Portfolio Update
July 2007

Domestic Market Commentary
The market has moved higher during the first six months of 2007. There have been setbacks along the way, but they have not been enough to dampen the fundamental strength of corporate profitability. Despite rumors out of China, concerns about sub-prime lending defaults, and a slowing housing market, stock prices have maintained their climb toward our estimates of fair value.

Even at current levels, stock prices, on average, are about 6% below our estimate of fair value as of June 30, 2007, with some industries even more attractively priced. Our system continues to identify buy and hold opportunities that meet our stringent valuation standards.

While many situations that concerned investors and added volatility to the market proved insignificant in hindsight, there is at least one issue that we believe carries legitimacy: rising long-term interest rates. Valuation, as we compute it, is inversely related to long-term interest rates. Normally, valuation grows as corporate earnings grow, but lately, the boost to value through increased earnings has been offset by rising long-term interest rates.

In our experience, rising stock prices and higher long-term interest rates eventually result in a market peak with overpriced stocks. As yet, that has not happened, and we believe it is still prudent to own stocks based on our valuation calculations. If stock prices continue to rise, if long-term bond yields continue to go higher, and if overpricing occurs, our valuation-based sell discipline will kick in. At ICON, our system does not forecast "what if" scenarios. Rather, it makes a determination relative to overpricing and underpricing when they occur.

Sector Leadership
We have detected some overpricing in the Materials sector, which dictates that we sell select stocks. We have reduced positions in that sector, not based on fundamental deterioration in the sector, but based on certain Materials companies being overpriced relative to our estimate of intrinsic value.

Year-to-date, the Standard & Poor's 1500 Materials Index has been among the top-performing sector indexes through June 30, 2007. That strength has caused overpricing relative to our calculation of value. In addition to Materials, the other sector leadership for 2007 appears similar to that seen in the March 2003-May 2006 market advance, with Energy and Industrials near the top.

It is interesting that the industry and sector leadership has returned to the theme that emerged after the market disruption in the summer and fall of 2006. During that setback and initial recovery, investors behaved as though they were convinced a recession was imminent. Looking back, we believe they were wrong; there has been no recession. As we saw, such quick theme changes and a lack of leadership clarity can be difficult for the ICON system to handle. We are comfortable with our current sector and industry positions, and we believe that we are in touch with the current theme.

As always, value-to-price and relative strength readings are our guides. Two new industries in the Information Technology sector have attracted our system's attention and appear to be part of the current leadership: technology distributors and internet software and services.

Bond Market Commentary
We have been fairly consistent in our view that while we did not expect a sustained rise in long-term interest rates, it was not time yet for a rally. We still maintain that view. While we hold short-term bond positions, long-term rates have not risen enough to give us valuation readings typical of bond buying opportunities. Our methodology suggests it is not the right time yet to hold long-term bonds in anticipation of a bond rally.

International Market Commentary
The value-to-price ratio for all international stocks in the ICON database as of June 30, 2007 is 1.07, similar to the 1.06 as of the same date for domestic stocks. As in the U.S., rising long-term interest rates have cut into international valuation readings.

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Asia stands out in our system as offering better value. The industry and sector leadership has been fairly similar to that in the U.S., with Energy, Materials and Industrials among the leading sectors. During the last few months, we have shifted our portfolios toward Asia and away from Europe, primarily guided by value.

In the Industrials sector, we have been pulled toward stocks from Taiwan, Malaysia and Singapore. Our system continues to find industries with desirable valuation and relative strength metrics.

Summary
While rising long-term interest rates are a concern, we do not believe conditions typical of a market peak are in place. We continue to identify and purchase companies priced at a discount to our estimation of fair value and to sell industries that we believe have become overpriced. Our valuation conditions dictate being invested.

Prepared by ICON's Investment Committee.

Past performance does not guarantee future results. *Investing in securities involves inherent risks, including the risk that you can lose the value of your investment. Investment return and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost.*

Opinions and forecasts regarding 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.

An investment in a sector fund may involve greater risk and volatility than a diversified fund. 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 higher-quality bonds.

The unmanaged Standard & Poor's (S&P) Composite 1500 Sector Indexes track the performance of sectors that comprise the S&P Composite 1500 Index. Total return figures for the unmanaged sector indexes do include the reinvestment of dividends and capital gain distributions but do not reflect deductions for commissions, management fees, and expenses.

To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements. ICON's value-to-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.

If you would like to receive, at no charge, the most recent copy of ICON's disclosure document, Form ADV Part II, please send your request in writing to: Attention: Compliance, ICON Advisers, Inc., 5299 DTC Boulevard, 12th Floor, Greenwood Village, CO 80111. If your financial situation or investment objectives have changed, please notify your financial professional or ICON immediately.

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