Market Commentary

KMR Financial Advisory, Inc.

3rd Quarter 2023 Market Review & Outlook

3rd Quarter 2023 Market Review

	BENCHMARK	Q3 2023	YTD
U.S. Large-Cap Stocks	S&P 500® Index	-3.3%	13.1%
U.S. Small-Cap Stocks	Russell 2000® Index	-5.1%	2.5%
International Developed Stocks	MSCI EAFE Index	-4.1%	7.5%
Emerging Market Stocks	MSCI Emerging Markets Index	-2.9%	2.0%
U.S. Bonds	Bloomberg US Aggregate Bond Index	-3.2%	-1.2%
Treasury Inflation Protected Securities	Bloomberg US Treasury Inflation Protected Securities (TIPS) Index	-2.6%	-0.8%
High Yield Bonds	Bloomberg US Corporate High Yield Bond Index	0.5%	5.9%
International Developed Bonds	Bloomberg Global Treasury ex-US Index	-4.9%	-3.3%
Commodities	S&P GSCI Index	16.0%	7.2%
REITS	Dow Jones U.S. Select REIT Index	-7.4%	-2.1%

During Q3 of 2023, the bullish sentiment that lifted stocks out of a bear market has faded. Some of the optimism that drove the first-half rally was misplaced, particularly expectations that the Federal Reserve would soon be pivoting to lowering rates.

Instead, "higher for longer" (or "high for longer") has become the newest catchphrase on Wall Street, indicating that the Federal Reserve will keep interest rates up for some time. That has the bond market flirting with its 3rd straight down year, even as fixed-income markets are offering their highest yields in over 15 years. The Fed raised rates in July, and the current thinking Is that is it for a while (hopefully so).

At the same time, the household names among growth stocks that helped usher in what many called a new bull market in the first half of the year ran out of steam. Big tech stocks lost steam, with Apple, Microsoft, and Nvidia all down. The S&P 500 index fell 3.3%, the smallest quarterly move in 2 years.

Small stocks continued their under-performance, falling over 5% for the quarter. The AGG index (corporate bonds) fell 3.2% for the quarter and ended the quarter negative for the year. Energy had a big quarter, rising 12.2%, as oil prices topped $90 per barrel for the first time since November 2022. Utilities and real estate, sectors that are sensitive to interest rates, fell about 9% each for the quarter.

Several factors contributed to the stock market's decline in the 3rd quarter. One continuing factor was high interest rates. When the Fed raised in again for the 4th time this year in July, it indicated that it was willing to continue raising rates as long as it took to tamp down inflation. The wistful hopes of those thinking that there would be rate reductions later this year and next were dashed.

Another factor that weighed on the stock market was continued concerns about inflation. Inflation remained elevated in the 3rd quarter but showed some positive progress by dropping (the core CPI) to 4.1% annualized in September from 5.6% earlier this year.

S&P 500 Sectors

Index	S&P Weight	3-month Total Return	YTD Total Return
S&P 500 Index	100.0%	-3.3%	13.1%
Information Technology	27.6%	-5.6%	34.7%
Health Care	13.3%	-2.7%	-4.1%
Financials	12.8%	-1.1%	-1.7%
Consumer Discretionary	10.6%	-4.8%	26.6%
Communication Services	8.9%	3.1%	40.4%
Industrials	8.3%	-5.2%	4.5%
Consumer Staples	6.6%	-6.0%	-4.8%
Energy	4.7%	12.2%	6.0%
Materials	2.4%	-4.8%	2.6%
Utilities	2.4%	-9.2%	-14.4%
Real Estate	2.4%	-8.9%	-5.5%

Finally, the stock market was also impacted by geopolitical tensions, including the ongoing war in Ukraine. The war has caused uncertainty in global markets and has led to higher energy prices. This has also contributed to concerns about inflation and economic growth.

Core Bonds

	3-month	YTD
Bloomberg U.S. Aggregate	-3.2%	-1.2%
Treasuries	-3.1%	-1.5%
Municipal Bonds	-3.9%	-1.4%
Mortgage Backed	-4.1%	-2.3%
Agency Bonds	-0.2%	1.4%
Investment Grade Corporate	-2.7%	0.4%
Commercial Mortgage Backed	-1.0%	0.1%
Asset Backed	0.2%	2.0%

3rd Quarter 2023 Major Index Performance

Price-based, dividends not re-invested

Market Outlook

The outlook for the US stock market in the 4th quarter of 2023 is influenced by a combination of factors that can be understood through a lens of cautious optimism. Here are some key points to consider:

1. **Economic Growth**: The US economy has shown resilience and recovery since the challenges of the COVID-19 pandemic. Positive GDP growth (latest reading was 4.9% for the 3rd quarter, the best since 2021) and low unemployment rates continue to surprised prognosticators, especially those (who were many) that predicted a recession by now.

2. **Inflation**: The core PCE, the Fed's favorite inflation indicator, came in at 3.7% this week for September annualized, down from 4.7% earlier this year. Taking out things like shelter, and you get something close to 2% inflation, the Fed's stated target. They are succeeding, but when will they declare victory (not yet)?

3. **Interest Rates**: The Federal Reserve has not raised rates since July, but has stated publicly that it is still willing to raise if inflation doesn't show signs of continue to go down. This has had a big drag on market sentiment, which really want to have lower interest rates in the forecast.

4. **Corporate Earnings**: Corporate profits play the most significant role in stock market performance, and the results so far for Q3 have been mixed, especially in tech. But there has not been any recession-related fears stated in the reports so far.

5. **Domestic Governance**: Well, we have a Speaker now, but he has his works cut out since the current Continuing Resolution to fund the government plays out in a couple of weeks. Congress really must get its act together and do its job with all that is happening in the world.

6. **Global Factors:** Here is the big X-factor for sure. Always important, but with the absolute unimaginable events that have happened in the middle east, this will be a backdrop for some time to come. So far this hasn't affected oil prices much, but we will see shortly how this begins to impact more fully the markets as Israel fully reacts to the October 7 atrocities. And, of course, there's the other hot war in Ukraine, whose resolution still seems far away. Impossible to predict how the markets will react for the balance of the year to these stories.

Market Outlook

The world continues to be an unsettled place. But as long-term investors, we must have an inherently positive outlook on events as they play out. 2 hot wars going on simultaneously, and an axis of evil forming around Russia, China and Iran, is definitely concerns. But I look to the successful past of this greatest-of-all countries, and the incredibly brilliant people who have created enormous wealth for its investors over the years, and that I believe isn't going to change. The market is in an official correction now (down 10% from its most recent high), and there's a lot to digest, so that is not unexpected. But long-term investing is about the future, 1-2-5 years from now, and not next week or even next month. The success of the past will find a way to push through these obstacles and continue to produce wealth into the future. So the adage of "these times are trying our souls" is appropriate, but optimism I believe still reigns and we should see these troubled times through, just as has happened over and over in the past. As always, stayed tuned! It will be an interesting ride.

(full disclosure-I used some AI in the development of this content)

Frank Brannon, CFP®
October 28, 2023

Latest Model Portfolio Changes - Target Allocation ETF Models

Blackrock last made changes to their **Target Allocation ETF** models on **10/19/23**. Below is Blackrock's commentary explaining the changes made to their **Target Allocation ETF** models, and charts showing their current allocations and position changes for their models:

Key Takeaways:

- **Move two-percent overweight stocks and cautiously "risk-on",** seeking to capitalize on the recent market pullback and position for potential upside surprises in U.S. economic growth and corporate earnings
- **Lean further into U.S., growth, and technology overweights,** expressing a high-conviction preference for the largest cap stocks in the U.S. that appear to have attractive growth profiles
- **Decrease exposure to Europe,** moving underweight international Developed Market (DM) stocks due to weakening corporate earnings signals and more pronounced downside vulnerability to potential rising energy prices and geopolitical turmoil
- **Prune underweight to Emerging Markets (EM),** increasing exposure to a carveout of EM countries with the most attractive earnings prospects (like Taiwan) while also seeking to insulate the portfolio from a litany of mounting headwinds in China
- **Slightly add to credit risk for potential upside in bond-heavy portfolios,** locking-in elevated yields and maintaining a modest overweight to duration for diversification purposes

Trade Rationale:

The ghost of Septembers past haunted markets once again in 2023. This notoriously weak seasonal period - combined with rising rates and declining liquidity - saw stock and bond prices press lower but this also creates opportunity. We believe this pullback is exploitable, supported by growing strength in U.S. economic activity that may prove less fragile than many suspect.

U.S. corporate earnings have surprised to the upside and analyst earnings estimates have steadily been revised higher since July. Both time-tested signals have been predictive leading indicators to future stock returns. Fed GDPNow growth estimates in the U.S. have also blossomed higher, doubling from an average of 2.5% through midyear, to an average of 5% since. Reinvigorated growth expectations are also the likely culprit for the latest leg higher in real rates (and less so expectations for higher inflation). As this distinction becomes more apparent to investors, the repricing of this phenomenon could especially benefit U.S. stocks, with the most pronounced effect in large cap stocks.

Further fuel to the "risk-on" trade could also come from a potentially underappreciated source - the Federal Reserve. While such moves are not our base case, we believe there's more upside than downside risk to changes in Fed temperament. The "higher for longer" theme appears to be consensus opinion among investors. But with easing supply chain constraints pushing inflation lower and growing geopolitical strife amidst a coming election year, the Fed may be more sensitive to shifts in sentiment and any whiffs of weakness in the jobs market. The Fed has multiple levers at its disposal that could reignite animal spirits – without having to resort to cut rates. More encouraging forward guidance, alongside the possibility of slowing or even ending QT, could deliver stimulative wonders.

Our cautious bullishness is mostly contained to the U.S., but a temporary reversal in the dollar's historic winning streak wouldn't be outlandish. In such a scenario, EM stocks could sharply outperform - we have reduced our underweight accordingly. Another plausible curveball to our risk-on thesis is higher oil prices, so we add a hedge in global energy stocks. Wartime disruptions and structurally lower global supply raise risks of $100+ per barrel oil, which could hamper consumer demand and weigh on this year's growth-heavy winners.

Target Allocation ETF Model - Latest Allocations as of 10/19/23

		As of Date	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
Net Expense Ratio (%)		8/31/23	0.10	0.10	0.10	0.11	0.11	0.11	0.12	0.12	0.13	0.14	0.14
Gross Expense Ratio (%)		8/31/23	0.10	0.10	0.11	0.11	0.11	0.11	0.12	0.13	0.13	0.14	0.14
US Equities			**-**	**11.0**	**17.0**	**24.0**	**30.5**	**38.0**	**44.5**	**51.5**	**59.0**	**65.5**	**70.5**
ESGU	iShares ESG Aware MSCI USA ETF		-	-	-	-	-	-	-	4.0	4.5	5.0	8.0
IVV	iShares Core S&P 500 ETF		-	10.0	14.5	18.5	23.5	29.0	33.5	33.5	38.5	42.0	43.0
IVW	iShares S&P 500 Growth ETF		-	-	-	1.0	1.0	1.5	2.0	2.0	2.5	3.0	3.0
OEF	iShares S&P 100 ETF		-	-	1.0	1.0	1.5	2.0	2.0	2.5	3.0	3.5	3.5
QUAL	iShares MSCI USA Quality Factor ETF		-	1.0	1.5	3.5	4.5	5.5	7.0	8.0	9.0	10.0	11.0
USMV	iShares MSCI USA Min Vol Factor ETF		-	-	-	-	-	-	-	1.5	1.5	2.0	2.0
International/Global Equities			**-**	**1.0**	**4.0**	**6.5**	**9.0**	**11.0**	**12.5**	**15.5**	**17.5**	**20.0**	**21.0**
EFG	iShares MSCI EAFE Growth ETF		-	-	1.0	1.5	2.5	3.0	3.5	4.0	4.5	5.0	5.5
EFV	iShares MSCI EAFE Value ETF		-	1.0	2.0	3.5	4.0	5.0	6.0	7.0	8.0	9.0	9.5
EMXC	iShares MSCI Emerging Markets ex China ETF		-	-	-	-	-	-	1.0	1.0	1.5	2.0	2.0
IEMG	iShares Core MSCI Emerging Markets ETF		-	-	1.0	1.5	2.5	3.0	2.0	3.5	3.5	4.0	4.0
Sector Equities			**-**	**-**	**1.0**	**1.5**	**2.5**	**3.0**	**5.0**	**5.0**	**5.5**	**6.5**	**6.5**
IFRA	iShares U.S. Infrastructure ETF		-	-	-	-	-	-	1.0	1.0	1.0	1.5	1.5
IXC	iShares Global Energy ETF		-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
IYW	iShares U.S. Technology ETF		-	-	1.0	1.5	1.5	2.0	3.0	3.0	3.5	4.0	4.0
US Fixed Income			**96.0**	**84.0**	**74.5**	**64.5**	**55.0**	**45.0**	**35.0**	**26.0**	**16.0**	**6.0**	**-**
GOVT	iShares U.S. Treasury Bond ETF		6.0	3.5	3.0	2.5	2.5	2.0	-	-	-	-	-
HYDB	iShares High Yield Bond Factor ETF		2.0	2.0	1.5	1.5	-	-	-	-	-	-	-
ICVT	iShares Convertible Bond ETF		1.0	1.0	1.0	-	-	-	-	-	-	-	-
IUSB	iShares Core Total USD Bond Market ETF		41.0	37.0	32.5	28.5	24.0	20.0	17.5	14.0	7.0	3.0	-
LQD	iShares iBoxx $ Investment Grade Corporate Bond ETF		7.0	6.0	5.5	4.5	4.5	3.5	3.0	2.0	1.5	-	-
MBB	iShares MBS ETF		15.0	13.0	11.5	9.5	8.0	7.0	6.0	3.5	2.0	-	-
TFLO	iShares Treasury Floating Rate Bond ETF		12.5	11.0	10.0	9.0	8.0	6.5	5.0	3.5	3.0	1.0	-
TIP	iShares TIPS Bond ETF		4.0	3.5	3.0	3.0	2.5	1.5	-	-	-	-	-
TLT	iShares 20+ Year Treasury Bond ETF		7.5	7.0	6.5	6.0	5.5	4.5	3.5	3.0	2.5	2.0	-
International/Global Fixed Income			**2.0**	**2.0**	**1.5**	**1.5**	**1.0**	**1.0**	**1.0**	**-**	**-**	**-**	**-**
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF		2.0	2.0	1.5	1.5	1.0	1.0	1.0	-	-	-	-
Cash			**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
CASH-USD	UNITED STATES DOLLAR		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Target Allocation ETF Model - Changes to Holdings as of 10/19/23

Changes to Holdings (%)

Allocation as of 10/19/23

		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
US Equities		**-**	**3.0**	**2.5**	**3.0**	**2.0**	**2.5**	**3.0**	**2.5**	**3.5**	**3.0**	**2.5**
ESGU	iShares ESG Aware MSCI USA ETF	-	-	-	-	-	-	-	-	-	-	-
IJH	iShares Core S&P Mid-Cap ETF	-	-	-	-	-1.0	-1.0	-1.0	-1.5	-1.5	-2.0	-2.0
IVV	iShares Core S&P 500 ETF	-	+3.0	+1.5	+3.0	+2.5	+3.0	+4.0	+2.0	+3.0	+2.5	+2.0
IVW	iShares S&P 500 Growth ETF	-	-	-	-	-	-	-	-	-	-	-
OEF	iShares S&P 100 ETF	-	-	+1.0	+1.0	+1.5	+2.0	+2.0	+2.5	+3.0	+3.5	+3.5
QUAL	iShares MSCI USA Quality Factor ETF	-	-	-	-	-	-	-	-	-	-	-
USMV	iShares MSCI USA Min Vol Factor ETF	-	-	-	-1.0	-1.0	-1.5	-2.0	-0.5	-1.0	-1.0	-1.0
International/Global Equities		**-**	**-1.0**	**-1.5**	**-1.5**	**-1.5**	**-2.0**	**-3.0**	**-2.5**	**-3.5**	**-3.0**	**-4.5**
EFG	iShares MSCI EAFE Growth ETF	-	-1.0	-0.5	-0.5	-1.5	-1.5	-2.0	-3.0	-3.5	-3.5	-4.0
EFV	iShares MSCI EAFE Value ETF	-	-	-1.0	-1.0	-0.5	-1.0	-1.0	-1.0	-1.5	-1.5	-2.0
EMXC	iShares MSCI Emerging Markets ex China ETF	-	-	-	-	-	-	+1.0	+1.0	+1.5	+2.0	+2.0
IEMG	iShares Core MSCI Emerging Markets ETF	-	-	-	-	+0.5	+0.5	-1.0	+0.5	-	-	-0.5
Sector Equities		**-**	**-**	**1.0**	**0.5**	**1.5**	**1.5**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
IFRA	iShares U.S. Infrastructure ETF	-	-	-	-	-	-	-	-	-	-	-
IXC	iShares Global Energy ETF	-	-	-	-	+1.0	+1.0	+1.0	+1.0	+1.0	+1.0	+1.0
IYW	iShares U.S. Technology ETF	-	-	+1.0	+0.5	+0.5	+0.5	+1.0	+1.0	+1.0	+1.0	+1.0
US Fixed Income		**-**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-**
GOVT	iShares U.S. Treasury Bond ETF	-4.0	-5.5	-5.0	-4.5	-3.5	-3.0	-	-	-	-	-
HYDB	iShares High Yield Bond Factor ETF	+2.0	+2.0	+1.5	+1.5	-	-	-	-	-	-	-
ICVT	iShares Convertible Bond ETF	-	-	-	-	-	-	-	-	-	-	-
IUSB	iShares Core Total USD Bond Market ETF	-	-	-	-	-	-	-1.5	-1.5	-2.5	-2.0	-
LQD	iShares iBoxx $ Investment Grade Corporate Bond ETF	+2.0	+1.5	+1.5	+1.0	+1.5	+1.0	+1.0	+0.5	+0.5	-	-
MBB	iShares MBS ETF	-	-	-	-	-	-	-	-	-	-	-
TFLO	iShares Treasury Floating Rate Bond ETF	-	-	-	-	-	-	-	-	-	-	-
TIP	iShares TIPS Bond ETF	-	-	-	-	-	-	-1.5	-1.0	-	-	-
TLT	iShares 20+ Year Treasury Bond ETF	-	-	-	-	-	-	-	-	-	-	-
International/Global Fixed Income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF	-	-	-	-	-	-	-	-	-	-	-
Cash		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH-USD	UNITED STATES DOLLAR	-	-	-	-	-	-	-	-	-	-	-

Latest Model Portfolio Changes - Target Allocation Tax-Aware ETF Models

Blackrock last made changes to their **Target Allocation Tax-Aware ETF** models on **10/19/23**. Below is Blackrock's commentary explaining the changes made to their **Target Allocation Tax-Aware ETF** models, and charts showing their current allocations and position changes for their models:

KEY TAKEAWAYS

- **Move two-percent overweight stocks and cautiously "risk-on",** seeking to capitalize on the recent market pullback and position for potential upside surprises in U.S. economic growth and corporate earnings
- **Lean further into U.S., growth, and technology overweights,** expressing a high-conviction preference for the largest cap stocks in the U.S. that appear to have attractive growth profiles
- **Decrease exposure to Europe,** moving underweight international Developed Market (DM) stocks due to weakening corporate earnings signals and more pronounced downside vulnerability to potential rising energy prices and geopolitical turmoil
- **Prune underweight to Emerging Markets (EM),** increasing exposure to a carve-out of EM countries with the most attractive earnings prospects (like Taiwan) while also seeking to insulate the portfolio from a litany of mounting headwinds in China
- **Recalibrate fixed income sleeve,** maintaining duration overweight to balance risk being taken on equity side of portfolios

Trade Rationale:

The ghost of Septembers past haunted markets once again in 2023. This notoriously weak seasonal period - combined with rising rates and declining liquidity - saw stock and bond prices press lower but this also creates opportunity. We believe this pullback is exploitable, supported by growing strength in U.S. economic activity that may prove less fragile than many suspect.

U.S. corporate earnings have surprised to the upside and analyst earnings estimates have steadily been revised higher since July. Both time-tested signals have been predictive leading indicators to future stock returns. Fed GDPNow growth estimates in the U.S. have also blossomed higher, doubling from an average of 2.5% through midyear, to an average of 5% since. Reinvigorated growth expectations are also the likely culprit for the latest leg higher in real rates (and less so expectations for higher inflation). As this distinction becomes more apparent to investors, the repricing of this phenomenon could especially benefit U.S. stocks, with the most pronounced effect in large cap stocks.

further fuel to the "risk-on" trade could also come from a potentially under-appreciated source - the Federal Reserve. While such moves are not our base case, we believe there's more upside than downside risk to changes in Fed temperament. The "higher for longer" theme appears to be consensus opinion among investors. But with easing supply chain constraints pushing inflation lower and growing geopolitical strife amidst a coming election year, the Fed may be more sensitive to shifts in sentiment and any whiffs of weakness in the jobs market. The Fed has multiple levers at its disposal that could reignite animal spirits – without having to resort to cut rates. More encouraging forward guidance, alongside the possibility of slowing or even ending QT, could deliver stimulative wonders.

Our cautious bullishness is mostly contained to the U.S., but a temporary reversal in the dollar's historic winning streak wouldn't be outlandish. In such a scenario, EM stocks could sharply outperform - we have reduced our underweight accordingly. Another plausible curve-ball to our risk-on thesis is higher oil prices, so we add a hedge in global energy stocks. Wartime disruptions and structurally lower global supply raise risks of $100+ per barrel oil, which could hamper consumer demand and weigh on this year's growth-heavy winners.

Target Allocation Tax-Aware ETF Model - Latest Allocations as of 10/19/23

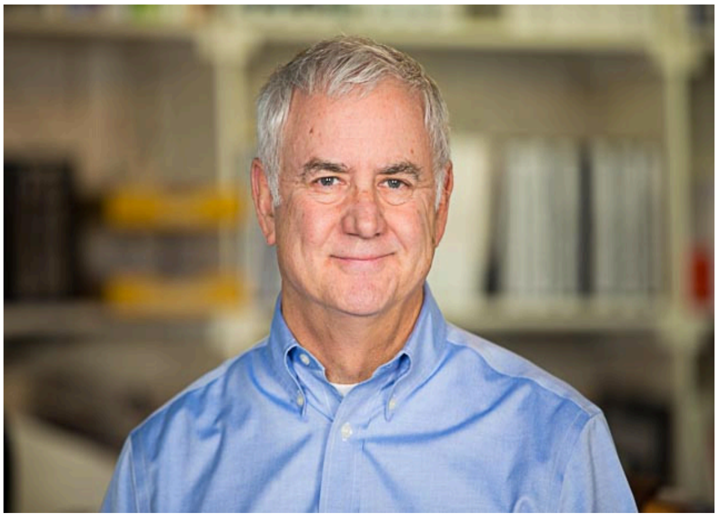
		As of Date	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
Net Expense Ratio (%)		8/31/23	0.08	0.09	0.10	0.11	0.12	0.13	0.13	0.14	0.10	0.16	0.16
Gross Expense Ratio (%)		8/31/23	0.08	0.09	0.10	0.11	0.12	0.13	0.13	0.14	0.10	0.16	0.16
US Equities			**-**	**10.0**	**15.5**	**22.5**	**29.0**	**36.0**	**42.5**	**49.5**	**57.0**	**63.0**	**68.0**
ESGU	iShares ESG Aware MSCI USA ETF		-	2.5	2.5	5.0	5.5	8.5	10.0	12.0	13.5	15.0	16.5
IVV	iShares Core S&P 500 ETF		-	5.0	9.5	11.5	15.5	18.5	22.5	26.0	30.0	33.5	36.5
IVW	iShares S&P 500 Growth ETF		-	-	1.0	1.0	1.5	2.0	2.5	3.0	3.5	3.5	4.0
OEF	iShares S&P 100 ETF		-	1.0	1.0	2.0	2.5	3.0	3.0	3.0	3.0	3.5	3.5
QUAL	iShares MSCI USA Quality Factor ETF		-	1.5	1.5	2.0	2.5	2.5	2.5	3.5	4.5	4.5	4.5
USMV	iShares MSCI USA Min Vol Factor ETF		-	-	-	1.0	1.5	1.5	2.0	2.0	2.5	3.0	3.0
International/Global Equities			**-**	**2.0**	**5.5**	**8.0**	**10.0**	**12.5**	**15.0**	**18.0**	**20.0**	**23.0**	**24.0**
EFG	iShares MSCI EAFE Growth ETF		-	-	2.0	2.5	3.5	4.0	5.0	6.0	6.5	7.5	8.0
EFV	iShares MSCI EAFE Value ETF		-	1.0	2.0	3.5	4.0	5.0	6.0	7.0	8.0	9.0	9.5
EMXC	iShares MSCI Emerging Markets ex China ETF		-	1.0	1.5	2.0	2.5	3.5	4.0	5.0	5.5	6.5	6.5
Sector Equities			**-**	**-**	**1.0**	**1.5**	**3.0**	**3.5**	**4.5**	**4.5**	**5.0**	**6.0**	**6.0**
IXC	iShares Global Energy ETF		-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
IYW	iShares U.S. Technology ETF		-	-	1.0	1.5	2.0	2.5	3.5	3.5	4.0	5.0	5.0
US Fixed Income			**98.0**	**86.0**	**76.0**	**66.0**	**56.0**	**46.0**	**36.0**	**26.0**	**16.0**	**6.0**	**-**
MUB	iShares National Muni Bond ETF		71.0	65.0	57.5	50.5	43.0	37.0	31.0	22.0	14.0	6.0	-
SUB	iShares Short-Term National Muni Bond ETF		12.0	8.0	7.0	5.5	4.5	2.0	-	-	-	-	-
TLH	iShares 10-20 Year Treasury Bond ETF		15.0	13.0	11.5	10.0	8.5	7.0	5.0	4.0	2.0	-	-
Cash			**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
CASH-USD	UNITED STATES DOLLAR		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Target Allocation Tax-Aware ETF Model - Changes to Holdings as of 10/19/23

		0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
US Equities		**-**	**2.5**	**1.5**	**3.5**	**4.5**	**4.5**	**4.5**	**5.0**	**6.0**	**6.5**	**6.0**
ESGU	iShares ESG Aware MSCI USA ETF	-	-	-	-	-	-	-	-	-	-	-
IVV	iShares Core S&P 500 ETF	-	-	-	-	-	-	-	-	-	-	-
IVW	iShares S&P 500 Growth ETF	-	-	-	-	-	-	-	-	-	-	-
OEF	iShares S&P 100 ETF	-	+1.0	+1.0	+2.0	+2.5	+3.0	+3.0	+3.0	+3.0	+3.5	+3.5
QUAL	iShares MSCI USA Quality Factor ETF	-	+1.5	+1.5	+2.0	+2.5	+2.5	+2.5	+3.5	+4.5	+4.5	+4.5
USMV	iShares MSCI USA Min Vol Factor ETF	-	-	-1.0	-0.5	-0.5	-1.0	-1.0	-1.5	-1.5	-1.5	-2.0
International/Global Equities		**-**	**-0.5**	**-0.5**	**-1.0**	**-2.5**	**-3.0**	**-3.0**	**-3.5**	**-4.0**	**-4.5**	**-6.0**
EFG	iShares MSCI EAFE Growth ETF	-	-1.5	-0.5	-1.0	-1.5	-2.5	-2.5	-3.0	-3.5	-4.0	-4.5
EFV	iShares MSCI EAFE Value ETF	-	-	-	-	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-1.0
EMXC	iShares MSCI Emerging Markets ex China ETF	-	+1.0	+1.5	+2.0	+2.5	+3.5	+4.0	+5.0	+5.5	+6.5	+6.5
ESGE	iShares ESG Aware MSCI EM ETF	-	-	-1.5	-2.0	-3.0	-3.5	-4.0	-5.0	-5.5	-6.5	-7.0
Sector Equities		**-**	**-**	**1.0**	**-0.5**	**-**	**0.5**	**0.5**	**0.5**	**-**	**-**	**-**
IXC	iShares Global Energy ETF	-	-	-	-	+1.0	+1.0	+1.0	+1.0	+1.0	+1.0	+1.0
IYH	iShares U.S. Healthcare ETF	-	-	-	-1.0	-1.5	-1.5	-2.0	-2.0	-2.5	-3.0	-3.0
IYW	iShares U.S. Technology ETF	-	-	+1.0	+0.5	+0.5	+1.0	+1.5	+1.5	+1.5	+2.0	+2.0
US Fixed Income		**-**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-**
MUB	iShares National Muni Bond ETF	+1.0	+1.0	+1.0	+1.0	+1.0	+2.0	+3.0	+1.0	-	-2.0	-
SUB	iShares Short-Term National Muni Bond ETF	-7.0	-8.0	-7.5	-7.0	-6.0	-6.5	-6.5	-4.5	-2.5	-	-
TLH	iShares 10-20 Year Treasury Bond ETF	+15.0	+13.0	+11.5	+10.0	+8.5	+7.0	+5.0	+4.0	+2.0	-	-
TLT	iShares 20+ Year Treasury Bond ETF	-9.0	-8.0	-7.0	-6.0	-5.5	-4.5	-3.5	-2.5	-1.5	-	-
Cash		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH-USD	UNITED STATES DOLLAR	-	-	-	-	-	-	-	-	-	-	-

About KMR Financial Advisory, Inc.

KMR Financial Advisory is an independent, fee-only registered investment advisor specializing in the development of comprehensive financial plans and developing & managing investment portfolios.



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