



## Reallocation Commentary January 12, 2007

Over the past few months, we have taken active overweight positions in two leading sectors, Information Technology and Consumer Discretionary, both of which continue to have upside potential based on our valuation analysis.

Also during this period, we have trimmed exposure to the former leadership in the Energy, Materials, and Industrials sectors and have carefully monitored these areas so that we can react quickly should conditions change.

Indeed, while the Energy sector remains undervalued according to our methodology, its relative strength has fallen sharply. Since it has become increasingly difficult to find attractive combinations of both value and relative strength within the Energy sector, we are trimming holdings in the Tactical and Balanced Portfolios and eliminating the Energy position in the Frontier Growth Portfolio.

Our analysis indicates that the Consumer Discretionary sector continues to be the most undervalued sector among the market leaders since the July 21, 2006 low, and we are slightly increasing our positions in the sector within the Tactical and Balanced Portfolios. As oil prices have fallen, it appears that investors are beginning to recognize the value that has built up in the consumer stocks over time.

We are identifying a number of Consumer Discretionary industries that meet our value and relative strength buy criteria: footwear, home improvement retail, homebuilding, and general merchandise stores to name a few.

***Past performance does not guarantee future results. Opinions and forecasts regarding industries, companies, 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. Portfolio composition and holdings are subject to change at any time and should not be construed as a recommendation of any security.***

***Management of the Portfolios involves sector allocation overlays using sector and diversified mutual funds as the investment vehicle. 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.***

***To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements.***

***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](http://www.iconadvisers.com) or by calling 1-800-828-4881; please read it carefully before investing.***

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