

ATHENA PURE VALUATION | PROFITABILITY

SMA COMMENTARY | QUARTER 2, 2020



KEY TAKEAWAYS

- ◆ The portfolio was up 35% in Q2, besting its Morningstar US Mid Value benchmark by a strong 16.2% during the quarter.
- ◆ The market conditions for active management and stock selection are attractive for active management. Pure benefited in this quarter with 3 stocks generating returns greater than 60%
- ◆ Four stocks were sold during the quarter. SYSCO Corp, Alliance Data Systems, ViacomCBS and Fluor.

Positive Impacts	Negative Impacts
Nine of the stocks held during the quarter outperformed the benchmark, with three of them generating returns exceeding 60%.	Five securities held in the portfolio during the quarter underperformed the benchmark, however each produced a positive return for the quarter.

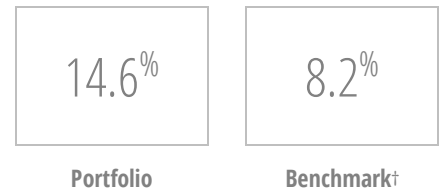
ECONOMIC AND MARKET PERSPECTIVE

- 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.

Pure's long-term performance profile remains attractive with 14 out of 18 years positive and periodic outsized returns of greater than 20% in 8 of those years.

PERFORMANCE^A

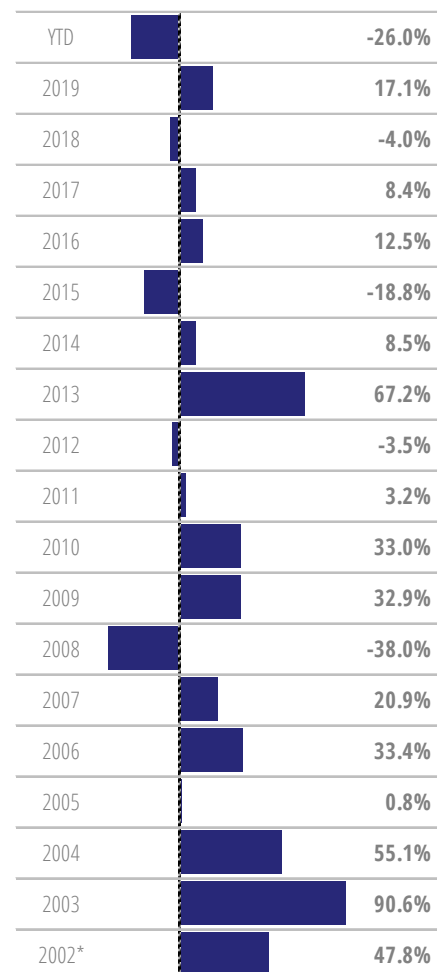
Annualized Since Inception (7/1/2002)



△ 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 M* Mid Value Index.

Calendar Year Performance



* 2002 return is Jul 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
Pure Valuation Profitability (Net)	35.0	-26.0	-19.1	-3.5	-2.6	6.6	14.6
Morningstar US Mid Value TR Index	18.8	-23.4	-16.9	-2.3	3.3	10.2	8.2

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.

IMPORTANT DISCLOSURES

The information provided here is for general informational purposes only and should not be considered an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. It should not be assumed that recommendations of AthenaInvest made herein or in the future will be profitable or will equal the past performance records of any AthenaInvest investment strategy or product. There can be no assurance that future recommendations will achieve comparable results. The author's opinions may change, without notice, in reaction to shifting economic, market, business, and other conditions. These views may not be relied upon as investment advice or as an indication of trading intent on behalf of AthenaInvest.

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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.