

ATHENA PURE VALUATION | PROFITABILITY

SMA COMMENTARY | QUARTER 1, 2022



KEY TAKEAWAYS

- ◆ The portfolio was down -4.1% in Q1 versus its Morningstar US Mid Value benchmark gain of 4.9%.
- ◆ Market conditions remain attractive for stock selection, and value stocks.
- ◆ No stocks were traded during the quarter.

Positive Impacts	Negative Impacts
None of the stocks outperformed the benchmark by greater than 10% during the quarter.	Four stocks underperformed the benchmark by greater than 20% during the quarter, Jefferies (JEF), Ford (F), Energizer (ENR), and Camping World (CWH).

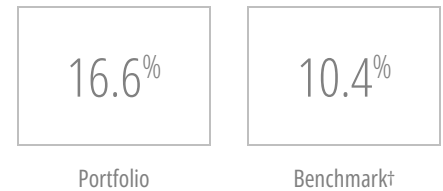
ECONOMIC AND MARKET PERSPECTIVE

- The federal reserve began increasing rates and war broke out in Ukraine. The pandemic waned, with many locales dropping mask and vaccine mandates.
- Markets were extremely volatile and performed poorly in Q1, with large-caps down -3.8%, small-caps down -5.1%, and the tech-dominated large-growth index down -12.1%.
- The economy weakened, but remains relatively healthy, as indicated by the PMI Manufacturing and Services indices, both registering in the high 50's at the end of the quarter. The job market also remains strong with the unemployment rate at 3.6%, near an all-time low and employers continue to be plagued by a shortage of skilled workers.
- A major concern is high inflation. It is hard to know when it will begin to abate. The Treasury yield curve has risen due to recent Fed actions and additional rate hikes are expected. Encouraging news is that money supply growth (M2 and Monetary Base) is moderating.
- The largest jolt during the quarter was Russia's invasion of Ukraine. The world has watched in horror as Russian troops pound Ukrainian cities. As horrific as the situation is, history tells us that since WWII, wars have limited impact on longer term market returns.
- Our market indicators weakened during the quarter, with economic measures dropping from strong to normal, technical measures dropping from strong to normal, valuation measures improving to normal from caution, and behavioral measures remaining unchanged at normal.

The Pure portfolio's long-term performance profile remains attractive with 16 out of 20 years positive and periodic outsized returns of greater than 20% in 9 of those years.

PERFORMANCE^A

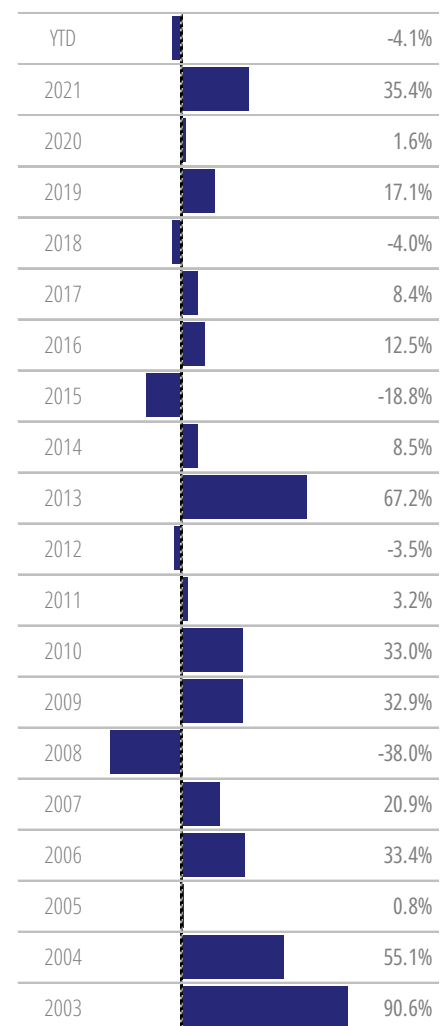
Annualized Since Inception (7/1/2002)



△ 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 3/31/2022

	Q1 2022	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Pure Valuation Profitability (Net)	-4.1	-4.1	7.7	11.7	10.2	9.5	16.6
Morningstar US Mid Value TR Index	4.9	4.9	15.4	13.0	9.7	12.8	10.4

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.

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The opinions expressed in this commentary are as of March 31, 2022.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.