



5299 DTC Blvd, Suite 1200  
Greenwood Village, CO 80111  
303-790-1600  
[www.iconadvisers.com](http://www.iconadvisers.com)

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This brochure provides information about the qualifications and business practices of ICON Advisers, Inc. ["ICON"]. If you have any questions about the contents of this brochure, please contact us at 1-800-828-4881 or at [info@iconadvisers.com](mailto:info@iconadvisers.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about ICON is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ICON Advisers, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

## Item 2 - Material Changes

The following is ICON's summary of material changes to this brochure since the March 26, 2020 annual update:

On October 23, 2019, ICON Advisers entered into a transaction agreement with Shelton Capital Management that proposed to reorganize the ICON Funds into the SCM Trust, subject to ICON Funds shareholder approval. The shareholders approved the reorganization (with the exception of ICON Risk-Managed Balanced Fund, see more below) of the ICON Funds into the SCM Trust. As a result, in mid-2020:

- ICON International Equity Fund and ICON Emerging Markets Fund were merged into the Shelton International Select Equity Fund and Shelton Emerging Markets Fund, respectively. ICON Advisers, Inc. is no longer the adviser to these funds.

Shelton Capital Management is the adviser, and ICON Advisers, Inc. is the sub-adviser, to these ICON Funds:

- **ICON Consumer Select Fund** (a combination of ICON Consumer Discretionary Fund, ICON Consumer Staples Fund and ICON Financial Fund).
- **ICON Healthcare and Information Technology Fund** (a combination of ICON Healthcare Fund and ICON Information Technology Fund).
- **ICON Natural Resources and Infrastructure Fund** (a combination of ICON Natural Resources Fund, ICON Energy Fund and ICON Industrials Fund).
- **ICON Equity Fund** (a combination of ICON Fund, ICON Long/Short Fund and ICON Opportunities Fund).
- **ICON Equity Income Fund** (see below regarding ICON Risk-Managed Balanced Fund)
- **ICON Flexible Bond Fund**

ICON Advisers remains the investment adviser to the ICON Risk-Managed Balanced Fund, which is pending shareholder approval of the above-mentioned reorganization. If approved, ICON Risk-Managed Balanced Fund will be merged into the ICON Equity Income Fund in the SCM Trust.

As the sub-adviser to the ICON Funds, ICON Advisers, Inc. is compensated with a percentage of the ICON Funds Advisory Annual Fees charged by the adviser, Shelton Capital Management. ICON Advisers, Inc. receives 62% of the fee and Shelton Capital Management retains 38% of the fee.

ICON Advisers, Inc. receives approximately 50% of the Shelton Capital Funds Annual Advisory Fee with respect to investments through ICON investment model allocations in any Shelton managed-fund other than the ICON Branded Funds.

With respect to the Shelton International Select Equity Fund and Shelton Emerging Markets Fund, ICON Advisers, Inc. will be compensated by Shelton Capital Management for certain assets attributable to the ICON International Equity Fund and ICON Emerging Markets Fund. ICON Advisers, Inc. will be compensated quarterly for a period of 36 months, based on a calculation of the advisory fee earned by Shelton Capital Management, less certain expenses.

Shelton Capital Management and RFS Partners, Inc. are industry affiliates of ICON Advisers, Inc.

This Brochure has been updated throughout to reflect changes related to this transaction.

There have been no other material changes to ICON Advisers Inc.'s brochure since the annual update on March 26, 2020.



### Item 3 -Table of Contents

Item 3 -Table of Contents .....	iv
Item 4 - Advisory Business .....	1
Item 5 - Fees and Compensation .....	5
Item 6 - Performance-Based Fees and Side-By-Side Management .....	10
Item 7 - Types of Clients.....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 - Disciplinary Information .....	16
Item 10 - Other Financial Industry Activities and Affiliations.....	16
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	17
Item 12 - Brokerage Practices.....	18
Item 13 - Review of Accounts .....	20
Item 14 - Client Referrals and Other Compensation.....	21
Item 15 - Custody.....	22
Item 16 - Investment Discretion .....	23
Item 17 - Voting Client Securities .....	23
Item 18 - Financial Information.....	24
Brochure Supplement(s)	

## Item 4 - Advisory Business

ICON Advisers, Inc. (“ICON,” “ICON Advisers,” “we” or “our”) was incorporated in 1986 as Meridian Asset Management Company and became a registered investment adviser with the SEC in 1991. ICON is headquartered, near Denver, in Greenwood Village, Colorado. ICON uses a disciplined, objective, non-emotional methodology to identify industries and sectors that our methodology suggests are underpriced relative to our calculation of intrinsic value. ICON provides investment advice only with respect to equities and fixed income products described below. Please see *Item 8* for further information on our investment methodology.

### Multi-Cap Approach

Many investment managers characterize their style as falling into one of nine style boxes: by a company’s market capitalization (small-cap, mid-cap, or large-cap) and by style (value, blend or growth). ICON manages its products using an approach that imposes no limits or restrictions on the market capitalization of its investments. ICON has the freedom to invest in small-, mid-, and large-size companies because we believe stocks migrate through the grid over time.

ICON offers a wide range of portfolio solutions, including tactical allocation portfolios and strategy based investing portfolios; institutional accounts; and separately managed accounts. Each of these products is described in more detail in the following pages. ICON offers asset management services to individual and institutional investors. ICON also serves as investment sub-adviser to the ICON Funds (“ICON Funds” or “Funds”), a series of diversified and multi-sector mutual funds in the SCM Trust.

On October 23, 2019, ICON entered into a transaction agreement with CCM Partners, LP d/b/a Shelton Capital Management (“Shelton”), the investment adviser to the SCM Trust. Under the transaction agreement, ICON and Shelton agreed to recommend to their respective Board of Trustees that the ICON Funds be reorganized into the SCM Trust. In February 2020 both ICON’s and SCM’s Board of Trustees approved the plans of reorganization and recommended them to Fund shareholders. The plans of reorganization were approved by the Fund shareholders in June and July 2020, and the ICON Funds are now advised by Shelton and sub-advised by ICON.

ICON Advisers remains the investment adviser to the ICON Risk-Managed Balanced Fund, which is pending shareholder approval of the above-mentioned reorganization. If approved, ICON Risk-Managed Balanced Fund will be merged into the ICON Equity Income Fund in the SCM Trust. For information on the ICON Risk-Managed Balanced Fund, please see the fund’s Prospectus and Statement of Additional Information at [www.iconadvisers.com](http://www.iconadvisers.com).

Dr. Craig Callahan, President and Founder of ICON, has sole control of ICON Management & Research Corporation (“IMRC”). IMRC owns 100% of ICON Advisers. Since IMRC owns ICON Advisers, it is considered to be an affiliate or under common control.

ICON manages, among other accounts, the ICON Tactical Allocation Portfolios (“ITAP(s)”) and ICON Strategy Based Investing Portfolios (“SBI” or “SBI Portfolios”) that invest in the affiliated ICON Funds, which are sub-advised by ICON, and also invest in certain mutual funds advised by Shelton for which ICON receives compensation. Please see *Item 8* for more information on the ITAP and SBI products. ICON’s total assets under management (“AUM”) across all accounts as of December 31, 2019 was \$787.9 million. Discretionary assets were \$774.7 million of the total AUM and non-discretionary assets were \$13.2 million of the total AUM.

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### Mutual Funds

ICON Advisers provides investment sub-advisory services to the ICON Funds. More information about the risks and operations of, and services provided to, the ICON Funds can be found in the Registration Statement filed on Form N-1A with the U.S. Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), which includes the Prospectus and Statement of Additional Information or at [www.iconfunds.com](http://www.iconfunds.com).

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### ICON Tactical Allocation Portfolios

ICON offers a mutual fund allocation program called the ICON Tactical Allocation Portfolios (“ITAP(s)” or “Portfolios”). The ITAPs exclusively use affiliated ICON mutual funds and certain mutual funds advised by Shelton

for which ICON receives compensation. ICON's Domestic, International and Global Allocation Portfolios have a minimum initial investment of \$25,000. You are allowed to place reasonable restrictions on the investments, which are generally at the fund level. You cannot make an investment restriction on a specific security. Depending on your restriction, ICON may not be able to manage the account like it would for other accounts in the same ITAP without restrictions. All Domestic Allocation Portfolios may hold foreign equity securities, as defined in the prospectuses of the respective funds, but the Portfolios will generally hold at least 80% of their respective investments in securities traded in the United States. ICON offers the following ITAPs:

#### Domestic Allocation Portfolios

- The **U.S. Growth Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in U.S. multi-sector and diversified mutual funds.
- The **U.S. Moderate Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) and to a lesser extent, providing income from investment assets invested in U.S. multi-sector, diversified, and bond mutual funds. The proportions of equity and fixed-income assets will vary through time, although ICON's U.S. Moderate Portfolio will generally invest a greater portion of assets in equity investments than ICON's U.S. Conservative Portfolio would.
- The **U.S. Conservative Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) and to provide income from investment assets invested in U.S. multi-sector, diversified, and bond mutual funds. The proportions of equity and fixed-income assets will vary through time, although ICON's U.S. Conservative Portfolio will generally invest a greater portion of assets in fixed-income and dividend-paying investments than ICON's U.S. Moderate Portfolio would.
- The **U.S. Income Portfolio** strives to provide income from assets invested in U.S. multi-sector, diversified, and bond mutual funds. The proportions of equity and fixed-income assets will vary through time, although ICON's U.S. Income Portfolio will generally invest a greater portion of assets in fixed-income and dividend-paying investments than ICON's U.S. Conservative Portfolio would have invested at any given time.

#### International Allocation Portfolio

- The **International Growth Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in international mutual funds.

#### Global Allocation Portfolios

- The **Global Growth Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in U.S. diversified and multi-sector, and international mutual funds.
- The **Global Moderate Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) and to a lesser extent, providing income from investment assets invested in U.S. diversified and multi-sector, bond, and international mutual funds. The proportions of equity and fixed-income assets will vary through time, although ICON's Global Moderate Portfolio will generally invest a greater portion of assets in equity investments than ICON's Global Conservative Portfolio would.
- The **Global Conservative Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) and to provide income from investment assets invested in U.S. diversified and multi-sector, bond, and international mutual funds. The proportions of equity and fixed-income assets will vary through time, although ICON's Global Conservative Portfolio will generally invest a greater portion of assets in fixed-income and dividend-paying investments than ICON's Global Moderate Portfolio would.

Like all investing, there is a risk of loss. This risk includes the chance that the portfolio's return will be different than expected or the possibility of losing some or all of your original investment. ICON's Growth Portfolios

generally have a higher risk of loss than ICON's Moderate Portfolios and Conservative Portfolios. ICON's U.S. Income Portfolio is structured to provide the least amount of risk of the ITAPs. Please refer to **Item 8** for more Risk Information.

You must sign an investment management agreement with ICON and complete the applicable custodian's paperwork. ICON currently uses E\*TRADE Advisor Services ("E\*TRADE," formerly Trust Company of America) and Charles Schwab & Co., Inc. ("Charles Schwab") as custodians for its ITAPs.

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### **ICON Strategic Allocation Portfolios**

ICON offers a mutual fund allocation program called the ICON Strategy Based Investing Allocation Portfolios ("SBI" or "SBI Portfolios"). The SBI Portfolios use a methodology developed and designed by AthenaInvest ("Athena"), which it has licensed to ICON. Athena's Strategy Based Investing evaluates actively managed equity mutual funds based on the strategies being pursued by the fund managers. The funds are grouped and ranked by Athena based on the managers' consistency in following their strategy. Athena believes that consistent managers beat the benchmark. The 10 Strategies include: Competitive Position, Economic Conditions, Future Growth, Market Conditions, Opportunity, Profitability, Quantitative, Risk, Social Considerations and Valuation. Athena is the sub-adviser to the SBI Portfolios and provides ICON with a model portfolio of mutual funds. Athena's model portfolio is implemented under the supervision, control and discretion of ICON. The model portfolio will use affiliated ICON Funds for its fixed income allocation and when its strategy calls for a Valuation component. The model portfolio may also include Shelton Funds for which ICON receives compensation. The SBI Portfolios have a minimum initial investment of \$25,000.

You are allowed to place reasonable restrictions on the investments, which are generally at the fund level. You cannot make an investment restriction on a specific security. Depending on your restriction, ICON may not be able to manage the account like it would for other accounts in the same SBI Portfolios without restrictions. Additionally, depending on your account's platform or custodian, certain securities may not be available. When this occurs, an alternate security with similar investment characteristics may be used. ICON offers the following SBI Portfolios:

#### **SBI Global Allocation Portfolios**

- The **SBI Global Growth Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in U.S. and international mutual funds. The SBI Global Growth Portfolio is an all-equity mutual fund portfolio comprised of approximately 70% strategic allocation and a 30% managed tactical allocation. The SBI Global Growth Portfolio will hold certain affiliated ICON Funds, and certain mutual funds advised by Shelton for which ICON receives compensation, whenever the strategic allocation and/or tactical allocation call(s) for a Valuation component. The SBI Global Growth Portfolio will generally invest a greater portion of assets in equity mutual funds than ICON's SBI Global Moderate Portfolio would.
- The **SBI Global Moderate Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in U.S. and international mutual funds. The SBI Global Moderate Portfolio is a mutual fund portfolio comprised of approximately 50% strategic allocation, a 20% managed tactical allocation, and a 30% fixed income allocation. The SBI Global Moderate Portfolio will hold certain affiliated ICON Funds, and certain mutual funds advised by Shelton for which ICON receives compensation, whenever the strategic allocation and/or tactical allocation call(s) for a Valuation component, and in all cases for the fixed income allocation. The SBI Global Moderate Portfolio will generally invest a greater portion of assets in equity mutual funds than ICON's SBI Global Conservative Portfolio would.
- The **SBI Global Conservative Portfolio** strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) invested in U.S. and international mutual funds. The SBI Global Conservative Portfolio is a mutual fund portfolio comprised of approximately 20% strategic allocation, a 10% managed tactical allocation, and a 70% fixed income allocation. The SBI Global Conservative Portfolio will hold certain affiliated ICON Funds, and certain mutual funds advised by Shelton for which ICON receives compensation, whenever the strategic allocation and/or tactical allocation call(s) for a Valuation component, and in all cases for the fixed income allocation. ICON's SBI

Global Conservative Portfolio will generally invest a greater portion of assets in fixed-income funds than ICON's SBI Global Moderate Portfolio would.

Like all investing, there is a risk of loss. This risk could be the chance that the portfolio's return will be different than expected or the possibility of losing some or all of your original investment. ICON's SBI Global Growth Portfolios generally have a higher risk of loss than ICON's SBI Global Moderate Portfolios and SBI Global Conservative Portfolios. Please refer to *Item 8* for more Risk Information.

You must sign an investment management agreement with ICON and complete the applicable custodian's paperwork. ICON currently uses E\*TRADE as custodian for its SBI Portfolios.

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#### **Separately Managed Accounts**

ICON Advisers also advises Separately Managed Accounts ("SMAs"). SMAs are accounts that invest directly in individual stocks. Investors can place reasonable restrictions on SMAs such as, not investing in a particular security. ICON's SMAs have a minimum initial investment of \$100,000. ICON offers the following SMAs:

- The **ICON Multi-Cap U.S. Equity Portfolio** strives to increase the value of your account through a rise in the market price of securities (capital appreciation) invested primarily in U.S. common stock investments in selected industries and sectors utilizing a value-based sector allocation strategy.
- The **ICON U.S. SRI (Socially Responsible Investing) Portfolio** strives to increase the value of your account through a rise in the market price of securities (capital appreciation) invested primarily in U.S. securities of companies that comprise the top 40% of companies ranked at the time of purchase by Sustainalytics, an independent environmental, social, and governance (ESG) and corporate governance research, ratings and analysis firm. For more detailed information on Sustainalytics, see [www.sustainalytics.com](http://www.sustainalytics.com). After an investment is identified as within the top 40% of companies ranked by Sustainalytics, ICON utilizes its value based sector allocation strategy to determine whether an investment is appropriate for the portfolio.

To establish an SMA you must sign an investment management agreement with ICON and complete the applicable custodian's paperwork. ICON currently uses Charles Schwab as custodian for its SMAs, but has the flexibility to use various custodians for this product.

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#### **Institutional Accounts**

The **Institutional Domestic Core Equity Portfolio** ("DCE Portfolio") strives to increase the value of your account through a rise in the market price of securities (capital appreciation) by investing in U.S. common stocks in selected industries and sectors using a value-based sector allocation strategy. The DCE Portfolio is offered to institutional investors such as public retirement systems, banks, foundations, endowments and pension plans or certain accredited investors. You can impose reasonable investment restrictions on DCE Portfolios.

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#### **ERISA Accounts**

If you are subject to ERISA, you and/or your investment professional must inform ICON in writing. ICON does not serve as a trustee or plan administrator for any client ERISA plans and does not advise such plans on issues such as funding, diversification or distribution of plan assets.

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#### **403(b) Plan Accounts**

ICON no longer directly accepts new 403(b) accounts. However, 403(b) accounts are allowed in the affiliated ICON Funds through various broker-dealers. Please refer to the ICON Funds statutory prospectus for more information.

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ICON reserves the right to accept accounts below the minimum investment requirement, or to retain accounts that have dropped below a minimum account value requirement due to market fluctuation or investment activity. ICON may consider a group of accounts that have a family, corporate or other relationship to meet the minimum requirements.



## Item 5 - Fees and Compensation

### Mutual Fund Advisory Fee

If you own a share in one of the ICON Funds, you pay Shelton the ICON Fund Advisory Annual Fee listed in the table below. You indirectly pay ICON for its investment sub-advisory services via ICON's sub-advisory agreement with SCM Trust, under which ICON receives 62%, and Shelton retains 38%, of the Advisory Annual Fees below.

#### ICON Funds Advisory Annual Fee\*

<u>ICON Multi-Sector Funds</u>		<u>ICON Diversified Funds</u>	
ICON Consumer Select Fund	1.00%	ICON Flexible Bond Fund	0.60%
ICON Health and Information Technology Fund	1.00%	ICON Equity Income Fund	0.75%
ICON Natural Resources and Infrastructure Fund	1.00%	ICON Equity Fund	0.75%
ICON Utilities and Income Fund	1.00%		

If you own a share in one of the Shelton Funds, you pay Shelton the Shelton Funds Advisory Annual Fee listed in the table below. ICON receives approximately 50% of the Shelton Funds Advisory Annual Fee with respect to investments through ICON investment model allocations in these funds. ICON Advisers, Inc. will also be compensated by Shelton for certain assets attributable to the ICON International Equity Fund and ICON Emerging Markets Fund. ICON Advisers, Inc. will be compensated quarterly for a period of 36 months, based on a calculation of the advisory fee earned by Shelton, less certain expenses.

#### Shelton Funds Advisory Annual Fee

##### Shelton International Funds

Shelton Emerging Markets Fund	1.00%
Shelton International Select Equity Fund	0.74%

\*The ICON Funds also have an expense reimbursement agreement with Shelton for certain expenses paid by the Adviser due to the expense limitation agreement. Please refer to the prospectus for further information regarding fees and expenses.

The investment sub-advisory agreement between ICON and Shelton may be terminated for various reasons under the Investment Company Act of 1940 or by a vote of the Board of Trustees ("Trustees") of the Funds or by ICON upon written notice. The agreement terminates automatically if it is assigned. Please refer to the prospectus for further information regarding fees and expenses.

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### ITAP Investment Management Fees

For accounts custodied at E\*TRADE, management fees are generally deducted monthly in arrears based on the average daily value of the account. You may elect to have the custodian debit the account directly for fees or you may authorize ICON to debit fees from your bank account. Management fees are adjusted for each capital contribution and withdrawal made during the applicable month.

For accounts custodied at Charles Schwab, management fees are generally deducted quarterly in arrears based on the account value at the end of each quarter. You may elect to have the custodian debit the account directly for fees or you may authorize ICON to debit fees from your bank account. Management fees are not adjusted for each capital contribution and withdrawal made during the applicable calendar quarter.

Accounts opened or closed during a month (E\*TRADE) or calendar quarter (Charles Schwab) will be charged a prorated fee. When you close your account, any earned, unpaid fees will be due and payable. Please refer to your Investment Management Agreement for more details on fees and how they are charged.

ICON pays custodial fees for the ITAP accounts, exclusive of charges imposed by the custodians for transfer taxes, wire transfer and electronic fund fees, other security transaction fees and/or other fees disclosed and imposed upon you by the custodian. Mutual funds also charge their own advisory fees, which are disclosed in a fund's prospectus and in your Investment Management Agreement with ICON. ICON does not offset its portfolio management fee with the fees you pay on the underlying mutual funds. These charges, fees and commissions are exclusive of and in addition to ICON's management fee. ICON receives a portion of the advisory fee on the

investments in the ICON Funds and certain Shelton Funds. If you own an ITAP, you indirectly pay Mutual Fund Advisory Fees to ICON as discussed under Mutual Fund Advisory Fee above.

The investment management fees paid by ITAP clients to ICON represent fees for managing the client's assets and are separate from the fees and expenses of the underlying ICON Funds and custodial transaction fees.

What is the management fee to you?

- The maximum management fee to a client is 2% per year.
- That maximum 2% management fee includes a solicitor's fee for your representative, if applicable. The portion of the fee that goes to your representative varies depending on the firm. Your representative may receive up to 100% of the management fee. Please contact your representative for further information.

While ICON reserves the right to, and in fact does negotiate management fees, the following annual management fees apply, in general, to ITAP accounts:

<u>ITAP DOMESTIC and INTERNATIONAL ALLOCATION PORTFOLIOS</u>	
U.S. Growth, U.S. Moderate and International Growth	
Assets Under Management	Maximum Management Fee*
First \$250,000	2.00% per year
Next \$500,000	1.50% per year
Next \$250,000	1.00% per year
Over \$1,000,000	Negotiable

U.S. Conservative and U.S. Income

Assets Under Management	Maximum Management Fee*
First \$250,000	0.80% per year
Next \$500,000	0.70% per year
Next \$250,000	0.70% per year
Over \$1,000,000	Negotiable

<u>ITAP GLOBAL ALLOCATION PORTFOLIOS</u>	
Global Growth, Global Moderate, and Global Conservative	
Assets Under Management	Maximum Management Fee*
First \$250,000	2.00% per year
Next \$500,000	1.50% per year
Next \$250,000	1.00% per year
Over \$1,000,000	Negotiable

\* These fees reflect the maximum management fee, not the average fee. The above ITAPs may be offered at a reduced or lower fee at ICON's discretion or as negotiated by and at the request of clients, including the aggregating ("Householding") of some or all of a client's accounts for the purpose of qualifying for fee breakpoints. To Household, accounts must belong to related family members living in the same household, and the client or its representative must notify ICON and the client's custodian of the relationship. Solicitors are permitted to submit their own personal accounts at a discounted fee as negotiated by ICON. Portfolios may be subject to a maximum annual management fee of 2.00% and custodial fees, if applicable, as required by the account custodian.

ICON also provides its ITAP models on a no-cost, non-discretionary basis to certain relationships as a way to promote investment in the ICON Funds. Performance and fees on those platforms may differ from that provided by ICON directly. Please refer to *Item 14* for more information.

**Account Termination Procedures:** You may terminate the investment management agreement by giving at least ten (10) days' notice in writing to ICON. ICON may also terminate the agreement with you by giving you at least ten (10) days' written notice. Upon termination, all securities will be liquidated (sold) unless you provide ICON with a signed written request with different instructions with your notice. You may be responsible for any exchange, redemption, or other fees assessed by the custodian, tax liabilities and market fluctuation. Management fees will be collected until ICON receives written notice from the client to terminate the account and has a reasonable amount of time to act on the properly issued instructions.

If the account value drops below \$10,000, or other level determined by ICON, ICON may not be able to manage the account efficiently. ICON reserves the right to notify you in writing to deposit funds generally within 30 days from the date you receive the notification. If ICON does notify you, and you do not adequately fund the account within the specified time frame in the notice, ICON reserves the right to liquidate and close the account. The account proceeds will be mailed to the address of record and you will be responsible for any liquidation fees and any tax liabilities incurred.

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**SBI Portfolio Investment Management Fees**

SBI Portfolios custodied at E\*TRADE have their management fees generally deducted monthly in arrears based on the average daily value of the Client Account. You may elect to have the custodian debit the account directly for fees or you may authorize ICON to debit fees from your bank account. Management fees are adjusted for each capital contribution and withdrawal made during the applicable month.

Accounts opened or closed during a month will be charged a prorated fee. When you close your account, any earned, unpaid fees will be due and payable. Please refer to your Investment Management Agreement for more details on any fees and how they are charged.

ICON pays custodial fees for the SBI Portfolio accounts, exclusive of charges imposed by the custodians for transfer taxes, wire transfer and electronic fund fees, and other security transaction fees. Mutual funds also charge their own advisory fees, which are disclosed in a fund's prospectus. ICON does not offset its portfolio management fee with the fees you pay on the underlying mutual funds. These charges, fees and commissions are exclusive of and in addition to ICON's management fee. ICON receives a portion of the advisory fee on the investments in the ICON Funds and certain Shelton Funds. If you own an SBI Portfolio, you indirectly pay Mutual Fund Advisory Fees to ICON, for any ICON Fund or Shelton Fund in the SBI Portfolio, as discussed under Mutual Fund Advisory Fee above.

The investment management fees paid by SBI Portfolio clients to ICON represent fees for managing the client's assets and are separate from the fees and expenses of the underlying mutual funds and custodial transaction fees. Athena, as the sub-advisor to the SBI Portfolios, receives a portion of the SBI Portfolio management fee described below.

While ICON reserves the right to, and in fact does negotiate management fees, the following annual management fees apply, in general, to SBI Portfolio accounts:

**SBI GLOBAL ALLOCATION PORTFOLIOS**

Global Growth, Global Moderate and Global Conservative

Assets Under Management	Maximum Management Fee*
\$25,000 to \$1,000,000	1.55% per year
Over \$1,000,000	Negotiable

\* These fees reflect the maximum management fee, not the average fee. The above SBI Portfolios may be offered at a reduced or lower fee at ICON's discretion or as negotiated by and at the request of clients, including the aggregating ("Householding") of some or all of a client's accounts for the purpose of qualifying for fee breakpoints. To Household, accounts must belong to related family members living in the same household, and the client or its representative must notify ICON and the client's custodian of the relationship. Solicitors are permitted to submit their own personal accounts at a discounted fee as negotiated by ICON. Portfolios may be subject to a maximum annual management fee of 1.55% and custodial fees, if applicable, as required by the account custodian.

ICON also provides its SBI models to certain relationships on a non-discretionary, and at times no-cost, basis. Performance and fees on those platforms may differ from that provided by ICON directly. Please refer to *Item 14* for more information.

**Account Termination Procedures:** Either party may terminate this Agreement by giving at least ten (10) days' notice in writing to the other. Upon termination, all securities will be liquidated unless otherwise requested in writing and signed by you. Upon termination, you will be responsible for any exchange, redemption, or other fees assessed by mutual fund companies, the custodian, tax liabilities and market fluctuation. Management fees will be collected until ICON receives written notice from you to terminate the account and has a reasonable amount of time to act on the instructions.

Should the account value drop to a level that ICON is not able to manage efficiently, ICON reserves the right to notify you in writing to deposit funds within 30 days. If the account is not funded adequately within the specified timeframe, ICON reserves the right to liquidate and close the account. The account proceeds will be mailed to the address of record, and you will be responsible for any tax liabilities incurred.

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**ICON SMA Management Fees**

Management fees for the SMA portfolios are generally deducted quarterly in arrears based on the account value at the end of each quarter. You may elect to have the custodian debit your account directly for fees or you may authorize ICON to debit fees from your bank account. Management fees will not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts opened or closed during a calendar quarter will be charged a prorated fee. When you close your account, any earned, unpaid fees will be due and payable. Please refer to your Investment Management Agreement for more details on any fees and how they are charged.

ICON's fees do not include other related costs and expenses which may be incurred by the client, such as charges imposed by custodians, brokers, and other third parties. For example, fees charged by managers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are in addition to ICON's fees and ICON does not receive any portion of these commissions, fees, and costs.

While ICON reserves the right to, and in fact does negotiate management fees, the following annual management fees apply, in general, to ICON SMA Portfolios:

<b>ICON MULTI-CAP U.S. EQUITY PORTFOLIO</b>	
<b>Assets Under Management</b>	<b>Maximum Annual Management Fee*</b>
First \$250,000	1.850%
Next \$250,000	1.825%
Next \$500,000	1.800%
Next \$1,500,000	1.775%
Next \$2,500,000	1.750%
Over \$5,000,000	1.700%

\* These fees reflect the maximum management fee, not the average fee. The above SMA may be offered at a reduced or lower fee at ICON's discretion or as negotiated by and at the request of clients, including the aggregating ("Householding") of some or all of a client's accounts for the purpose of qualifying for fee breakpoints. To Household, accounts must belong to related family members living in the same household, and the client or its representative must notify ICON and the client's custodian of the relationship.

<b>ICON U.S. SRI Portfolio</b>	
<b>Assets Under Management</b>	<b>Maximum Annual Management Fee*</b>
First \$250,000	1.250%
Next \$250,000	1.225%
Next \$500,000	1.200%
Next \$1,500,000	1.175%
Next \$2,500,000	1.150%
Over \$5,000,000	1.125%

\* These fees reflect the maximum management fee, not the average fee. The above SMA may be offered at a reduced or lower fee at ICON's discretion or as negotiated by and at the request of clients, including the aggregating ("Householding") of some or all of a client's accounts for the purpose of qualifying for fee breakpoints. To Household, accounts must belong to related family members living in the same household, and the client or its representative must notify ICON and the client's custodian of the relationship.

**Account Termination Procedures:** You may terminate the investment management agreement by giving at least ten (10) days' notice in writing to ICON. ICON may also terminate the agreement by giving you at least ten (10) days' written notice. Upon termination, all securities will be liquidated (sold) unless you provide ICON with a

signed written request with different instructions with your notice. Trades that have already been entered into at the time notice of termination is received will usually settle for the account. You will be responsible for any commissions, tax liabilities, market fluctuation, redemption fees or other fees assessed by the custodian when closing your account. Management fees will be collected until ICON receives written notice from the client to terminate the account and has a reasonable amount of time to act on the instructions.

If your account value drops to a level that ICON is not able to manage efficiently, ICON reserves the right to notify you in writing to deposit funds within 30 days. If the account is not adequately funded within the specified time frame, ICON reserves the right to liquidate and close the account. The account proceeds will be mailed to the address of record and you will be responsible for any tax liabilities incurred.

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#### **DCE Management Fees**

Management fees for the DCE Portfolio are generally charged quarterly in arrears. Fees are calculated quarterly and billed quarterly based on the value at the end of each quarter. Certain account fees are calculated based on the specified plan requirements, if applicable. You may elect to have the custodian debit the account directly for fees or you may authorize ICON to debit fees from your bank account. Management fees will not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts opened or closed during a calendar quarter will be charged a prorated fee. When you close your account, any earned, unpaid fees will be due and payable. The specific manner in which fees are charged by ICON is established in a client's written agreement with ICON.

ICON's fees do not include brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client, such as certain charges imposed by custodians, brokers, and other third parties. For example, fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are in addition to ICON's fee, and ICON does not receive any portion of these commissions, fees, and costs.

While ICON reserves the right to, and in fact does negotiate management fees, the following annual management fees apply, in general, to DCE Portfolios:

#### **INSTITUTIONAL DOMESTIC CORE EQUITY PORTFOLIOS**

<b>Assets Under Management</b>	<b>Maximum Management Fee*</b>
First \$10,000,000	1.00% per year
Next \$15,000,000	0.80% per year
Next \$25,000,000	0.60% per year
Next \$50,000,000	0.50% per year
Over \$100,000,000	Negotiable

\*The above DCE accounts may be offered at a reduced fee at ICON's discretion or as negotiated by and at the request of clients, including the aggregating ("Householding") of some or all of a client's accounts for the purpose of qualifying for fee breakpoints. To Household, accounts must belong to related family members living in the same household, and the client or its representative must notify ICON and the client's custodian of the relationship.

**Account Termination Procedures:** Generally, ICON may be removed upon written notice by the account, or ICON may resign, upon advance notice in writing directed to the account. In the event of any termination, trades that have already been entered into at the time notice of termination is received will usually settle for the account. You will be responsible for any commissions, tax liabilities, market fluctuation, redemption fees or other fees assessed by the custodian when closing your account. ICON must receive specific liquidation/transfer instructions from you, in writing, when you close your DCE account. Management fees will be collected until ICON receives written notice from the client to terminate the account and has a reasonable amount of time to act on the instructions.

**Item 12** further describes the factors that ICON considers in selecting broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

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## Item 6 - Performance-Based Fees and Side-By-Side Management

ICON does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7 - Types of Clients

ICON provides sub-advisory and portfolio management services to registered mutual funds, individuals and high net worth individuals.

Please refer to **Item 4** for account minimums.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

### Methodology

#### ICON ITAPs, Domestic Core Equity Portfolio and Separately Managed Accounts

The ITAPs exclusively use affiliated ICON mutual funds and certain mutual funds advised by Shelton for which ICON receives compensation. This discussion relates to the ICON Funds as sub-advised by ICON. It is important to note that while many investment managers characterize their style as falling into one of nine style boxes: by a company's market capitalization (small-cap, mid-cap, or large-cap) and by style (value, blend or growth), ICON does not. Rather, ICON manages its products using an approach that imposes no limits or restrictions on the market capitalization of its investments. ICON has the freedom to invest in small-, mid-, and large-size companies because ICON believes equity securities migrate through the grid over time.

#### **Equity Funds**

ICON uses a quantitative methodology to identify stocks, industries and sectors that our methodology suggests are underpriced relative to our calculation of intrinsic value (value that you would be willing to pay for a security based on the market conditions).

The ICON valuation methodology is rooted in the fundamentals of finance. Earnings, future earnings growth, risk as measured by *beta*,<sup>1</sup> and opportunity costs as determined by bond yields help us calculate the intrinsic value of a company. We rely on the integrity of the financial statements companies release to the market as a part of our analysis.

We use these fundamentals to analyze hundreds of companies included in approximately 158 separate sub-industries, that change over time, and eleven basic market sectors as classified by the Standard & Poor's Global Industry Classification Standard. We compare our valuation of a security to its current market price to arrive at a *Value-to-Price Ratio*<sup>2</sup> for each stock, and in turn, develop a *Value-to-Price Ratio* for each of the industries. Portfolio Managers then have discretion to choose the individual securities they determine should comprise the portfolio.

<sup>1</sup> Beta is a measure of an individual security's volatility versus a broader index or market.

<sup>2</sup> Value-to-Price Ratio (or V/P) is a ratio of the intrinsic value, as calculated using ICON's proprietary valuation methodology, of a broad range of domestic and international securities within ICON's system as compared to the current market price of those securities. We believe stocks with a V/P reading below 1.00 are overvalued while stocks with a V/P reading above 1.00 are undervalued.

The *Value-to-Price Ratio* guides our determination as to whether stocks, sub-industries, industries or sectors are over- or underpriced.

We believe that the market goes through themes over time. As themes in the market change over time, different countries, sub-industries, industries and sectors may become leaders. Themes are defined simply: stocks in

industries that were market leaders at one time tend to become overpriced relative to intrinsic value, and stocks in industries that were not in favor tend to drop below intrinsic value. We sell industries we believe are overpriced and buy industries we believe are underpriced, as identified by our valuation model, in an effort to capture developing industry and sector themes without restrictions on market capitalization.

In addition to using our methodology to evaluate stocks and industries to categorize each as over- or underpriced relative to the broad market, we may factor in relative strength. In general, relative strength is a measure of the performance of an industry in relation to the performance of the broader market over a period of time.

#### ***Fixed Income Funds***

ICON uses various methods to determine the value for individual fixed income securities that it believes are underpriced relative to its determination of intrinsic value. ICON relies on the integrity of the financial statements of the fixed income security released to the market as a part of its analysis. ICON may invest in investment grade and non-investment grade securities.

For more information on the ITAPs, Domestic Core Equity Portfolio and Separately Managed Accounts, please refer to **Item 4** above.

#### **ICON SBI Portfolios**

The SBI Portfolios are sub-advised by AthenaInvest (“Athena”) and include certain affiliated ICON Funds and certain mutual funds advised by Shelton for which ICON receives compensation. Athena measures equity manager behavior to determine asset allocation, strategy selection and manager selection. Athena attempts to identify the most attractive mutual funds based on manager behavior, including investment strategy as categorized by Athena, manager consistency and manager conviction. Athena provides ICON with a model portfolio of mutual funds. ICON has overall investment discretion in determining the funds to be utilized to achieve the investment strategy.

Athena Fund Diamond Ratings are used to identify actively managed equity mutual funds that demonstrate behavioral factors which Athena and ICON believe are leading indicators of performance. Funds eligible to be rated include U.S. domiciled actively managed U.S. and international equity mutual funds. Ratings are calculated each month and depend on the investment strategy being pursued by the fund, the consistency of that pursuit, and the conviction demonstrated by the construction of the resulting portfolio. Based on these criteria, funds are assigned a Diamond Rating (“DR”) score of DR1 to DR5, with DR5 representing the highest rating. Athena believes that behavioral factors such as strategy, consistency in following that strategy, and the conviction shown in the fund’s portfolio construction are better leading indicators of outperforming active equity mutual funds than traditional approaches such as past performance. The SBI Portfolios will primarily use DR4 and DR5 rated funds by Athena, in the strategies Athena sees as leading. However, regardless of the DR, the SBI Portfolios will hold affiliated ICON Funds, and certain Shelton Funds for which ICON receives compensation, whenever the portfolio calls for a Valuation component, and in all cases where the portfolio calls for bonds or fixed income.

Each month Athena will evaluate the returns for each fund as reported by the fund complex. At the end of the month, the covered funds are reconstituted into each rating group and the process begins again. The monthly rating group returns are net of all automatically deducted fees including management fees, administration fees, 12b-1 fees, trading costs, and other fees, but do not reflect the impact of sales loads. Returns are first averaged across all share classes of a given fund, then calculated as a simple average across all unique funds in a rating group.

For more information on the SBI Portfolios, please refer to **Item 4** above.

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#### **Investment Strategies**

Please refer to **Item 4** for the different products and investment strategies offered by ICON, including the SBI Portfolios. More information about the risks within the ICON Funds can be found in the Registration Statement filed on Form N-1A with the U.S. Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), which includes the

Prospectus and Statement of Additional Information or at [www.iconfunds.com](http://www.iconfunds.com). More information about the individual risks of the funds used within the SBI Portfolios can be found in the Registration Statements filed on Form N-1A, which Registration Statements include the Prospectus and Statement of Additional Information, and can be found at [www.sec.gov](http://www.sec.gov).

The ICON Funds may invest in options on securities and indexes, enter into short-term forward contracts, and take short positions in equity securities in accordance with investment objectives and strategies.

The ICON Funds may also enter into margin arrangements to facilitate transactions in short sales, futures contracts, options on futures contracts or indexes and other financial instruments.

#### Account Liquidity Reserve

To meet your cash flow needs, approximately two percent (or more if the client is taking periodic distributions) of all ITAP and SBI Portfolios is maintained in assets that can more easily be sold (liquid assets), such as money market funds. This liquidity reserve is adjusted periodically.

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#### Principal Investment Risks

Like all investing, there is a risk of loss. This risk could be the chance that the portfolio's return will be different than expected or the possibility of losing some or all of your original investment. Investing in securities involves risk of loss that clients should be prepared to bear. The main risks of investing in mutual fund portfolios and individual securities include:

#### All Investments

- **Market Risk:** Your overall risk level will depend on the market sectors/countries or investment strategies in which you are invested. The value of the stocks and other securities owned by your account will fluctuate depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence. The market also may fail to recognize the intrinsic worth of an investment, ICON may misgauge that worth or the strategy picked may not perform.
- **Industry and Concentration Risk.** Companies that have similar lines of business are grouped together in broad categories called industries. Certain industries are grouped together in broader categories called sectors. ICON may overweight industries within a sector, which causes the account's performance to be susceptible to political, economic, business or other developments that affect those industries. For example, your performance may be impacted by general economic conditions, product cycles, competition and government regulation, among other things. Industry overweighting means an investment product may be less diverse and more volatile than its benchmark.
- **Non-Diversified Risk:** Your account may be "non-diversified" which means that it may own larger positions in a smaller number of securities than portfolios that are "diversified." This means that an increase or decrease in the value of a single security will likely have a greater impact on your account's value and investment return than a diversified account.
- **Small and Mid-Size Company Risk:** Your account may invest in small or mid-size companies which may involve greater risk of loss and price fluctuation. Small companies may have limited management experience or depth, limited access to capital, or limited products or services, or operate in markets that have not yet been established. Small company securities tend to be more volatile and less liquid than equity securities of larger companies. It might be harder to sell securities of small-cap issuers, and they often incur larger price swings than securities of larger companies.
- **Foreign Investment Risk:** Your account may be invested in or have investments that invest in foreign securities. Investments in foreign securities involve different risks than U.S. investments, including fluctuations in currency exchange rates, potentially unstable political and economic structures, less efficient trade settlement practices, reduced availability of public information, and lack of uniform financial reporting and regulatory practices such as those that apply to U.S. issuers. Foreign stock markets may also be less liquid than U.S. stock markets.
- **Developing and Emerging Markets Risk:** Your account may be invested in securities from developing or emerging market countries. The economies of developing or emerging market countries may be more



dependent on relatively few industries that may be highly vulnerable to local and global changes than economies in more developed countries. The governments of developing and emerging market countries may be less stable than the governments of more developed countries. Countries in the emerging markets generally have less developed securities markets or exchanges, and less developed legal and accounting systems, reduced availability of public information, and lack of uniform financial reporting and regulatory practices, which in turn may adversely impact ICON's ability to calculate accurately the intrinsic value of the securities. Securities of emerging or developing market companies may be less liquid and more volatile than securities in countries with more mature markets. The value of developing or emerging market currencies may fluctuate more than the currencies of countries with more mature markets. Investments in developing or emerging market countries may be subject to greater risks of government restrictions, including confiscatory taxation, expropriation or nationalization of a company's assets, restrictions on foreign ownership of local companies and restrictions on withdrawing assets from the country. Investments in securities of issuers in developing or emerging market countries may be considered speculative and higher risk.

- **Liquidity Risk:** Liquidity risk exists when particular investments or securities are difficult to sell. Investments in illiquid securities may reduce the returns of the account because it may be difficult to sell the illiquid securities at an advantageous time or price. Illiquid investments may be harder to value, especially in changing markets, and if the account is forced to sell these investments, you may suffer a loss.
- **Geographic Risk:** Your account may have higher risk due to concentrations in certain geographic regions. These concentrations may make your account more susceptible to the economic, market, regulatory, political, natural disasters and local risks of that region than an account that is more geographically diversified.
- **High Portfolio Turnover Risk:** Your account may engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) may result in increased transaction costs to your account, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of securities may result in the realization and/or distribution to you of higher capital gains or losses as compared to an account with less active trading. The effects of higher than normal portfolio turnover may adversely affect the account's performance and affect your tax liability.
- **Leverage Risk:** Some transactions may give rise to a form of economic leverage, and may expose your account to greater risk and increase its costs. The use of leverage may also cause an account to liquidate portfolio positions when it may not be advantageous. Increases and decreases in the value of the accounts will be magnified when the account uses leverage.
- **Selection Risk:** Market risk is the risk that one or more markets in which your account invests will go down sharply and unpredictably. Selection risk is the risk that the securities selected by the investment manager will underperform the markets, the relevant indices or the securities selected by other accounts with similar investment objectives and investment strategies.
- **Preferred Securities Risk:** Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies.
- **Investment in Other Investment Companies Risk:** Your account may be invested in funds which may invest in other investment companies. As with other investments, investments in other investment companies, including closed-end funds (which include business development companies (BDCs)), unit investment trusts, open-end investment companies, and exchange traded funds, are subject to many of the same risks as investing directly in the underlying instruments, including market risk and, for non-index strategies, selection risk. In addition, if a fund acquires shares of investment companies, shareholders bear both their proportionate share of expenses in the fund (including management and advisory fees) and, indirectly, the expenses of the investment companies (including management and advisory fees). Further, the closed-end fund market is inefficient. Many closed-end funds (CEFs), including many in which the funds may invest, are small or microcap securities. There is little independent research published on CEFs and limited availability of data makes research difficult and time consuming. CEFs may trade

unpredictably. The underlying assets may be unknown and their value not readily determinable. A fund may purchase CEFs believing they are trading at a discount to NAV, and an ongoing corporate action will cause the discount to narrow or disappear. With little independent analysis of the CEFs' individual assets, the funds essentially make a value based arbitrage strategy. The fund may look to events like pending or proposed tender offers, liquidations, take-over plays etc. If the event is not preceded by an official announcement – and is, instead, “pending” or “anticipated” – this strategy can be very risky. If the event is announced, there is still the possibility that it will not happen. In sum, investing in CEFs in general, and CEF arbitrage plays in particular carry unique and arguably heightened risks.

- **Closed-End Fund Risk:** In addition, closed-end funds involve investment risks different from those associated with other investment companies. First, the shares of closed-end funds frequently trade at a premium or discount relative to their net asset value. When the Fund purchases shares of a closed-end fund at a discount to its net asset value, there can be no assurance that the discount will decrease, and it is possible that the discount may increase and affect whether the Fund will realize a gain or loss on the investment. Second, many closed-end funds use leverage, or borrowed money, to try to increase returns. Leverage is a speculative technique and its use by a closed-end fund entails greater risk and leads to a more volatile share price. If a closed-end fund uses leverage, increases and decreases in the value of its share price will be magnified. The closed-end fund will also have to pay interest or dividends on its leverage, reducing the closed-end fund's return. Third, many closed-end funds have a policy of distributing a fixed percentage of net assets regardless of the fund's actual interest income and capital gains. Consequently, distributions by a closed-end fund may include a return of capital, which would reduce the fund's net asset value and its earnings capacity. Finally, closed-end funds are allowed to invest in a greater amount of illiquid securities than open-end mutual funds. Investments in illiquid securities pose risks related to uncertainty in valuations, volatile market prices, and limitations on resale that may have an adverse effect on the ability of the fund to dispose of the securities promptly or at reasonable prices.
- **Derivatives Risk:** The use of derivatives may reduce the return and/or increase volatility. Volatility is defined as the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. A risk of the use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The possible lack of a liquid secondary market for derivatives and the resulting inability to sell or otherwise close a derivatives position could expose the account to losses and could make derivatives more difficult to value accurately. Valuation is more difficult in times of market turmoil since many investors and market makers may be reluctant to purchase complex instruments or quote prices for them. Derivatives also may expose the account to greater risk and increase its costs. Certain transactions in derivatives involve substantial leverage risk and may expose the account to potential losses that exceed the amount originally invested.

#### Fixed Income Investments

- **Bank Loan Risk:** The market for bank loans may not be highly liquid and these investments expose your account to the credit risk of both the financial institution and the underlying borrower.
- **Collateralized Bond Obligation Risk:** The pool of high yield securities underlying collateralized bond obligations is typically separated into groupings called tranches. Your account may invest in lower tranches, which carry greater risk but pay higher interest rates.
- **Convertible Securities Risk:** The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. The market value of convertible securities may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. A convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.
- **Debt Securities Risk:** Debt securities, such as bonds, involve interest rate risk, credit risk, extension risk, and prepayment risk, among other things.
- **Interest Rate Risk:** Bond prices tend to move inversely with changes in interest rates. For example, when interest rates rise, bond prices generally fall. Securities with longer maturities are more sensitive to changes in interest rates. Performance could also be affected if unexpected interest rate trends cause investments in mortgage- or asset-backed securities to be paid off substantially earlier or later than

expected. Slower payoffs effectively increase maturity, also heightening interest rate risk. When interest rates fall, many mortgages are refinanced and mortgage-backed securities may be repaid early. As a result, your account may not experience the increase in market value from these securities that normally accompanies a decline in interest rates.

- **Credit Risk:** Your account could lose money if the issuer of a fixed income security is unable to meet its financial obligations or goes bankrupt. Failure of an issuer to make timely payments of principal and interest or a decline or perception of decline in the credit quality of a fixed income security can cause a security's price to fall, potentially affecting your account's value. If a credit rating agency gives a debt security a lower rating, the value or liquidity of the bond may be adversely affected. Your account may be invested in corporate bonds, which are not guaranteed by the U.S. government. If the corporate issuer or guarantor of a debt security is unable or unwilling to honor its obligations, the government will not intervene if the issuer defaults and your account will lose its investment in the issue.
- **Extension Risk:** When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these obligations to fall.
- **Prepayment Risk:** When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and your account may have to invest the proceeds in securities with lower yields.
- **High Yield Risk:** High yield securities (commonly known as "junk bonds") may be subject to greater levels of interest rate, credit and liquidity risk than investment grade securities. These securities may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for junk bonds and reduce the investor's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the investor may lose its investment in the issue.
- **Mortgage- and Asset-Backed Securities Risks:** Mortgage- and asset-backed securities represent interests in "pools" of mortgages or other assets, including consumer loans or receivables held in trust. Mortgage- and asset-backed securities are subject to credit, interest rate, prepayment and extension risks. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.

Please refer to the individual ICON Fund prospectuses that constitute your ITAP and your investment management agreement for more information about risks.

#### **Risk Disclosures for the ITAPs:**

These profiles reflect ICON's goals for the ICON-managed portfolios relative to one another and should not be used to compare the portfolios to other types of investments. Each portfolio has its own strategy and risk/reward profile, and a portfolio's risk profile is subject to change. Please consult your investment adviser before investing in the portfolios to determine that these strategies fit with your overall investment goals.

**Growth:** Generally, Growth portfolios utilize mutual funds with a greater exposure to equity investments relative to other ICON-managed portfolios, resulting in what may be considered a higher risk of loss than a more conservative ICON-managed portfolio.

**Moderate:** Generally, Moderate portfolios invest in mutual funds with equity investments as well as mutual funds with fixed income investments in an effort to preserve the value of your account (capital preservation) relative to an ICON-managed Growth portfolio.

**Conservative:** Generally, Conservative portfolios seek to preserve an investment portfolio's value by investing in mutual funds which tend to have a higher exposure to fixed income investments while maintaining a smaller allocation to mutual funds with equity investments relative to an ICON-managed Growth or Moderate portfolio.

**Income:** Generally, the Income Portfolio seeks to provide income by investing in mutual funds which tend to have a higher exposure to fixed-income and dividend-paying investments. The Income Portfolio is structured to have the lowest potential relative risk of the ICON-managed portfolios.

**Defensive Position:** ICON, at its discretion, may invest up to 100% of the account value, during times of unstable or adverse market or economic conditions, in temporary defensive instruments in an effort to keep the value of your account stable and to be able to sell securities easily if needed. Temporary defensive investments generally include cash and very safe liquid investments (cash equivalents) such as money market instruments. A portfolio could also hold these types of securities pending the investment of proceeds from the sale of fund shares due to a rotation, to meet distribution requests, or when account documents have not been received in good order. The Portfolio may invest in temporary defensive investments for undetermined periods of time, depending on market or economic conditions. To the extent a Portfolio invests defensively in these securities, it might not achieve its investment objective.

### **Risk Disclosures for the SBI Portfolios**

These profiles reflect ICON's goals for the SBI Portfolios relative to one another and should not be used to compare the portfolios to other types of investments. Each portfolio has its own strategy and risk/reward profile, and a portfolio's risk profile is subject to change. Please consult your investment adviser before investing in the portfolios to determine that these strategies fit with your overall investment goals.

**Growth:** Generally, the SBI Global Growth Portfolio utilizes mutual funds with a greater exposure to equity investments relative to other SBI portfolios, resulting in what may be considered a higher risk of loss than a more conservative SBI portfolio.

**Moderate:** Generally, the SBI Global Moderate Portfolio invests in mutual funds with equity investments as well as mutual funds with fixed income investments, in an effort to preserve the value of your account (capital preservation) relative to a SBI Global Growth portfolio. The SBI Global Moderate Portfolio may be considered a higher risk of loss than a more conservative SBI portfolio.

**Conservative:** Generally, the SBI Global Conservative portfolio seeks to preserve its value by investing in mutual funds which tend to have a higher exposure to fixed income investments while maintaining a smaller allocation to mutual funds with equity investments relative to other SBI portfolios.

**Strategy:** All investment strategies and models have flaws and weaknesses which can be evidenced only over time in various market conditions. Since the SBI strategy has limited history through varying market conditions, it may have weaknesses that are unknown, making the strategy more risky. Moreover, the portfolios invest in mutual funds over which ICON has no control and such mutual funds have their own unique risks which must be considered separately.

Please refer to *Item 4* for account minimums.

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## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ICON or the integrity of ICON's management. ICON has no information applicable to this Item.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Shelton Capital Management is the adviser to the ICON Funds, a series of registered investment companies. ICON Advisers is the sub-adviser to the ICON Funds and receives a portion of Shelton's management fee as outlined in *Item 5*. ICON also receives compensation based on assets under management in certain other funds advised by Shelton as outlined in *Item 5*.

RFS Partners, LP is a registered broker-dealer and is an affiliate of ICON Advisers. RFS Partners, LP acts as a distributor for the ICON Funds.

Athena, discussed in detail above, is a registered investment adviser, and is the licensor/sub-adviser for the SBI Portfolios. Two of ICON's portfolio managers, Brian Callahan and Scott Callahan, have indirect and direct, respectively, responsibility for the SBI Portfolios. Brian Callahan and Scott Callahan are beneficiaries of a trust that holds a 12.16% ownership interest in Athena which might incline them, consciously or unconsciously, to make a decision regarding Athena as the sub-adviser or regarding investments in the SBI Portfolios that is not disinterested.

## Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ICON's Code of Conduct ("Code") sets forth standards of conduct required of the advisory personnel of ICON and its affiliated companies for compliance with federal securities laws. ICON has adopted a Code of Conduct for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items, restrictions on political contributions and political activity, and personal securities trading procedures, among other things. Further, it addresses conflicts that arise from personal trading and requires that "Access Persons" (as defined by the Investment Advisers Act of 1940) of the adviser report their personal securities transactions and holdings, including transactions in the mutual funds managed by ICON. All supervised persons at ICON must acknowledge the terms of the Code of Conduct annually or when amended.

ICON may recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which ICON, its affiliates and/or clients, directly or indirectly, have a position of interest. ICON's employees and persons associated with ICON are required to follow ICON's Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of ICON and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ICON's clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of ICON will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt for transactions, based upon a determination that these would not materially interfere with the best interest of ICON's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, and to prevent reasonably conflicts of interest between ICON and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with ICON's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs pro rata and receive securities at an average price. ICON will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated according to ICON's Trade Allocation Policy. Any exceptions will be documented and reviewed by Compliance.

ICON will provide a copy of the Code to anyone upon their request at no charge. A copy may be requested by contacting ICON Advisers by telephone at 1-800-828-4881 or by written request sent to: Attention: Jack Quillin, Chief Compliance Officer, ICON Advisers, Inc., 5299 DTC Boulevard - Suite 1200, Greenwood Village, Colorado 80111.

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ICON Advisers is the investment sub-adviser to the ICON Funds, and is compensated indirectly by the Funds, under its sub-advisory agreement with Shelton, as a percentage of the Advisory Annual Fee as outlined in *Item 5*. ICON also receives compensation on certain Shelton mutual funds as a percentage of the Advisory Annual Fee as outlined in *Item 5*. ICON also recommends and buys and sells shares of the affiliated ICON Funds in its ITAP and SBI discretionary and non-discretionary client accounts. There may be other mutual funds with lower fees and higher performance than the affiliated ICON Funds at any given point in time. ICON believes, however, that the affiliated ICON Funds are best suited for the ITAP portfolios as they are managed using the same investment methodology

used to manage all ICON portfolios. Furthermore, the SBI Portfolios will hold certain affiliated ICON Funds and Shelton Funds for which ICON receives compensation for the Valuation and fixed income portion of the portfolio.

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ICON will not cross trades between client accounts.

## Item 12 - Brokerage Practices

### Portfolio Transactions

ICON generally has the authority to determine the securities and the amount of securities to be bought or sold. ICON does not have custody or possession of a client's assets. Limitations on authority are provided in the investment policies and restrictions applicable to mutual fund accounts, and may also be provided in client-specified investment objectives, guidelines and restrictions applicable to other accounts.

ICON generally has the authority to select, without specific client consent, broker-dealers and the commission rates to be paid for portfolio transactions. The primary consideration in placing portfolio transactions with broker-dealers is to seek the best execution of orders at the most favorable prices. The determination of what constitutes best execution in a securities transaction involves a number of judgmental considerations, including the overall direct net economic result to a client (involving both price paid or received, any commissions and other costs), the efficiency with which a transaction is effected, the ability to handle transactions where a large block is involved, the availability of the broker to execute difficult transactions for ICON's clients in the future, and the financial strength and stability of the broker.

Because selection of executing broker-dealers is not based solely on net commissions and frequently includes soft dollars, a client may pay an executing broker a higher commission for a securities transaction than might be charged by another broker-dealer for the same transaction. While it is not practical for ICON to solicit competitive bids for commissions on each portfolio transaction, consideration is regularly given to available information concerning the level of commissions charged in comparable transactions by various broker-dealers.

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### Use of Brokerage and Research Services under Section 28(e) Safe Harbor ("Soft Dollar")

Subject to the policy of seeking best execution of orders, ICON frequently executes transactions with brokerage firms whose commission rates generate credits ICON uses to obtain eligible research services and products, as defined in Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" to investment managers who use commission dollars of their advised accounts to obtain investment research and brokerage services and products. These arrangements are often called "soft dollar" arrangements. Research and brokerage services and products that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities fall within the safe harbor. When ICON executes trades that generate soft dollars, a client will pay a higher commission than when executing a regular trade. ICON receives a benefit because the firm does not have to produce or pay for the research services or products. There is an inherent conflict of interest in these arrangements where an incentive exists for ICON to select a broker-dealer based on the ICON's interest in receiving research services and products, rather than on a client's interest in receiving most favorable execution.

The types of research services and products provided by brokerage firms or third parties to ICON include:

- historical and forecast earnings
- financial information and company news
- stock quote systems
- trading systems
- data feeds from stock exchanges
- order management systems and other execution services

These services and products permit ICON to supplement its own research and analysis.

Some of these research products or services may have both a research function and a non-research administrative function (a "mixed use"). If ICON determines that any research product or service has a mixed use, ICON will allocate in good faith the cost of such product or service accordingly. The portion of the product or service that ICON determines will assist it in the investment decision-making process may be paid for in soft dollars. The non-

research portion is paid for by ICON in “hard dollars.” Any such allocation creates a conflict of interest for ICON in that the more the firm can allocate a product’s or service’s use to purposes eligible under Section 28(e) under the Exchange Act, the more it can reduce its out-of-pocket expenses.

ICON generally considers the amount and nature of research, execution and other services provided by brokerage firms, as well as the extent to which such services are relied on, and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration. Neither the research service nor the amount of brokerage business given to a particular brokerage firm is made pursuant to any agreement or commitment with any of the selected brokerage firms for research provided. ICON attempts to direct sufficient commissions to broker-dealers that generate soft dollars to ensure continued receipt of eligible research and services. Actual brokerage commissions received by a broker-dealer may be more or less than the suggested allocations.

ICON utilizes Westminster Research Associates (“WRA”) for commission management services. WRA allows ICON to execute through a network of institutional trading desks, while consolidating the administration, servicing and reporting functions for our soft dollar usage.

ICON may receive a benefit from the research products and services that is not passed on to the client in the form of a direct monetary benefit. Further, research services and products may be useful to ICON in providing investment advice to any of the clients it advises. Soft dollar benefits are not limited to those clients who may have generated a particular benefit, although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

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#### **Directed Brokerage/Commission Recapture Programs**

Certain clients may designate or recommend a brokerage firm for execution services. In a directed brokerage arrangement or commission recapture program, a client requests that its adviser direct commissions business to a particular broker that has agreed to provide certain services, pay obligations or make cash rebates to the client. Clients should understand that directed brokerage and commission recapture arrangements may have the following implications:

- (i) ICON may not be able to obtain best execution for the directed trade;
- (ii) An order for an individual client who directs that a particular broker(s) be used typically will be executed at the same time the non-directed broker orders are being traded as the share amounts are generally too small to have a material effect on a non-directed trade order. However, the directed brokerage order may receive a price and commission rate that is less favorable than the rate received in the non-directed order.
- (iii) Charles Schwab (“Schwab”) custodies certain accounts (“Schwab Account(s)”) under a transaction-based pricing regime (“TBP”). Schwab Accounts receive \$0 commissions on most securities trades and are subject to “trade-away” fees if executed at a broker other than Schwab. When the same security is ordered for the Schwab Account(s) and other ICON client accounts, the Schwab Account(s) order will be placed first. Depending on the security, trade size and liquidity, Schwab order execution can range from seconds to an hour or more. As a result, Schwab Accounts may have open orders in the same security at the same time as other ICON client accounts, potentially resulting in clients receiving different average prices while trading in the same security on the same day. Alternatively, the portfolio manager for the Schwab Accounts may choose to pay Schwab’s “trade-away” fee and send the order along with other ICON client account(s) orders to a single broker. This would cause the Schwab Account(s) to pay the selected broker’s commission in addition to the “trade-away” fee.

ICON generally limits directed brokerage arrangements and generally maintains discretion to determine which trades are to be included in the directed brokerage arrangement. ICON may also utilize step-out arrangements to satisfy the client's directed brokerage instructions.

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#### **Trade Aggregation/Allocation**

ICON may purchase the same individual security for multiple managed accounts. ICON generally aggregates multiple orders for the purchase or sale of the same security in order to take advantage of any resulting economies of scale (“bunched order”). As a general rule, securities purchased in a bunched order are allocated based on the desired target weighting of the security in the account. As a general matter, targeted weightings are determined prior to submitting an order to the trading desk. If a bunched order has been partially filled and a new order is placed in the same security, the first order will be stopped and allocated to all accounts included in the bunched order at the average price. A new bunched order will be created to include all accounts trading in the same security. When the new order is executed all accounts in the new order will receive the average price. The entry

of the new bunched order may result in accounts that trade in the same security on the same day receiving different average prices.

ICON is not obligated to place the same security in all managed accounts with a similar investment objective. ICON may determine not to buy a particular security for an account based on the unique circumstances of each account, including, without limitation, cash availability, desired position size, the account's investment policies and restrictions.

ICON may also purchase shares of the same mutual fund for multiple managed accounts. ICON generally submits the mutual fund orders to the respective custodians on the same day; however, actual trade executions may vary based on the systems and process of the custodian. ICON may provide ITAP and SBI target weightings to certain advisory firms after the reallocations have been submitted to ICON's custodians. Due to the timing of this communication, these advisory firms and their clients are potentially not able to execute their trades on the same trading day as ICON.

Clients who limit ICON's discretion may not be included in bunched orders and may be traded after the trades of a bunched or non-directed order.

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### **Trade Errors**

As a fiduciary, ICON has the responsibility to execute trade orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transaction, due to ICON's actions or inactions, or action of others, ICON's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting ICON Advisers in any way. ICON does not keep any client gains resulting from error corrections but we may offset gains and losses that result from the same error. ICON's policy may be different than that of the custodian or the broker executing the trade.

### **Securities Lending**

The ICON Funds may lend securities to non-affiliated qualified parties to earn additional income. There is the risk of delay in recovering a loaned security and the risk of loss of collateral. All loans are continuously secured by collateral which is managed or invested by the securities lending agent.

## **Item 13 - Review of Accounts**

All accounts are managed in accordance with each portfolio's investment objectives and restrictions. Each Portfolio Manager is responsible for evaluating his respective sectors and/or countries and identifying themes and industries within his assigned sectors and/or countries based on *Value-to-Price Ratios* and relative strength metrics, the core of the ICON system. The day-to-day management of the accounts is system-based and continuously monitored by the responsible Portfolio Manager. Investment decisions are subject to an account's objective(s), policies, restrictions and the oversight of the Investment Committee. Craig Callahan is the chairman of the Investment Committee.

### **ICON Multi-Sector Funds**

Craig Callahan, Brian Callahan and Scott Callahan are co-managers of the ICON Consumer Select Fund (which includes the consumer discretionary, consumer staples and financial sectors), ICON Health and Information Technology Fund, ICON Natural Resources and Infrastructure Fund (which includes the energy, industrials and materials sectors) and ICON Utilities and Income Fund.

### **ICON Diversified Funds**

Craig Callahan is primarily responsible for the ICON Equity Fund; Donovan "Jerry" Paul, Brian Callahan and Scott Callahan are co-managers of the ICON Equity Income Fund; Donovan "Jerry" Paul is primarily responsible for the ICON Flexible Bond Fund.

### **Non-Fund Accounts and Portfolios**

Craig Callahan is primarily responsible for the Multi-Cap U.S. Equity Portfolio and U.S. SRI Portfolio Separately Managed Accounts and Institutional Portfolios.



### **ICON Tactical and Strategic Allocation Portfolios**

Scott Callahan is primarily responsible for the oversight and management of the ITAP and SBI Portfolios, with oversight from Craig Callahan. ICON's Operations Department reviews ITAP and SBI client accounts and initiates trades to invest assets in new accounts based on the target weightings or to reallocate holdings of existing accounts as necessary.

ICON and its service providers perform reviews on certain securities laws and regulations of each account. ICON's Compliance department maintains a calendar of the frequency of testing and the results of such tests. On an annual basis, the policies and procedures related to the activities of ICON Advisers are reviewed per the securities laws.

Not less than quarterly, ICON sends all clients portfolio updates/market reports and other correspondence designed to keep them fully apprised of ICON's investment decisions and strategies. Investment related information is provided to the Trustees of the ICON Funds on a quarterly basis. Reports provided to the Trustees may include information related to sales and redemption statistics, performance statistics, brokerage commissions and soft dollar reports. Please refer to *Item 15* for information regarding statements mailed by the custodian.

## **Item 14 - Client Referrals and Other Compensation**

### **Solicitation Agreements**

ICON Advisers uses the services of broker-dealers and/or registered investment advisers as solicitors to introduce its investment management services to prospective clients. ICON compensates such entities for client referrals in the ITAP, SBI and separate account portfolios through payment of a cash referral fee in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"). ICON remits as the cash referral fee a portion of the management fee received from clients referred by the broker-dealer or investment adviser.

### **Distribution Plan (12b-1 Payments)**

The ICON Funds have adopted a distribution plan under Investment Company Act Rule 12b-1 that allows the Funds to pay distribution and service fees for the sale of Fund shares and for other shareholder services. Registered broker-dealers and registered investment advisers may receive these fees from the Funds in exchange for providing a number of services, such as placing orders, providing investment advice, research and other advisory services, handling correspondence for individual accounts, and issuing shareholder statements and reports. These fees may be in addition to solicitation fees paid pursuant to Rule 206(4)-3 under the Investment Advisers Act as discussed above.

### **Pinnacle Club Program**

Pinnacle Club is an invitation-only program that recognizes financial professionals who, in ICON's sole discretion, have demonstrated a commitment to and interest in the ICON methodology and the ICON products. Individuals who are ICON Pinnacle Club members may take advantage of certain privileges from time to time that are offered exclusively to Pinnacle Club members. These privileges may include opportunities to hear directly from the investment professionals behind the ICON products, assistance in expediting paperwork and monitoring operational processing, customized messaging on certain client statements and waivers of certain custodial fees for client accounts. ICON reserves the right to modify or withdraw Pinnacle Club benefits at any time with or without prior notice.

### **Partner/Revenue Sharing**

ICON Advisers, at its own expense, currently provides additional compensation to selected financial firms for services. A financial firm is a firm that, in exchange for compensation, sells, among other products, mutual fund shares or provides services for mutual fund shareholders. Financial firms include registered investment advisers, brokers, dealers, insurance companies and banks. In addition, ICON Advisers currently makes additional payments or provides other incentives to selected financial firms in an effort to obtain, among other things, services (including preferential services) such as, without limitation, paying for active asset allocation services provided to investors in the ICON Funds, providing the ICON Funds with "shelf space" or a higher profile for the financial firms' financial consultants and their customers, placing the ICON Funds on the financial firms' preferred or

recommended fund list, granting ICON Advisers access to the financial firms' financial consultants, providing assistance in training and educating the financial firms' personnel, and furnishing marketing support and other services. These payments may be significant to the financial firms and may also take the form of sponsorship of seminars, conferences or informational meetings or payment for attendance by persons associated with the financial firms at seminars or informational meetings.

A number of factors will be considered in determining the amount of these additional payments to financial firms, including sales, assets, redemption rates, and the length of and quality of the financial firms' relationship with ICON and the ICON Funds. The additional payments described above are made at ICON Advisers' expense.

Representatives of ICON Advisers visit financial firms on a regular basis to educate financial advisers about the services and products offered by ICON and its affiliated companies and to encourage the sale of these services and products to the advisers' clients. The costs and expenses associated with these efforts may include travel, lodging, sponsorship at educational seminars and conferences, entertainment and meals.

If investment advisers, distributors or affiliates of mutual funds make payments (including, without limitation, sub-transfer agency fees, platform fees and incentives) in differing amounts, financial firms and their financial consultants may have financial incentives for recommending particular ICON products (including the ICON Funds) or services over other mutual funds, products and services. In addition, depending on the arrangements in place at any particular time, a financial firm and its financial consultants may also have a financial incentive for recommending a particular share class over other share classes.

You should consult with your financial adviser and review carefully any disclosure by the financial firm as to compensation received by that firm and/or your financial adviser. ICON has preferred partner and revenue sharing arrangements with the following firms and/or their affiliates:

- |                               |                          |
|-------------------------------|--------------------------|
| ✓ Advisor Group               | ✓ Pershing               |
| ✓ Charles Schwab              | ✓ Raymond James          |
| ✓ Financial Data Services     | ✓ Ladenburg Thalmann     |
| ✓ Lincoln Investment Planning | ✓ TD Ameritrade          |
| ✓ LPL Financial               | ✓ UBS Financial Services |
| ✓ MSCS Financial Services     | ✓ Vanguard               |
| ✓ National Financial Services | ✓ Wells Fargo            |
| ✓ Investnet Asset Management  |                          |

The list above includes only firms which ICON has paid more than \$25,000 to during the calendar year. Other firms not listed here may have partner and revenue sharing agreements with ICON.

## Item 15 - Custody

ICON does not maintain actual custody of your assets, the custodian for your account maintains actual custody of your assets. You should receive at least quarterly statements from the broker-dealer, fund, bank or other qualified custodian that holds and maintains your investment assets. ICON urges you to review carefully such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The account custodian provides ICON clients, excluding the ICON Funds, with all required security cost-basis and year-end tax information.

We receive an economic benefit from Charles Schwab and E\*TRADE in the form of support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at these custodians. These products and services, how they benefit us, and the possible conflicts of interest are described below. The availability of Charles Schwab's and E\*TRADE's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Charles Schwab provides ICON with a variety of services that benefit ICON. While this could be considered a conflict of interest, we do not believe this is a conflict of interest because our decision is made in the best interest of our clients. Our continued selection is primarily supported by the scope, quality, and price of Charles Schwab's services as discussed above. We do not believe offering Charles Schwab as an available custodian and receiving free products and services due to client assets at Charles Schwab presents a material conflict of interest.

E\*TRADE provides ICON with a variety of services that benefit ICON that we pay for, but at a reduced rate because our clients collectively had certain target level assets custodied at E\*TRADE. While this could have been considered a conflict of interest, we do not believe it was a conflict of interest because our decision was made in the best interest of our clients. Our continued selection is supported by the scope, quality, and price of E\*TRADE's custodial services as discussed above. We do not believe offering E\*TRADE as an available custodian and receiving a reduced custody fee, as noted below, for having a certain asset base presents a material conflict of interest. We periodically evaluate our custodial relationships.

ICON did and still benefits by having your account at E\*TRADE by receiving "breakpoints" or other discounts from E\*TRADE based upon the assets maintained between ICON and E\*TRADE. These discounts included, but were not necessarily limited to custody fee discounts and accelerated discounts based upon achieving higher assets under custody by a certain date in 2008. As of June 30, 2020 ICON had \$118 million in assets under management at E\*TRADE. The following discount schedule applied to assets under custody at E\*TRADE by the end of 2008 (excluding accelerated discounts of an additional 4%):

Assets Under Custody	Total Cumulative Discount
\$100,000,000	4%
\$250,000,000	9%
\$500,000,000	13%
\$1,000,000,000	18%

E\*TRADE may reduce the custody fee, paid by ICON, on SBI accounts where E\*TRADE receives a "sub-TA" fee.

## Item 16 - Investment Discretion

ICON usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, ICON attempts to observe the investment policies, limitations and restrictions of the clients it advises. For registered investment companies, ICON's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to ICON in writing. ICON cannot accept trading restrictions within the ICON Funds.

## Item 17 - Voting Client Securities

ICON is responsible for voting proxies for those securities held in client accounts, which have given ICON proxy voting authority, and over which ICON exercises investment discretion. To assist ICON in voting proxies and the overall proxy voting process, ICON has retained Glass Lewis & Co., an unaffiliated company, as an expert in the proxy voting and corporate governance area. Votes are cast in accordance with ICON Advisers' Proxy Voting Policy Statement and Guidelines ("Policy Guidelines") unless directed otherwise in writing by the client. An overview of the policy is available at [www.iconadvisers.com](http://www.iconadvisers.com). The Policy Guidelines include procedures to address conflicts of interest between clients and ICON. You can obtain a copy of how your proxies were voted by contacting ICON Advisers' Chief Compliance Officer at 1-800-828-4881 or sending a request to [info@iconadvisers.com](mailto:info@iconadvisers.com).

Shelton Capital Management has the authority to vote all proxies for securities held within the ICON Funds.

If you have an SMA or DCE account managed directly at ICON, you may provide ICON with specific voting instructions for a particular security.

ICON has authority to vote all proxies for ITAP and SBI clients custodied at E\*TRADE and ITAP clients custodied at Charles Schwab per the investment management agreement. Because ICON Advisers is the sub-adviser to the ICON Funds as well as ITAP and SBI clients, proxy issues may pose a material conflict of interest among the adviser, sub-

adviser, shareholders of the ICON Funds, and ITAP and SBI clients. Due to these potential conflicts, ICON Advisers has directed Glass Lewis to use its independent judgement to vote affected proxies in accordance with its approved guidelines.

A portion of ICON's position in a particular security may not be voted due to Securities Lending. When securities are out on loan they may be voted by the borrower. The lending fund could terminate the loan to vote the company's proxy.

## **Item 18 - Financial Information**

ICON is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding. However, amid the economic uncertainty created by COVID-19, in accordance with the CARES Act under the Paycheck Protection Program, ICON applied for and received a loan of \$611,000 in April 2020. The loan is forgivable if it is used to pay for qualifying payroll, rent and utility expenses over a 24-week period. The Adviser intends to apply for loan forgiveness under the terms of the program.

**For more information relating to any of these disclosures, please contact Jack Quillin, ICON Advisers' Chief Compliance Officer at 1-800-828-4881.**

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**Craig T. Callahan**

**ICON Advisers, Inc.**

**5299 DTC Blvd, Suite 1200**

**Greenwood Village, CO 80111**

**303-790-1600**

**August 7, 2020**

**This Brochure Supplement provides information about Dr. Craig Callahan that supplements ICON Advisers, Inc.'s Brochure. You should have received a copy of that Brochure. Please contact Business Support at 1-800-828-4881 if you did not receive ICON Advisers, Inc.'s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Dr. Craig Callahan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2- Educational Background and Business Experience

**NAME:** Craig T. Callahan Year of birth: 1951

**EDUCATION:** University of Florida, AA, 1971; The Ohio State University, BS, 1973; and Kent State University, DBA, 1979

**CREDENTIALS:** FINRA Series 7, 24, 63, 65 and 66

### **BUSINESS BACKGROUND:**

**ICON Funds** - Chairman and Trustee of the Board of Trustees from 1996 to 2020 and President from 1996 to 2020.

**ICON Advisers, Inc.** - President from 2014 to present and from 1998 to 2013; Chairman of the Investment Committee from 2005 to present; Member, Board of Directors from 1991 to present; Chief Executive Officer from 2013 to 2016; Chief Investment Officer from 1991 to 2005; and Investment Adviser Representative from 2002 to present.

**ICON Management & Research Corporation** - President from 1998 to present and Chairman and Member of the Board of Directors from 1994 to present.

**ICON Distributors, Inc.** - Executive Vice President from 2005 to 2020; Member, Board of Directors from 1991 to 2020; President from 1998 to 2005; Chief Compliance Officer from June 2005 to October 2005; and Registered Representative from 1991 to 2020.

**ICON Insurance Agency, Inc.** - President and Member, Board of Directors from 2004 to 2009.

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

ICON is a wholly owned subsidiary of ICON Management & Research Corporation ("IMRC"). Dr. Craig Callahan, President and Founder of ICON, is a principal owner of IMRC. ICON also serves as investment sub-adviser to the ICON Funds (the "ICON Funds" or "Funds"), a series of diversified and multi-sector mutual funds in the SCM Trust. RFS Partners, LP ("RFS"), a registered broker-dealer, is an affiliate of ICON. RFS only functions as a distributor for the ICON Funds and does not execute portfolio transactions or hold customer assets.

## Item 5- Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional compensation excluding the regular salary and non-sales related bonuses. No information is applicable to this Item.

## Item 6 - Supervision

Dr. Craig Callahan, Chairman of ICON's Investment Committee, along with the other Investment Committee members review the investment decisions of each of its members on a regular basis. Brian Callahan, Chief Marketing Officer, oversees the day to day operations of the research department. In addition, ICON's Compliance department performs periodic reviews of the investment decisions for compliance with the securities laws and client mandates.

**Scott W. Callahan**

**ICON Advisers, Inc.**

**5299 DTC Blvd, Suite 1200**

**Greenwood Village, CO 80111**

**303-790-1600**

**August 7, 2020**

**This Brochure Supplement provides information about Scott Callahan that supplements ICON Advisers, Inc.'s Brochure. You should have received a copy of that Brochure. Please contact Business Support at 1-800-828-4881 if you did not receive ICON Advisers, Inc.'s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Scott Callahan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## Item 2- Educational Background and Business Experience

**NAME:** Scott W. Callahan Year of birth: 1982

**EDUCATION:** University of Colorado, BS 2004; New York University, MBA 2008.

**CREDENTIALS:** FINRA Series 7 and 63

### **BUSINESS BACKGROUND:**

**ICON Advisers, Inc.** - Portfolio Manager from 2009 to 2013 and 2017 to present; Asst. Portfolio Manager from January 2006 to August 2006 and 2008 to 2009. Research Analyst from 2005 to 2006; and Investment Adviser Representative from 2005 to present.

**ICON Distributors, Inc.** - Registered Representative from 2005 to 2020.

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

ICON also serves as investment sub-adviser to the ICON Funds (the "ICON Funds" or "Funds"), a series of diversified and multi-sector mutual funds in the SCM Trust. RFS Partners, LP ("RFS"), a registered broker-dealer, is an affiliate of ICON. RFS only functions as a distributor for the ICON Funds and does not execute portfolio transactions or hold customer assets.

AthenaInvest ("Athena") is a registered investment adviser, and is the licensor/sub-adviser for the SBI Portfolios. Scott Callahan has direct responsibility for the SBI Portfolios. Scott Callahan is a beneficiary of a trust that holds a 12.16% ownership interest in Athena which might incline him, consciously or unconsciously, to make a decision regarding Athena as the sub-adviser or regarding investments in the SBI Portfolios that is not disinterested.

## Item 5- Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional compensation excluding the regular salary and non-sales related bonuses. No information is applicable to this Item.

## Item 6 - Supervision

Dr. Craig Callahan, Chairman of ICON's Investment Committee, along with the other Investment Committee members review the investment decisions of each of its members on a regular basis. Brian Callahan, Chief Marketing Officer, oversees the day to day operations of the research department. In addition, ICON's Compliance department performs periodic reviews of the investment decisions for compliance with the securities laws and client mandates.

## **Donovan “Jerry” Paul**

**ICON Advisers, Inc.  
5299 DTC Blvd, Suite 1200  
Greenwood Village, CO 80111  
303-790-1600**

**August 7, 2020**

**This Brochure Supplement provides information about Donovan “Jerry” Paul that supplements ICON Advisers, Inc.’s Brochure. You should have received a copy of that Brochure. Please contact Business Support at 1-800-828-4881 if you did not receive ICON Advisers, Inc.’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Donovan “Jerry” Paul is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2- Educational Background and Business Experience

**NAME:** Donovan “Jerry” Paul Year of birth: 1953

**EDUCATION:** University of Northern Iowa, MBA, 1982 and University of Iowa, BBA, 1976

**CREDENTIALS:** Chartered Financial Analyst and FINRA Series 7 and 63

### **BUSINESS BACKGROUND:**

**ICON Advisers, Inc.** - Senior Vice President of Fixed Income from 2014 to present; Portfolio Manager from 2013 to present, and Investment Adviser Representative from 2013 to present.

**ICON Distributors, Inc.** - Registered Representative from 2013 to 2020.

**Western Alliance Bancorporation** - Senior Vice President 2012

**Essential Investment Partners, LLC** - Partner from 2009 to 2011.

**Quixote Capital Management** - Founder and Managing Partner from 2002-2009.

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

ICON also serves as investment sub-adviser to the ICON Funds (the "ICON Funds" or "Funds"), a series of diversified and multi-sector mutual funds in the SCM Trust. RFS Partners, LP (“RFS”), a registered broker-dealer, is an affiliate of ICON. RFS only functions as a distributor for the ICON Funds and does not execute portfolio transactions or hold customer assets.

## Item 5- Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional compensation excluding the regular salary and non-sales related bonuses. No information is applicable to this Item.

## Item 6 - Supervision

Dr. Craig Callahan, Chairman of ICON’s Investment Committee, along with the other Investment Committee members review the investment decisions of each of its members on a regular basis. Brian Callahan, Chief Marketing Officer, oversees the day to day operations of the research department. In addition, ICON’s Compliance department performs periodic reviews of the investment decisions for compliance with the securities laws and client mandates.

**Brian T. Callahan**

**ICON Advisers, Inc.**

**5299 DTC Blvd, Suite 1200**

**Greenwood Village, CO 80111**

**303-790-1600**

**August 7, 2020**

**This Brochure Supplement provides information about Brian Callahan that supplements ICON Advisers, Inc.'s Brochure. You should have received a copy of that Brochure. Please contact Business Support at 1-800-828-4881 if you did not receive ICON Advisers, Inc.'s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Callahan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2- Educational Background and Business Experience

**NAME:** Brian T. Callahan Year of birth: 1979

**EDUCATION:** Colorado State University, BA 2003 and The Ohio State University, MBA 2007

**CREDENTIALS:** FINRA Series 7, 24 and 63

### **BUSINESS BACKGROUND:**

**ICON Advisers, Inc.** - Chief Marketing Officer from 2014 to present; Senior Vice President of ICON Portfolio Solutions from 2014 to 2018; Portfolio Manager from 2019 to present and from 2014 to 2018 and from 2008 to 2011; Research Analyst from 2003 to 2005; and Investment Adviser Representative from 2005 to present.

**ICON Distributors, Inc.** - President from 2014 to 2020 and Registered Representative from 2004 to 2020.

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

ICON also serves as investment sub-adviser to the ICON Funds (the “ICON Funds” or “Funds”), a series of diversified and multi-sector mutual funds in the SCM Trust. RFS Partners, LP (“RFS”), a registered broker-dealer, is an affiliate of ICON. RFS only functions as a distributor for the ICON Funds and does not execute portfolio transactions or hold customer assets.

AthenaInvest (“Athena”) is a registered investment adviser, and is the licensor/sub-adviser for the SBI Portfolios. Brian Callahan has indirect responsibility for the SBI Portfolios. Brian Callahan is a beneficiary of a trust that holds a 12.16% ownership interest in Athena which might incline him, consciously or unconsciously, to make a decision regarding Athena as the sub-adviser or regarding investments in the SBI Portfolios that is not disinterested.

## Item 5- Additional Compensation

Registered investment advisers are required to disclose all material facts regarding any additional compensation excluding the regular salary and non-sales related bonuses. No information is applicable to this Item.

## Item 6 - Supervision

Dr. Craig Callahan, Chairman of ICON’s Investment Committee, along with the other Investment Committee members review the investment decisions of each of its members on a regular basis. Brian Callahan, Chief Marketing Officer, oversees the day to day operations of the research department. In addition, ICON’s Compliance department performs periodic reviews of the investment decisions for compliance with the securities laws and client mandates.

# ICON PRIVACY INFORMATION

## FACTS

### WHAT DOES ICON DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- income and transaction history
- checking account information and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons ICON chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does ICON share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

#### Questions?

Call 1-800-764-0442 for the ICON Funds and 1-800-828-4881 for ICON Advisers, Inc.

## Who we are

Who is providing this notice?

ICON Advisers, Inc.

## What we do

How does ICON protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Contracts with our service providers require them to restrict access to your non-public personal information, and to maintain physical, electronic and procedural safeguards against unintended disclosure.

How does ICON collect my personal information?

We collect your personal information, for example, when you

- open an account or enter into an investment advisory contract
- provide account information or give us your contact information
- make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include financial companies such as ICON Funds, and ICON Advisers, Inc.,*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Nonaffiliates we share with can include financial companies such as custodians, transfer agents, registered representatives, financial advisers and nonfinancial companies such as fulfillment, proxy voting, and class action service providers*

**Joint marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *ICON doesn't jointly market*