



Monthly Investment Commentary

December 2022 **ECONOMIC UPDATE**

- While 2022 has been a year to forget, financial markets have been more optimistic about the prospect that peak inflation has been reached.
- Fed Chair Powell acknowledged that a slowdown in the pace of rate hikes is likely at the December 14 meeting, but he expressed concern that an overheated labor market continues to fuel inflation in the services sector.
- Fixed income markets appear poised to rebound in 2023 from the deeply negative returns of 2022.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 11/30/2022)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	-18.54%	-15.58%	+3.18%	+4.64%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	-12.97%	-10.67%	+3.70%	+3.35%
All Equity	-26.67%	-27.74%	-1.62%	+4.26%
<i>S&P 500 Total Return</i>	-13.10%	-9.21%	+10.91%	+10.98%
Dynamic International	-17.06%	-13.76%	+0.68%	-1.56%
<i>MSCIEAFE with dividends</i>	-14.11%	-9.70%	+2.39%	+2.34%
Global Strategies	-22.07%	-21.51%	+1.99%	+3.06%
<i>(50%) S&P / (50%) MSCIEAFE</i>	-13.61%	-9.46%	+6.87%	+7.01%
Tax-Advantaged Income	+4.08%	+8.77%	+9.49%	+8.00%
<i>Dow Jones US Select Dividend</i>	+1.92%	+8.90%	+6.58%	+4.89%

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.

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Markets

It has been a year to forget for financial markets, but as we approach the new year, there is growing optimism that the worst is finally behind us. If the Fed moves forward with what is widely expected to be a 50 basis point (bp) rate hike at the December 14 FOMC meeting, it would mark 425 bps of rate hikes in just 9 months, while also shrinking its bond portfolio since the beginning of June. Recent economic data, as a whole, have shown signs of slowing economic growth, but for investors, there are two important questions left unanswered: How high will the Fed ultimately take the fed funds rate, and how long will it stay at its terminal level?

Powell was not Dovish

Jerome Powell spoke on November 30 to discuss the economic outlook and labor markets. Some have speculated that he scheduled this address ahead of the December 14 meeting to reduce policy uncertainty in the event that the central bank moves forward with slowing the pace of hikes to 50 bps, which he all but confirmed in his prepared remarks. Following his speech and Q&A session, 2-year to 10-year Treasury yields fell 12-17 bps in a dovish interpretation of the Fed chair's remarks. However, there was nothing dovish about what Powell had said.

Looking Ahead to 2023

While the Fed and large banks remain on the sidelines, we are beginning to see improved demand from other investor bases in recent weeks, which contributed to spread tightening over the month of November. For example, the ICE BofA 30-year MBS Index outperformed duration-matched Treasuries by 1.5% in November, the most since such data was first published in 1997 thanks to tighter spreads and curve flattening. Of course, that performance was in the wake of a -1.53% net return versus Treasuries in September, the worst month on record, and current valuations remaining cheap to historical norms.

MRM's View

Rate volatility and liquidity, both of which are negatively correlated to one another, have been major themes in 2022. Sections of the bond market have shown signs of thawing over the last several weeks as markets speculate that peak inflation has been breached. That said, liquidity premiums remain high for most securities/sectors heading into year-end, presenting continued opportunities for investors with relatively low-cost funding.

Source: ALM First

MRM model holdings as of September 30, 2022

MRM Global Strategies

APPLE INC COM	5.00%
AMAZON COM INC	3.00%
AMERICAN EXPRESS CO	5.00%
CENTENE CORP DEL	5.00%
DEERE & CO	5.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%
ALPHABET INC CAP STK CL C	6.00%
GOLDMAN SACHS GROUP INC	5.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%
ISHARES S&P INDIA NIFTY 50 INDEX	3.00%
J P MORGAN CHASE & CO	5.00%
MICROSOFT CORP	4.00%
NORTHROP GRUMMAN CORP	5.00%
UIPATH INC CL A	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
SPDR S&P 500 TRUST	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	11.00%

MRM Dynamic Overlay – ETFs

ISHARES S&P 500 VALUE INDEX FUND	15.00%
ISHARES S&P 100 INDEX FUND	5.00%
POWERSHARES QQQ TRUST	10.00%
GUGGENHEIM S&P 500 EQUAL WEIGHT	14.00%
SPDR S&P 500 TRUST	30.00%
VANGUARD GROWTH INDEX FUND	10.00%
HEALTH CARE SELECT SECTOR	15.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic International

WISDOMTREE INDIA EARNINGS FUND	10.00%
ISHARES MSCI CANADA INDEX FUND	15.00%
ISHARES MSCI NETHERLANDS	16.00%
ISHARES MSCI TAIWAN INDEX FUND	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	20.00%
SPDR S&P 500 TRUST	28.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM All Domestic Equity

APPLE INC COM	5.00%
AMAZON COM INC	5.00%
CENTENE CORP DEL	6.00%
DEERE & CO	5.00%
ALPHABET INC CAP STK CL C	6.00%
GOLDMAN SACHS GROUP INC	5.00%
HOME DEPOT INC	5.00%
HUMANA INC	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%
J P MORGAN CHASE & CO	5.00%
MICROSOFT CORP	6.00%
NORTHROP GRUMMAN CORP	5.00%
UIPATH INC CL A	5.00%
PEPSICO INC	5.00%
PHILIP MORRIS INTL INC COM	5.00%
UNITEDHEALTH GROUP	5.00%
FDIC CASH NOT COVERED BY SIPC	17.00%

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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 June 30, 2022. 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.

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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.