



# Monthly Investment Commentary

October 2018

## U.S. Stock Market

We see equities underpinned by strong fundamentals and earnings momentum, and believe concerns over narrow breadth are overdone. U.S. government bond yields jumped to multi-year highs. Robust jobs data and a steady rise in wages underscored a strong U.S. labor market. We see U.S. September inflation data rebounding from August's surprise decline, keeping the Federal Reserve on its policy normalization path.

We are not seeing signs of extremes in the market. Absolute stock valuations globally are within their historic ranges. Also, U.S. valuations are above their long-term average, but not excessive beyond a small group of stocks.

As we go to print, October 15<sup>th</sup>, 2018, we have witnessed in the last few days some market volatility. We believe this has to do with the sector rotations, we have raised cash accordingly in some of the portfolios.

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 09/30/2018)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>+7.61%</b>	<b>+14.10%</b>	<b>+9.49%</b>	<b>+6.83%</b>
<i>Morningstar Average Tactical Return</i>	+1.76%	+5.57%	+6.96%	+4.60%
<b>All Equity</b>	<b>+23.65%</b>	<b>+38.37%</b>	<b>+16.81%</b>	<b>+12.49%</b>
<i>S&amp;P 500 Total Return</i>	+10.56%	+17.91%	+17.31%	+13.95%
<b>Dynamic International</b>	<b>-10.33%</b>	<b>-6.82%</b>	<b>+2.29%</b>	<b>-0.77%</b>
<i>MSCIEAFE with dividends</i>	-0.98%	+3.25%	+9.77%	+4.90%
<b>Global Strategies</b>	<b>+8.09%</b>	<b>+14.17%</b>	<b>+8.23%</b>	<b>+8.18%</b>
<i>(50%) S&amp;P / (50%) MSCIEAFE</i>	+4.79%	+10.58%	+13.73%	+9.80%
<b>Tax-Advantaged Income*</b>	<b>-1.18%</b>	<b>+1.10%</b>	<b>NA</b>	<b>NA</b>
<i>Dow Jones US Select Dividend Total Return</i>	+4.14%	+10.59%	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](http://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.



## 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.

### DISCLOSURES

MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). MRM has been independently verified for the periods January 1, 2008 through September 30, 2018. 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.

All information contained herein is for informational purposes only. This is not a solicitation to offer investment advice in any state where it would be unlawful. There is no assurance that this platform will produce profitable returns or that any account will have results similar to those of the platform. Past performance is not a guarantee of future results. You may lose money. Factors impacting client returns include individual client risk tolerance, restrictions client may place on the account, investment objectives, choice of broker/dealer or custodians, as well as other factors. Any particular client's account performance may vary substantially from the program results due to, among other things, commission, timing of order entry, or the manner in which the trades are executed. The investment return and principal value of an investment will fluctuate dramatically, and an investor's equity, when liquidated, may be worth more or less than the original cost. Investors should consider the investment objective, risks, charges, and expenses carefully prior to investing.

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.**