



Monthly Investment Commentary

July 2024

Lower Treasury Yields

Equities continued their positive streak in June to close out the first half of the year. The Dow Jones Industrial Average edged 1.2% higher in June, the S&P 500 advanced 3.6%, and the NASDAQ surged 6%. It was a much better month for large-caps; the Russell 1000 index gained 3.3% while the small-cap Russell 2000 index lost 0.9%.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 06/30/2024)

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.

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+12.98%	+20.91%	+5.61%	+8.52%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+7.30%	+11.63%	+1.51%	+5.85%
All Equity	+19.93%	+34.47%	+1.37%	+5.94%
<i>S&P 500 Total Return</i>	+15.29%	+24.56%	+10.01%	+15.05%
Dynamic International	+12.08%	+20.86%	+1.80%	+5.19%
<i>MSCI EAFE with dividends</i>	+5.75%	+12.09%	+3.43%	+6.98%
Tax-Advantaged Income	+19.54%	+31.03%	+12.75%	+13.45%
<i>Dow Jones US Select Dividend</i>	+2.71%	+6.52%	+0.98%	+3.87%

Monthly Investment Commentary

Stock Market

Despite the broad index gains, only five of the eleven sectors contributed to the positive month for equities. The gains were largely led by Technology’s 7.8% increase, followed by Consumer Discretionary at 3.9% and Communication Services at 3.2%. On the opposite side of the spectrum, Utilities went from first to worst with a 5.6% decline.

Economic Momentum

The economic momentum of the first quarter of 2024 continued into the second, and the last three months were another positive period for equity markets. Initially, investors aggressively dialed back expectations for central bank rate cuts, as the US overheating worries that had taken root towards the end of the first quarter meant strong April data was poorly received by markets. But as the quarter progressed the worst of these worries abated, and soft-landing hopes revived. In Europe, economic momentum also remained positive as the effects of the cost-of-living shock continued to abate.

The price of this continued economic growth was sticky inflation and while investors’ worries at the end of the first quarter proved overdone, services inflation remained obstinately above levels that are consistent with central bank targets. As a result, rates markets still expect far fewer cuts by Western central banks than they did at the beginning of the year.

Unemployment

Unemployment topped 4% for the first month since January 2022, and the labor force participation rate fell to 62.5%. Both new and existing home sales slipped in June, yet the U.S. median existing home sales price set another all-time high. Inflation continues to hover at the lower end of the 3-4% range, while core inflation logged another monthly decline.

Yields

Treasury yields dropped across the board with the exception of the 3-month T-Bill. The 5-year Treasury note endured the largest decline on the curve for the second straight month, shedding another 19 basis points. T-Bill instruments saw minimal movement. For the third straight month, the 2-year, 3-year, 10-year, 20-year, and 30-year all decreased by double-digit basis points. Bond funds benefitted from added gains as a result of the lower yields.

MRM’s View

Against this resilient backdrop, developed market equities delivered positive total returns of 2.8% over the quarter. These returns were concentrated in larger companies, while rate sensitive small cap stocks and REITS suffered from confirmation of the higher-for-longer interest rate environment. Conversely, fixed income investors had to endure another quarter of negative returns with global investment grade bonds delivering negative returns of -1.1%.

Source: JPMorgan/YCharts

MRM model holdings as of June 30, 2024

MRM Tax-Advantaged Income		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
CATERPILLAR INC DEL	4.90%	ISHARES MSCI ACWI INDEX FUND	3.00%	APPLE INC COM	5.00%
CHEVRON CORP NEW	4.90%	ISHARES DJ US AEROSPACE & DEFENSE	3.00%	AMAZON COM INC	10.00%
CLEARWAY ENERGY INC CL C	4.90%	ISHARES S&P 500 VALUE INDEX FUND	15.00%	CATERPILLAR INC DEL	5.00%
EATON CORP PLC SHARES	4.90%	ISHARES S&P 100 INDEX FUND	12.00%	ALPHABET INC CAP STK CL C	7.00%
GARMIN LTD ORD	4.90%	POWERSHARES QQQ TRUST, SERIES 1	7.00%	INTERNATIONAL BUSINESS MACHS	10.00%
INTERNATIONAL BUSINESS MACHS	4.90%	INVESTCO ETF TR S&P 500	5.00%	J P MORGAN CHASE & CO	5.00%
IRON MTN INC NEW COM	4.90%	SPDR S&P 500 TRUST	40.00%	LILLY ELI & CO	5.00%
KINDER MORGAN INC DEL COM	4.90%	VANGUARD GROWTH INDEX FUND	10.00%	META PLATFORMS INC CL A	5.00%
COCA COLA CO	4.90%	INDUSTRIAL SELECT SECTOR SPDR	4.00%	MICROSOFT CORP	6.00%
LILLY ELI & CO	4.90%	FDIC CASH NOT COVERED BY SIPC	1.00%	NVIDIA CORP	5.00%
ALTRIA GROUP INC	4.90%			PEPSICO INC	5.00%
MERCK & CO INC	4.90%			PAYPAL HLDGS INC	5.00%
NEW YORK CMNTY BANCORP INC COM	4.90%			QUALCOMM INC	5.00%
REALTY INCOME CORP	5.90%			SCHWAB CHARLES CORP NEW	5.00%
PEPSICO INC	4.90%			SHAKE SHACK INC CL A	5.00%
PHILIP MORRIS INTL INC COM	4.90%			SKECHERS U S A INC CL A	5.00%
PPL CORP	4.90%			UBER TECHNOLOGIES INC COM	5.00%
TARGET CORP	4.90%			FDIC CASH NOT COVERED BY SIPC	2.00%
VERIZON COMMUNICATIONS INC	4.90%				
EXXON MOBIL CORP	4.90%				
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%		

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 <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 June 30, 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.

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 (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.