Portfolio Update

February 2006

Domestic Market Commentary

In January, the stock market continued an advance that began late April 2005. Along the way, there were retreats in August and October, with December's market performance flat. We rode through those pauses as value was below our estimate of fair value. In October 2005, the market retreated as investors worried that oil prices would rise after hurricane Katrina and would slow the economy. Now it appears to us that investors are realizing that many companies are prosperous and that intrinsic value is growing. In our opinion, prices are just trying to catch up.

Despite concerns to the contrary, we believe the economy has been almost statistically picture-perfect during the last four years. In a setting of low interest rates, consumer spending, housing, and corporate investment (among other measures) have grown steadily. That explains how the ICON investment team finds companies with impressive earnings growth. And, we have found them priced below our estimate of intrinsic value because investors have, we believe, incorrectly feared that terrorism, war, and higher oil prices would hurt the economy.

Given the healthy growing economy and higher oil prices, the Federal Reserve has tightened monetary policy from accommodative to neutral over the two years. The Fed's goal is to reduce or eliminate potential inflationary pressures. From spring 2004, the yield on the six-month Treasury Bill rose from 1.0% to 4.5% as of Jan. 27, 2006. The Fed has drained reserves from the banking system, which has resulted in reduced growth in the money supply. This should slow the growth of the economy.

One reason stock prices advanced in January was that investors believed the Fed had nearly completed its tightening. It appears they believe the previous moderate tightening will slow, but not reverse, the economy, and reduce potential inflationary pressures. The prospects for that favorable scenario gave investors the confidence to buy stocks and move prices higher up toward fair value.

Industry Leadership

We invest based on ICON's proprietary valuation methodology, not Fed estimation. Currently the average value/price ratio for all the domestic stocks in our database is 1.12, meaning they are, on average, about 12% below our estimate of fair value. The industry leadership has had a theme of a cyclical or economically sensitive nature. The steel, metals & mining, consumer electronics, railroads and investment banking & brokerage industries are among the leaders. Many industries in the Information Technology sector are also leading. The semiconductor equipment, computers & electronics and communications equipment industries also are off to a strong start in 2006. Many industries that are not sensitive to the economy are lagging the market, including brewers, biotechnology and hypermarkets & supermarkets.

Bond Commentary

Until the last week of January, long-term interest rates had been trending downward from their recent high in early November 2005. The spike upward appears to us to be short term in nature and related to the government auctioning a new supply of bonds. It just takes a few days for investors to absorb the new supply.

The fact that long-term interest rates have not increased in tandem with short-term rates while the Fed has tightened monetary policy reflects that bond investors like the proactive stance against inflation. To us, it reflects optimism that inflation will remain moderate to mild.

ICON Advisers, Inc.

We are pleased to announce the appointment of Todd Burchett as Portfolio Manager of the ICON Bond, Industrials, and Telecommunication & Utilities Funds. Formerly a Research Analyst on the ICON Investment team, Todd now contributes to the management of these funds as a member of the Investment Committee. He earned a bachelor's degree at Stanford University and an MBA from The Ohio State University.

International Market Commentary

Japan, which had been a leading market in 2005, stumbled in mid-January. A scandal at one company triggered a sell-off that resulted in trading volume beyond the capacity of the Tokyo Stock Exchange. By late January, the broad Japanese market had moved on and resumed its climb.

Attractive international industries resemble those in the U.S. Industries from the Materials, Industrials and Information Technology sectors are leading the way. The theme appears very sensible and sustainable to our system as many of those global industries have the valuation and relative strength readings that our methodology finds appealing.

Last year, currencies dampened returns as the dollar strengthened. Stock prices were higher in many country markets but investors did not receive the full effect. Since November 2005, however, the U.S. dollar has generally weakened, which has given a boost to un-hedged international returns.

Summary

Attractive industries are plentiful and stocks, on average, are below our estimate of fair value. Fed guessing by many investors will probably continue to add volatility to the market. As long as valuation dictates, we will ride through those periods.

Prepared by ICON's Investment Committee.

Past performance does not guarantee future results. *Investment return and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Opinions and forecasts regarding sectors, industries and themes and portfolio holdings and composition 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.*

An investment concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment 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 tend to 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.

There are risks associated with small- and mid-cap investing such as less liquidity, limited product lines, and small market share. 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 high-quality bonds.

To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements. ICON's Value/Price ratio is a ratio of the intrinsic value, as calculated using ICON's valuation methodology, of a broad range of U.S. equities within ICON's system as compared to the current market price of those equities.

Please contact us in writing if you would like to receive, at no charge, the most recent copy of ICON's disclosure document, Form ADV, Part II. If your financial situation or investment objectives have changed, please notify your financial professional or ICON immediately.

Consider the investment objectives, risks, charges, expenses, and share classes of each ICON Fund carefully before investing. The prospectus contains this and other information about the Funds and is available by visiting www.iconadvisers.com or calling 1-800-764-0442. Please read the prospectus carefully before investing. Index Data Source: Bloomberg and FactSet Research Systems

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