

# REALLOCATION COMMENTARY

## Strategy Based Investing Portfolios

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### SBI Fund Replacement

We have made trades in the Growth and Moderate Strategy Based Model portfolios. The tactical, or explore, portion of the Growth and Moderate portfolios is now 50% fixed income. In Growth that equals 16% of the portfolio while in Moderate that is a 10% position. Moderate is now 40% in bonds rather than the more normal 30%.

The primary reason for this defensive move is the Strategy Based Market Barometer, based on 41 years of strategy performance. This year, traditionally weak performing strategies like Market Conditions, Economic Conditions and Risk have been among the leaders while two strategies that historically have been among the leaders, Future Growth and Competitive Position, are the two worst in 2022. Over the 41 years of data such an unusual ranking has been followed by lackluster stock market performance.

We cannot predict how long we will hold these positions but when we see a more normal ranking of strategy performance we will quickly bring equities back to their previous weights.

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

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

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*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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