



Monthly Investment Commentary

November 2021

Economic Update

- Inflation became the clear and predominant economic theme in October amid stubborn supply chain issues and emerging wage pressure
- Fixed income markets are now pricing a much more aggressive Fed rate hike schedule for 2022-2023, including two 25 basis point hikes next year
- Bond markets have put global central bank leaders in a difficult position, and future communication by monetary policymakers will be even more closely scrutinized

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 10/31/2021)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+17.98%	+35.26%	+13.19%	+12.82%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+12.19%	+25.98%	+10.84%	+9.09%
All Equity	+11.99%	+23.30%	+13.11%	+17.62%
<i>S&P 500 Total Return</i>	+24.04%	+42.91%	+21.48%	+18.93%
Dynamic International	+9.26%	+27.59%	+8.32%	+4.68%
<i>MSCI EAFE with dividends</i>	+11.49%	+34.80%	+12.07%	+10.32%
Global Strategies	+13.05%	+25.62%	+13.47%	+12.09%
<i>(50%) S&P / (50%) MSCI EAFE</i>	+17.77%	+38.86%	+16.96%	+14.94%
Tax-Advantaged Income*	+20.28%	+36.17%	+15.34%	NA
<i>Dow Jones US Select Dividend Total Return</i>	+26.33%	+47.99%	+11.72%	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.

Monthly Investment Commentary

Market Theme

If there was any question about what the predominant economic/market theme was heading into October, it was clearly affirmed by the end of the month. Inflation has been a hot topic ever since the global economy began to reopen earlier this year, fueled by pent-up consumer demand and trillions of dollars of fiscal and monetary stimulus. Up until this point, the position of the Fed has been that any rise in consumer prices would mostly likely be transitory and, therefore, not require an immediate policy reaction from the FOMC. The bond market, in general, extended credibility to the Fed's stance, even as multi-decade high core inflation readings emerged starting in April.

Global Supply

As the summer rolled on, concerns over growing global supply chain issues moved to the forefront of the news cycle. At the same time, the labor market continued to tighten, fueling wage inflation worries. September policy meetings by the Fed, European Central Bank (ECB), and Bank of England (BoE) were all generally perceived as more hawkish, which fueled an upward shift in Treasury yields across the curve. This rise in Treasury yields coincided with a repricing of short-term rates in anticipation of the Fed having to act sooner on rate hikes to combat inflation.

Fed

Market speculation over what the Fed and other major central banks will have to do from an interest rate policy (IRP) perspective has fueled a series of curve "twists" over the last several weeks, primarily pivoted around the 7-year part of the yield curve as the bond market prices for policy error. If the Fed does have to act sooner and more aggressive than it would like, as the market is projecting, it would not only work to suppress inflation pressures, but could also stifle/slow the economic recovery. As such, the 2-year/10-year Treasury yield spread two years forward flattened 15 bps in October to late 2017 levels, when the Fed initiated balance sheet normalization efforts following the last easing cycle. In short, the bond market is pricing for more persistent inflation.

MRM's View

While the market is speculating that inflation will be more persistent, Fed forecasts as of the September 22 FOMC meeting suggests otherwise. The minutes of that meeting revealed that the Fed's Washington-based staff forecasted that inflation will be back below 2% in 2022, less than half of the September PCE year-over-year rate of 4.4%. While forecasts are always limited given an inability to accurately predict the future, the Fed has been better than most given unmatched resources relative to private firms. This scenario will help the equities.

Source: ALM

MRM model holdings as of September 30, 2021

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES MSCI EAFE INDEX FUND	1.00%	APPLE INC COM	5.00%
AMERICAN INTL GROUP INC	5.00%	FIRST TRUST TECHNOLOGY ALPHADEX	5.00%	AMERICAN INTL GROUP INC	5.00%
BOEING CO	5.00%	ISHARES RUSSELL 3000 INDEX FUND	6.00%	AMAZON COM INC	5.00%
CISCO SYS INC	4.00%	ISHARES S&P 100 INDEX FUND	10.00%	BOEING CO	5.00%
WISDOMTREE INDIA EARNINGS FUND	5.00%	POWERSHARES QQQ TRUST, SERIES 1	8.00%	SALESFORCE COM INC	5.00%
ISHARES MSCI CANADA INDEX FUND	5.00%	SPDR S&P 500 TRUST	23.00%	CISCO SYS INC	5.00%
ISHARES MSCI SWEDEN INDEX FUND	3.00%	SPDR S&P 500 GROWTH ETF	12.00%	FACEBOOK INC CL A	7.00%
ISHARES MSCI TAIWAN INDEX FUND	11.00%	VANGUARD GROWTH INDEX FUND	13.00%	ALPHABET INC CAP STK CL C	6.00%
FACEBOOK INC CL A	5.00%	ENERGY SELECT SECTOR SPDR FUND	5.00%	MODERNA INC COM	5.00%
ALPHABET INC CAP STK CL C	6.00%	FINANCIAL SELECT SECTOR SPDR	5.00%	MICROSOFT CORP	6.00%
MODERNA INC COM	3.00%	TECHNOLOGY SELECT SECTOR SPDR	5.00%	METTLER TOLEDO INTERNATIONAL	5.00%
MICROSOFT CORP	4.00%	HEALTH CARE SELECT SECTOR SPDR	6.00%	NETFLIX COM INC	5.00%
METTLER TOLEDO INTERNATIONAL	5.00%	FDIC CASH NOT COVERED BY SIPC	1.00%	NIKE INC CL B	5.00%
NIKE INC CL B	5.00%			NVIDIA CORP	5.00%
NVIDIA CORP	5.00%			SHOPIFY INC CL A	5.00%
SHOPIFY INC CL A	5.00%			SQUARE INC CL A	5.00%
SPDR S&P 500 TRUST	5.00%			TARGET CORP	5.00%
TERADATA CORP DEL COM	5.00%			TRACTOR SUPPLY CO	5.00%
TRACTOR SUPPLY CO	3.00%			ZSCALER INC COM	5.00%
ZSCALER INC COM	5.00%			FDIC CASH NOT COVERED BY SIPC	1.00%
FDIC CASH NOT COVERED BY SIPC	1.00%				
		MRM Dynamic International			
		WISDOMTREE INDIA EARNINGS FUND	5.00%		
		ISHARES MSCI CANADA INDEX FUND	10.00%		
		ISHARES MSCI SWEDEN INDEX FUND	5.00%		
		ISHARES MSCI NETHERLANDS	25.00%		
		ISHARES MSCI TAIWAN INDEX FUND	39.00%		
		SPDR S&P 500 TRUST	15.00%		
		FDIC CASH NOT COVERED BY SIPC	1.00%		

Monthly Investment Commentary

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 September 30, 2021. 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.