

ATHENA PURE VALUATION | PROFITABILITY

SMA COMMENTARY | QUARTER 1, 2021



KEY TAKEAWAYS

- ◆ The portfolio was up 20.6% in Q1, beating its Morningstar US Mid Value benchmark return by 3.4%.
- ◆ Market conditions are attractive for stock selection, benefiting active managers as they pursue unique equity strategies.
- ◆ Strong quarter for value stocks overall.
- ◆ Two stocks were sold in February: CenterPoint Energy and Lockheed Martin.

Positive Impacts	Negative Impacts
Half of the stocks held during the quarter outperformed the benchmark, with six stocks generating returns exceeding 20%.	Only one stock had a negative return during the quarter.

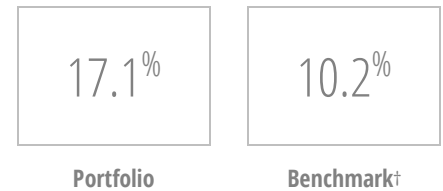
ECONOMIC AND MARKET PERSPECTIVE

- Markets continued to rally in Q1 despite political and pandemic challenges, ending the quarter at an all-time high (S&P 500) or near all-time highs (NASDAQ and Russell 2000).
- The pandemic impacts are waning with the rate of vaccinations accelerating during the quarter and optimistic feelings permeating the market.
- The Q1 economy strengthened dramatically, as indicated by a March PMI Manufacturing index at a 40 year high of 65 and a PMI Services index at an all-time high, (by 3 points) of 64. The latter was most impacted by the pandemic, so it is reassuring to see the 8.4 jump from February to March.
- The job market, which tends to lag overall economic activity, also took a big step in March, with nearly one million jobs being added. The hospitality and travel industries were major beneficiaries. This rapid healing of the employment market has led to GDP growth rate forecasts as high as 10% for Q3 and Q4.
- Our market indicators strengthened during the quarter, with economic and technical measures very strong, behavioral measures normal to very strong, while valuation measures remain elevated.
- Disruption in the economy and markets has created unique opportunities and a favorable environment for skilled active management. Market volatility has been higher than usual and may continue.
- We continue to believe that taking a long-term perspective and following a disciplined investment approach will be essential to successfully navigating the next year.

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

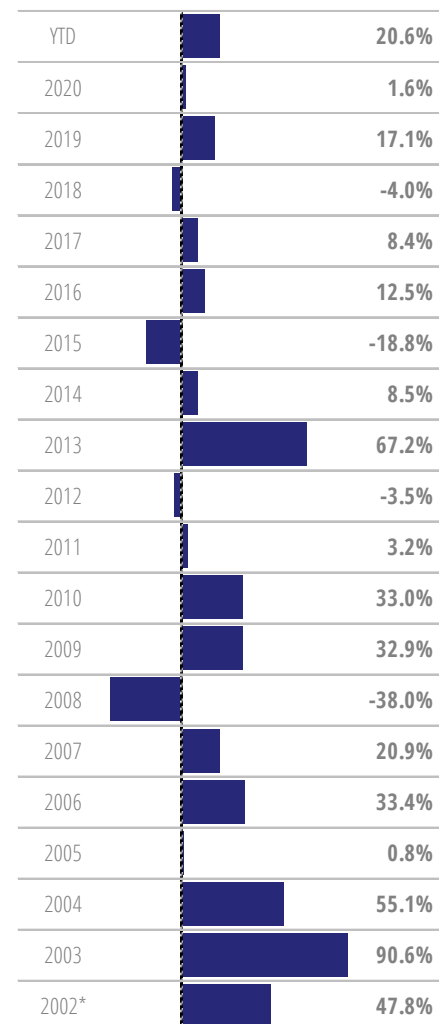
Annualized Since Inception (7/1/2002)



△ 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 3/31/2021

	Q1 2021	YTD	1 YEAR	3 YEARS	5 YEARS	10 YEARS	INCEPT
Pure Valuation Profitability (Net)	20.6	20.6	123.3	11.6	9.3	8.7	17.1
Morningstar US Mid Value TR Index	17.2	17.2	74.9	8.6	11.1	11.4	10.2

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.

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The opinions expressed in this commentary are as of March 31, 2021.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.