

Strategy Based Investment Portfolios

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The “core” portion of the Strategy Based Investing (SBI) Portfolios is designed to be fairly steady. It is managed to hold four domestic and two international strategies from the best performing strategy groups, based on data going back to 1980. The “explore” portion of the SBI Portfolios is more active and holds the best performing domestic or international strategy over the previous twelve months. In 2016 that was Future Growth. In early 2017, we brought in Valuation following its leading performance in calendar year 2016. Midway through 2017, the system now indicates bringing back Future Growth, as it has been the leading strategy in 2017.

We currently see the potential for strategy leadership to change more quickly than normal, perhaps every six months. Therefore, we are hedging by keeping the “explore” portion half Valuation and half Future Growth. As a result, a Valuation manager has been replaced with a Future Growth manager in the “explore” portion of the Portfolios.

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.

Strategy Based Investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies. Investing in securities involves 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. Investments in international securities may entail unique risks, including political, market, regulatory and currency risks. Financial statements of foreign companies are governed by different accounting, auditing, and financial standards than U.S. companies and may be less transparent and uniform than in the United States. Many corporate governance standards, which help ensure the integrity of public information in the United States, do not exist in foreign countries. In general, there is less governmental supervision of foreign stock exchanges and securities brokers and issuers.

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

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