



Reallocation Commentary

April 24, 2007

With our monitoring of valuation and relative strength, we have determined that minor sector adjustments are a prudent response to recent conditions.

We have seen value in the Health Care sector increase, as it is currently trading at about a 17% discount to our calculation of its intrinsic value, so we are increasing its weighting in the Tactical and Balanced Portfolios. On an industry level, the pharmaceutical and managed health care industries look particularly attractive based on our estimation of value. The pharmaceuticals industry is trading at about a 25% discount to its intrinsic worth, while the managed health care industry is trading at approximately a 39% discount to its intrinsic value, according to our calculations. Both industries are showing price strength relative to the broader market over the past six months.

Conversely, stocks in the Telecommunication and Utilities sectors are up sharply this year, 9.72% and 12.72% as of 4/20/07, respectively, as measured by S&P Composite 1500 Sector Indexes.* With these gains, our measurements indicate that the sector's value-to-price ratio has fallen to 1.03 and that certain industries are showing declining relative strength, so we are trimming the Telecom & Utilities position in ICON's Tactical and Balanced Portfolios.

In ICON's international portfolios, we are increasing positions in the Asia-Pacific region and paring our weighting in European stocks. A sharp spike in European interest rates over the past month and a half has driven down value in the region. The current value-to-price ratio for the European region is 1.06, while Asia-Pacific, on the other hand, has a value-to-price ratio of 1.20 by our estimation. We are seeing combinations of value and relative strength in Asia-Pacific stocks and are accordingly tilting in that direction.

Within Asia, our system indicates that Hong Kong, Malaysia, and Singapore have particularly attractive combinations of value and relative strength. In the Frontier Growth and Moderate Growth Portfolios, we are decreasing holdings in the Information Technology sector to increase exposure to this region. The Information Technology is trading at only an 8% discount to its intrinsic worth and has performed about in line with the broader U.S. market during the past six months.

*ICON combines the Telecommunication and Utilities sectors into a single sector for its research and tracking purposes.



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. 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 may 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. An investment in a region fund may involve greater risk and volatility than a more diversified fund.

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. 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 and the statement of additional information contain 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.

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.

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