



Monthly Investment Commentary

August 2022

ECONOMIC UPDATE

- Recession speculation ratcheted higher on July 28 when it was reported that GDP contracted for a second straight quarter
- The Q2 GDP report did show signs that Fed tightening is having a negative impact on sectors more sensitive to interest rates, such as residential and business investment
- The FOMC has now hiked the fed funds rate 225 bps since mid-March, the fastest pace of rate hikes since 1980

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 7/31/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-18.02%	-10.90%	+5.00%	+6.35%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-11.45%	-9.12%	+4.87%	+4.65%
All Equity	-25.36%	-22.27%	+0.99%	+7.71%
<i>S&P 500 Total Return</i>	-12.58%	-4.64%	+13.36%	+12.83%
Dynamic International	-18.25%	-17.90%	+0.36%	-1.62%
<i>MSCI EAFE with dividends</i>	-15.22%	-13.86%	+3.64%	+3.11%
Global Strategies	-20.97%	-18.72%	+3.69%	+4.92%
<i>(50%) S&P / (50%) MSCI EAFE</i>	-13.90%	-9.25%	+8.72%	+8.40%
Tax-Advantaged Income*	-2.06%	-1.23%	+9.42%	+7.35%
<i>Dow Jones US Select Dividend</i>	-0.73%	+5.21%	+6.69%	+5.53%

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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Recession

Recession fears have impacted financial markets since mid-June when it became clearer that the Fed and other major central banks were more fully committed to combatting inflation risks with aggressive rate hikes and balance sheet reduction. This speculation was bolstered last week with the initial estimate of Q2 GDP growth, which declined at a 0.9% annualized pace over the period. This marked two consecutive quarters of negative GDP growth, a metric sometimes misunderstood as defining a recession by the official scoretracker of business cycles, the National Bureau of Economic Research (NBER). It's unlikely that the NBER will score the first half of 2022, if for no other reason than the negative Q1 print was primarily attributable to a widening trade gap rather than true declining economic output. More importantly, job growth remained high and unemployment still near historic lows, trends that continued throughout the second quarter as well.

Second Quarter

The second quarter data, however, did reveal signs of an economy that, if not declining, may have peaked. Real final sales to domestic purchasers, which excludes trade and inventories, fell 0.3% in Q2 after rising 2% in Q1 and 1.7% in Q4 2021. Several more interest-rate sensitive categories weakened in the second quarter, including residential and business

investment. The decline in residential investment is less surprising given the sharp rise in mortgage rates and subsequent decline in housing activity. Spending on consumer durables and business investment on equipment and structures.

Fed Stays Aggressive

With inflation still running well above normal, the Fed moved forward with a second consecutive 75 basis point rate hike at the July 27 FOMC meeting. The fed funds rate is now up 225 bps since mid-March to 2.50%, the fastest 5-month pace of rate hikes since 1980. In the press conference that followed last Wednesday's decision, Fed Chair Powell acknowledged that a "slowdown" in the pace of hikes would be appropriate "at some point," but he resisted any commitment to a specific timeline. Powell did specifically point to last Friday's ECI report as something they would be paying attention to, the results of which did little to dampen Fed concerns.

MRM's View

It wouldn't be unreasonable to side with the Fed on the idea that the Treasury market appears a bit overbought in recent days/weeks given that recent inflation reports have showed no signs of easing. However, the market is pricing for what it speculates is to come, not what is today, and the popular buzz phrase of late has been. We remain bullish in the equities.

Source: ALM First

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%
UNITEDHEALTH GROUP	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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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.