



Reallocation Commentary October 26, 2007

The ICON system guides us to allocate ICON's portfolios in the sectors and industries that are demonstrating what we believe are the optimal combinations of valuation and relative strength. Recent readings have dictated several sector adjustments in ICON's Tactical, Balanced and Frontier Portfolios.

Position Additions

- **Information Technology Sector.** While market capitalization is not an investment consideration for us, our system has detected what we consider to be attractive combinations of value and relative strength in the large-cap segment of the Technology sector. To take advantage of this leadership, we have increased Tech positions in the Tactical and Frontier Moderate Growth Portfolios.
- **Industrials Sector.** The Industrials sector continues to trade at a significant discount to our calculation of its intrinsic value and is among the leading sectors based on our relative strength metric. The Tactical, Balanced, Frontier Growth, and Frontier Moderate Growth Portfolios received an increased allocation of the Industrials sector to take advantage of these readings.
- **Telecommunication & Utilities Sector.** We have added to the Telecommunications & Utilities holdings in the Tactical Portfolio to gain more exposure to the integrated telecommunication services and wireless telecommunication services industries, which our system shows are offering value and relative strength.
- **Leisure & Consumer Staples Sector.** Within the Leisure & Consumer Staples sector, we have increased the Tactical and Frontier Conservative Portfolios' positions in the soft drinks and agricultural products industries based on value and relative strength.

Position Reductions

- **Consumer Discretionary Sector.** We have aggressively pared this sector in the Tactical, Balanced, Frontier Growth, and Frontier Moderate Portfolios due to what we measure as extremely low relative strength.
- **Health Care Sector.** We have trimmed the Health Care sector in the Tactical, Frontier Growth, and Frontier Conservative Portfolios due to a lack of value and relative strength across the 10 industries we track in the sector.
- **Energy Sector.** We have reduced exposure to the Energy sector in the Tactical and Frontier Moderate Growth Portfolios due to valuation concerns. Since its near-term low on August 16, 2007, the Energy sector has risen sharply. As a result, four of the seven industries we track in the sector are now trading at slight premiums to our calculations of fair or intrinsic value. The reduction in the sector takes it from being slightly overweight relative to the benchmark to being underweight.

Past performance does not guarantee future results. 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.

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.

An investment in a sector fund may involve greater risk and volatility than a diversified fund, and the Technology sector has been among the most volatile sectors in the market.

Fee Schedule

Account Value	Sector Allocation Series (Tactical & Balanced)	Frontier Allocation Series
First \$250,000	0.25%/month (3.0%/year)	0.25%/month (3.0%/year)
Next \$500,000	0.21%/month (2.5%/year)	0.21%/month (2.5%/year)
Next \$250,000	0.17%/month (2.0%/year)	0.17%/month (2.0%/year)
More than \$1 million	Negotiable	Negotiable

According to ICON, value investing is an analytical, quantitative approach to investing that employs various factors, including projected earnings growth estimates, 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 not guarantees of future results. Value investing involves risks and uncertainties and does not guarantee better performance or lower costs than other investment methodologies.

ICON's value-to-price ratio is a ratio of the intrinsic value, as calculated using ICON's proprietary valuation methodology, of a broad range of domestic and international securities within ICON's system as compared to the current market price of those securities. ICON's relative strength ratio is a ratio of the performance for the preceding six months of a group of securities within ICON's universe as compared to the preceding six-month performance of the broad market. To analyze intrinsic value, the ICON valuation methodology relies on the integrity of publicly released financial statements.

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.