

Athena Global Tactical ETFs

The Investor Guide



Athena Global Tactical ETFs, an ETF managed portfolio, is designed to invest in the right market at the right time.

Recognized Performance¹



TM

Overall Morningstar Rating™ out of 283 Tactical Allocation strategies as of 3/31/2018.



**#1 ETF Managed Portfolio
for 5 Year Performance**
Morningstar as of 12/31/2017

1. Athena Global Tactical ETFs was the top performing strategy for 5-Year Return according to the Q4 2017 Morningstar ETF Managed Portfolios Landscape Report. See Endnote A for additional information and a link to the report.

Athena Global Tactical ETFs Target Exposures²

Cash Equivalents
1x US Large Cap
1x US Small Cap
1x Developed International
2x US Large Cap
2x US Small Cap
2x Developed International

2. The portfolio typically seeks exposure in one of the above choices at any given time. Exchange Traded Funds (ETFs) are used to provide the desired exposure. See last page for portfolio risks.

Global Opportunity

At AthenaInvest, we believe that diversifying assets globally while actively managing the asset mix in response to changing market conditions can enhance portfolio returns.

Market Rotation

Over long periods of time markets within an asset class tend to perform similarly. However, during shorter time periods different parts of the world and different size companies can perform better than others. Broad market Exchange Traded Funds (“ETFs”) offer an efficient way to access these opportunities.

Adjusting Market Exposure

In addition to being in the right market at the right time, the level of exposure to a particular market can also be increased or decreased in order to be opportunistic or defensive. Specialized ETFs allow investors to efficiently adjust the level of exposure to a market, anywhere from zero up to twice the normal exposure.

Annual Broad Market Index Returns at Single and Double Long Exposure [∇]									
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cash Equiv 4.7%	2X EAFE 62.9%	2X R2000 51.1%	S&P 500 2.1%	2X EAFE 34.2%	2X R2000 88.5%	2X S&P 500 27.6%	S&P 500 1.4%	2X R2000 42.2%	2X EAFE 55.4%
Russ 2000 -33.8%	2X S&P 500 48.5%	2X S&P 500 28.1%	Cash Equiv 1.2%	2X S&P 500 32.4%	2X S&P 500 73.1%	S&P 500 13.7%	2X S&P 500 0.4%	2X S&P 500 23.2%	2X S&P 500 47.8%
S&P 500 -37.0%	2X R2000 41.9%	Russ 2000 26.9%	2X S&P 500 -1.3%	2X R2000 31.5%	2X EAFE 48.5%	2X R2000 7.1%	Cash Equiv 0.2%	Russ 2000 21.3%	2X R2000 29.6%
MSCI EAFE -43.4%	MSCI EAFE 31.8%	S&P 500 15.1%	Russ 2000 -4.2%	MSCI EAFE 17.3%	Russ 2000 38.8%	Russ 2000 4.9%	MSCI EAFE -0.8%	S&P 500 12.0%	MSCI EAFE 25.0%
2X R2000 -64.9%	Russ 2000 27.2%	2X EAFE 12.0%	MSCI EAFE -12.1%	Russ 2000 16.4%	S&P 500 34.2%	Cash Equiv 0.6%	2X EAFE -3.6%	MSCI EAFE 1.0%	S&P 500 21.8%
2X S&P 500 -66.5%	S&P 500 26.5%	MSCI EAFE 7.8%	2X R2000 -17.8%	S&P 500 16.0%	MSCI EAFE 22.8%	MSCI EAFE -4.9%	Russ 2000 -4.4%	Cash Equiv 0.5%	Russ 2000 14.7%
2X EAFE -72.0%	Cash Equiv 0.5%	Cash Equiv 1.8%	2X EAFE -27.1%	Cash Equiv 0.4%	Cash Equiv 0.1%	2X EAFE -10.5%	2X R2000 -11.1%	2X EAFE -1.0%	Cash Equiv -0.1%

Abbreviations: Cash Equiv = Barclays US Short Treasury Bond Index (Cash Equivalents); S&P 500 = S&P 500 Total Return Index (1x US Large Cap); Russ 2000 = Russell 2000 Total Return Index (1x US Small Cap); MSCI EAFE = MSCI EAFE Net Return Index (1x Developed International); 2X S&P 500 = 200% daily S&P 500 (2x US Large Cap); 2X R2000 = 200% daily Russell 2000 (2x US Small Cap); 2X EAFE = 200% daily MSCI EAFE (2x International Developed)

[∇] Source: Morningstar as of 12/31/2017. See last page for index definitions.

Separating Signals from Noise

A key element in managing market exposure is to avoid short-term trading and over-reaction to temporary events and market movements. Athena's analysis evaluates deep market forces in order to distinguish real directional signals from noise. This approach is designed to identify structural opportunities and threats and involves investing in markets for longer periods of time (months or years) when compared to traditional short term tactical trading and volatility oriented strategies.

Behavioral Finance Research and the Nobel Prize

Conventional wisdom in the marketplace holds that investors are rational and markets are efficient. Behavioral Finance Research shows that in reality, there is an overwhelming presence of emotions involved in investment decisions. Daniel Kahneman, renowned psychologist and winner of the Nobel Prize in Economics, shares decades of this research in his book *"Thinking Fast and Slow"* which uncovers the natural biases in our thinking and how emotions inevitably play into investment decisions. These collective emotional decisions by investors, in Athena's view, result in persistent and predictable market inefficiencies.

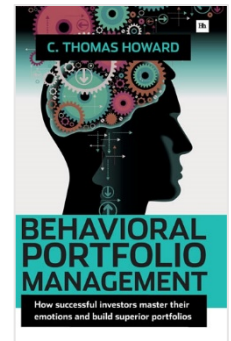


Patented Behavioral Portfolio Management

The Athena Global Tactical ETFs portfolio is managed with Athena's Behavioral Portfolio Management approach. Using an innovative patented research process, based on Behavioral Finance principles, Athena systematically measures predictive and persistent behavioral patterns for each market to determine portfolio rotation and exposure, which is implemented with ETFs.

Tactical Compliment to a Core Portfolio

A tactical component of a portfolio can help increase exposure to markets which are expected to perform well and reduce exposure to markets during undesirable conditions. Athena Global Tactical ETFs systematically over or under weights selected markets to complement a long-term strategic asset allocation.



“Once you make the transition to a behavioral perspective, unique investment opportunities become available.”

- C. Thomas Howard, PhD
CEO, AthenaInvest

About Athena

AthenaInvest's innovative investment research process, *Behavioral Portfolio Management*, uses measurable and persistent behavioral factors to build innovative investment solutions focusing on active equity management for long-term capital growth. With a focus on behavioral factors, Athena has pioneered a unique and systematic way to view asset allocation, investment selection, and tactical management.

For more information on the Athena Global Tactical ETFs portfolio, consult your financial professional.



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Endnotes

- A. Ranking for 5-Year performance is based upon the Q4 2017 Morningstar ETF Managed Portfolio Landscape Report. At the time of publication, Morningstar tracked 1,180 strategies from 182 firms with assets of \$123 billion. The ranking may not be representative of any one client's experience because the ranking reflects composite performance of multiple clients. The ranking may not be considered indicative of future performance and AthenaInvest did not pay to participate in the Morningstar ranking. Download report: <https://corporate1.morningstar.com/ResearchLibrary/article/860206/morningstar-etf-managed-portfolios-landscape--q4-2017/>

While Athena uses ETFs to construct the Athena Global Tactical ETFs portfolio, the Athena Global Tactical ETFs portfolio is not itself a registered ETF. This document is informational in nature only. Nothing herein is intended to imply that an investment in this portfolio may be considered "safe" or "risk free." This investment portfolio may not be suitable for all types of investors. This information is not intended to constitute legal, tax, accounting or investment advice. Prospective clients should consult their own advisors about such matters. No regulatory authority has passed upon or endorsed this summary or the merits of an investment using our strategy.

PAST PERFORMANCE DOES NOT GUARANTEE OR INDICATE FUTURE RESULTS. Risks of investing in the Athena Global Tactical ETFs portfolio include, but are not limited to:

ETF, MF AND CEF RISK The cost of investing in the portfolio will be higher than the cost of investing directly in Electronically Traded Funds (ETFs), Mutual Funds (MFs) and Closed-End Funds (CEFs) and may be higher than other portfolios that invest directly in stocks and bonds. Each ETF, CEF and MF is subject to specific risks, depending on the nature of the fund. **PRINCIPAL INVESTMENT RISKS** An investment utilizing our investment methodology involves risks, including the risk of loss of a substantial portion (or all) of the amount invested. There is no assurance that the investment process outlined in this document will consistently lead to successful results. **LEVERAGE RISK** The portfolio may invest in ETFs which employ leverage, options, futures and other derivative instruments in order to amplify stock market movements or invert such movements. When the portfolio is invested in these ETFs, the portfolio will experience much greater volatility than does the underlying equity market. **DERIVATIVES RISK** Futures, options and swaps involve risks different from, or possibly greater than the risks associated with investing directly in securities including leverage risk, tracking risk and counterparty default risk in the case of over the counter derivatives. Option positions may expire worthless exposing the Fund to potentially significant losses. **FOREIGN INVESTMENT RISK** foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries.

INDEX DEFINITIONS The **S&P 500 Index** is a market-capitalization weighted index which measures price movements of the common stock of 500 large U.S. companies within leading industries. Stocks in the Index are chosen for market size (large cap), liquidity and industry group representation. S&P 500 is a registered trademark of The McGraw-Hill Companies. The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. The **Russell 2000 Index** is a subset of the Russell 3000 Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small cap opportunity set. The **Morgan Stanley Capital International (MSCI) EAFE Index** (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The **Barclays Capital 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible. The **2X Return Indices** were calculated by geometrically linking the doubled daily returns of the underlying indices. IG-GT-20180501