



Monthly Investment Commentary

July 2022

US Markets

It has been another difficult quarter for markets after what had already been a tough start to the year. This is now the worst first half of the year for developed market equities in over 50 years. To make matters worse, government bonds have also been hit so far this year, failing to provide the protection that investors usually look to them for.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 6/30/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-24.16%	-16.38%	+2.23%	+5.22%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-14.51%	-11.75%	+3.76%	+4.23%
All Equity	-29.72%	-24.66%	-1.18%	+6.80%
<i>S&P 500 Total Return</i>	-19.96%	-10.62%	+10.60%	+11.31%
Dynamic International	-23.58%	-23.95%	-2.45%	-2.23%
<i>MSCI EAFE with dividends</i>	-19.25%	-17.33%	+1.54%	+2.69%
Global Strategies	-25.26%	-22.02%	+1.60%	+4.11%
<i>(50%) S&P / (50%) MSCI EAFE</i>	-19.61%	-13.98%	+6.19%	+7.35%
Tax-Advantaged Income*	-7.44%	-4.57%	+7.75%	NA
<i>Dow Jones US Select Dividend</i>	-4.35%	+0.27%	+5.59%	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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The Fed

Government bonds have been hit as markets moved to price in significant further increases in interest rates on top of what has already been announced. Markets now expect interest rates to rise to 3.4%, 3% and 1.6% in the US, UK and Europe, respectively, by next year. That increase in expectations for the path of interest rates has also contributed to a decline in equity valuations, along with concerns about the growth outlook. Recession fears have risen, due to the squeeze on consumers from higher prices and higher borrowing costs as the central banks seek to fight inflation.

What Investors Talking About

Earnings season begins in July, providing investors with key insights into the health of American consumers. Companies will also communicate how they are navigating an increasingly challenging economic landscape. Since the start of 2022, stocks have become less expensive on the basis of their price/earnings (P/E) ratios. When the stock market hit an all-time high on January 3, 2022, the forward P/E ratio for the S&P 500 index was 21.4. The 25-year average P/E sits at 16.5, for the period ended May 12, 2022. At the end of June 2022, the average forward P/E was 15.9. Each quarter, the degree to which the stock market responds

to corporate earnings varies. But as investors grapple with a cloudy outlook, company reports over the next four to six weeks may serve as an important barometer for measuring the nation’s economic health and evaluating stock prices.

Consumer Price Index (CPI)

Consumer prices rose 8.6 percent from May 2021 levels, the highest rate since December 1981. Energy (+34.6 percent) and food (+10.1 percent) prices led the year-over-year increase in the Consumer Price Index (CPI). On a month-to-month basis, the CPI rose well above the consensus estimate of 0.7 percent to a full 1 percent.

MRM’s View

The good news is that valuations are now well below their average since 1990 in every major region other than the US. In the US, the cheaper parts of the market now trade at relatively low valuations compared with history, with the Russell 1000 Value Index trading on a price-to-earnings (P/E) multiple of 13, whereas the Russell 1000 Growth Index still trades on a P/E of 21. That’s despite growth stocks having already significantly underperformed value stocks so far this year. The Russell 1000 Growth Index is down 28% year to date, whereas the Russell 1000 value index is 14% lower.

Source: JP Morgan / mvinvest

MRM model holdings as of June 30, 2022

MRM Global Strategies

APPLE INC COM	5.00%
AMAZON COM INC	3.00%
AMERICAN EXPRESS CO	5.00%
CENTENE CORP DEL	5.00%
DEERE & CO	5.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%
ALPHABET INC CAP STK CL C	6.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	3.00%
J P MORGAN CHASE & CO	5.00%
MICROSOFT CORP	4.00%
NIKE INC CL B	5.00%
NORTHROP GRUMMAN CORP	5.00%
NVIDIA CORP	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
QUALCOMM INC	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 S&P 500 VALUE INDEX FUND	15.00%
ISHARES S&P 100 INDEX FUND	5.00%
POWERSHARES QQQ TRUST	10.00%
GUGGENHEIM S&P 500 EQUAL WEIGHT	14.00%
SPDR S&P 500 TRUST	30.00%
VANGUARD GROWTH INDEX FUND	10.00%
HEALTH CARE SELECT SECTOR	15.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic International

WISDOMTREE INDIA EARNINGS FUND	10.00%
ISHARES MSCI CANADA INDEX FUND	15.00%
ISHARES MSCI NETHERLANDS	16.00%
ISHARES MSCI TAIWAN INDEX FUND	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	20.00%
SPDR S&P 500 TRUST	28.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM All Domestic Equity

APPLE INC COM	5.00%
AMAZON COM INC	5.00%
ALIBABA GROUP HLDG LTD	3.00%
CHIPOTLE MEXICAN GRILL INC CL A	3.00%
CENTENE CORP DEL	6.00%
DEERE & CO	5.00%
ALPHABET INC CAP STK CL C	6.00%
HOME DEPOT INC	5.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	10.00%
J P MORGAN CHASE & CO	5.00%
MICROSOFT CORP	6.00%
NIKE INC CL B	5.00%
NORTHROP GRUMMAN CORP	5.00%
NVIDIA CORP	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
QUALCOMM INC	5.00%
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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 June 30, 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.