



# The ICON Difference

PARTNERING WITH ADVISERS  
FOR OVER 30 YEARS  
TO HELP REACH THEIR GOALS



# Valuation Model

## One Investment System Since 1986.

ICON Advisers is a boutique firm based in Greenwood Village, Colorado, and since its inception, ICON has employed a unique and disciplined investment approach to the way we've managed assets for the past 30 years.

Beginning with the fundamentals of finance, we calculate intrinsic value by taking average earnings per share (EPS), future earnings growth estimates, beta, and bond yield - as opposed to using what we believe to be overly simplistic measures such as price-to-earnings (P/E) and price-to-book (P/B). This quantitative approach allows ICON to identify value opportunities within industries and sectors. By going where the numbers pull us, we're able to select discounted companies within industries that show potential to outperform and move among those industries throughout changing market conditions.

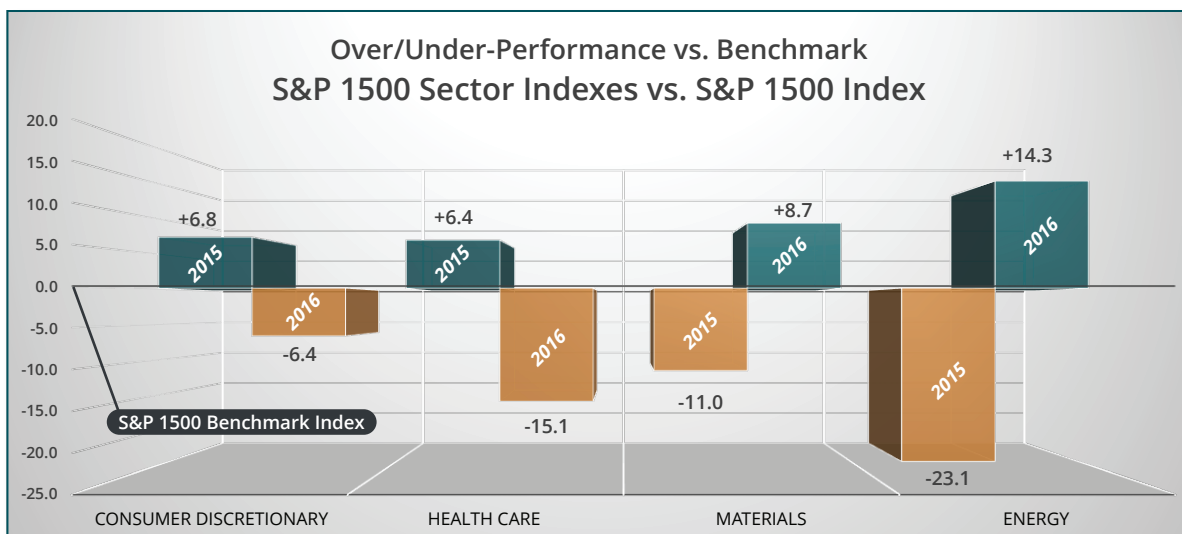
### VALUE EQUATION

$$\frac{\text{EARNINGS, GROWTH}}{\text{BETA, BOND YIELD}} = \text{INDIVIDUAL STOCK VALUATION}$$

## Why ICON?

### Capturing Market Themes.

This model systematically analyzes fundamental data in an attempt to pinpoint sector and industry leadership. We believe markets experience themes which typically change every one to two years. 2015-2016 represents a clear example of a sector theme change from year-to-year. We can see that leading sectors, with returns above the benchmark in 2015, have, in-turn, some of the lowest returns versus the benchmark in 2016. Consumer Discretionary, for example, was the top performing sector in 2015 before dropping, along with Health Care, to the bottom third in sector returns versus the benchmark for 2016. Conversely, Energy was the lowest performing sector in 2015 but had the highest return in 2016.



*Performance data shown represents past performance, and current performance may be higher or lower. Past performance does not guarantee future results.*

In combining these observed market themes with our disciplined valuation methodology, we employ a tactical, rotation-based process that tilts our portfolios toward the industries, sectors & countries we believe will be the next market leaders in an attempt to outperform passive investments. We take a consistent and disciplined approach while focusing on making clear, objective investment decisions. **We believe that our combination of a systematic investment methodology and active rotation distinguishes ICON from other investment managers.**

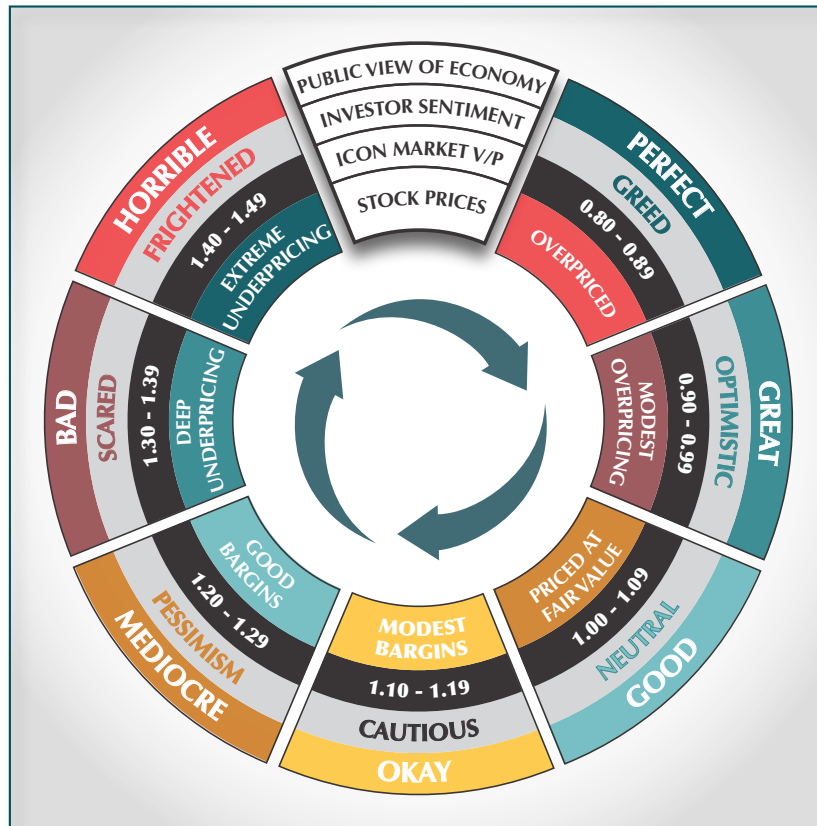


# The ICON View

## Value and Investor Sentiment.

The ICON market Value/Price (V/P) ratio is an average V/P ratio for the over 1,800 domestic stocks in our database. It tells whether stocks, on average, are over-priced or underpriced relative to our estimate of fair, or intrinsic, value. A reading of 1.20, for example shows stocks to be underpriced such that every \$1.00 invested is acquiring \$1.20 of value. Just the opposite, with a reading of .90, stocks, on average, are over-priced and \$1.00 invested is only getting \$.90 of value. **The market V/P not only dictates our investment strategy and actions but it reflects sentiment and outlook of investors in general.**

### ICON'S OVERVIEW OF THE MARKET



- o With a V/P between .80 and .89 stocks are overpriced. Why would investors be so eager and willing to pay too much for stocks? ICON would most likely be holding cash.
- o A market V/P between .90 and .99 would reflect modest over-pricing as investors would be optimistic and expecting a great, but not perfect, economy. It is likely some industries that had been leading the market would be getting over-priced.
- o At a market V/P of 1.00, stocks on average, are priced right at our estimate of fair value. V/P's in that range suggest the market has an adequate foundation to produce a return over the next year in line with its historic average.
- o A market V/P between 1.10 and 1.19 shows stocks to be modest bargains. With stocks priced below our estimate of fair value, there is the potential for returns slightly above their historic average.
- o With a market V/P of 1.20 to 1.29 there are good bargains, but why? Pessimism has set into investment sentiment. Cyclical or economically sensitive industries would have worked their way up ICON's industry V/P ranking.
- o To get a reading in the 1.30 to 1.39 range there is typically a volatility event well known to investors, the European Debt Crisis' in 2010 and 2011 for example. Such extreme deep underpricing is usually followed by above average returns.
- o Extreme market V/P readings of 1.40 or greater are rare. With investors expecting a horrible economy, economically sensitive and cyclical sectors are typically sold, which makes them attractive to value investors like ICON Advisers, Inc.

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

## Mutual Funds At A Glance

TICKER	ICON SECTOR FUNDS	CUSIP
ICFSX	Consumer Select - Institutional Class	78410K782
ICTEX	Health and Information Technology - Institutional Class	78410K741
ICBMX	Natural Resources and Infrastructure - Institutional Class	78410K766
ICTUX	Utilities and Income - Institutional Class	78410K725

TICKER	ICON DIVERSIFIED FUNDS	CUSIP
IOLZX	ICON Equity - Institutional Class	78410K832
IOEZX	Equity Income - Institutional Class	78410K816

TICKER	ICON FIXED INCOME FUND	CUSIP
IOBZX	Flexible Bond - Institutional Class	78410K691

**For more information contact the ICON Sales Desk at 1-800-828-4881 or visit [www.ICONAdvisers.com](http://www.ICONAdvisers.com)**

There are risks involved with mutual fund investing, including the risk of loss of principal. Investing in fixed income securities such as bonds involves interest rate risk. When interest rates rise, the value of fixed income securities generally decreases. The Bond Fund may invest up to 35% of its assets in high-yield bonds that are below investment grade. High-yield bonds involve a greater risk of default and price volatility than U.S. Government and other higher-quality bonds. Call options involve certain risks, such as limited gains and lack of liquidity of the underlying securities, and are not suitable for all investors. There are risks associated with selling short, including the risk that the Long/Short Fund may have to cover its short position at a higher price than the short price, resulting in a loss. The Fund's loss on a short sale is potentially unlimited as a loss occurs when the value of a security sold short increases. An investment in a sector fund may involve greater risk and volatility than a diversified fund. There are risks associated with small- and mid-cap investing such as less liquidity, limited product lines and small market share. Investing in securities involves inherent risks, including the risk that you can lose the value of your investment. There is no assurance that the investment process will consistently lead to successful results. An investment concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment.

ICON's value-to-price ratio 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. To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements.

ICON's value-based investing model is an analytical, quantitative approach to investing that employs various factors, including projected earnings growth estimates and bond yields, in an effort to determine whether securities are over- or underpriced relative to ICON's estimates of their intrinsic value. ICON's value approach involves forward-looking statements and assumptions based on judgments and projections that are neither predictive nor guarantees of future results. Value readings are contingent on several variables including, without limitation, earnings, growth estimates, interest rates and overall market conditions. Although valuation readings serve as guidelines for our investment decisions, we retain the discretion to buy and sell securities that fall beyond these guide-lines as needed. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies.

ICON believes that equity markets go through themes over time, simply stated, 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. In general, the Fund will sell securities in industries ICON believes are overpriced and buy securities in industries we believe are underpriced. We believe ICON's combination of industry rotation and bottom-up valuation distinguishes us from other investment managers.

EPS: Earnings from ongoing operations; earnings per share equals total earnings divided by the number of shares outstanding. Growth Rate: An expected rate of growth per year for earnings per share over the next five years. Beta: A measure of relative volatility; beta is the covariance of a stock relative to the entire market. For example, the Standard & Poor's Composite 1500 Index has a beta coefficient of 1. Any individual stock with a beta greater than 1 would be more volatile than the Index. Bond Yield represents an opportunity cost in the valuation model.

Price/Earnings Ratio is the price of a stock divided by its earnings per share. Price/Book Ratio is the ratio of a stock's price to its book value per share.

**Consider the investment objectives, risks, charges, expenses, and share classes of each ICON Fund carefully before investing. The prospectus and the statement of additional information contain this and other information about the Funds; please read the prospectus, summary prospectus and the statement of additional information carefully before investing.**

Please visit ICON online at [www.ICONAdvisers.com](http://www.ICONAdvisers.com) or call 1-800-828-4881 for the most recent copy of ICON's Form ADV, Part 2.