MRM GROUP

Monthly Investment Commentary

January 2023

ECONOMIC UPDATE

- The calendar has thankfully turned on a dreadful year for most financial markets
- The Fed transitioned from a ‘transitory’ characterization of inflation risks to extreme policy tightening in 2022, including 425 basis points of rate hikes and >$400 billion of balance sheet reduction

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 12/31/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	**-22.36%**	**-22.36%**	**+0.73%**	**+3.38%**
Morningstar Average Tactical Return (fixed & equities)	-15.49%	-15.49%	+1.80%	+2.50%
All Equity	**-30.67%**	**-30.67%**	**-4.26%**	**+2.87%**
S&P 500 Total Return	-18.11%	-18.11%	+7.66%	+9.42%
Dynamic International	**-21.45%**	**-21.45%**	**-2.61%**	**-3.16%**
MSCI EAFE with dividends	-14.01%	-14.01%	+1.34%	+2.03%
Global Strategies	**-26.29%**	**-26.29%**	**-0.75%**	**+1.69%**
(50%) S&P / (50%) MSCI EAFE	-16.06%	-16.06%	+4.60%	+5.99%
Tax-Advantaged Income	**+0.92%**	**+0.92%**	**+7.12%**	**+7.39%**
Dow Jones US Select Dividend	-1.58%	-1.58%	+4.50%	+4.08%

MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). Returns are net of fees. For more information visit www.mrminv.com.

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

January 2023

Monthly Investment Commentary

Market

The calendar has thankfully turned on what was a very challenging year for financial markets in general and the bond market in particular. After mistakenly characterizing inflation as transitory in 2021, the Fed spent most of 2022 playing an extreme game of catch-up regarding monetary policy tightening. Included in the Fed's efforts were 425 basis points (bps) of rate hikes and more than $400 billion of balance sheet reduction. Both contributed to historically high levels of interest rate volatility for a sustained period, which had a notable impact on liquidity and performance of broad fixed income.

Heightened Recession Risks for 2023

Business cycles inevitably change, and the Fed's extraordinary efforts to rein in inflation have bolstered the odds of a recession in 2023. In simple terms, the Fed and most other major central banks are trying to slow their respective economies, and there's budding evidence that they are succeeding. In a recent outlook, the Citigroup economics team highlighted the following factors that are currently present and typically indicators of impending recession:

- The housing sector is in contraction
- The Treasury yield curve is inverted
- Individuals and businesses feel more positive about current conditions than the future
- The unemployment rate is historically low
- Inflation is running well-above target
- The Fed is raising interest rates and financial conditions are tightening rapidly

Perhaps the better question is how the Fed will respond. As Fed Chair Powell has made clear, they are trying to slow the economy, particularly an overheated labor market. In recent comments, Powell has suggested that a labor supply and demand imbalance could persist for longer than currently expected, keeping wage inflation and, consequently, non-shelter services inflation elevated for much of 2023. These conditions would support keeping the fed funds rate elevated for longer than the market is currently pricing, as well as continuing with balance sheet reduction for the foreseeable future.

MRM's View

There is some concern that the Fed's balance sheet reduction efforts will create a liquidity issue at some point in 2023 as reserves drain from the banking system. However, liquidity remains very abundant in the overall system, as evidenced by the fact that the Fed's reverse repo program (RRP) ended 2022 with more than $2.5 trillion of balances.

Source: ALM First

MRM model holdings as of December 31, 2022

MRM Global Strategies

AMERICAN EXPRESS CO	5.00%
BOEING CO	3.00%
CIGNA CORP NEW	5.00%
DEERE & CO	5.00%
DEVON ENERGY CORP NEW	4.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%
GILEAD SCIENCES INC	5.00%
ALPHABET INC CAP STK CL C	6.00%
GOLDMAN SACHS GROUP INC	5.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%
ISHARES S&P INDIA NIFTY 50 INDEX	3.00%
J P MORGAN CHASE & CO	5.00%
LILLY ELI & CO	5.00%
LULULEMON ATHLETICA INC COM	5.00%
NORTHROP GRUMMAN CORP	5.00%
OCCIDENTAL PETE CORP DEL	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
SPDR S&P 500 TRUST	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic Overlay – ETFs

ISHARES DOW JONES SELECT DIVIDEND	8.00%
ISHARES S&P 500 VALUE INDEX FUND	15.00%
ISHARES S&P 100 INDEX FUND	5.00%
POWERSHARES QQQ TRUST, SERIES 1	5.00%
GUGGENHEIM S&P 500 EQUAL WEIGHT	5.00%
SPDR S&P 500 TRUST	30.00%
VANGUARD GROWTH INDEX FUND	5.00%
ENERGY SELECT SECTOR SPDR FUND	10.00%
HEALTH CARE SELECT SECTOR SPDR	15.00%
FDIC CASH NOT COVERED BY SIPC	2.00%

MRM Dynamic International

WISDOMTREE INDIA EARNINGS FUND	10.00%
ISHARES MSCI CANADA INDEX FUND	15.00%
ISHARES MSCI NETHERLANDS	16.00%
ISHARES MSCI TAIWAN INDEX FUND	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	20.00%
SPDR S&P 500 TRUST	28.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM All Domestic Equity

BOEING CO	5.00%
CIGNA CORP NEW	5.00%
CHEVRON CORP NEW	5.00%
DEERE & CO	5.00%
DEVON ENERGY CORP NEW	5.00%
GILEAD SCIENCES INC	6.00%
ALPHABET INC CAP STK CL C	6.00%
GOLDMAN SACHS GROUP INC	5.00%
HOME DEPOT INC	5.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%
J P MORGAN CHASE & CO	5.00%
LILLY ELI & CO	5.00%
LULULEMON ATHLETICA INC COM	5.00%
NORTHROP GRUMMAN CORP	5.00%
OCCIDENTAL PETE CORP DEL	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	3.00%

IMPORTANT DISCLOSURES

MRM Group, Inc. ("MRM") is a state-registered investment advisor and an independent management firm that is not affiliated with any parent organization. Using quantitative selection methods, each MRM strategy searches within a well-defined universe of securities, using consistent investment criteria to identify attractive investments and create diversified portfolios. MRM seeks to provide long-term capital growth.

STRATEGY	BENCHMARK	VEHICLES	CASH HOLDINGS *(When Potential Investments Look Unattractive)*
Dynamic Overlay	Morningstar Tactical Allocation	Domestic Securities	Up to 70%
All Domestic Equity	S&P 500 Total Return	Domestic Securities/ADR's	Up to 60%
Dynamic International	MSCI EAFE Gross	Exchange-Traded Funds (ETF's)/Other Securities	Up to 25%
Global Strategies	50% S&P 500 Total Return/ 50% MSCI EAFE Gross	Exchange-Traded Funds (ETF's)/Other Securities	Up to 50%
Tax-Advantaged Income	Dow Jones US Select Dividend Index	Domestic Securities	Up to 4%

The portfolios do NOT use inverse or leveraged ETFs. Universe vehicles may change, from time to time, when approved by the principal of MRM Asset Allocation Group at its sole discretion.

BENCHMARK NOTES

Effective Nov. 1, 2016 the Dynamic Overlay benchmark was changed to Morningstar's Tactical Allocation. The benchmark was applied retroactively to the beginning of the performance period, January 1, 2008. This change had the net effect of placing the Dynamic Overlay Model Portfolio in a more favorable light than would otherwise have been the case if we used the blended benchmark described below. Although this change had a favorable impact on the comparative effect on the model's performance but we believe the change in benchmark more appropriately aligns with our Dynamic Overlay Strategy in that it is designed a tactical allocation rather than a static blended benchmark of 75% S&P 500 Index Total Return and 25% MSCI EAFE. Morningstar's Tactical Allocation Category averages returns for the peer group based on the return of each fund within the group, for the period shown. The S&P 500 Index with dividends is an unmanaged composite of 500 large-capitalization companies whose data is obtained from the Standard & Poor's website. S&P 500 is a registered trademark of McGraw-Hill, Inc. The MSCI EAFE Gross Index is a free float–adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada, with data from the MSCI website using price with reinvestment of dividends. The performance of blended benchmarks is shown for comparison because MRM uses securities which track indices related to these products. The Dow Jones US Select Dividend Index comprises 100 stocks and aims to represent the U.S.'s leading stocks by dividend yield. An investment cannot be made directly into an index.

DISCLOSURES

MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). MRM has been independently verified for the periods January 1, 2008 through December 31, 2022. 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.

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. The standard management fee is 2.0%. 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.

Investors should not rely on charts and graphs alone when making investing decisions. Investments in securities of non-US issuers involve investment risks different from those of U.S. issuers, including currency risks, political, social, and economic risks. 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 actual fees charged vary and range from .5% to 2.2%, 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.

All MRM platforms are suitable for long term investing. Please read the fact sheets and disclosures for each platform carefully before investing.

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