

## Strategy Based Investment Portfolios

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The tactical – or “explore” – portion of the Strategy Based Investing Portfolios is allocated to the strategy that has performed best over the trailing 12-months. The reasoning behind this “explore” allocation is based on research that suggests once a strategy has come to a leadership role it tends to continue leading for a while. Naturally, for a strategy to maintain its leadership role, the favorable financial, economic and market settings that were the catalyst for the strategy’s performance must persist. Last year, the explore portion of the Portfolios was allocated to the international Future Growth strategy. However, since the market low of February 11, 2016 we have seen different financial, economic and market settings lead to very different strategy leadership than we saw over the previous two years. Further, strategy consistency is being rewarded again, unlike in 2015. Given these changes, the international Future Growth strategy is being replaced in the explore portion of the Portfolios by the U.S. Profitability strategy. The Profitability strategy is made up of managers who favor stocks of companies with impressive profitability ratios such as return on equity, return on assets, and return on sales.

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### **Past performance does not guarantee future results.**

*Opinions and forecasts regarding sectors, industries, companies, countries and/or themes, and portfolio composition and holdings, are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security, industry or sector.*

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*SBI Strategy Indices are comprised of all U.S. registered open-end active mutual funds pursuing a stated investment strategy. Unlike traditional benchmarks, SBI Strategy Index composition is not determined by an index committee but by the active equity managers’ stated investment strategy, which can be found in the funds’ prospectuses. In order for a mutual fund to be included in a particular SBI Strategy Index, it must be an active open-end mutual fund with a stated investment strategy. AthenaInvest’s patented Strategy Identification Process excludes Index Funds, ETF’s, Asset Allocation, Life Cycle, and other passively managed or mixed-asset class funds from the SBI Strategy Indices. AthenaInvest maintains and publishes 10 SBI U.S. Equity Strategy Indices and 10 SBI International Equity Strategy Indices. The 10 SBI Indices (domestic and international) are Competitive Position, Economic Conditions, Future Growth, Market Conditions, Opportunity, Profitability, Quantitative, Risk, Social Considerations, and Valuation. SBI Strategy Indices are not a guarantee or indicator of future performance and do not guarantee better performance than traditional indices. ICON is the investment adviser to mutual funds in which the Portfolios invest and receives a management fee from the Funds for its advisory services.*

**For more information on Strategy Based Investing, ICON and AthenaInvest please see ICON’s Form ADV Part 2.**

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