tensions including the Ukraine war, though we noted but did not explicitly write about Taiwan. China's spike in COVID cases brought fear to the US markets, as some of the supply chain issues from 2021 remained unresolved.

In December, Standard Life took the lead at +3%, with the AQR bringing up the rear at -8.9%. Monogram's -1% was average.

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

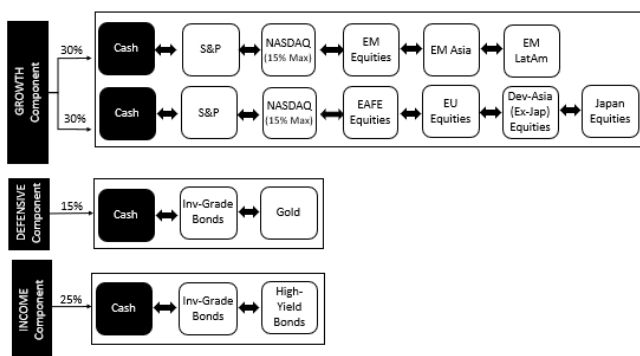
Performance	Monogram (Net)	AQR (Net)	Aviva (Net)	St Life (Net)	Carmignac (Net)	Invesco (Net)	Ruffer (Net)
Dec-2022	-1.0%	-8.9%	1.6%	3.0%	-0.5%	1.3%	0.7%
3 Months	-0.4%	-1.8%	0.5%	-0.1%	4.6%	5.0%	0.7%
6 Months	-0.4%	-6.3%	-0.4%	-2.5%	4.0%	8.3%	4.8%
9 Months	-10.4%	-15.2%	-6.4%	-4.3%	-0.9%	4.4%	0.9%
2022	-13.1%	-16.2%	-9.7%	-9.5%	-7.9%	-0.7%	6.7%
2021	14.5%	7.4%	10.3%	-2.7%	-0.3%	-1.1%	9.9%

Source: Reuters & Monogram Capital Management

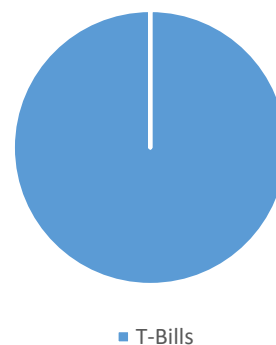
Over one year the result was -13.1% but over two it remained just positive, unlike all the comparators except Ruffer.

The model indicated a 100% holding in short dated T-Bills (cash) for January. A position it held for a number of months prior to December, when it had indicated a 30% move into non US equity.

**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 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. The model also uses filters and dampers to reduce signal noise.

We aim to avoid over-trading (which has cost and fiscal reporting implications), and we use our committee's monthly review meetings to seek 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](#). Equally, if you want to 'try out' the model for a limited time, please just let us know – we will accommodate.

### 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 in. 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. **We do not hold your money, which sits in your own account – we are simply granted a management mandate.** Below are our preferred low cost options for where you hold your funds.

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; we do not hold clients' money**. 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). Our holdings are all 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 the client daily. JIM reports quarterly. Real time access to your account (including to deal) is provided 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. Dealing without the full data is high risk, may cause losses and is not permitted. If we become aware of it, we will seek to remove access.*