MRM GROUP

Monthly Investment Commentary

June 2022

ECONOMIC UPDATE

- The biggest unanswered question for financial markets at this point is how the U.S. economy will respond to high inflation and tightening financial conditions
- Some Fed leaders have expressed an openness to a pause or slowdown in the pace of rate hikes at some point this year, but Chair Powell and others have reiterated a commitment to ensuring that inflation is clearly moving back toward the 2% target
- Household balance sheets began the current inflation cycle in stronger position thanks to government stimulus and slower spending during peak Covid restrictions, but signs of savings depletion are emerging

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 5/31/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	**-17.67%**	**-7.18%**	**+7.27%**	**+6.88%**
Morningstar Average Tactical Return (fixed & equities)	-9.97%	-6.16%	+7.15%	+5.42%
All Equity	**-24.07%**	**-11.98%**	**+3.26%**	**+8.44%**
S&P 500 Total Return	-12.76%	-0.30%	+16.44%	+13.38%
Dynamic International	**-16.70%**	**-16.41%**	**+2.55%**	**-0.69%**
MSCI EAFE with dividends	-11.02%	-9.90%	+6.93%	+4.68%
Global Strategies	**-20.28%**	**-11.07%**	**+6.11%**	**+5.44%**
(50%) S&P / (50%) MSCI EAFE	-11.89%	-5.10%	+11.88%	+9.38%
Tax-Advantaged Income*	**-0.85%**	**+3.80%**	**+12.47%**	**NA**
Dow Jones US Select Dividend Total Return	+6.99%	+11.28%	+16.20%	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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Inflation

The primary question still being pondered by financial markets is how the U.S. economy will respond to high inflation and tighter financial conditions via the efforts of the Federal Reserve and other major central banks. For much of May, risk markets struggled on concerns that both were weighing on forward growth expectations. By May 20, the S&P 500 was down 5.5%, but what was perceived to be “less hawkish” rhetoric from the Fed in the final week of May sparked a rebound in risk assets that sent the S&P 500 back to essentially flat for the month.

Treasuries

For fixed income, the price action in Treasuries improved as the month of May progressed. Yields declined amid the broad risk-off trade, but healthier two-way flows emerged and rate volatility subsided. However, it’s still premature to call an end to broad market volatility, particularly heading into typically less-liquid summer months with inflation uncertainty still very much present.

Neutral Rate

The market is now priced for two 50 basis point rate hikes at the June and July FOMC meetings, as well as a 75% probability of another 50 bps hike at the September meeting. This would bring the fed funds rate very close to the Fed’s current projection of a 2.375% neutral rate, and the market is currently priced for the FOMC to move into restrictive territory with a funds rate of close to 2.75% by year end. However, there has been some talk of a potential pause in rate hikes this year for the Fed to assess the impact of policy tightening on inflation and economic growth. On May 23, Atlanta Fed President Raphael Bostic expressed this sentiment, saying that his “baseline view” is that a pause at the September FOMC meeting “might make sense” following three consecutive 50 bps rate hikes. The minutes of the May 4 FOMC meeting, released just two days later, hinted at a similar thought process.

MRM’s View

It would appear that consumers are now utilizing savings and credit to fuel consumption habits, particularly with prices higher for virtually all goods and services. The Fed’s measure of revolving credit balances rose $31.4 billion in March, obliterating the previous record high of $14.6 billion in December 2019. There can always be some noise in data series like this, but inflation and pent-up travel spending for the summer could explain it as well. The latter doesn’t necessarily mean credit was a necessity, but rather an initial method of payment. Nevertheless, household balance sheets began this cycle with much more buying power, which is effectively exacerbating the Fed’s problems on the inflation front.

Source: ALM First

MRM model holdings as of March 31, 2022

MRM Global Strategies

APPLE INC COM	5.00%
AMERICAN INTL GROUP INC	5.00%
AMERICAN EXPRESS CO	5.00%
CENTENE CORP DEL	5.00%
CAPRI HOLDINGS LIMITED SHS	5.00%
CVS HEALTH CORPORATION COM	5.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%
META PLATFORMS INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%
INTERNATIONAL BUSINESS MACHS	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	3.00%
MOSAIC CO	5.00%
MICROSOFT CORP	4.00%
NIKE INC CL B	5.00%
NORTHROP GRUMMAN CORP	5.00%
NVIDIA CORP	5.00%
QUALCOMM INC	5.00%
SPDR S&P 500 TRUST	5.00%
TRACTOR SUPPLY CO	3.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic Overlay – ETFs

ISHARES S&P LATIN AMERICA 40 INDEX	5.00%
ISHARES S&P 500 VALUE INDEX FUND	10.00%
ISHARES S&P 100 INDEX FUND	15.00%
POWERSHARES QQQ TRUST	8.00%
GUGGENHEIM S&P 500 EQUAL WEIGHT	15.00%
SPDR S&P 500 TRUST	25.00%
VANGUARD GROWTH INDEX FUND	11.00%
HEALTH CARE SELECT SECTOR	10.00%
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%

MRM All Domestic Equity

APPLE INC COM	5.00%
AMERICAN INTL GROUP INC	5.00%
CARLYLE GROUP L P COM UTS LTD	5.00%
CENTENE CORP DEL	6.00%
CAPRI HOLDINGS LIMITED SHS	6.00%
CVS HEALTH CORPORATION COM	5.00%
DEERE & CO	5.00%
META PLATFORMS INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%
INTERNATIONAL BUSINESS MACHS	10.00%
MOSAIC CO	5.00%
MICROSOFT CORP	6.00%
NIKE INC CL B	5.00%
NORTHROP GRUMMAN CORP	5.00%
NVIDIA CORP	5.00%
QUALCOMM INC	5.00%
TRACTOR SUPPLY CO	5.00%
UNITEDHEALTH GROUP	5.00%
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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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.