



Monthly Investment Commentary

September 2020

Summer of 2020

The summer of 2020 is coming to a close, the pandemic lives on, and the election is now in the spotlight with both political conventions completed in unconventional fashion. Major U.S. stock markets achieved multiple new all-time highs in August and did show positive returns for the year. Investors appear to be looking right through the current wall of worry and focusing on where the economy can go versus the current state of the economy. The markets seem to be brushing off the election, further impact from Covid-19, and national debt levels which have gone through the roof. Despite all the concerns and distractions, the stock markets appear to defy gravity on a daily basis.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 8/31/2020)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+1.47%	+10.30%	+7.94%	+6.55%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+2.22%	+7.14%	+4.65%	+5.35%
<i>(75%) S&P/ (25%) MSCI EAFE</i>	+6.24%	+18.11%	+11.82%	+12.27%
All Equity	+12.38%	+24.76%	+18.57%	+12.94%
<i>S&P 500 Total Return</i>	+9.74%	+21.94%	+14.52%	+14.46%
Dynamic International	-5.38%	+3.46%	-3.43%	+0.22%
<i>MSCI EAFE with dividends</i>	-4.28%	+6.60%	+2.84%	+5.23%
Global Strategies	+12.31%	+23.18%	+9.78%	+7.54%
<i>(50%) S&P/ (50%) MSCI EAFE</i>	+2.73%	+14.27%	+8.99%	+10.12%
Tax-Advantaged Income*	-6.58%	+1.00%	NA	NA
<i>Dow Jones US Select Dividend Total Return</i>	-17.84%	-9.73%	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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By The Numbers

The economic numbers released in August cannot fully explain the strength exhibited in the monthly stock market returns. The August unemployment report showed 1.8 million jobs added, in line with expectations. The unemployment rate fell to 10.2%, down from the previous month's 11.1% rate. In September, the unemployment rate is expected to return to single digits, but it is still a long way from the 3.5% rate just prior to the pandemic. Inflation ticked higher for the month with the Consumer Price Index and the Producer Price Index each rising 0.6% on a month over month basis. Retail sales and durable goods recorded increases of 3.6% and 11.2% respectively.

Housing

The housing market has been the shining star in this cycle. The work from home dynamic along with social unrest in major cities and low mortgage rates has created an enormous demand for single family homes. The housing numbers in August were astounding:

- Housing starts were up 22.6%
- Existing home sales rose 24.7%
- 5 million building permits were issued
- Pending home sales increased 5.9% last month

The pandemic has changed our lifestyles and behaviors in ways no one could have predicted just six months ago.

The Market

The S&P 500 is close to trading at all-time highs with the five largest companies in the index (Apple, Microsoft, Amazon, Facebook and Alphabet) now representing over 20% of the index. The NASDAQ Composite returned 9.7% in August followed by the Dow Jones

Industrial Average up 7.9% and the S&P 500 posted gains of 7.2% in the month. International stocks also had a profitable month with international developed stock markets rising 5.1% and emerging markets adding 2.2% in August. The U.S. Treasury yield curve steepened in August as the short end of the curve is in a Federal Reserve induced lock down. This may not be the start of another seven-year zero interest policy by the Fed, but it could easily last for the next four years. The long-end of the yield curve is beginning to feel the pressure from mounting federal deficits. In August, the 2-year U.S. Treasury note rose 3 basis points to yield 0.14% at month end. At the longer end of the yield curve, 10-year note and the 30-year U.S. Treasury bond made a significant move to higher interest rates. Interest rates on the 10-year and 30-year rose 17 and 29 basis points respectively bringing their month end yield to 0.72% and 1.49%. Mortgage rates remain low helping to sustain the strong housing market.

MRM's View

Markets will likely be volatile as we head into the unknown of the November elections. The economic policies emanating from the two parties are vastly different and will impact both the economy and the markets well beyond 2020. The path of the pandemic will also influence business. Large corporations, like those in the S&P 500, are successfully managing their way through the pandemic while small businesses are taking the brunt of the storm. Collectively, small business employs a large percent of the country and as more small businesses permanently close, the employment rate will be negatively affected.

Source: NRP

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 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%
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%

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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 (75%) S&P500 / (25%) MSCI EAFE	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, 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.

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.