



Reallocation Commentary

February 23, 2007

As 2007 has begun to unfold, we have continued to monitor industry leadership and value across the market and we are implementing adjustments as dictated by our quantitative process.

Recently, our value and relative strength metrics detected that the managed healthcare industry was one of the most attractive industries among the 147 we track. Based on our value-to-price measurements, we believe there is about 30% upside potential in this group, and it has been among the top-performing industries in our database during the last six months. To respond to these indicators, we have increased the Health Care positions in the Tactical, Balanced and Frontier Series Portfolios to increase ownership of the managed healthcare industry.

After falling out of favor in the early spring of 2006, the Industrials sector is once again one of the top-performing sectors in the market based on our relative strength readings and is about 15% undervalued, according to our valuation analysis. A number of industries within the sector have demonstrated strong combinations of value and relative strength, with the construction & farm machinery industry standing out as particularly attractive. The Tactical and Balanced Portfolios' positions in the Industrials sector have been increased to build a larger position in this industry.

To increase positions in Health Care and Industrials, we have pared overweight positions in the Information Technology sector. The relative strength in Information Technology that we witnessed last summer and into the fall of 2006 has faltered into 2007, so we are reallocating proceeds to more attractive industries within the Healthcare and Industrials sectors.

Due to combinations of value and relative strength, we had been overweight in the Financials sector. While the Financials sector remains reasonably attractive based on our estimation of value and relative strength, we have decreased our position based on a few industry valuations that indicate the sector no longer warrants a significant overweight as we had in place. Within the Financials sector, the asset management & custody banks is one industry that began to trade slightly above our estimate of fair value, so consequently, this industry is being reduced.

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.

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 global 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.

Consider the investment objectives, risks, charges, expenses, and share classes of each ICON Fund carefully before investing. The prospectus and the statement of additional information contains this and other information about the Funds and are available by visiting www.iconadvisers.com or by calling 1-800-828-4881. Please read the prospectus and the statement of additional information carefully before investing.

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