



# Monthly Investment Commentary

February 2024

## U.S. Economy

- The first estimate of fourth quarter GDP was 3.3%, ahead of the 2.0% economist estimate, reflecting an uptick in consumer spending and exports.
- The unemployment rate was unchanged in December at 3.7%.
- Consumer sentiment rose to 78.8 in December, up from 69.7 in November, the highest since July 2021.
- Inflation, measured by the consumer price index (CPI), rose 0.3% in December, up 3.4% year-over-year, which is up from the 3.1% yearly increase over November.

### MRM NET COMPOSITE PORTFOLIO RESULTS (As of 01/31/2024)

*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.*

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
<b>Dynamic Overlay</b>	<b>+0.93%</b>	<b>+17.40%</b>	<b>+5.03%</b>	<b>+6.95%</b>
<i>Morningstar Average Tactical Return (fixed &amp; equities)</i>	+0.16%	+6.58%	+2.09%	+5.31%
<b>All Equity</b>	<b>+3.23%</b>	<b>+20.92%</b>	<b>-2.25%</b>	<b>+4.24%</b>
<i>S&amp;P 500 Total Return</i>	+1.68%	+20.82%	+10.99%	+14.30%
<b>Dynamic International</b>	<b>+0.70%</b>	<b>+14.20%</b>	<b>+0.59%</b>	<b>+3.47%</b>
<i>MSCIEAFE with dividends</i>	+0.58%	+10.58%	+5.11%	+7.44%
<b>Tax-Advantaged Income</b>	<b>+1.16%</b>	<b>+13.35%</b>	<b>+12.58%</b>	<b>+11.88%</b>
<i>Dow Jones US Select Dividend</i>	-1.97%	-8.36%	+5.88%	+3.80%

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**Stocks**

Global stocks ended the month higher as investor concerns over inflation and a recession receded. The U.S. Federal Reserve (Fed) dampened spirits after leaving interest rates unchanged in January and signaling that a rate cut at the March Fed meeting was unlikely. U.S. large-cap stocks, as represented by the S&P 500 Index, led the market advance on strong performance by stocks in the communication services and informational technology sectors. Stocks within developed markets outperformed their emerging-market counterparts on the strong performance of Japanese stocks following tax cuts and outflows from Chinese stocks due to policy concerns.

**Bonds**

Investment-grade bond prices fell as the yield on the 10-year U.S. Treasury rose 0.13% to 3.99%. High-yield bond prices were flat as strong economic growth and lower default expectations offset rising yields. Record high U.S. Treasury issuance could dampen investor enthusiasm for bonds in 2024.

**Macro**

Inflation continues to moderate with the personal consumption expenditures price index rising just 2.6% (year-over-year) in December. A resilient consumer, due in part to near-record-high household net worth and low unemployment, is working against Fed efforts and support the case for the Fed to keep interest rates elevated longer than expected to curb inflationary pressures. Oil prices posted their first monthly gain since September as the tensions between the U.S. and Iran rose. The U.S. crude oil price benchmark WTI (West Texas Intermediate) rose 5.86% in January to \$75.85 a barrel.

**MRM's View**

The S&P 500 started the year strong, setting a new all-time high and ending January up 1.68% (total return). The return was driven primarily by mega cap technology stocks as the S&P 500 Equal Weighted Index was down 0.82%. Roughly 40% of companies in the S&P 500 reported earnings results so far for the prior quarter. The blended earnings growth rate is estimated to be 0.13% (year-over-year). We remain bullish.

Source: Stifel/Mass Mutual

**MRM model holdings as of December 31, 2023**

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 S&P 500 VALUE INDEX FUND	15.00%	AMAZON COM INC	10.00%
CLEARWAY ENERGY INC CL C	4.90%	ISHARES RUSSELL 2000 INDEX FUND	3.00%	BOEING CO	5.00%
EATON CORP PLC SHARES	4.90%	ISHARES S&P 100 INDEX FUND	12.00%	CATERPILLAR INC DEL	5.00%
GARMIN LTD ORD	4.90%	POWERSHARES QQQ TRUST, SERIES 1	7.00%	ALPHABET INC CAP STK CL C	7.00%
INTERNATIONAL BUSINESS MACHS	4.90%	INVESTCO ETF TR S&P 500	5.00%	INTERNATIONAL BUSINESS MACHS	10.00%
IRON MTN INC NEW COM	4.90%	SPDR S&P 500 TRUST	40.00%	J P MORGAN CHASE & CO	5.00%
KINDER MORGAN INC DEL COM	4.90%	VANGUARD GROWTH INDEX FUND	10.00%	LILLY ELI & CO	5.00%
COCA COLA CO	4.90%	INDUSTRIAL SELECT SECTOR SPDR	4.00%	MCDONALDS CORP	5.00%
LILLY ELI & CO	4.90%	FDIC CASH NOT COVERED BY SIPC	1.00%	META PLATFORMS INC CL A	5.00%
ALTRIA GROUP INC	4.90%			MICROSOFT CORP	6.00%
MERCK & CO INC	4.90%			NVIDIA CORP	5.00%
NEW YORK CMNTY BANCORP INC COM	4.90%			PEPSICO INC	5.00%
REALTY INCOME CORP	5.90%			PAYPAL HLDGS INC	5.00%
PEPSICO INC	4.90%			SCHWAB CHARLES CORP NEW	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 December 31, 2023. 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.**