




Tactical investment strategy striving  
to preserve and grow client wealth

# An Introduction to Dynamic Overlay



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A blue-tinted photograph of a modern staircase with glass railings, serving as a background for the top section of the slide.

# **MRM Dynamic Overlay** *seeks to be an* **“All Weather” Strategy**

## **Incorporates Two Specific Portfolio Enhancements**

Pioneered in early 2000 by Harvard and Other Large  
Endowment Fund Managers.

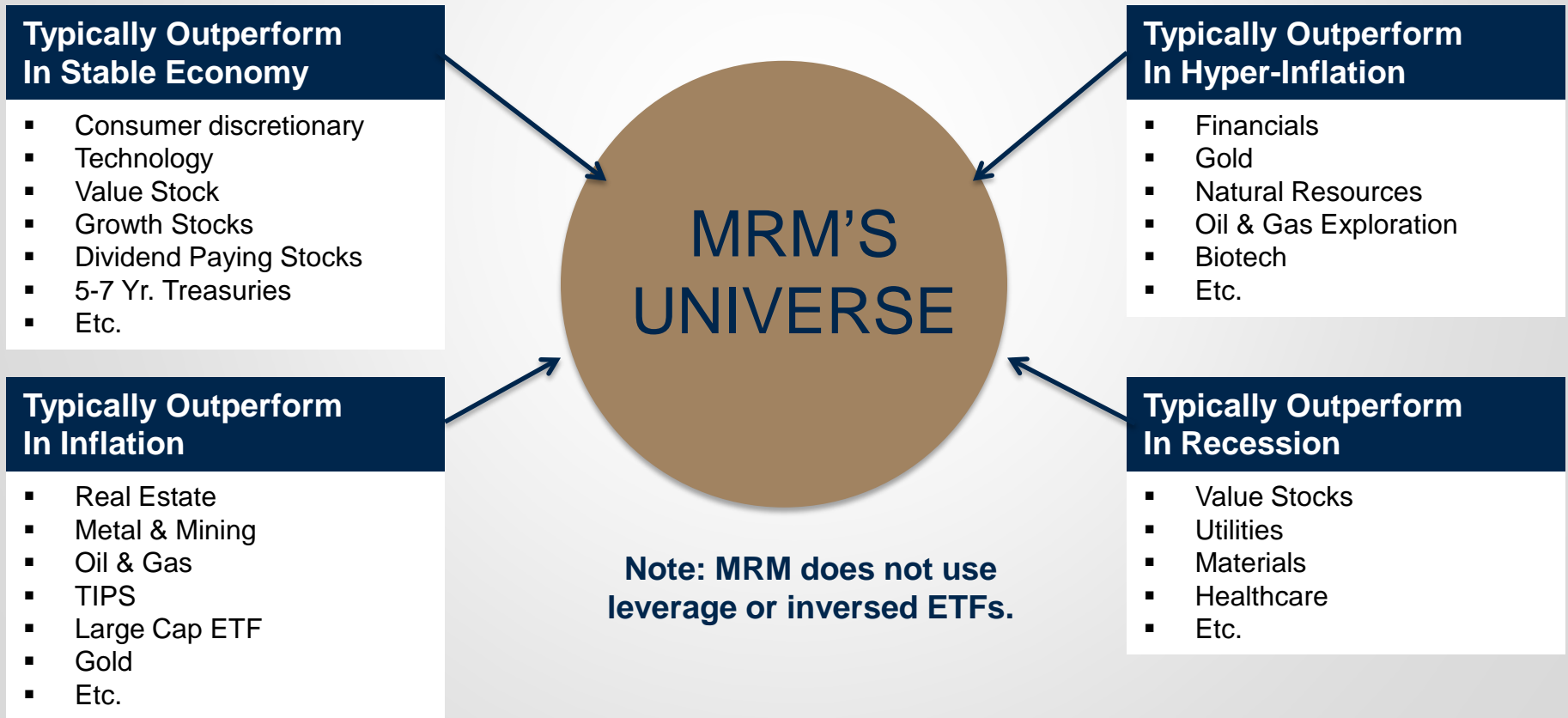


Endowment managers introduced low correlating assets to make money when the market was going nowhere:

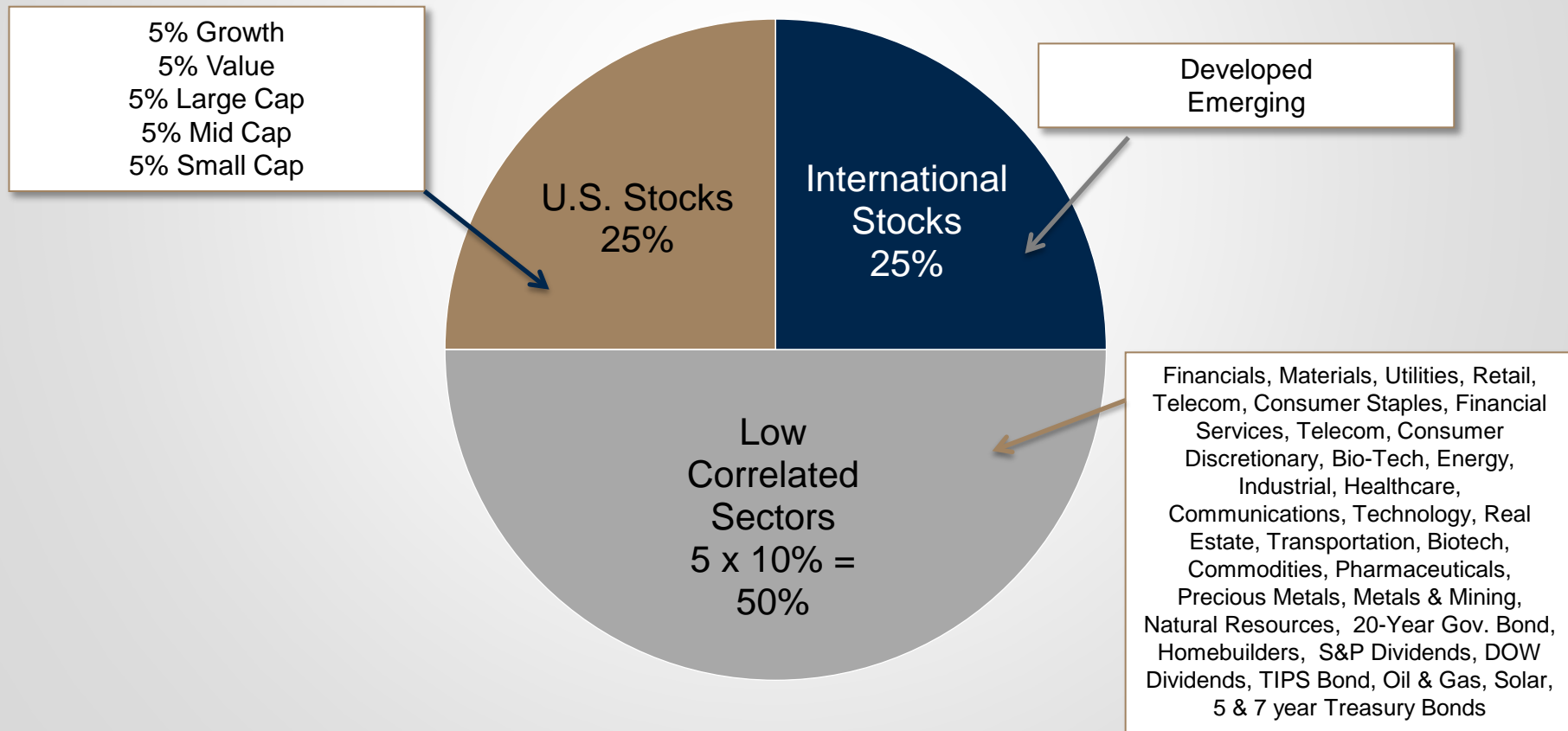
Oil & Gas  
Real Estate  
Iron and Ore  
Timberland  
Farmland  
Other Commodities

**1. We seek to add lower correlated  
“alternative-like” assets to the portfolio.**

# Different ETFs Outperform In Specific Economic Cycles



# Dynamic Overlay “Target Allocation” is Built Using ETF Securities



Target allocations often can and do vary



## 2. We hold cash when other investments look unattractive.

To further enhance portfolio results, we invest in cash equivalents when no other investments meet our criteria.

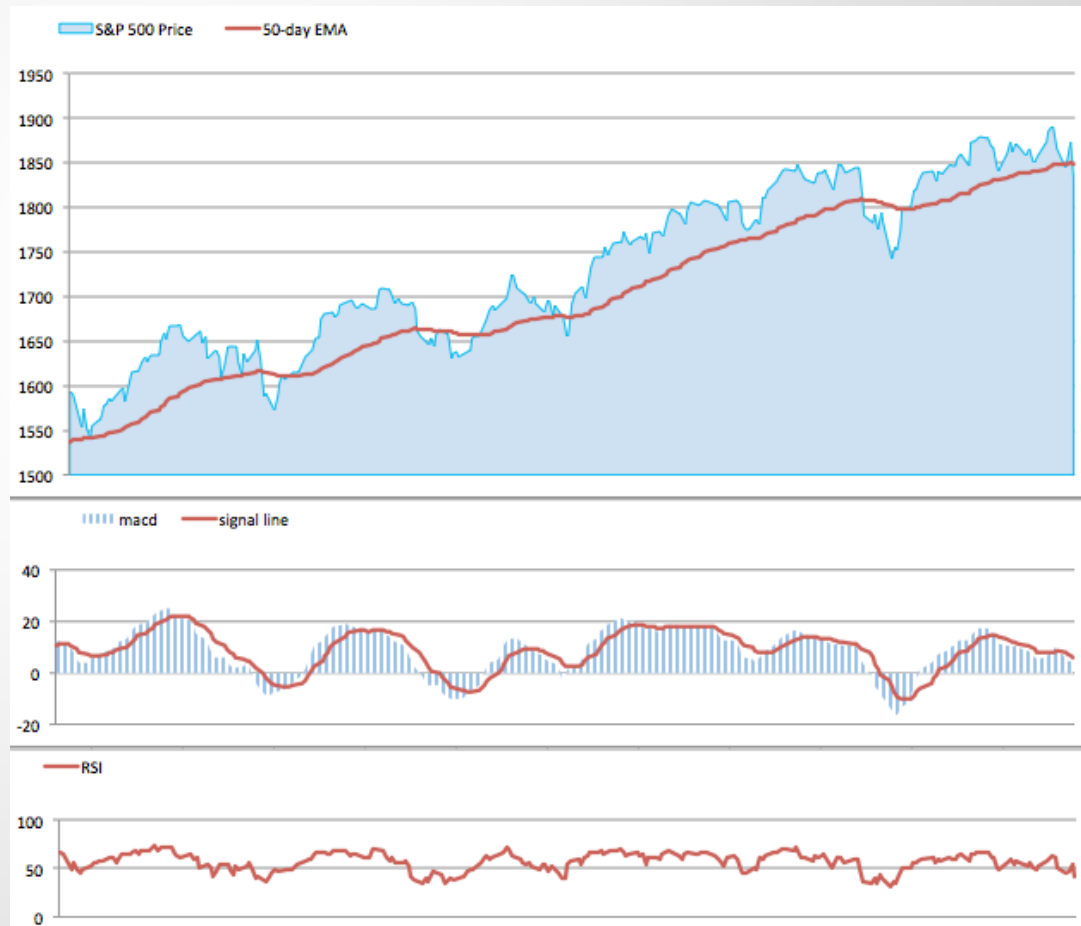
MRM's quantitative, rules-based analysis scores and ranks investments to avoid emotional top-down market decisions.

***How is this accomplished?***

# Each Holding is Given 27 Stringent Tests

## *Among the 27 Tests are:*

- Price above 50-period exponential moving average (EMA)
- 50-period exponential moving average rising
- MACD indicator positive and above zero
- RSI indicator positive and above 50

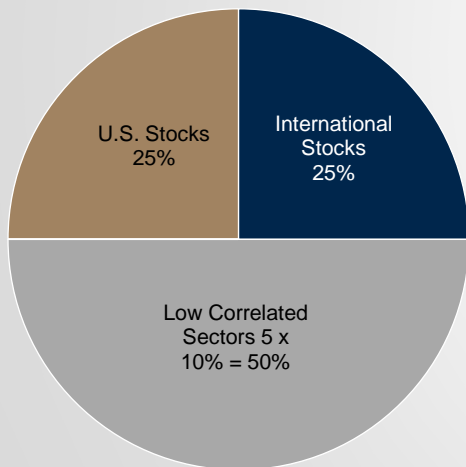


**If the security is positive on ALL 27 tests = Fully-weighted (%)**  
**If the security is not positive on ALL 27 tests = Underweighted (%)**



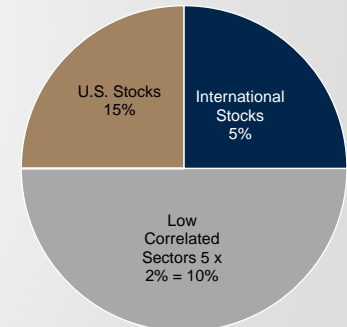
# Pre-Assigned Target Maximum and Minimum Weight for each Portfolio Holding

Maximum 100%  
12 ETFs



Minimum of 12 Portfolio Holdings	Percent Maximum	Percent Minimum
1. U.S. Growth	5%	3%
2. U.S. Value	5%	3%
3. U.S. Large Cap	5%	3%
4. U.S. Mid Cap	5%	3%
5. U.S. Small Cap	5%	3%
6. International Developed	20%	4%
7. International Emerging	5%	1%
+ 5 Sectors (10% Each)	50%	10%

Minimum 30%  
12 ETFs



- Aggregate Minimum is 30% Securities and 70% Cash
- But can be 80%, 90%, even 100% Securities in Positive Markets

Target allocations often can and do vary





## Definition of GIPS® Global Investment Performance Standards

Ethical standards to be used by investment managers for creating performance presentations that ensure fair representation and full disclosure of investment performance results.

Global Investment Professional Standards were created by the Chartered Financial Analyst Institute and governed by the GIPS Executive Committee.

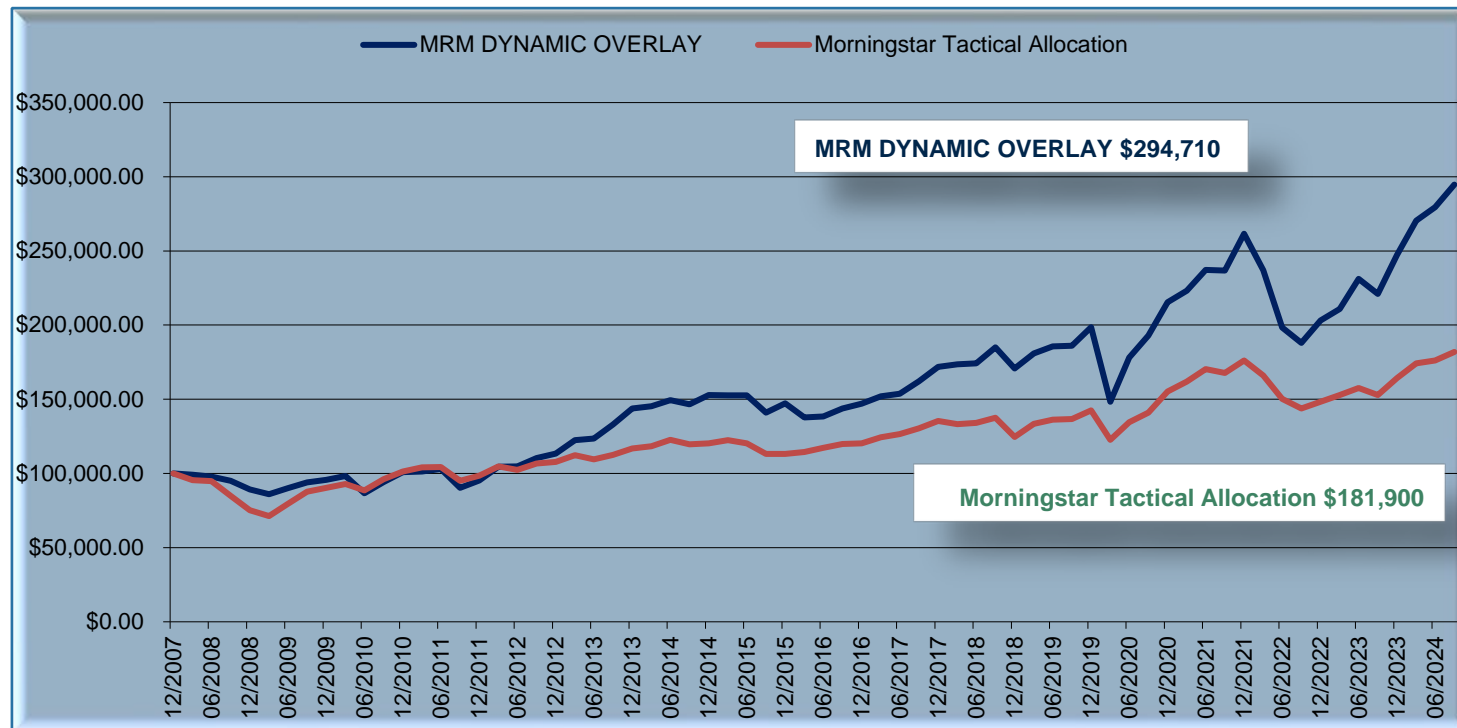
They are standardized guidelines for reporting the ability of an investment firm to make profits for investors.

GIPS compliance requires that a firm's investment performance be audited by a third party, recognized as an expert provider of compliance analysis.

Source: CFA Institute

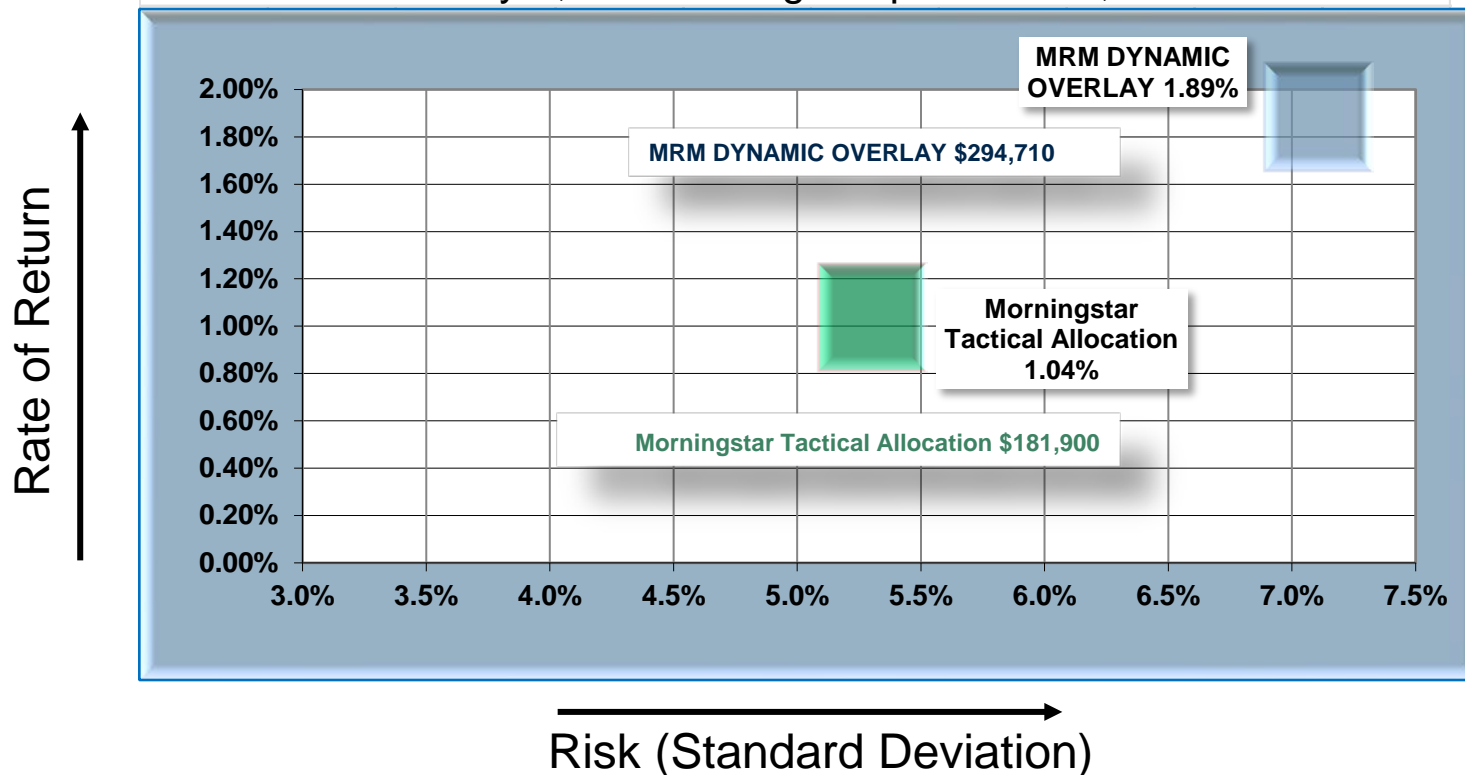
# Our Historical Performance Shows We Have Delivered

MRM NET Composite Portfolio Results (as of 09/30/2024)



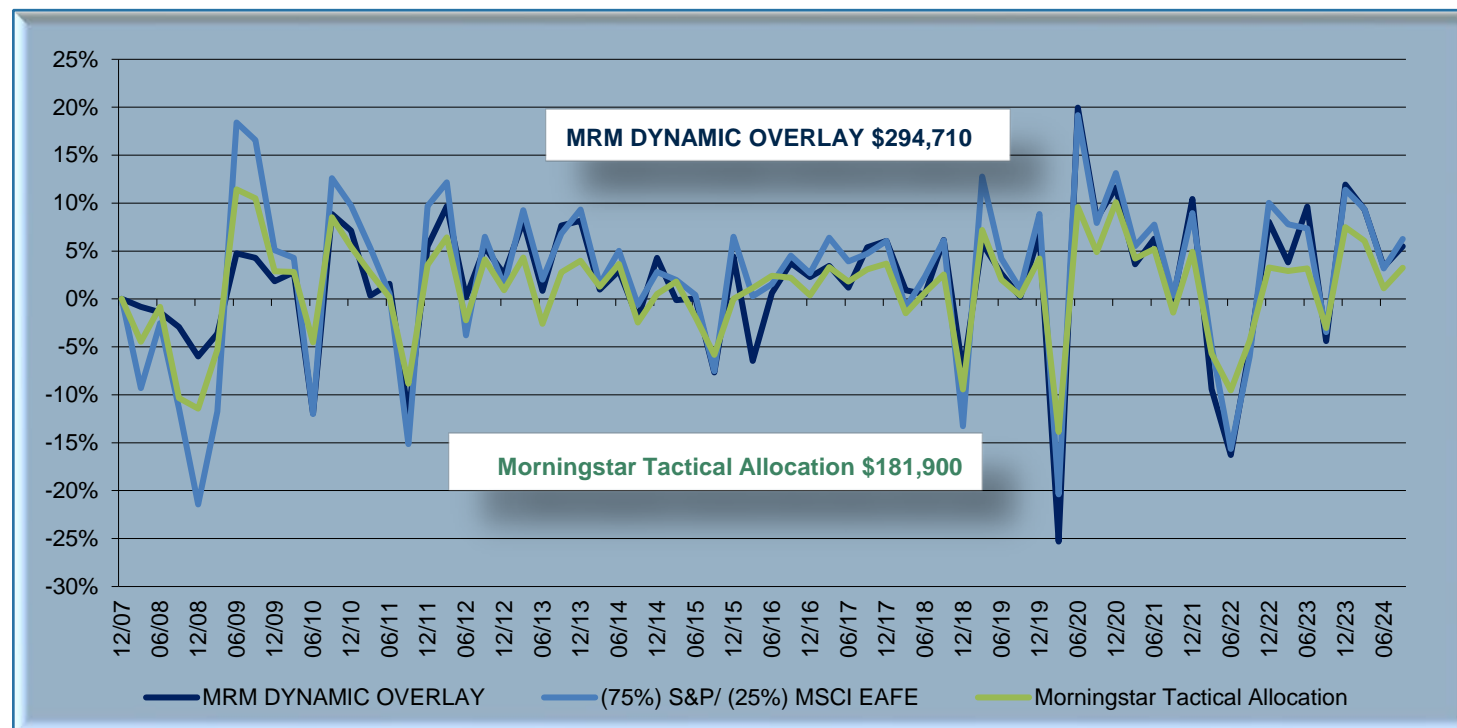
# MRM Outperformed With Lower Volatility

Average Quarterly Returns & Standard Deviations  
January 1, 2008 through September 30, 2024



# Dynamic Overlay Returns Have Exhibited Lower Volatility Than The Benchmark

Quarterly Returns vs. Benchmark (1/1/2008 – 9/30/2024)





# MRM Dynamic Overlay *seeks to be an* “All Weather” Strategy

- Attempts to ***manage risk*** tactically.
- Cannot go out of style – because it is ***dynamic***  
– it is ***not tied to a style***...a market...or one country...  
it is ***truly global***.
- Designed for investors who made their money and want  
to ***grow it*** and ***keep it***.

# What's MRM Solution to Capture Growth?

- Look for markets or market segments growing faster than others – using quantitative methods.
- Don't forecast; instead, use technology to find growth, as it occurs.
- Eliminate emotion by focusing on data.
- Manage risk by diversifying.
  - Don't buy stocks
  - Buy ETF's capturing growing markets and segments of the global economy

# MRM's Commitment to Your Business Growth

MRM supports you.

- Speaking at seminars.
- Attending private briefings.
- Making one-on-one presentations.

MRM publishes a monthly commentary.

- Let us put you on our mailing list.





# Important Disclosures

MRM Group, Inc. is a state-registered investment advisor. MRM Group, Inc. is an independent management firm that is not affiliated with any parent organization.

MRM Group claims compliance with the Global Investment Performance Standards (GIPS®). MRM has been independently verified for the periods January 1, 2008 through the present. 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.

The Dynamic Overlay platform is a quantitative strategy that uses exchange-traded funds (ETFs) and other securities as approved, from time to time, by the principal of MRM Group at its sole discretion. Effective November 1, 2016 the benchmark is Morningstar's Tactical Allocation Category which averages returns for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends. Tactical Allocation portfolios seek to provide capital appreciation and income by actively shifting allocations between asset classes. These portfolios have material shifts across equity regions, and bond sectors on a frequent basis. Generally, data on MRM Strategies is provided by the MRM Group, Inc. Morningstar ratings and data on non-MRM strategies is provided by Morningstar, Inc. and data on non-mutual fund products is provided by the product's investment manager, trustee or issuer or the plan sponsor whose plan is offering the product to participants. Although MRM believes the data gathered from these third-party sources is reliable, it does not review such information and cannot warrant it to be accurate, complete or timely.

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. 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. Dynamic Overlay is suitable for the long-term investor.

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 standard management fee is 2.0%, of which 1.0% is typically charged by MRM. The actual fees charged vary and range from .5% to 2.2% depending on the size of the account and the custodian.

The Dynamic Overlay strategy actively invests in Exchange Traded Funds (ETF's) in an attempt to generate above-market returns, protect principal and reduce volatility. The Flagship portfolio of MRM, this tactical portfolio combines a diversified allocation among broad-based domestic and international equity market ETFs with opportunistic investments in sector ETFs that have the potential to outperform broader market indices. The portfolio can be fully invested when investments rank positively and may hold up to 70% in cash when potential investments look unattractive. The portfolio does NOT use inverse or leverage ETFs.

Investors should not rely on charts and graphs alone when making investing decisions. Investments in securities of non-U.S. issuers involve investment risks different from those of U.S. issuers, including currency risks, political, social, and economic risks.

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