

ATHENA PURE VALUATION | PROFITABILITY

SMA COMMENTARY | QUARTER I, 2023



KEY TAKEAWAYS

- ◆ The portfolio was up 0.6% in Q1 versus its Morningstar US Mid Value benchmark decline of 1.3%.
- ◆ Bloomin Brands Inc, Vitesse Energy Inc, Dell Technologies Inc, Sylvamo Corp, Trinseo PLC and NRG Energy Inc, were bought. Lumen Technologies Inc, Trinseo PLC, Vitesse Energy Inc, Best Buy Co Inc, and Edison International stocks were sold.

Positive Impacts	Negative Impacts
One stock outperformed the benchmark by more than 20% during the quarter (BGS). B&G Foods Inc.	One stock, AIG, underperformed the benchmark by nearly 20% during the quarter.

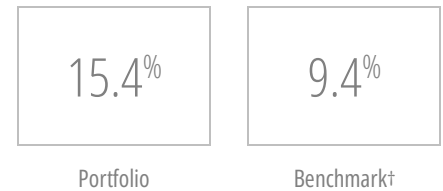
ECONOMIC AND MARKET PERSPECTIVE

- After a quarter-long rally, markets remained in Bear Market territory during Q1, with the US market down -14% since the beginning of 2022. Growth stocks bounced back nicely in Q1 with a 15% return.
- GDP grew by 2.6% in Q4 2022, slightly lower than the 3.2% growth in Q3, offsetting the Q1 and Q2 declines, resulting in 2.1% growth for 2022. PMI Manufacturing and Services indices are in the high 40's and low 50's, above recession levels but recent declines may be a concern. The labor market remains strong with the March unemployment rate at a near historic low of 3.5%.
- Q1 reported corporate earnings are projected to shrink an estimated -6.8%, the largest decline since Q2 2020. Forward earnings and prices reflect a 12-month S&P 500 forward PE of 19, a bit higher than the 5- and 10-year averages.
- Inflation remains stubbornly high with recent monthly rates over twice the Fed's annual target of 2%. Fed tightening has lowered inflation but not sufficiently to meet its long-term goal.
- Behavioral market indicators are mixed with valuation and economic measures normal, technical measures positive. Behavioral measures remain poor for US Large Cap, driving our defensive positioning, with normal readings for International Developed markets and US Small Caps.
- While there are some positive signs, uncertainty remains elevated. In the meantime, we are getting paid for our patience with an attractive yield.

The Pure portfolio's long-term performance profile remains attractive with 16 out of 21 years positive and periodic outsized returns of greater than 20% in 9 of those years.

PERFORMANCE^A

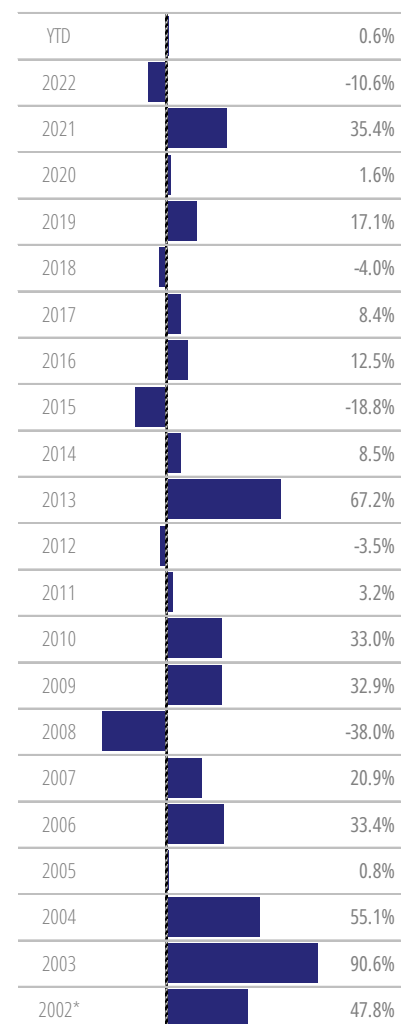
Annualized Since Inception (7/1/2002)



△ 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 3/31/2023

	Q1 2023	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Pure Valuation Profitability (Net)	0.6	0.6	-6.2	31.1	7.0	7.5	15.4
Morningstar US Mid Value TR Index	-1.3	-1.3	-8.1	22.9	6.3	9.7	9.4

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.

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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Investments involve risk and are not guaranteed.

The opinions expressed in this commentary are as of March 31, 2023.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.