



Monthly Investment Commentary

July 2020

The S&P 500 is really the S&P 5. Big Tech Dominates the Index

The S&P is supposed to be a broad representation of the US economy. However, only the five largest companies in the S&P 500 – all tech companies – account for nearly 20% of the market value of the entire index. Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Google owner Alphabet (GOOGL) and Facebook (FB) are collectively worth \$4.85 trillion. The S&P 500 (SPY) has a market value of around \$26.7 trillion. S&P 500 Equal Weight ETF (RSP) is down double digits at the end of June.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 6/30/2020)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-10.40%	-4.10%	+4.99%	+3.13%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-5.40%	-1.02%	+2.66%	+2.94%
All Equity	-4.88%	+3.20%	+14.11%	+8.69%
<i>S&P 500 Total Return</i>	-4.04%	+5.39%	+8.56%	+8.49%
Dynamic International	-12.27%	-9.37%	-4.45%	-2.28%
<i>MSCIEAFE with dividends</i>	-11.07%	-4.73%	+1.30%	+2.54%
Global Strategies	-4.13%	+1.39%	+5.75%	+4.11%
<i>(50%) S&P/ (50%) MSCIEAFE</i>	-7.56%	+0.33%	+6.22%	+6.95%
Tax-Advantaged Income*	-12.97%	-3.43%	NA	NA
<i>Dow Jones US Select Dividend Total Return</i>	-21.68%	-15.15%	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.*

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Economic Update

Broad market functionality is much improved despite the uncertain economic outlook, thanks in large part to the actions of monetary and fiscal policymakers. Economic forecasting is as challenging as ever, and the Citigroup Economic Surprise Index posted both the highest and lowest levels on record within a 2-month period. Fed leaders have made it clear that there are no plans to reduce the current level of monetary accommodation anytime soon; Yield curve control is being discussed as another potential tool.

Financial Market

All things considered, financial markets have performed very well in recent months amid extraordinary monetary and fiscal aid, but the economic outlook became even less certain in the second half of June. Many state and local leaders began to loosen restrictions on businesses and shelter-in-place orders in early May, which was well received by risk markets. However, a resurgence in new COVID cases and hospitalizations in many populous states is causing political leaders to reconsider those easements. In Texas, for example, Governor Greg Abbott has once again closed bars, as well as rolled back easements on restaurants and other businesses. While a willingness to broadly reinstitute the lockdowns of March and April doesn't yet appear imminent, an inability to slow this recent trend in the near term may fuel greater concern in financial markets that fresh lockdowns are coming.

The Fed Settles In

If it wasn't understood already, the June 10 FOMC meeting made it abundantly clear that the Fed has no intention of changing its current course anytime soon. In the official statement, the FOMC pledged to continue its Treasury, MBS, and ACMBS purchases "at least at the current pace to sustain smooth market functioning." In other words, Treasury and MBS purchases are floored at the current pace of \$80 billion and \$40 billion per month, respectively, until further notice from the committee.

MRM's View

Consumer-discretionary stocks are trading at a new high, with a forward price/earnings ratio close to 40. Why are investors bidding up a sector so closely linked to a still-uncertain recovery of labor markets?

This is where government programs come in. Despite recession and the deepest job losses in generations, labor income is surging and consumer spending is rebounding. This unprecedented development is due to the enhanced generosity of government social benefits... but it is important to keep in mind that a divided US Congress has yet to commit to a second round of direct payments to households after the first round expires at the end of July. We remain bullish.

Source: ALM

MRM model holdings as of June 30, 2020

MRM Global Strategies

APPLE INC COM	5.00%
AMAZON COM INC	5.00%
ALIBABA GROUP HLDG LTD	5.00%
CENTENE CORP DEL	5.00%
ISHARES MSCI EAFE MIN VOLATILITY	5.00%
ISHARES MSCI NEW ZEALAND INVEST	15.00%
ISHARES MSCI TAIWAN INDEX FUND	4.00%
FACEBOOK INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%
SOUTHWEST AIRLS CO	5.00%
MICROSOFT CORP	4.00%
NIKE INC CL B	5.00%
NVIDIA CORP	5.00%
QUALCOMM INC	5.00%
SHOPIFY INC CL A	10.00%
SPDR S&P 500 TRUST	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%
SPDR S&P 500 TRUST	10.00%

MRM Dynamic Overlay – ETFs

ISHARES MSCI EMERGING MKT INDEX	5.00%
ISHARES MSCI EAFE MIN VOLATILITY	5.00%
FIRST TRUST TECHNOLOGY ALPHADAX	12.00%
ISHARES NASDAQ BIOTECH INDEX	5.00%
ISHARES S&P 100 INDEX FUND	10.00%
POWERSHARES QQQ TRUST, SERIES 1	10.00%
SPDR S&P 500 TRUST	16.00%
SPDR S&P 500 GROWTH ETF	5.00%
VANGUARD GROWTH INDEX FUND	16.00%
CONSUMER STAPLES SELECT	5.00%
HEALTH CARE SELECT SECTOR	5.00%
CONSUMER DISCRETIONARY SELECT	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic International

ISHARES MSCI EMERGING MARKETS	10.00%
ISHARES MSCI EAFE MIN VOLATILITY	15.00%
ISHARES MSCI NEW ZEALAND INV	29.00%
ISHARES MSCI SWITZERLAND INDEX	5.00%
ISHARES MSCI NETHERLANDS	10.00%
ISHARES MSCI TAIWAN INDEX FUND	20.00%

MRM All Domestic Equity

APPLE INC COM	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%
SOUTHWEST AIRLS CO	5.00%
MICROSOFT CORP	10.00%
NETFLIX COM INC	5.00%
NIKE INC CL B	5.00%
NVIDIA CORP	5.00%
PEPSICO INC	5.00%
QUALCOMM INC	5.00%
SHOPIFY INC CL A	10.00%
UNITEDHEALTH GROUP	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	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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MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). MRM has been independently verified for the periods January 1, 2008 through June 30, 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.

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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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