



# Monthly Investment Commentary

October 2024

## The Quarter

The third quarter of 2024 ended with good returns across most major asset classes, despite several bouts of market volatility. A combination of weaker US economic data, an interest rate hike from the Bank of Japan and thin summer liquidity saw stocks hit particularly hard in early August. However, the long-anticipated start of the Federal Reserve’s rate cutting cycle in September, along with a less hawkish tone from Japanese policymakers and new stimulus in China, helped to soothe investor concerns and support a strong rally in stocks into quarter end.

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 09/30/2024)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>+19.16%</b>	<b>+33.38%</b>	<b>+7.56%</b>	<b>+9.64%</b>
<i>Morningstar Average Tactical Return (fixed &amp; equities)</i>	+10.54%	+18.72%	+3.04%	+6.31%
<b>All Equity</b>	<b>+25.55%</b>	<b>+42.97%</b>	<b>+3.18%</b>	<b>+7.60%</b>
<i>S&amp;P 500 Total Return</i>	+22.08%	+36.35%	+11.91%	+15.98%
<b>Dynamic International</b>	<b>+16.94%</b>	<b>+30.96%</b>	<b>+4.26%</b>	<b>+7.21%</b>
<i>MSCI EAFE with dividends</i>	+13.50%	+25.38%	+6.02%	+8.72%
<b>Tax-Advantaged Income</b>	<b>+29.41%</b>	<b>+42.28%</b>	<b>+16.81%</b>	<b>+14.27%</b>
<i>Dow Jones US Select Dividend</i>	+15.00%	+25.26%	+5.49%	+5.72%

*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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Markets

Developed market equities delivered a 6.5% return over the period. The parts of the stock market that had previously suffered most from high interest rates generally outperformed, with small caps delivering 9.5% and global REITs returning an impressive 16.2%. Conversely, growth stocks gave up some of their recent outperformance but remain up more than 20% YTD.

Bonds

Fixed income markets were buoyed by the prospect of lower rates, with the Barclays Global Aggregate index returning 7.0% in the third quarter. Government bonds and credit both delivered solid returns, while emerging market debt rallied by 6.1% over the quarter, taking it close to the top of the charts for fixed income sector performance year to date.

Rates

14 months on from its last interest rate hike, the Federal Reserve (the Fed) kickstarted its cutting cycle with a 50 basis point (bp) move in September. With the unemployment rate having drifted up from a low of 3.4% in April 2023 to 4.2% today, Fed officials

have now made it clear that they do not welcome any further weakening in the economy and are keen to quickly move interest rates back to less restrictive levels. Later in the month, the Fed’s more circumspect view on the economy was vindicated by the largest monthly decline in consumer confidence in over three years. A comparison of market pricing for future interest rates at the start and end of the third quarter demonstrates how the rate outlook is perceived to have shifted. On June 30th, market pricing saw US interest rates reaching 4.4% by the middle of 2025. Now, investors believe that rates are more likely to hit 3.2% over the same period. With inflation cooling and activity relatively muted, other western central banks also deemed it appropriate to cut rates.

MRM’s View

But will the market bull run continue? We have shared our fundamental reason why we believe the answer is yes. Also from a technical standpoint, we are fairly positive too.

Happy Birthday Bull Market!!

Source: JPMorgan Monthly Market Review

MRM model holdings as of September 30, 2024

MRM Tax-Advantaged Income	MRM Dynamic Overlay – ETFs	MRM All Domestic Equity
CATERPILLAR INC DEL 4.90%	ISHARES MSCI ACWI INDEX FUND 2.00%	APPLE INC COM 5.00%
CHEVRON CORP NEW 4.90%	VANECK VECTORS ETF TR 5.00%	AMAZON COM INC 10.00%
CLEARWAY ENERGY INC CL C 4.90%	ISHARES DJ US AEROSPACE & DEFENSE 3.00%	CATERPILLAR INC DEL 5.00%
EATON CORP PLC SHARES 4.90%	ISHARES S&P 500 VALUE INDEX FUND 10.00%	DELTA AIR LINES INC DEL NEW 5.00%
GARMIN LTD ORD 4.90%	ISHARES S&P 100 INDEX FUND 12.00%	ALPHABET INC CAP STK CL C 7.00%
INTERNATIONAL BUSINESS MACHS 4.90%	POWERSHARES QQQ TRUST, SERIES 1 7.00%	INTERNATIONAL BUSINESS MACHS 10.00%
IRON MTN INC NEW COM 4.90%	INVESTCO ETF TR S&P 500 E 5.00%	J P MORGAN CHASE & CO 5.00%
KINDER MORGAN INC DEL COM 4.90%	SPDR S&P 500 TRUST 40.00%	LILLY ELI & CO 5.00%
COCA COLA CO 4.90%	VANGUARD GROWTH INDEX FUND 10.00%	META PLATFORMS INC CL A 5.00%
LILLY ELI & CO 4.90%	SPDR S&P HOMEBUILDERS ETF 5.00%	MICROSOFT CORP 6.00%
ALTRIA GROUP INC 4.90%	FDIC CASH NOT COVERED BY SIPC 1.00%	NVIDIA CORP 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 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 September 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.**