

ATHENA MANAGED EQUITY

SMA COMMENTARY | QUARTER 2, 2020



KEY TAKEAWAYS

- ◆ The portfolio increased 19.1% in Q2, roughly matching the Morningstar Global Markets benchmark return.
- ◆ Pure dramatically outperformed while Dividend and Global Tactical underperformed their respective benchmarks. Highlighting the diversification benefit provided by Managed Equity.
- ◆ The Market Barometers signaled cash early in the quarter and then strengthened and the portfolio returned to Small Cap equities late in the quarter.

Positive Impacts	Negative Impacts
Twelve stocks held in the portfolio during Q2 outperformed the benchmark, with Fluor Corp the top performer, generating a greater than 60% return.	Fourteen stocks underperformed the benchmark, however only three of these produced negative returns. Global Tactical's cash position 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.

The combination of value oriented stock selection with a tactical overlay has enabled Managed Equity to remain well positioned with attractive valuations. The portfolio has generated positive returns in seven out of the past nine years.

PERFORMANCE^A

Annualized Since Inception (10/1/2011)



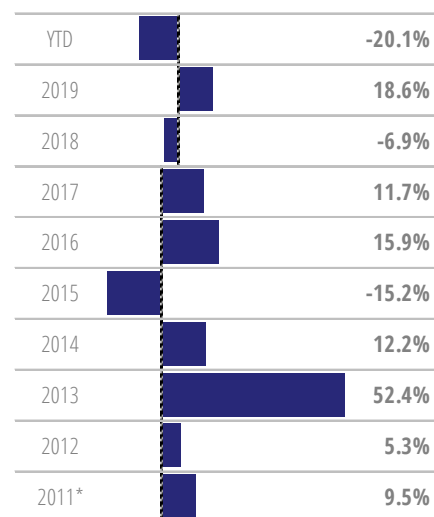
Portfolio

Benchmark†

△ 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



* 2011 return is Oct 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
Managed Equity (Net)	19.1	-20.1	-13.2	-1.3	0.0	N/A	7.7
Morningstar Global Markets NR Index	19.6	-7.0	1.3	5.6	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, 2020.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.