



Monthly Investment Commentary

August 2023

Economic Update

- After a brief pause in June, the FOMC announced its 11th rate hike of the current cycle on July 26, and Fed Chair Powell struck a more neutral tone in the press conference
- Market pricing has become more aligned with Fed guidance for 2024 interest rate policy, but any deviations from both near-term and long-run expectations will have implications for the level of rates and the slope of the yield curve in the coming months
- The recent economic data trend has revived the ‘soft landing’ narrative in financial markets

MRM NET COMPOSITE PORTFOLIO RESULTS (As of 7/31/2023)

MRM PLATFORMS VS. BENCHMARK	YTD	1-YEAR	3 Years Annualized	5 Years Annualized
Dynamic Overlay	+17.39%	+11.18%	+8.16%	+5.79%
<i>Morningstar Average Tactical Return (fixed & equities)</i>	+8.86%	+4.08%	+5.47%	+4.03%
All Equity	+8.75%	+1.02%	-2.18%	+1.63%
<i>S&P 500 Total Return</i>	+20.65%	+13.02%	+13.72%	+12.20%
Dynamic International	+14.88%	+10.38%	+4.80%	+1.14%
<i>MSCI EAFE with dividends</i>	+15.77%	+17.42%	+9.79%	+5.06%
Global Strategies	+8.78%	+1.45%	+1.29%	+2.46%
<i>(50%) S&P / (50%) MSCI EAFE</i>	+18.21%	+15.22%	+11.79%	+8.86%
Tax-Advantaged Income	+6.77%	+10.02%	+14.16%	+9.49%
<i>Dow Jones US Select Dividend</i>	-2.60%	-3.44%	+12.28%	+3.27%

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.

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The FMOc

The FOMC announced its 11th rate hike of the current cycle on July 26, raising the fed funds target range by 25 basis points (bps) to 5.25%-5.50%. The official statement from the meeting was essentially unchanged. In the press conference that followed, Jerome Powell struck a more neutral tone relative to past events, refusing to commit to a pause or continuation of rate hikes in the coming meetings. Instead, Powell reiterated data dependency many times in his response to questions regarding the path of future Fed policy. On the data front, recent key releases portray a US economy that remains more resilient.

The Implication for Markets

The implication for markets has been that the Fed may have to keep the funds rate higher for longer, an idea that has been met with much resistance this year amid prevalent recession speculation and a mini-banking crisis. This tracks forward pricing in the fed funds futures market relative to the most recent median Fed forecasts from the June 14 FOMC meeting. In mid-July, the bond market was pricing for roughly 150 bps of rate cuts in 2024.

Data Continues to Surprise

The revived soft landing narrative has been fueled by a combination of economic factors, including below-expectations inflation in June, ongoing strength in the labor market, and an upside surprise for Q2 GDP growth. For inflation, the June CPI report showed 0.2% growth in core prices, the smallest monthly gain since early 2021, and while any downside surprises for inflation readings are welcomed, the underlying details of the report dampened optimism a bit, including large declines in typically-volatile categories like used cars and airfares. The year-over-year core rate slipped down to 4.8%, also below expectations.

MRM's View

It's not all rosy regarding the economic outlook. The most recent Senior Loan Officer Opinion Survey (SLOOS) released by the Fed on July 31 showed continued tightening in both supply of and demand for credit in Q2, including commercial, consumer, and residential credit. This is not unexpected, but the timing and severity of the impact of tighter credit on the US economy is more difficult to forecast. The banking turmoil from earlier this year has quieted down. It is time to be vigilant.

Source: ALM First

MRM model holdings as of June 30, 2023

MRM Global Strategies		MRM Dynamic Overlay – ETFs		MRM All Domestic Equity	
APPLE INC COM	5.00%	ISHARES MSCI ACWI INDEX FUND	3.00%	APPLE INC COM	5.00%
ALLISON TRANSMISSION HLDGS INC	5.00%	ISHARES DJ US HOME CONSTRUCTION	9.00%	ALLISON TRANSMISSION HLDGS INC	6.00%
AMAZON COM INC	5.00%	ISHARES S&P 500 VALUE INDEX FUND	15.00%	AMAZON COM INC	5.00%
AMERICAN EXPRESS CO	5.00%	ISHARES S&P 100 INDEX FUND	12.00%	BOEING CO	5.00%
BOEING CO	3.00%	POWERSHARES QQQ TRUST, SERIES 1	7.00%	CATERPILLAR INC DEL	5.00%
CATERPILLAR INC DEL	2.00%	GUGGENHEIM S&P 500 EQUAL WEIGHT	5.00%	DEERE & CO	5.00%
DEERE & CO	5.00%	SPDR S&P 500 TRUST	35.00%	ALPHABET INC CAP STK CL C	5.00%
WISDOMTREE INDIA EARNINGS FUND	3.00%	VANGUARD GROWTH INDEX FUND	10.00%	HUMANA INC	5.00%
ALPHABET INC CAP STK CL C	5.00%	HEALTH CARE SELECT SECTOR SPDR	3.00%	INTERNATIONAL BUSINESS MACHS	5.00%
HUMANA INC	5.00%	FDIC CASH NOT COVERED BY SIPC	1.00%	J P MORGAN CHASE & CO	5.00%
INTERNATIONAL BUSINESS MACHS	5.00%			LILLY ELI & CO	5.00%
ISHARES S&P INDIA NIFTY 50 INDEX FUND	3.00%			MCDONALDS CORP	5.00%
J P MORGAN CHASE & CO	5.00%			META PLATFORMS INC CL A	5.00%
LILLY ELI & CO	5.00%			MERCK & CO INC	5.00%
MCDONALDS CORP	5.00%			MICROSOFT CORP	6.00%
META PLATFORMS INC CL A	5.00%			OCCIDENTAL PETE CORP DEL	5.00%
MERCK & CO INC	2.00%			PEPSICO INC	5.00%
MICROSOFT CORP	6.00%			SCHWAB CHARLES CORP NEW	5.00%
OCCIDENTAL PETE CORP DEL	5.00%			UBER TECHNOLOGIES INC COM	5.00%
PEPSICO INC	5.00%			FDIC CASH NOT COVERED BY SIPC	3.00%
SPDR S&P 500 TRUST	5.00%				
UBER TECHNOLOGIES INC COM	5.00%				
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%

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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 (When Potential Investments Look Unattractive)
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%
Global Strategies	50% S&P 500 Total Return/ 50% MSCI EAFE Gross	Exchange-Traded Funds (ETF's)/Other Securities	Up to 50%
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, 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.