

# Dynamic Overlay



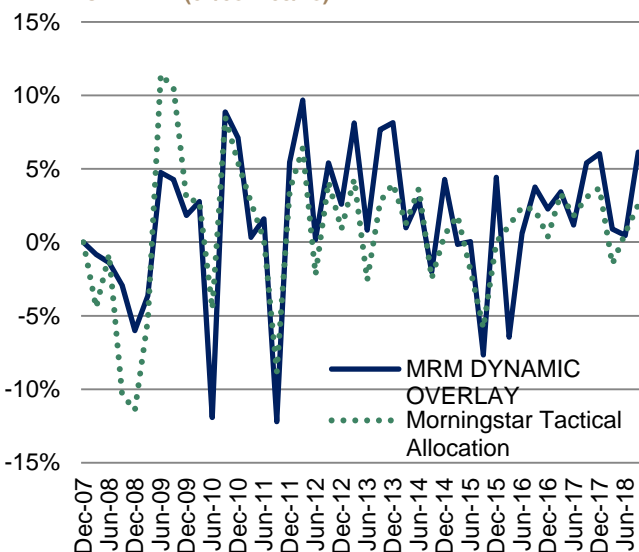
## INVESTMENT OBJECTIVE

The Dynamic Overlay strategy actively invests in Exchange Traded Funds (ETF's) in an attempt to generate above-market returns, protect principal and reduce volatility. The Flagship portfolio of MRM, this tactical portfolio combines a diversified allocation among broad-based domestic and international equity market ETFs with opportunistic investments in sector ETFs that have the potential to outperform broader market indices. The portfolio can be fully invested when investments rank positively and may hold up to 70% in cash when potential investments look unattractive. The portfolio does NOT use inverse or leverage ETFs.

## FEATURES AND BENEFITS

- Diversified investments across domestic, international and sector ETFs
- Efficient quantitative approach using bottom- up investment decision-making
- Tactically sensitive to changes in investment opportunity
- Actively- managed approach that attempts to avoid wealth-depleting draw-downs

MRM DYNAMIC OVERLAY QUARTERLY RETURNS VS. BENCHMARK (01/08 – 09/18)



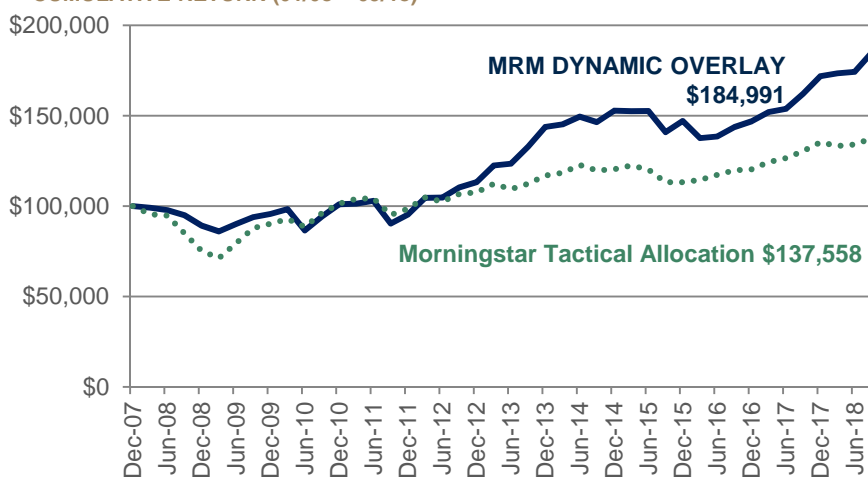
STATISTICAL SUMMARY (01/08 – 09/18)

	MRM DYNAMIC OVERLAY	Morningstar Tactical Allocation
Total Rate of Return <sup>2</sup>	84.99%	37.56%
Average Quarterly Return <sup>3</sup>	1.57%	0.86%
Quarterly Standard Deviation	5.05%	4.80%
Upside Capture	113.05%	100.00%
Downside Capture	59.70%	100.00%
Sharp Ratio	0.31	0.18
Correlation	0.77	1.00
Growth of \$100,000	\$184,990.80	\$137,557.52

QUARTERLY NET PERFORMANCE (01/08 – 09/18) GIPS COMPLIANT

	Q1	Q2	Q3	Q4	YTD	Morningstar Tactical Allocation
2008	-0.83%	-1.38%	-2.92%	-6.01%	-10.75%	-24.75%
2009	-3.63%	4.75%	4.28%	1.84%	7.19%	19.97%
2010	2.77%	-11.92%	8.87%	7.11%	5.55%	12.26%
2011	0.34%	1.60%	-12.20%	5.49%	-5.58%	-2.84%
2012	9.67%	0.19%	5.40%	2.59%	18.82%	9.31%
2013	8.12%	0.84%	7.67%	8.14%	26.94%	8.60%
2014	1.00%	2.94%	-2.01%	4.27%	6.23%	2.93%
2015	-0.14%	0.04%	-7.66%	4.41%	-3.67%	-5.92%
2016	-6.45%	0.62%	3.76%	2.27%	-0.12%	6.27%
2017	3.44%	1.18%	5.40%	6.04%	16.97%	12.82%
2018	0.90%	0.47%	6.14%		7.61%	1.76%

CUMULATIVE RETURN (01/08 – 09/18)



ANNUALIZED RETURNS (09/18)

	YTD	1-YEAR	3 Yr An.	5 Yr An.
MRM DYNAMIC OVERLAY	+7.61%	+14.10%	+9.49%	+6.83%
Morningstar Tactical Allocation	+1.76%	+5.57%	+6.96%	+4.60%

<sup>1</sup> MRM Group, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). The firm has complied with the GIPS standards since January 1, 2008

<sup>2</sup> Total Returns are calculated from January 1, 2008

☐ Please refer to important disclosure information on the back page ☐ To obtain the composite presentation, please call MRM (314) 628-1100

# Dynamic Overlay

The Dynamic Overlay strategy actively invests in Exchange Traded Funds (ETF's) in an attempt to generate above-market returns, protect principal and reduce volatility. The Flagship portfolio of MRM, this tactical portfolio combines a diversified allocation among broad-based domestic and international equity market ETFs with opportunistic investments in sector ETFs that have the potential to outperform broader market indices. The portfolio can be fully invested when investments rank positively and may hold up to 70%, or more in cash when potential investments look unattractive. The portfolio does NOT use inverse or leverage ETFs.

## DEFINITIONS

**Standard Deviation:** In finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility. Standard deviation is also known as historical volatility and is used by investors as a gauge for the amount of expected volatility. For example, a volatile stock will have a high standard deviation while the deviation of a stable blue chip stock will be lower. A large dispersion tells us how much the return on the fund is deviating from the expected normal returns.

**Sharpe Ratio:** The Sharpe ratio uses standard deviation to measure a fund's risk-adjusted returns. The higher a fund's Sharpe ratio, the better a fund's returns have been relative to the risk it has taken on. Because it uses standard deviation, the Sharpe ratio can be used to compare risk-adjusted returns across all fund categories. Even though a higher Sharpe ratio indicates a better historical risk-adjusted performance, this doesn't necessarily translate to a lower-volatility fund. A higher Sharpe ratio just means that the fund's risk/return relationship is more proportional or optimal.

Investors should not rely on charts and graphs alone when making investing decisions. Investments in securities of non-U.S. issuers involve investment risks different from those of U.S. issuers, including currency risks, political, social, and economic risks.

**Please contact MRM Group to obtain a Compliant Presentation and/or MRM's list of Composite descriptions.**



## DISCLOSURES

MRM Group, Inc. is an SEC registered investment advisor. MRM Group, Inc. is an independent management firm that is not affiliated with any parent organization.

MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). MRM has been independently verified for the periods January 1, 2008 through present. The verification report is available upon request. Verification assesses whether (1) MRM has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) MRM's policies and procedures are designed to calculate the present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Dynamic Overlay platform is a tactical, quantitative strategy that uses exchange-traded funds (ETFs) and other securities as approved, from time to time, by the principal of MRM Group at its sole discretion. Effective Nov. 1, 2016 the benchmark is Morningstar's Tactical Allocation. Morningstar's Tactical Allocation Category averages returns for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends. Tactical Allocation portfolios seek to provide capital appreciation and income by actively shifting allocations between asset classes. These portfolios have material shifts across equity regions, and bond sectors on a frequent basis. To qualify for the Tactical Allocation category, the fund must first meet the requirements to be considered in an allocation category. Next, the fund must historically demonstrate material shifts within the primary asset classes either through a gradual shift over three years or through a series of material shifts on a quarterly basis. The cumulative asset class exposure changes must exceed 10% over the measurement period. Generally, data on MRM Strategies is provided by the MRM Group, Inc. Morningstar ratings and data on non-MRM strategies is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although MRM believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely. MRM is not responsible for any damages or losses arising from any use of this third-party information.

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempts to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, or can accurately predict future market, industry, and sector performance.

Valuations are computed and performance is reported in U.S. dollars. Client performance may differ based upon the structure of a particular investment program. For example, some programs are structured as wrap fee programs in which trading costs and brokerage commissions are included in one all-inclusive wrapped fee. As such, these costs may be higher than if the client were to pay trading costs and brokerage commissions separately. Deviation from the model's diversified structure may result in different risk, return, and diversification characteristics and would therefore not be representative of the models.

All information contained herein is for informational purposes only. This is not a solicitation to offer investment advice in any state where it would be unlawful. There is no assurance that this platform will produce profitable returns or that any account will have results similar to those of the platform. Past performance is not a guarantee of future results. You may lose money. Factors impacting client returns include individual client risk tolerance, restrictions client may place on the account, investment objectives, choice of broker/dealer or custodians, as well as other factors. Any particular client's account performance may vary substantially from the program results due to, among other things, commission, timing of order entry, or the manner in which the trades are executed. The investment return and principal value of an investment will fluctuate dramatically, and an investor's equity, when liquidated, may be worth more or less than the original cost. Investors should consider the investment objective, risks, charges, and expenses carefully prior to investing. Dynamic Overlay is suitable for the long-term investor.

Net-of-fees returns are presented after advisor, management, custodial and trading expenses. The net of fee returns are calculated using actual management fees. The standard MRM management fee is 1.0%. The actual fees charged vary and range from .5% to 2.2%, this fee includes advisor and custodial charges. Depending on the size of the account and the custodian.

If you wish to modify or impose reasonable restrictions concerning the management of your account, or if your financial situation, investment objectives, or risk tolerance have changed, please contact your MRM Group investment advisor representative or contact the Manager at (800) 233-1944. We will contact you at least annually to determine if your investment goals, objectives, and risk tolerance have changed.