

# REALLOCATION COMMENTARY

## Strategy Based Investing Portfolios

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There has been a trade in the tactical, or “explore”, portion of the Strategy Based Investing portfolios. Funds for the tactical portion are generally selected based on which strategy has been performing the best over the last twelve months and the market barometer’s preference for domestic or international exposure. An international Profitability manager has replaced international Risk. According to the SBI system, managers pursuing a Profitability strategy select stocks based on profitability statistics such as profit margins, return on assets, and return on equity. The primary objective of a Risk manager is to reduce risk. As the market barometer is currently fairly neutral regarding domestic versus international preference, the tactical portion remains half domestic and half international.

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

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

*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. Strategy Based Investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies.*

*ICON is the investment adviser to mutual funds in which the Portfolios invest and receives a management fee from the Funds for its advisory services.*

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