



# Monthly Investment Commentary

September 2024

## August Data

August was an eventful month for investors. Any hopes of a late summer lull were quickly dashed at the beginning of month after the publication of disappointing US economic data, together with an interest rate hike by the Bank of Japan, sparked a sharp sell-off across global equity markets. However, by month end, the market had rebounded as investors began to price in more aggressive policy easing by the Federal Reserve (Fed).

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 08/31/2024)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>+17.15%</b>	<b>+23.89%</b>	<b>+5.30%</b>	<b>+9.65%</b>
<i>Morningstar Average Tactical Return (fixed &amp; equities)</i>	+9.33%	+13.48%	+1.44%	+6.34%
<b>All Equity</b>	<b>+22.38%</b>	<b>+32.74%</b>	<b>-0.13%</b>	<b>+6.86%</b>
<i>S&amp;P 500 Total Return</i>	+19.53%	+27.14%	+9.38%	+15.92%
<b>Dynamic International</b>	<b>+15.41%</b>	<b>+25.12%</b>	<b>+2.12%</b>	<b>+7.01%</b>
<i>MSCI EAFE with dividends</i>	+12.42%	+19.99%	+4.68%	+9.14%
<b>Tax-Advantaged Income</b>	<b>+28.90%</b>	<b>+35.24%</b>	<b>+14.37%</b>	<b>+14.57%</b>
<i>Dow Jones US Select Dividend</i>	+13.24%	+18.02%	+3.86%	+6.35%

*MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). Returns are net of fees. For more information visit [www.mrminv.com](http://www.mrminv.com).*

*Please contact MRM Group to obtain a Compliant Presentation and/or MRM's list of Composite descriptions.*

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### US Manufacturing

In the US, a July ISM manufacturing print that came in well below expectation (46.8 vs 48.8), and a weak July jobs report which showed the smallest payrolls increase (114k) in over three years, fueled fears about a US recession. Moreover, on the back of higher labor participation, the unemployment rate increased slightly to 4.3%, enough to trigger the Sahm Rule indicator, an empirical observation which predicts a recession when the three-month moving average of the unemployment rate exceeds its lowest level from the prior 12 months.

### Bank of Japan

At the same time, the Bank of Japan's decision to increase its policy rate by 25 basis points (bps) and Governor Ueda's hawkish tone led to an abrupt unwinding of carry trade positions, which had relied on cheap Japanese yen borrowing costs to buy other higher yielding assets. Against this backdrop, global equity markets sold off and volatility (VIX) spiked, while global bonds rallied. The Bloomberg Global Aggregate

Index ended up 2.8% over the month as weaker economic data and cooling inflation bolstered the case for a September Fed rate cut. In the second half of the month the prospect of lower US interest rates helped equity markets rebound and developed market equities closed 2.7% higher over the month. Other interest rate sensitive assets classes, such as real estate, were also well supported and the Global REITs Index rose 6.2%.

### 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

#### 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%		

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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 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.

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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 (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.**