



Monthly Investment Commentary

October 2020

Market

Wild but positive quarter

Equities continued to climb higher in the third quarter, with broad U.S. indices soaring to new highs before paring back some gains. The S&P 500 Index's streak of five monthly advances came to an end in September, historically a weak month for equities. Previously red-hot large cap technology stocks corrected as uncertainty over U.S. elections and fiscal stimulus negotiations weighed on markets. Still, U.S., Foreign Developed, and Emerging Markets equity indices saw solid gains for the quarter, with economic data pointing to an ongoing recovery. Consensus estimates show that U.S. economic growth is poised for a record rebound in the next quarter after falling for two consecutive quarters.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 9/30/2020)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-2.88%	+3.75%	+5.98%	+6.49%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-0.26%	+4.12%	+3.38%	+5.19%
<i>(75%) S&P/ (25%) MSCI EAFE</i>	+2.50%	+11.60%	+9.70%	+12.28%
All Equity	+5.28%	+17.91%	+15.64%	+12.24%
<i>S&P 500 Total Return</i>	+5.57%	+15.15%	+12.28%	+14.15%
Dynamic International	-6.75%	+1.56%	-3.69%	+0.52%
<i>MSCI EAFE with dividends</i>	-6.73%	+0.93%	+1.11%	+5.77%
Global Strategies	+6.16%	+16.35%	+7.63%	+6.73%
<i>(50%) S&P/ (50%) MSCI EAFE</i>	-0.58%	+8.04%	+6.99%	+10.28%
Tax-Advantaged Income*	-7.75%	-1.94%	+3.13%	NA
<i>Dow Jones US Select Dividend Total Return</i>	-19.86%	-16.18%	-0.49%	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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Interest Rates remained range-bound

The yield on the benchmark 10-year Treasury note ended September at 0.69%, rising a mere 3 basis points for the quarter. The Federal Reserve pledged to keep interest rates low for years to come, adopting a new “average inflation targeting” strategy to allow higher inflation and welcome strong labor markets. Market expectations for inflation rose during the month, helping the performance of Treasury Inflation-Protected Securities (TIPS). Performance for corporate credit bonds—both investment-grade and high-yield—also stood out as spreads tightened, mirroring the strength seen across equity markets

Employment

The pace of the U.S. economy’s recovery has increased over the summer. Third quarter GDP may have risen at a 25% annualized rate according to estimates gathered by Bloomberg. The unemployment rate fell considerably from a peak of 14.7% in April to 8.1% in mid-September. But the labor market remains fragile. The unemployment figure doesn’t include 14 million additional people receiving pandemic program

benefits. The Payroll Support Program, which supported tens of thousands of jobs in the airline industry, has expired and led to layoff notices. Other large companies, like Disney, have announced layoffs or are eliminating positions that were previously furloughed. Unfortunately, additional government support may still be needed to meet the 5% expected GDP growth in the fourth quarter

MRM’s View

Stock markets have rebounded dramatically from their March lows. So far, the rally has been driven by rising earnings multiples, rather than increasing earnings estimates. This is typically the case after a recession. The S&P 500 Index’s current 12-month forward price-to-earnings ratio of 21.5 is at a level seen only during the tech bubble. The above-average multiple may be supported now by ultra low interest rates, but earnings estimate increases may be needed to keep markets moving up. While the S&P 500 Index price has retraced to levels above 2019, earnings estimates for 2021 are just 3% above 2019 earnings and have been pretty flat for several months.

Source: SAAMCo. – Market Perspective

MRM model holdings as of September 30, 2020

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES MSCI EMERGING MKT INDEX	10.00%	APPLE INC COM	5.00%
ALIBABA GROUP HLDG LTD	5.00%	FIRST TRUST TECHNOLOGY ALPHADEX	5.00%	AMAZON COM INC	5.00%
CUMMINS INC COM	5.00%	ISHARES NASDAQ BIOTECHNOLOGY	5.00%	ALIBABA GROUP HLDG LTD	5.00%
CENTENE CORP DEL	5.00%	ISHARES S&P 100 INDEX FUND	10.00%	C H ROBINSON WORLDWIDE INC	5.00%
ISHARES MSCI EAFE MIN VOLATILITY	5.00%	POWERSHARES QQQ TRUST, SERIES 1	10.00%	CUMMINS INC COM	5.00%
ISHARES MSCI NEW ZEALAND INVEST	10.00%	SPDR S&P 500 TRUST	20.00%	CENTENE CORP DEL	5.00%
ISHARES MSCI TAIWAN INDEX FUND	9.00%	SPDR S&P 500 GROWTH ETF	5.00%	COSTCO WHSL CORP NEW	3.00%
FACEBOOK INC CL A	5.00%	VANGUARD GROWTH INDEX FUND	19.00%	FACEBOOK INC CL A	5.00%
ALPHABET INC CAP STK CL C	6.00%	CONSUMER STAPLES SELECT	5.00%	ALPHABET INC CAP STK CL C	6.00%
MCDONALDS CORP	5.00%	HEALTH CARE SELECT SECTOR	5.00%	MCDONALDS CORP	5.00%
MICROSOFT CORP	4.00%	CONSUMER DISCRETIONARY SELECT	5.00%	MICROSOFT CORP	5.00%
METTLER TOLEDO INTERNATIONAL	5.00%	FDIC CASH NOT COVERED BY SIPC	1.00%	METTLER TOLEDO INTERNATIONAL	5.00%
NIKE INC CL B	5.00%			NETFLIX COM INC	5.00%
NVIDIA CORP	5.00%			NIKE INC CL B	5.00%
QUALCOMM INC	5.00%			NVIDIA CORP	5.00%
SPDR S&P 500 TRUST	5.00%			PEPSICO INC	5.00%
UNITEDHEALTH GROUP	5.00%			QUALCOMM INC	5.00%
UNITED PARCEL SERVICE INC CL B	5.00%			SNOWFLAKE INC CL A	5.00%
FDIC CASH NOT COVERED BY SIPC	1.00%			UNITEDHEALTH GROUP	5.00%
				UNITED PARCEL SERVICE INC CL B	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	19.00%
ISHARES MSCI SWITZERLAND INDEX	10.00%
ISHARES MSCI NETHERLANDS	15.00%
ISHARES MSCI TAIWAN INDEX FUND	25.00%
SPDR S&P 500 TRUST	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 (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 September 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.