



# Monthly Investment Commentary

November 2020

## Great News

*As we go to print, Pfizer stuns experts with early data. The COVID vaccine is more than 90% effective.*

October was a challenging month for markets. The strong start to the month was offset by rising COVID-19 case counts, which led to a sell-off at month-end. The S&P 500 lost 2.66 percent in October, while the Nasdaq Composite declined by 2.26 percent. The Dow Jones Industrials Average (DJIA) suffered the largest decline, losing 4.52 percent.

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 10/31/2020)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>-5.43%</b>	<b>-0.59%</b>	<b>+4.00%</b>	<b>+4.64%</b>
<i>Morningstar Average Tactical Return (fixed &amp; equities)</i>	-0.90%	+2.46%	+2.46%	+4.47%
<i>(75%) S&amp;P/ (25%) MSCI EAFE</i>	-0.53%	+5.67%	+7.84%	+9.85%
<b>All Equity</b>	<b>+3.32%</b>	<b>+12.40%</b>	<b>+12.13%</b>	<b>+11.41%</b>
<i>S&amp;P 500 Total Return</i>	+2.77%	+9.71%	+10.42%	+11.71%
<b>Dynamic International</b>	<b>-7.62%</b>	<b>-1.68%</b>	<b>-4.62%</b>	<b>-0.72%</b>
<i>MSCI EAFE with dividends</i>	-10.44%	-6.46%	-0.76%	+3.35%
<b>Global Strategies</b>	<b>+5.51%</b>	<b>+13.89%</b>	<b>+6.24%</b>	<b>+6.27%</b>
<i>(50%) S&amp;P/ (50%) MSCI EAFE</i>	-3.84%	+1.63%	+5.13%	+7.85%
<b>Tax-Advantaged Income*</b>	<b>-10.41%</b>	<b>-4.80%</b>	<b>+2.01%</b>	<b>NA</b>
<i>Dow Jones US Select Dividend Total Return</i>	-18.53%	-14.86%	-0.36%	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.*

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### Volatility

This volatility came despite improving fundamentals during the month. According to Bloomberg Intelligence, as of October 30 with 63 percent of companies having reported results, the blended third-quarter earnings decline for the S&P 500 was at 10.7 percent. If earnings end the quarter at this level, it would be a much better result than the roughly 31 percent decline we saw in the second quarter. It would also be stronger than market estimates at the start of earnings season for a 21.5 percent decline. The better-than-expected results were widespread, with roughly 85 percent of companies showing earnings per share above expectations.

### MSCI

Internationally, the story was much the same. The MSCI EAFE Index declined by 3.99 percent during the month. The pandemic's international growth spooked investors, and announcements of new lockdowns across much of Europe highlighted the continued risks COVID-19 presents. Emerging markets, on the other hand, outperformed in October. The MSCI Emerging Markets Index returned a positive 2.08 percent for the month. Technicals for international stocks were mixed. The volatility at month-end

caused the MSCI EAFE Index to end the month below its 200-day moving average for the first time in three months.

### Confidence

Business confidence and spending has impressed. Business confidence, as measured by the Institute for Supply Management Composite index of manufacturer and service sector confidence, rose in September to its second-highest level since the pandemic hit. It now sits well above pre-pandemic levels, and there is evidence that rising confidence helped support faster business investment. Durable goods orders rose by more than expected, signaling strong business spending during the month. One area of notable strength was the housing market, which continues to be a bright spot in the ongoing economic recovery.

### MRM's View

Although a period of uncertainty and volatility is likely, the economic recovery is expected to continue. Good news on the economic front may ease some of the negative impact and market turbulence caused by these rising risks. A well-diversified portfolio that matches investor goals and timelines remains the best path forward for most.

Source: Commonwealth

#### 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 <i>(When Potential Investments Look Unattractive)</i>
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.***

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