



# Monthly Investment Commentary

March 2021

## Markets Rebound in February

After a weak January, equity markets rebounded in February, despite some late-month volatility driven by a spike in U.S. interest rates. The S&P 500 gained 2.76 percent in February, while the Dow Jones Industrial Average increased by 3.43 percent. The heavily technology-weighted Nasdaq Composite gained 1.01 percent. These positive results coincided with improving fundamentals during the month. According to Bloomberg Intelligence, as of February 26 with 96 percent of companies having reported, the average fourth-quarter earnings growth rate for the S&P 500 stands at 5.8 percent. This is much better than analyst estimates.

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 2/28/2021)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>+1.65%</b>	<b>+20.99%</b>	<b>+7.28%</b>	<b>+11.02%</b>
<i>Morningstar Average Tactical Return (fixed &amp; equities)</i>	+2.16%	+18.31%	+6.16%	+8.35%
<i>(75%) S&amp;P / (25%) MSCI EAFE</i>	+1.59%	+29.21%	+12.01%	+15.32%
<b>All Equity</b>	<b>+2.20%</b>	<b>+28.26%</b>	<b>+11.39%</b>	<b>+16.45%</b>
<i>S&amp;P 500 Total Return</i>	+1.72%	+31.29%	+14.14%	+16.82%
<b>Dynamic International</b>	<b>+3.15%</b>	<b>+23.10%</b>	<b>+0.77%</b>	<b>+5.22%</b>
<i>MSCI EAFE with dividends</i>	+1.18%	+22.98%	+5.10%	+10.26%
<b>Global Strategies</b>	<b>+2.07%</b>	<b>+33.06%</b>	<b>+7.68%</b>	<b>+11.04%</b>
<i>(50%) S&amp;P / (50%) MSCI EAFE</i>	+1.45%	+27.14%	+9.80%	+13.73%
<b>Tax-Advantaged Income*</b>	<b>+3.25%</b>	<b>+18.46%</b>	<b>+8.51%</b>	<b>NA</b>
<i>Dow Jones US Select Dividend Total Return</i>	+9.40%	+19.72%	+7.31%	NA

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

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

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

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### Technical

Technical factors also remained supportive in February. Despite the month-end volatility, all three major indices spent the entire month well above their respective 200-day moving averages for the eighth month in a row, indicating continued healthy levels of investor support for markets. The 200-day moving average is an important technical signal, as prolonged breaks above or below this line can indicate shifting investor sentiment for an index.

### International/Fixed

The story was similar internationally. The MSCI EAFE Index rebounded from a volatile January, gaining a solid 2.24 percent in February. The MSCI Emerging Markets Index gained 0.77 percent. Both major international indices saw month-end volatility that offset gains from earlier in the month. Fixed income markets had a challenging February, driven by the rise in long-term interest rates. The 10-year U.S. Treasury yield rose from 1.09 percent at the start of the month to 1.44 percent at month-end. This growth in rates was partially due to rising inflation.

### Public Health Outlook Improves

The news on the public health front in February was quite positive. The U.S. made solid advances in bringing the pandemic under control, and mass vaccination efforts continued to pick up steam. The number of new cases per day dropped by roughly half throughout the month, and we are now at levels last seen in October. We saw improvement in the number of hospitalized

patients and the positive test rate as well. There were some signs toward month-end that the pace of improvement may have begun to slow, but the progress made in February was more than welcome. One factor in this improved public health picture was the increase in vaccinations.

### Economic Recovery Accelerates

The market and public health progress came amid steadily improving economic data. Consumer confidence and spending reports were especially encouraging. Retail sales and personal spending surged in January, driven by the improving public health situation and the federal stimulus checks. Both measures of consumer spending saw their best month of growth since last June, when the lifting of initial lockdowns and the first round of stimulus helped spur a swift rebound.

### MRM's View

While there are reasons to be hopeful for faster growth and continued market appreciation, risks remain. On the public health front, we still face the risk of more contagious strains of the coronavirus. We have not seen a noted increase in infections on a national level, but this is a risk that should be watched, especially in the short term, as we continue to ramp up vaccination efforts across the country. On the economic front, while momentum is good, unemployment is still very high. The economy appears to be positioned to weather the pandemic over the next few months—once we go beyond that, though, the risks rise. For now we remain bullish.

Source: Commonwealth

#### MRM model holdings as of December 31, 2020

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES MSCI EMERGING MARKETS	8.00%	APPLE INC COM	5.00%
CUMMINS INC COM	5.00%	FIRST TRUST TECHNOLOGY ALPHADDEX	5.00%	AMAZON COM INC	5.00%
CARVANA CO CL A	5.00%	ISHARES NASDAQ BIOTECHNOLOGY	5.00%	CHEWY INC CL A	5.00%
ISHARES MSCI EMERGING MARKETS	5.00%	ISHARES RUSSELL 2000 INDEX FUND	5.00%	CUMMINS INC COM	5.00%
ISHARES MSCI NEW ZEALAND INVEST	10.00%	ISHARES RUSSELL 3000 INDEX FUND	3.00%	CARVANA CO CL A	5.00%
ISHARES MSCI TAIWAN INDEX FUND	9.00%	ISHARES S&P 100 INDEX FUND	10.00%	FACEBOOK INC CL A	5.00%
FACEBOOK INC CL A	5.00%	POWERSHARES QQQ TRUST, SERIES 1	10.00%	ALPHABET INC CAP STK CL C	6.00%
ALPHABET INC CAP STK CL C	6.00%	SPDR S&P 500 TRUST	20.00%	MORGAN STANLEY NEW	5.00%
MORGAN STANLEY NEW	5.00%	SPDR S&P 500 GROWTH ETF	5.00%	MICROSOFT CORP	5.00%
MICROSOFT CORP	4.00%	VANGUARD GROWTH INDEX FUND	19.00%	METTLER TOLEDO INTERNATIONAL	5.00%
METTLER TOLEDO INTERNATIONAL	5.00%	FINANCIAL SELECT SECTOR SPDR FUND	4.00%	NETFLIX COM INC	5.00%
NIKE INC CL B	5.00%	CONSUMER DISCRETIONARY SELECT	5.00%	NIKE INC CL B	5.00%
NVIDIA CORP	5.00%	FDIC CASH NOT COVERED BY SIPC	1.00%	NVIDIA CORP	5.00%
QUALCOMM INC	5.00%			QUALCOMM INC	5.00%
SHOPIFY INC CL A	5.00%			RINGCENTRAL INC CL A	5.00%
SMARTSHEET INC COM CL A	5.00%			SEA LTD ADR	3.00%
SPDR S&P 500 TRUST	5.00%			SHOPIFY INC CL A	5.00%
UNITED PARCEL SERVICE INC CL B	5.00%			SMARTSHEET INC COM CL A	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%			SNOWFLAKE INC CL A	5.00%
				UNITED PARCEL SERVICE INC CL B	5.00%
				FDIC CASH NOT COVERED BY SIPC	1.00%

#### MRM Dynamic International

ISHARES MSCI EMERGING MARKETS	25.00%
ISHARES MSCI NEW ZEALAND	19.00%
ISHARES MSCI NETHERLANDS	25.00%
ISHARES MSCI TAIWAN INDEX FUND	25.00%
SPDR S&P 500 TRUST	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

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### 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 (When Potential Investments Look Unattractive)
Dynamic Overlay	Morningstar Tactical Allocation (75%) S&P500 / (25%) MSCI EAFE	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, 2020. 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.

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***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.**