Reallocation Commentary
October 19, 2005

Based on our quantitative analysis, we have implemented several reallocations to properly reflect our view of the most attractive areas of the global equity markets. In the ICON Tactical and Balanced Portfolios, positions in the Consumer Discretionary sector are being reduced. Proceeds will be used to increase exposure to the Information Technology and Materials sectors. In the ICON International and Frontier Portfolios, we are increasing exposure to markets outside the U.S.

An increasing number of industries within the Consumer Discretionary sector have met our relative strength sell discipline, leading us to reduce exposure. Currently, the majority of industries we monitor in the Consumer Discretionary sector display, in our view, lagging relative strength figures.

Assets raised through these liquidations will be invested in the Information Technology and Materials sectors. In our view, within the Technology sector, a growing number of industries have emerged as market leaders over the past six months, and the sector remains about 10% undervalued based on our quantitative analysis. In the Materials sector, we continue to see strong value and leadership from issues in the steel and diversified metals & mining industries. Our second increase in the Materials sector allocation in two months reflects our view that this sector has become particularly attractive.

Also, for the second time in two months, we are increasing international exposure across ICON's Frontier Growth, Moderate, and Conservative Portfolios. This move is more significant than our rotation last August, reflecting the relatively attractive combination of industry value and relative strength we are seeing in markets outside the U.S. Our bottom-up valuation analysis indicates that the Asia-Pacific region is the most attractive, and we are targeting a majority of the allocation toward industries within the region. The Asia-Pacific region will become the most heavily weighted in the ICON International Portfolio and will have an increased position in the Frontier Growth, Moderate, and Conservative Portfolios.

Within ICON's Frontier series, three domestic sectors are being pared back or sold completely to increase exposure to the international markets: Consumer Discretionary, Leisure and Consumer Staples, and Telecommunication & Utilities. The Consumer Discretionary sector is being completely eliminated, because our analysis shows a persistent lack of relative strength across a number of industries. Leisure and Consumer Staples issues are also being sold as a result of low relative strength readings among the majority of industries within the sector. The Telecommunication & Utilities sector is being trimmed due to valuation concerns. One additional move is being made within the ICON Frontier Conservative Portfolio. The Portfolio's bond position is being slightly reduced to increase exposure to our covered call strategy. Over the past couple of weeks, call option premiums have spiked relative to levels over the past year. Meanwhile, our current metrics continue to indicate that U.S. equities are more attractive than bonds.

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.

An investment in a sector fund may involve greater risk and volatility than a diversified fund. Call options involve certain risks, such as limited gains and lack of liquidity of the underlying securities, and are not suitable for all investors. Investments in foreign securities may entail unique risks, including political, market, and currency risks. An investment in a region fund may involve greater risk and volatility than a more diversified fund. 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.