

Strong value in the stock market is impossible to ignore. As a result of the recent sell-off – from April 29 to June 22, for example, the S&P 500 has declined 7.2% – we are seeing plenty of upside potential in the market. Through June, ICON's Investment Team has seen value rise steadily across all sectors. We find the overall market value appealing. Accordingly, we are increasing our equity exposure in most of our portfolios. While bonds are still attractive and have value under the ICON system, we believe opportunity cost favors equities over bonds. In particular, we are looking to increase our exposure to the cyclical Energy and Consumer Discretionary sectors, as we believe cyclical sectors are undervalued anywhere from 13.0% to 23.0% and anticipate cyclical leadership going forward.

Given our equity value outlook, we are increasing our exposure to the Energy sector in our U.S. Growth Portfolio from 9.0% to 11.0%. In order to make room for our increased Energy holdings, we are decreasing the Portfolio's Utilities sector exposure from 5.0% to 3.0%. In the U.S. Moderate Portfolio we are increasing our Consumer Discretionary position from 5.0% to 7.0%, with a similar 2.0% increase in Energy (from 4.0% to 6.0%). We are paring back our bond exposure in the U.S. Moderate Portfolio to fund increases to the Portfolio's Consumer Discretionary and Energy holdings. We have reduced our bond exposure in our U.S. Conservative Portfolio in order to initiate a 3.0% position in the cyclical Consumer Discretionary sector.

The value ICON sees in equities domestically is mirrored in what we find globally. We are therefore making moves in our Global Portfolios similar to those in our U.S. Portfolios. Thus, we are decreasing our bond holdings in the Global Moderate portfolio from 40.0% to 36.0%, increasing our exposure in the Energy and Consumer Discretionary sectors from 3.0% to 5.0% and 5.0% to 7.0%, respectively. Similarly, we are initiating a 3.0% Consumer Discretionary position in our Global Conservative Portfolio by reducing the Portfolio's bond exposure from 60.0% to 57.0%.

As always, the Investment Team will closely monitor market conditions and make adjustments as our model warrants.

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 sector, region, industry or security. An investment concentrated in sectors, regions and industries may involve greater risk and volatility than a more diversified investment.

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 guidelines as needed. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies

The U.S. Growth Portfolio, formerly known as the Tactical Portfolio, strives to increase the value of your account through a rise in the market price of securities or NAV of funds (capital appreciation) through investments in industry-focused sector and diversified mutual funds. The proportions of equity and fixed-income assets will vary through time, although the Portfolio will generally invest a significant portion of assets in equity investments. The U.S. Moderate Portfolio, formerly known as the Balanced Portfolio, likewise seeks capital appreciation and, to a lesser extent, providing income from investment assets invested in U.S. sector, diversified, and bond mutual funds. The U.S. Conservative Portfolio, formerly known as the Income/Equity Portfolio, seeks capital appreciation and to provide income from investment assets invested in U.S. 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 and U.S. Growth Portfolios would.

The Global Growth Portfolio, formerly known as the Frontier Growth Portfolio, seeks capital appreciation by investing in U.S. diversified and sector, bond, and international mutual funds. The Global Moderate Portfolio, formerly known as the Frontier Moderate Portfolio, also seeks capital appreciation and, to a lesser extent, providing income from investment assets invested in U.S. diversified and 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, formerly known as the Frontier Conservative Portfolio seeks capital appreciation and to provide income from investment assets invested in U.S. diversified and 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.

Investments in international securities may entail unique risks, including political, market, regulatory and currency risks. In general, there is less governmental supervision of foreign stock exchanges and securities brokers and issuers. Investing in fixed income securities such as bonds involves interest rate risk. When interest rates rise, the value of fixed income securities generally decreases. High-yield bonds involve a greater risk of default and price volatility than U.S. Government and other higher-quality bonds.

The unmanaged Standard & Poor's Composite 500 (S&P 500) Index is a broad-based capitalization-weighted index comprising 500 stocks of Large-cap, Mid-cap, and Small-cap U.S. companies. An individual cannot invest directly in an index.

ICON Advisers is the investment adviser to mutual funds in which the Portfolios invest and receives a management fee from the Funds for its advisory services. Please visit ICON online at www.iconadvisers.com or call 1-800-828-4881 for the most recent copy of ICON's Form ADV, Part 2.