



Monthly Investment Commentary

January 2025

Ride US Economic Tailwinds

US equities hit multiple all-time highs in 2024, outperforming their developed market peers by more than 20%. We expect resilient economic growth, the Federal Reserve’s (Fed) easing cycle, the Republican election sweep, and AI-related Tech leadership to continue to strengthen the economy and corporate profitability in 2025.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 12/31/2024)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+20.55%	+20.55%	+4.47%	+8.46%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+10.19%	+10.19%	+1.25%	+5.20%
All Equity	+29.71%	+29.71%	+1.68%	+5.88%
<i>S&P 500 Total Return</i>	+25.02%	+25.02%	+8.94%	+14.53%
Dynamic International	+11.39%	+11.39%	+1.75%	+4.38%
<i>MSCI EAFE with dividends</i>	+4.35%	+4.35%	+2.17%	+5.24%
Tax-Advantaged Income	+22.09%	+22.09%	+12.40%	+11.58%
<i>Dow Jones US Select Dividend</i>	+11.77%	+11.77%	+2.25%	+4.39%

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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2025

In 2025, we expect the US to maintain its economic and earnings fundamentals advantage over the rest of the developed markets — supported by momentum in artificial intelligence (AI) development and the new Trump administration’s pro-growth, deregulated, US-first agenda. While fiscal policy takes time to enact, less restrictive monetary policy, sturdy labor markets, and the disinflation trend have the potential to extend the soft-landing runway in the US before the effects of new pro-growth measures trickle down to the economy. We acknowledge the downside risk to global growth driven by potential trade conflicts, and higher inflation due to increased tariffs could complicate the Fed policy decisions. But corporate and individual tax cuts, along with less regulation, should support business investment and consumer spending.

Broadening US Growth

Over the past decade, the S&P 500® Index has beaten developed ex-US and emerging markets over every rolling 10-year period since 2015. This dominance has

been supported by faster EPS growth, greater profit margin expansion, and increased productivity and efficiency. And with the US leading the next technological revolution centered around AI, it’s a good bet those advantages could continue in the coming years. Indeed, based on consensus EPS estimates, expectations are for US large- and small-cap earnings growth to outpace the rest of the world through 2026.

MRM’s View

Markets have been pricing in a positive US outlook since the summer, with the US beating developed ex-US, US small caps outperforming large caps, and regional banks gaining 35%. The S&P 500’s price appreciation — 24.5% year to date and nearly 70% since the market bottom in September 2022 — has stretched forward price-to-earnings (P/E) valuations to near their 20-year high in 2021. Nevertheless, valuations of US small caps and regional banks appear much more attractive relative to the broad market despite their recent strong performance and improved growth outlook, presenting attractively priced growth opportunities.

Source: State Street

MRM model holdings as of December 31, 2024

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES MSCI ACWI INDEX FUND	2.00%	APPLE INC COM	5.00%
AMAZON COM INC	10.00%	ISHARES DJ US AEROSPACE & DEFENSE	1.00%	AMAZON COM INC	10.00%
AMERICAN EXPRESS CO	5.00%	ISHARES S&P 500 VALUE INDEX FUND	5.00%	BERKSHIRE HATHAWAY INC	5.00%
DELTA AIR LINES INC	5.00%	ISHARES S&P 100 INDEX FUND	12.00%	DELTA AIR LINES INC	5.00%
DEERE & CO	3.00%	POWERSHARES QQQ TRUST, SERIES 1	7.00%	ALPHABET INC CAP STK CL C	7.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%	INVESTCO EXCHANGE TRADED FD	5.00%	INTERNATIONAL BUSINESS MACHS	5.00%
ALPHABET INC CAP STK CL C	5.00%	SPDR S&P 500 TRUST	40.00%	J P MORGAN CHASE & CO	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%	SPDR S&P 500 GROWTH ETF	10.00%	LOCKHEED MARTIN CORP	5.00%
ISHARES S&P INDIA NIFTY 50 INDEX FUND	3.00%	VANGUARD GROWTH INDEX FUND	10.00%	META PLATFORMS INC CL A	5.00%
J P MORGAN CHASE & CO	5.00%	FDIC CASH NOT COVERED BY SIPC	8.00%	MICROSOFT CORP	6.00%
LOCKHEED MARTIN CORP	2.00%			NIKE INC CL B	6.00%
META PLATFORMS INC CL A	5.00%			NVIDIA CORP	5.00%
MICROSOFT CORP	6.00%			PAYPAL HLDGS INC	5.00%
NIKE INC CL B	5.00%			SCHWAB CHARLES CORP NEW	5.00%
NVIDIA CORP	5.00%			SHAKE SHACK INC CL A	5.00%
PAYPAL HLDGS INC	5.00%			SKECHERS U S A INC CL A	5.00%
SHAKE SHACK INC CL A	5.00%			TARGET CORP	5.00%
SKECHERS USA INC CL A	2.00%			UBER TECHNOLOGIES INC COM	5.00%
SPDR S&P 500 TRUST	5.00%			FDIC CASH NOT COVERED BY SIPC	1.00%
TARGET CORP	5.00%				
UBER TECHNOLOGIES INC COM	5.00%				
FDIC CASH NOT COVERED BY SIPC	1.00%				

MRM Dynamic International

WISDOMTREE INDIA EARNINGS FUND	13.00%
ISHARES MSCI CANADA INDEX FUND	15.00%
ISHARES MSCI NETHERLANDS	10.00%
ISHARES MSCI TAIWAN INDEX FUND	10.00%
ISHARES S&P INDIA NIFTY 50 INDEX	23.00%
SPDR S&P 500 TRUST	28.00%
FDIC CASH NOT COVERED BY SIPC	1.00%

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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 <i>(When Potential Investments Look Unattractive)</i>
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%
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 December 31, 2024. 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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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 (314) 628-1100. 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.