



Monthly Investment Commentary

May 2020

Have We Reached the Bottom of the Economic Valley?

We're not out of the woods yet, but optimism is far outweighing pessimism on Wall Street. Remember, the market isn't a perfect mirror of the economy, it's a relative-to-expectations tool — we don't need to recoup all lost GDP or job losses, we just need to begin climbing out of this economic valley. And anecdotal evidence indicates we're doing just that. So much so, the NASDAQ has erased all of 2020's historic decline and turned positive on the year. Much remains uncertain (a vaccine is likely the silver bullet).

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 4/30/2020)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-17.37%	-11.29%	+2.51%	+1.52%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-8.90%	-4.25%	+1.53%	+1.57%
All Equity	-15.44%	-8.10%	+10.93%	+7.43%
<i>S&P 500 Total Return</i>	-9.29%	+0.86%	+9.04%	+9.12%
Dynamic International	-20.40%	-17.50%	-7.54%	-4.97%
<i>MSCIEAFE with dividends</i>	-17.66%	-10.89%	-0.09%	+0.32%
Global Strategies	-16.59%	-11.92%	+2.05%	+2.40%
<i>(50%) S&P/ (50%) MSCIEAFE</i>	-13.48%	-5.02%	+4.68%	+5.09%
Tax-Advantaged Income*	-15.60%	-3.79%	NA	NA
<i>Dow Jones US Select Dividend Total Return</i>	-22.58%	-16.69%	NA	NA

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.

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

China

In an upside surprise, China exports rose 3.5 percent in April, smashing analysts’ expectations of an 18 percent decline. The China Association of Automobile Manufacturers also reported a 1 percent increase in auto sales to 1.98 million, following a 43 percent drop in unit sales in Q1. Several automakers independently confirmed the positive turn in China.

Vaccine Candidates Going Through the Paces

Pfizer last week launched human trials of a potential coronavirus vaccine in the U.S. that contains genetic instructions that “teach” the body to attack the coronavirus. Another company, Moderna, is prepping a phase 2 vaccine trial (with 600 people) and could reach phase 3 by summer. According to the World Health Organization, there are more than 100 vaccines currently in development as of April 30.

A 122-month Streak Ends

Economic activity in the services in the U.S. — which

represents the largest share of the economy — contracted for the first time since 2009 in April, ending a 122-month period of positive readings. The Institute for Supply Chain Management’s survey of non-manufacturing companies reached 41.8 in April, down from 52.5 in March (any reading below 50 indicates contraction). Businesses are facing challenges adjusting to new restrictions, while uncertainty about the severity and duration of coronavirus impacts to supply chains, finances and workers continues to weigh on sentiment.

MRM’s View

Unemployment surged to 14.7 percent in April, eclipsing the post-WWII record of 10.8 percent reached in 1982. A total of 20.5 million Americans lost their jobs in April, in what was the steepest decline in payrolls since the Great Depression. However, about 18.1 million of those unemployed persons believe their job loss is temporary. When, and how many of those 18.1 million people ultimately return to work will determine our trajectory out of this valley.

Source: Northwestern

MRM model holdings as of March 31, 2020

MRM Global Strategies

APPLE INC COM	5.00%
ADOBE SYS INC	5.00%
AMAZON COM INC	5.00%
ALIBABA GROUP HLDG LTD	5.00%
ISHARES MSCI EAFE MIN VOLATILITY	5.00%
ISHARES MSCI NEW ZEALAND INVEST	18.00%
ISHARES MSCI TAIWAN INDEX FUND	6.00%
FACEBOOK INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%
MICROSOFT CORP	4.00%
NIKE INC CL B	5.00%
NVIDIA CORP	5.00%
QUALCOMM INC	5.00%
STARBUCKS CORP	5.00%
SHOPIFY INC CL A	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 MSCI EAFE MIN VOLATILITY	20.00%
FIRST TRUST TECH ALPHADAX	2.00%
ISHARES S&P 100 INDEX FUND	10.00%
POWERSHARES QQQ TRUST, SERIES 1	10.00%
ISHARES PHLX SOX SEMICONDUCTOR	5.00%
INVESCO S&P 500 LOW VOLATILITY	5.00%
SPDR S&P 500 TRUST	16.00%
VANGUARD GROWTH INDEX FUND	16.00%
CONSUMER STAPLES SELECT SECTOR	5.00%
HEALTH CARE SELECT SECTOR SPDR	10.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic International

ISHARES MSCI EMERGING MARKETS	10.00%
ISHARES MSCI EAFE MIN VOLATILITY	10.00%
ISHARES MSCI NEW ZEALAND INV	22.00%
ISHARES MSCI SWITZERLAND INDEX	5.00%
ISHARES MSCI NETHERLANDS	10.00%
ISHARES MSCI TAIWAN INDEX FUND	7.00%
SPDR S&P 500 TRUST	20.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM All Domestic Equity

APPLE INC COM	5.00%
ADOBE SYS INC	5.00%
AMAZON COM INC	10.00%
ALIBABA GROUP HLDG LTD	5.00%
CENTENE CORP DEL	5.00%
COSTCO WHSL CORP NEW	3.00%
DOLLAR TREE STORES INC	5.00%
FACEBOOK INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%
HILTON WORLDWIDE HLDGS INC	5.00%
MICROSOFT CORP	10.00%
NIKE INC CL B	5.00%
NVIDIA CORP	5.00%
PEPSICO INC	5.00%
QUALCOMM INC	5.00%
STARBUCKS CORP	5.00%
SHOPIFY INC CL A	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	2.00%

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.

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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.

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