



Monthly Investment Commentary

April 2022

The Market

Rising prices and slowing demand have cast shadows on this year's economic outlook, especially as the Federal Reserve begins tightening monetary policy. Whether the situation will lead to a recession remains to be seen. Globally, there are signs that stretched supply chains are beginning to ease, potentially slowing the pace of inflation—which would be welcome news.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 3/31/2022)

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.

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-9.40%	+6.15%	+9.42%	+9.28%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-5.68%	+2.60%	+8.25%	+6.83%
All Equity	-14.80%	-2.47%	+5.79%	+12.07%
<i>S&P 500 Total Return</i>	-4.60%	+15.65%	+18.92%	+15.99%
Dynamic International	-8.64%	-5.20%	+4.19%	+1.67%
<i>MSCI EAFE with dividends</i>	-5.79%	+1.65%	+8.29%	+7.23%
Global Strategies	-11.51%	+0.09%	+7.88%	+8.72%
<i>(50%) S&P / (50%) MSCI EAFE</i>	-5.20%	+8.65%	+13.68%	+11.95%
Tax-Advantaged Income*	+1.07%	+10.87%	+11.87%	NA
<i>Dow Jones US Select Dividend Total Return</i>	+5.27%	+16.30%	+13.77%	NA

Monthly Investment Commentary

U.S. stocks and economy

The U.S. economy is looking increasingly at risk of a slowdown. Persistently high inflation, the unknown impact of higher commodity and energy prices as a result of the Russia-Ukraine war, and indications that demand is softening have raised concerns about future economic growth. Meanwhile, the Federal Reserve has begun tightening monetary policy in an effort to control inflation which adds to the pressure. Whether this combination is enough to slow the economy markedly (perhaps into recession), remains to be seen. For now, though, the mix of higher prices and slower demand suggests an economy that is under pressure from "countercyclical inflation"—that is, when prices rise fast enough to slow economic growth.

Price pressures outrun demand

While a deeply negative spread doesn't necessarily suggest a severe slowdown is imminent, the unfortunate reality in the current environment is that demand isn't poised to pick up markedly. Even if prices start to decline as inflation cools, that could simply mean companies are drawing down their inventories and cutting prices as demand drops (thus hurting profit margins). A slowing growth rate is consistent with where we are in the monetary policy cycle. As the Federal Reserve has started to raise short-term interest rates—and to

emphasize its commitment to reining in inflation's fastest rise in decades—financial conditions have begun to tighten.

Margins moving sideways

In addition to margins, the stock market's valuations tend to come under pressure when financial conditions tighten. The most recent decline in the S&P 500's forward price-to-earnings (P/E) ratio has mostly been due to the significant improvement in forward earnings estimates during the economy's rebound from the COVID-induced recession. Yet, as stocks have struggled this year, the numerator (P in P/E) has contributed to some of the decline. While that may make the market look more attractive today, the Fed model is starting to suggest that stocks are getting increasingly expensive. To be sure, it isn't close to levels during prior market peaks, but the spread has fallen to the lowest since 2009.

MRM's View

Although the financial system should be less fragile than last time around, with the Fed committed to keeping more reserves in the system, the economic and market impact could play out as it did in the last round of QT. We would expect long-term yields to peak over the next few months as policy becomes restrictive and risk assets to see heightened volatility.

Source: Schwab

MRM model holdings as of March 31, 2022

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES S&P LATIN AMERICA 40 INDEX	5.00%	APPLE INC COM	5.00%
AMERICAN INTL GROUP INC	5.00%	ISHARES S&P 500 VALUE INDEX FUND	10.00%	AMERICAN INTL GROUP INC	5.00%
AMERICAN EXPRESS CO	5.00%	ISHARES S&P 100 INDEX FUND	15.00%	CARLYLE GROUP L P COM UTS LTD	5.00%
CENTENE CORP DEL	5.00%	POWERSHARES QQQ TRUST	8.00%	CENTENE CORP DEL	6.00%
CAPRI HOLDINGS LIMITED SHS	5.00%	GUGGENHEIM S&P 500 EQUAL WEIGHT	15.00%	CAPRI HOLDINGS LIMITED SHS	6.00%
CVS HEALTH CORPORATION COM	5.00%	SPDR S&P 500 TRUST	25.00%	CVS HEALTH CORPORATION COM	5.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%	VANGUARD GROWTH INDEX FUND	11.00%	DEERE & CO	5.00%
META PLATFORMS INC CL A	5.00%	HEALTH CARE SELECT SECTOR	10.00%	META PLATFORMS INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%	FDIC CASH NOT COVERED BY SIPC	1.00%	ALPHABET INC CAP STK CL C	6.00%
INTERNATIONAL BUSINESS MACHS	10.00%			INTERNATIONAL BUSINESS MACHS	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	3.00%			MOSAIC CO	5.00%
MOSAIC CO	5.00%			MICROSOFT CORP	6.00%
MICROSOFT CORP	4.00%			NIKE INC CL B	5.00%
NIKE INC CL B	5.00%			NORTHROP GRUMMAN CORP	5.00%
NORTHROP GRUMMAN CORP	5.00%			NVIDIA CORP	5.00%
NVIDIA CORP	5.00%			QUALCOMM INC	5.00%
QUALCOMM INC	5.00%			TRACTOR SUPPLY CO	5.00%
SPDR S&P 500 TRUST	5.00%			UNITEDHEALTH GROUP	5.00%
TRACTOR SUPPLY CO	3.00%			FDIC CASH NOT COVERED BY SIPC	1.00%
UNITEDHEALTH GROUP	5.00%				
FDIC CASH NOT COVERED BY SIPC	1.00%				

MRM Dynamic International

WISDOMTREE INDIA EARNINGS FUND	14.00%
ISHARES MSCI CANADA INDEX FUND	20.00%
ISHARES MSCI NETHERLANDS	15.00%
ISHARES MSCI TAIWAN INDEX FUND	20.00%
ISHARES S&P INDIA NIFTY 50 INDEX	10.00%
SPDR S&P 500 TRUST	20.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

Monthly Investment Commentary

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 March 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.