

# ATHENA GLOBAL TACTICAL ETFS

SMA COMMENTARY | QUARTER 2, 2022



## KEY TAKEAWAYS

- ◆ The portfolio decreased -10.1% in Q2 versus its Morningstar Global Markets benchmark decrease of -15.8%.
- ◆ The US Large-Cap Barometer declined significantly enough to indicate Cash Equivalents as the highest expected return market for now.
- ◆ The portfolio changed positions in May: Sold: International Developed Equities (EFA) and Bought: Cash Equivalents (SHV).
- ◆ The strategy served its purpose by taking a defensive position amid heightened market uncertainty.

Positive Impacts	Negative Impacts
Avoided Large Cap Growth Exposure. Avoided June Sell Off	Volatile equity markets Geopolitical and economic uncertainty.

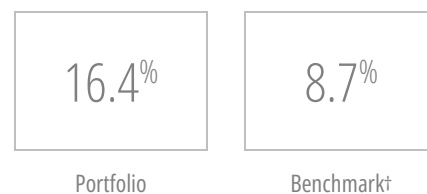
## ECONOMIC AND MARKET PERSPECTIVE

- Markets experienced the worst yearly start since 1970, with large growth down a whopping 38% YTD, led by the tech sector. Small value stocks were among the best relative performers, down 10%. Compounding the situation for investors were major declines in both stocks and bonds, another extremely rare event.
- During Q1, the US economy shrank by 1.6%, driven by inventory reductions and larger than expected trade deficit. Second quarter activity was also weak. Counterbalancing the possibility of a recession PMI Manufacturing and Services indices are in the mid 50's, well above typical recession readings along with an unusually strong job market. The unemployment rate recently dropped to 3.6%, with unemployment claims much lower than the average years preceding the pandemic.
- The major challenge is high inflation. It is hard to know when it will begin to abate. Money supply growth (M2 and Monetary Base) is moderating and recent sharp commodity price declines along with the yield curve are suggesting lower future inflation are encouraging.
- Our market indicators are mixed, with market declines reigning in prices, valuation measures are in normal levels. Economic measures remain normal. Technical measures are weak, and our behavioral measures are poor for the US Large Cap Barometer and mixed overall.

The Global Tactical portfolio's long-term performance profile remains attractive with 11 out of 12 years positive and periodic outsized returns of 20% or greater in 6 of those years.

## PERFORMANCE<sup>A</sup>

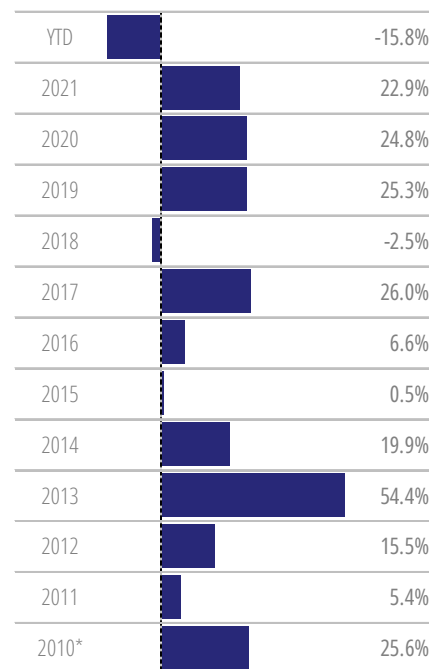
Annualized Since Inception (9/1/2010)



△ 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 6/30/2022

	Q2 2022	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Global Tactical ETFs (Net)	-10.1	-15.8	-21.9	12.4	12.3	15.4	16.4
Morningstar Global Markets NR Index	-15.8	-20.4	-16.5	5.8	6.6	8.7	8.7

*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, risks, and disclosures please refer to [athenainvest.com](http://athenainvest.com).

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Investments involve risk and are not guaranteed.

The opinions expressed in this commentary are as of June 30, 2022.

GT-QC-202206