



Monthly Investment Commentary

May 2022

U.S. Markets

April was a challenging month for investors as losses in mega-cap technology companies and high-valuation stocks spilled over to the broader market.

The Dow Jones Industrial Average lost 4.91 percent while the Standard & Poor's 500 Index dropped 8.80 percent. The Nasdaq Composite fell 13.26 percent.

Stocks struggled all month as investors grew increasingly skittish over a stream of hawkish comments by Federal Reserve officials.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 4/30/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-17.39%	-7.37%	+5.29%	+7.23%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-10.18%	-5.41%	+5.72%	+5.48%
All Equity	-22.72%	-13.82%	+2.06%	+9.57%
<i>S&P 500 Total Return</i>	-12.92%	+0.21%	+13.85%	+13.66%
Dynamic International	-15.20%	-15.45%	+1.11%	-0.20%
<i>MSCI EAFE with dividends</i>	-11.80%	-7.70%	+4.93%	+5.27%
Global Strategies	-18.83%	-11.32%	+4.38%	+6.53%
<i>(50%) S&P / (50%) MSCI EAFE</i>	-12.36%	-3.75%	+9.57%	+9.79%
Tax-Advantaged Income*	+0.93%	+8.97%	+11.90%	NA
<i>Dow Jones US Select Dividend Total Return</i>	+1.60%	+8.01%	+11.33%	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.

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Fed Watching Inflation

Inflation continued to be an overhang on the market. March’s Consumer Price Index (CPI) was 8.5 percent year-over-year, the fastest pace since December 1981, while the Producer Price Index reflected continuing price pressures in the pipeline, picked up 11.2 percent from a year ago—a new all-time high. The combination of a tightening monetary policy and hot inflation drove bond yields higher, with the 10-year Treasury Note yield moving from 2.32 percent at March-end to 2.89 percent by the close of April.

Upbeat Earnings

The first-quarter earnings season got off to a mostly positive start. Of the 55 percent of the S&P 500 companies reporting earnings so far, 80 percent have beaten Wall Street analysts’ earnings estimates. Companies appear to be navigating accelerating inflation, shaky consumer confidence, higher rates, and supply chain challenges. Markets closed out April with a volatile week, reflecting the general investor unease that weighed on markets all month.

GDP and Employment

The economy shrank at an annualized rate of 1.4 percent in the first quarter. The decline in GDP growth was largely attributable to a widening trade deficit and a slowing rate of inventory build-up by businesses. The unemployment rate dipped to 3.6 percent as

employers added 431,000 jobs in March, while January and February estimates were revised higher. This marks the eleventh consecutive month that payrolls have increased by more than 400,000. Wage growth (+5.1 percent in February), while strong, remains below the rate of inflation.

The Fed

On April 6th, the minutes from March’s FOMC meeting were released. These pointed to a growing consensus for one or more future rate hikes of 50 basis points and a general agreement on a framework for reducing the Fed’s balance sheet by \$95 billion per month. The balance sheet reduction is likely to begin in May and be phased in over three months. During the FOMC meeting, the participants concluded, "Ukraine was perceived as adding to the uncertainty around the outlook for economic activity and inflation, as the conflict carried the risk of further exacerbating supply chain disruptions and of putting additional upward pressure on inflation by boosting the prices for energy, food, and other key commodities."

MRM’s View

The first quarter was historically bad for fixed income, and April did nothing to break the bearish trend. Recent economic data support the narrative of an overheated labor market and inflation risks. There are plenty of potential obstacles for future economic growth, including global catalysts (Russia/Ukraine and China slowdown) and tighter monetary policy in the U.S. and abroad.

Source: mvtinvest

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%

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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.

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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.