



Monthly Investment Commentary

August 2024

Small Caps

Softer inflation and labor market data from the US heightened expectations of rate cuts, spurring a rotation into small cap stocks and other interest-sensitive asset classes.

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 07/31/2024)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+14.45%	+18.76%	+5.57%	+8.86%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+8.62%	+10.28%	+1.76%	+6.03%
All Equity	+17.39%	+26.16%	-0.31%	+5.59%
<i>S&P 500 Total Return</i>	+16.70%	+22.15%	+9.60%	+15.00%
Dynamic International	+13.31%	+18.76%	+2.48%	+5.79%
<i>MSCI EAFE with dividends</i>	+8.86%	+11.76%	+4.17%	+7.88%
Tax-Advantaged Income	+19.88%	+29.40%	+12.03%	+13.28%
<i>Dow Jones US Select Dividend</i>	+10.31%	+10.09%	+3.80%	+5.23%

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

Volatile Month

July proved to be a volatile month as markets digested a number of notable economic and political developments. A weaker than expected US Consumer Price Index (CPI) reading early in the month, combined with weaker US labor market data, reassured bond investors that the Federal Reserve (Fed) will soon begin cutting interest rates. Investors now expect the first Fed rate cut in September and are currently pricing almost three US rate cuts this year, with around 150 basis points worth of cuts by June 2025. Against this backdrop, interest-rate sensitive asset classes outperformed. Small-cap returns were up 6.9% over the month, with global REITs posting a healthy 6.0% and the Bloomberg Global Aggregate Bond Index delivering 2.8%.

Equities

In the US, earnings season continued with four of the ‘magnificent seven’ reporting results for the previous quarter. Broadly, investors appeared underwhelmed by the releases, resulting in the tech sector coming under pressure for most of July before a rebound into month end. Overall, the S&P 500 gained 1.2% over the month. With over half of S&P companies having reported, more than two thirds have beaten analysts’ expectations, suggesting a resilient US economy is contributing to a broadening of earnings.

Fixed Income

In the credit market, investment grade (IG) bonds outperformed high yield bonds. The Bloomberg Global Aggregate Corporate Index – which measures the performance of developed market IG bonds – returned 2.4% over the month. In contrast, US high yield bonds returned 2.0% and European high yield bonds returned 1.2% over the same period. Overall, July was a volatile month in the markets. Softer inflation and labor market data from the US heightened expectations of rate cuts, spurring a rotation into small cap stocks and other interest-rate sensitive asset classes. While we anticipate this sector rotation to continue, there is a risk that bond markets may have moved too quickly.

MRM View

If there was ever a doubt that big-picture, macro issues were not back in vogue, last week helped settle the debate. Between mega-cap earnings results (which were largely met with a lack of investor enthusiasm), the Federal Reserve's decision to leave rates unchanged (which didn't reveal much more than what we already know about officials' views), and the July jobs report (which caused recession fears to spike), there was no shortage of news that drove an incredibly volatile week for stocks.

Source: JPMorgan Monthly Market Review/
Charles Schwab Markets and Economy

MRM model holdings as of June 30, 2024

MRM Tax-Advantaged Income	
CATERPILLAR INC DEL	4.90%
CHEVRON CORP NEW	4.90%
CLEARWAY ENERGY INC CL C	4.90%
EATON CORP PLC SHARES	4.90%
GARMIN LTD ORD	4.90%
INTERNATIONAL BUSINESS MACHS	4.90%
IRON MTN INC NEW COM	4.90%
KINDER MORGAN INC DEL COM	4.90%
COCA COLA CO	4.90%
LILLY ELI & CO	4.90%
ALTRIA GROUP INC	4.90%
MERCK & CO INC	4.90%
NEW YORK CMNTY BANCORP INC COM	4.90%
REALTY INCOME CORP	5.90%
PEPSICO INC	4.90%
PHILIP MORRIS INTL INC COM	4.90%
PPL CORP	4.90%
TARGET CORP	4.90%
VERIZON COMMUNICATIONS INC	4.90%
EXXON MOBIL CORP	4.90%
FDIC CASH NOT COVERED BY SIPC	1.00%

MRM Dynamic Overlay – ETFs	
ISHARES MSCI ACWI INDEX FUND	3.00%
ISHARES DJ US AEROSPACE & DEFENSE	3.00%
ISHARES S&P 500 VALUE INDEX FUND	15.00%
ISHARES S&P 100 INDEX FUND	12.00%
POWERSHARES QQQ TRUST, SERIES 1	7.00%
INVESTCO ETF TR S&P 500	5.00%
SPDR S&P 500 TRUST	40.00%
VANGUARD GROWTH INDEX FUND	10.00%
INDUSTRIAL SELECT SECTOR SPDR	4.00%
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	10.00%
CATERPILLAR INC DEL	5.00%
ALPHABET INC CAP STK CL C	7.00%
INTERNATIONAL BUSINESS MACHS	10.00%
J P MORGAN CHASE & CO	5.00%
LILLY ELI & CO	5.00%
META PLATFORMS INC CL A	5.00%
MICROSOFT CORP	6.00%
NVIDIA CORP	5.00%
PEPSICO INC	5.00%
PAYPAL HLDGS INC	5.00%
QUALCOMM INC	5.00%
SCHWAB CHARLES CORP NEW	5.00%
SHAKE SHACK INC CL A	5.00%
SKECHERS U S A INC CL A	5.00%
UBER TECHNOLOGIES INC COM	5.00%
FDIC CASH NOT COVERED BY SIPC	2.00%

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.