

# ATHENA GLOBAL TACTICAL ETFS

SMA COMMENTARY | QUARTER 2, 2020



## KEY TAKEAWAYS

- ◆ Global Tactical returned 7.7% in Q2 compared to the Morningstar Global Markets benchmark of 19.6%.
- ◆ The portfolio was invested in the S&P 500 early in the quarter, in cash during the middle of the quarter and in the Russell 2000 for the last two weeks.
- ◆ The Market Barometers signaled cash early in the quarter and then strengthened and the portfolio returned to equities late in the quarter.

Positive Impacts	Negative Impacts
The portfolio was invested in the S&P 500 early in the quarter and the Russell 2000 at the end of the quarter, generating positive returns in both situations.	The portfolio was invested in cash in the middle of the quarter and trailed the rebounding market.

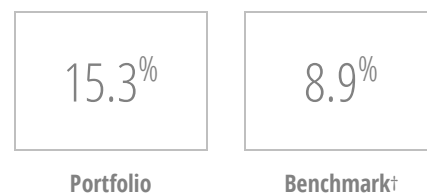
## ECONOMIC AND MARKET PERSPECTIVE

- 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.

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>

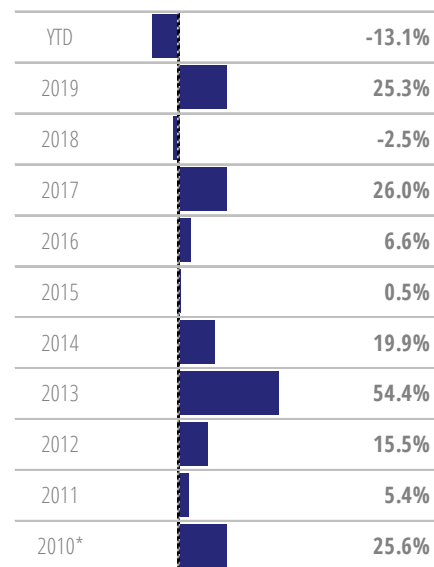
### Annualized Since Inception (9/1/2010)



△ 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 Morningstar Global Markets Index.

### Calendar Year Performance



\* 2010 return is Sep 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
<b>Global Tactical ETFs (Net)</b>	<b>7.7</b>	<b>-13.1</b>	<b>-4.4</b>	<b>6.4</b>	<b>7.3</b>	<b>N/A</b>	<b>15.3</b>
<b>Morningstar Global Markets NR Index</b>	<b>19.6</b>	<b>-7.0</b>	<b>1.3</b>	<b>5.6</b>	<b>6.2</b>	<b>N/A</b>	<b>8.9</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 June 30, 2020.

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