

ATHENA GLOBAL TACTICAL ETFS

SMA COMMENTARY | QUARTER 2, 2019



KEY TAKEAWAYS

- ◆ With a backdrop of normal markets, Global Tactical increased 3.8% in Q2, slightly outperforming its MSCI ACWI benchmark return of 3.6%
- ◆ The portfolio was invested in the S&P 500 throughout the quarter.
- ◆ After the strong Q1 market bounce back, the US Large Cap, US Small Cap and International Market Barometers held steady in the normal range during Q2.

Positive Impacts	Negative Impacts
The portfolio was invested in the S&P 500 throughout the quarter. Since April, the S&P 500 has been the top performer among the four markets in which the portfolio can be invested.	

LONG-TERM PERSPECTIVE

Stock markets were fairly normal during Q2. After a May pull back, markets recovered quickly and are now hovering around all-time highs, with the S&P 500 up 4.3% for the quarter. Key takeaways include:

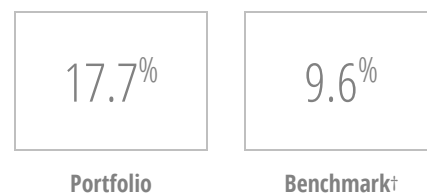
- Both the economy and the market hit new milestones with the 10+ year economic expansion becoming the longest in history and the associated bull market surpassing 10 years in length as well.
- The economy continues to grow with a robust labor market and rising wages buoyed by low inflation and low interest rates. The latter is almost unheard of, as it is rare for inflation and interest rates to remain low after a long expansion.
- The market has experienced high returns with relatively low volatility, driven by a growing economy since the 2016 election. Valuations are a bit elevated, but not extreme.
- Technical indicators are positive and have strengthened since late last year.
- Our Behavioral Market Barometers are in the normal ranges for US Large Cap, Small Cap and International markets.

All the good news was drowned out with geopolitical and monetary policy noise and was generally met with anxiety by individual and professional investors alike. Everyone is wondering how and when things will get derailed, possibly making this one of the least loved bull markets of all time. Looking past the emotional angst, the fundamental conditions supporting a continued long-term secular expansion remain in place.

Global Tactical's long-term performance profile remains attractive with 9 out of 10 years positive and periodic outsized returns of 20% or greater in 4 of those years.

PERFORMANCE^A

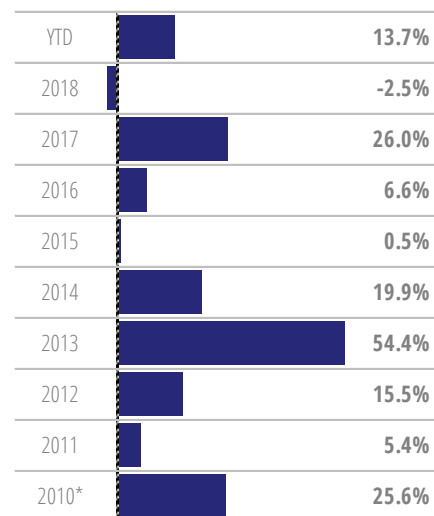
Annualized Since Inception (9/1/2010)



△ 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 MSCI ACWI NR Index.

Calendar Year Performance



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

% ANNUALIZED TRAILING PERFORMANCE AS OF 6/30/2019

	Q2 2019	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Global Tactical ETFs (Net)	3.8	13.7	8.7	15.8	10.5	N/A	17.7
MSCI ACWI NR Index	3.6	16.2	5.8	11.6	6.2	N/A	9.6

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, 2019.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.