

# ATHENA DIVIDEND INCOME EQUITY

SMA COMMENTARY | QUARTER 3, 2020



## KEY TAKEAWAYS

- ◆ The portfolio was up 4.4% in Q3, matching its Morningstar US Mid Value benchmark.
- ◆ The dividend yield remains a strong 5.5% versus the benchmark yield of 1.9%.
- ◆ Quarterly results were driven by 2 stocks that generated positive returns exceeding 20%.
- ◆ No trades were made during quarter.

Positive Impacts	Negative Impacts
Two stocks generate returns in excess of 20%, with Compass Minerals the top performer.	Two stocks underperformed the benchmark by more than 15%, with Kinder Morgan the worst performer.

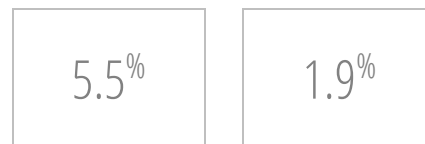
## ECONOMIC AND MARKET PERSPECTIVE

- Markets continued to rally in Q3, as the quarter witnessed a strong economic recovery and GDP growth.
- The economy continues to strengthen as indicated by PMI Manufacturing and Non-manufacturing indices.
- Our market indicators held steady during the quarter, with economic and technical measures remaining strong and behavioral measures in normal ranges while valuation measures remain elevated.
- The Presidential election is just weeks away and there is considerable consternation regarding the outcome. History tells us the stock market remains attractive in the long run regardless of the outcome.
- Disruption in the economy and markets can create unique opportunities and a more favorable environment for skilled active management.
- However, there is still uncertainty regarding the pandemic, government responses and their overall impact on the economy, markets, and Individual companies.
- We believe that taking a long-term perspective and following a disciplined investment approach will be essential to successfully navigating the next several quarters.

The portfolio delivers an attractive yield of 5.5%, nearly three times the benchmark yield of 1.9%. The portfolio's valuation ratios remain attractive.

## DIVIDEND YIELD

Current Yield (As of 9/30/2020)

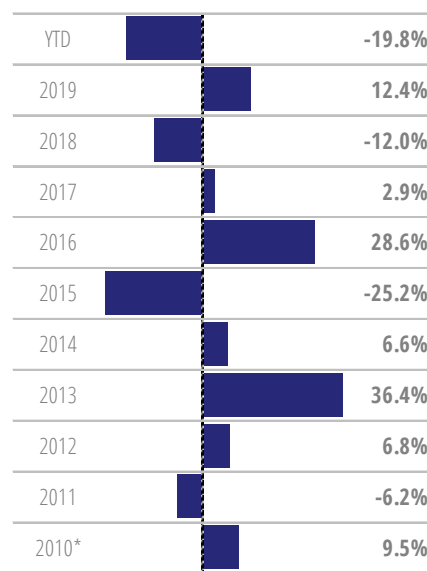


Portfolio

Benchmark†

## PERFORMANCE<sup>Δ</sup>

### Calendar Year Performance



Δ 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 9/30/2020

	Q3 2020	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
<b>Dividend Income Equity (Net)</b>	<b>4.4</b>	<b>-19.8</b>	<b>-16.4</b>	<b>-6.9</b>	<b>-0.1</b>	<b>2.2</b>	<b>2.2</b>
<b>Morningstar US Mid Value TR Index</b>	<b>4.4</b>	<b>-20.0</b>	<b>-15.4</b>	<b>-1.8</b>	<b>5.7</b>	<b>9.5</b>	<b>9.5</b>

*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](http://athenainvest.com).

## IMPORTANT DISCLOSURES

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

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.