



Monthly Investment Commentary

February 2018

AN UPDATE

After an extraordinary advance in the S&P 500 of nearly 60% from the low in February 2016, which included gains of 21% in 2017 and 6% in January 2018, the stock market had a long overdue correction in the last week or so from the recent record highs. Ironically the correction has occurred at a time of strength in global growth and corporate earnings. Corrections are normal, healthy, and to be expected when investing in equities.

The main driver of the recent market selloff was the sharp rise in interest rates as the 10-Yr. U.S. Treasury Yield spiked 45 basis points from 2.41% at the beginning of the year to the 2.85% level. Bond yields are rising due to strong economic fundamentals and firmer inflation data that includes a jump in wage growth to a 2.9% annual rate, the fastest since 2009. The perception of a continuing rise to 3% or higher in 10-Year yields and higher inflation began to stoke investor concerns that the Federal Reserve would raise rates more aggressively this year increasing the risk of a slowdown or possibly a recession. We see inflation slowly rising toward the Fed's 2% target and interest rates moving gently higher.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 01/31/2017)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+6.30%	+21.77%	+7.29%	+9.04%
<i>Morningstar Average Tactical Return</i>	+3.18%	+14.91%	+5.50%	+5.47%
All Equity	+11.19%	+38.52%	+15.21%	+15.45%
<i>S&P 500 Total Return</i>	+5.73%	+26.41%	+14.66%	+15.91%
Dynamic International	+6.27%	+18.61%	+4.64%	+3.50%
<i>MSCI EAFE with dividends</i>	+5.02%	+28.20%	+9.90%	+8.33%
Global Strategies	+8.91%	+28.56%	+11.74%	+11.18%
<i>(50%) S&P/(50%) MSCI EAFE</i>	+5.38%	+27.31%	+12.33%	+12.38%
Tax-Advantaged Income*	+1.19%	NA	NA	NA
<i>Dow Jones US Select Dividend Total Return</i>	+2.11%	NA	NA	NA

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

*** Tax-Advantaged Income composite started 06/01/2017.**

IMPORTANT DISCLOSURES

MRM Group, Inc. ("MRM") is an SEC 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 <i>(When Potential Investments Look Unattractive)</i>
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

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

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