

# ATHENA GLOBAL TACTICAL ETFS

SMA COMMENTARY | QUARTER 4, 2019



## KEY TAKEAWAYS

- ◆ Global Tactical increased 8.4% in Q4, underperforming its MSCI ACWI benchmark's performance by 0.6%.
- ◆ The portfolio was invested in the S&P 500 throughout the quarter.
- ◆ The US Large Cap, US Small Cap and International Market Barometers held steady in the normal range during Q4.

Positive Impacts	Negative Impacts
The portfolio was invested in the S&P 500 throughout the quarter. Since April when the switch was made from EAFE to the S&P 500, 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 reached all-time highs throughout the quarter, brushing aside trade war and recession fears.

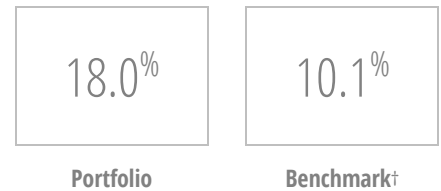
Key takeaways include:

- The economy reaccelerated during the quarter, partially driven by the recent thaw in threatened trade wars with the signing of the USMCA and first round China trade deals.
- The labor market remains amazingly robust, with rising wages buoyed by low inflation and low interest rates. The resulting strong consumer spending provides an important floor under the economy.
- The market was a delightful combination of low volatility and a series of all-time highs.
- Valuations are elevated, the one area of concern in the market. To rectify this concern, earnings will have to grow faster than stock prices going forward.
- Technical indicators are positive and strengthened throughout the quarter.
- Our Behavioral Market Barometers are in the normal ranges for US Large Cap, Small Cap and International markets.

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 5 of those years.

## PERFORMANCE<sup>A</sup>

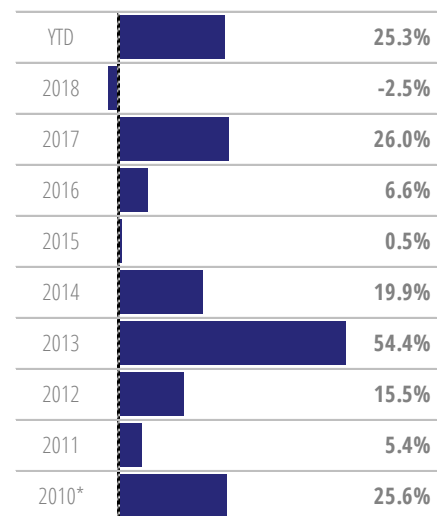
### Annualized Since Inception (9/1/2010)



△ 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 12/31/2019

	Q4 2019	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
<b>Global Tactical ETFs (Net)</b>	<b>8.4</b>	<b>25.3</b>	<b>25.3</b>	<b>15.6</b>	<b>10.6</b>	<b>N/A</b>	<b>18.0</b>
<b>MSCI ACWI NR Index</b>	<b>9.0</b>	<b>26.6</b>	<b>26.6</b>	<b>12.5</b>	<b>8.4</b>	<b>N/A</b>	<b>10.1</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).

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The opinions expressed in this commentary are as of December 31, 2019.

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**PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.**