

ATHENA DIVIDEND INCOME EQUITY

SMA COMMENTARY | QUARTER 2, 2020



KEY TAKEAWAYS

- ◆ The portfolio was up 14.1% in Q2, underperforming its Morningstar US Mid Value benchmark by 4.7%.
- ◆ The dividend yield remains a strong 5.8% versus the benchmark yield of 1.8%.
- ◆ Quarterly results were driven by 4 stocks that generated positive returns greater than 20%.
- ◆ Two stocks, PacWest Bancorp and Covanta Corp, were sold during the quarter.

Positive Impacts	Negative Impacts
Four stocks generate returns in excess of 20%, with Paterson Companies the top performer within this group.	Two stocks underperformed the benchmark by more than 20%, with Philip Morris International the worst performer.

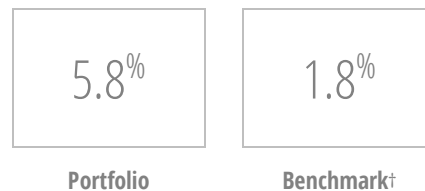
ECONOMIC AND MARKET PERSPECTIVE

- The quarter witnessed the strongest bounce back from a bear market on record.
- Our market indicators improved during the quarter, with economic and technical indicators strengthening significantly while behavioral and valuation measures improved but remain weak.
- The economy is opening up, laying the foundation for a recovery and future returns, as indicated by large jumps in the PMI Manufacturing and Non-manufacturing indices.
- It appears measures taken by the Federal Reserve and Congress have been somewhat effective at filling the economic hole resulting from the lockdowns and both bodies have signaled they intend to provide additional stimulus for the economy if necessary.
- Disruption in the economy and markets can create unique opportunities and a more favorable environment for skilled active management.
- However, there is still considerable uncertainty regarding the path of the pandemic and its impact on reopening the economy, markets and companies.
- We believe that taking a long-term perspective and following a disciplined investment approach will be essential to navigating the next several quarters.

The portfolio delivers an attractive yield of 5.8%, more than three times the benchmark yield of 1.8%. The portfolio's valuation ratios remain attractive.

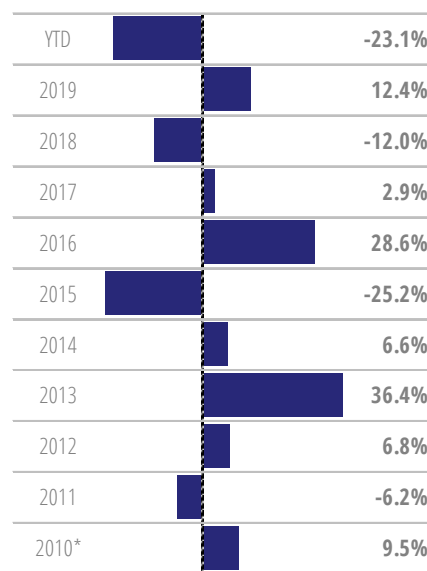
DIVIDEND YIELD

Current Yield (As of 6/30/2020)



PERFORMANCE^A

Calendar Year Performance



△ All performance figures are based on composite portfolio performance on a pre-tax basis with reinvestment of dividends and is net of all trading, custodial, and management fees.

† Portfolio benchmark is the Morningstar Mid Value Index.

* 2010 return is Oct 1 – Dec 31 and is not annualized.

% ANNUALIZED TRAILING PERFORMANCE AS OF 6/30/2020

	Q2 2020	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Dividend Income Equity (Net)	14.1	-23.1	-18.8	-7.1	-4.5	N/A	1.8
Morningstar US Mid Value TR Index	18.8	-23.4	-16.9	-2.3	3.3	N/A	9.3

Investment returns presented assume reinvestment of dividends and capital gains and are net of actual management fees. Current performance may be higher or lower than what is shown. Benchmark performance is shown for comparison purposes only and it is not possible to invest directly in an index. Holdings shown and discussed in this analysis should not be deemed as a recommendation to buy or sell securities and the current portfolio holdings may be different than what is presented. There are risks involved in investing in any Athena Portfolio, including loss of principal.

For complete portfolio performance, disclosures and risks, refer to athenainvest.com.

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The opinions expressed in this commentary are as of June 30, 2020.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.